BUDGET FORMAT

The FY2017 adopted budget document for the City of Fort Worth provides historical, current, and future comparisons of revenues and expenditures; planned allocations of resources - both fiscal and personnel; and brief descriptions of the anticipated annual accomplishments of City programs outlined in each department's business plan.

FUND STRUCTURE

Operating budgets are divided into several different funds. Activities supported by tax dollars are included in the General Fund and Debt Service Fund. Enterprise Funds are those that are funded on a fee-for-service basis, such as the Water and Sewer Fund and the Municipal Airports Fund. Services that are provided internally by City departments on a fee-for-service basis for other City departments, such as the Equipment Services Fund, are specified as Internal Service Funds. Finally, Special Revenue Funds are financial accounts for special revenue sources. An example is the Culture and Tourism Fund, which administers revenue collected from the City's hotel and motel occupancy tax and from the operation of the City's public venues. Each of these fund types is included in the City of Fort Worth adopted budget.

BUDGET DOCUMENT STRUCTURE

The budget document itself is divided into several sections. The document begins with an overview of the City's adopted budget in the City Manager's message. It is followed by introductory information and summaries of revenues and expenditures, including tax base and rate data. The next sections describe personnel resources by department and finally, a calendar of budget milestones is included.

CITY STRATEGIC GOALS FOR CITY DEPARTMENTS

The Fort Worth City Council conducted a priority planning process to deal proactively with the many opportunities and challenges facing the Fort Worth community. This process was very influential in guiding the activities of citizens, council and staff for the next five years. Overall, the City of Fort Worth will continue to concentrate on five top-priority strategic goals for FY2017:

Make Fort Worth the nation's safest major city
Improve mobility and air quality
Create and maintain a clean, attractive city
Strengthen the economic base, develop the future workforce, and create quality job opportunities
Promote orderly and sustainable development

The intention of these strategic goals is to provide a clear and concise statement about where the City Council wants Fort Worth to go in the next five years and to stimulate broader discussion of the important issues facing Fort Worth now and in the future. These strategic goals are interrelated and all departments strive toward the achievement and realization of these goals.

GOVERNMENTAL FUNDS

These funds are used primarily for revenues and appropriations associated with the City's "governmental-type activities", such as public safety and regulatory functions, that are funded primarily by non-exchange revenues such as taxes and accounted for on a modified accrual basis.

General Funds:

Departments that comprise the General Fund are listed in an alphabetical order in the budget document.

City Attorney's Office
City Auditor's Office
City Manager's Office
City Secretary's Office
Code Compliance
Economic Development
Financial Management Services
Fire
Human Resources
Library
Municipal Court
Neighborhood Services
Non-Departmental
Park and Recreation
Performance and Budget
Planning and Development
Property Management
Police
Transportation and Public Works

Special Revenue Funds:

Alliance Airport Facility Maintenance
Community Tree Planting Program
Crime Control & Prevention District
Culture and Tourism 2% Hotel Occupancy Tax
Culture and Tourism DFW Revenue Share
Culture and Tourism
Environmental Protection
Justice Asset Forfeiture
Lake Worth Trust
Lake Worth Trust
Library Automation Systems Sharing
Municipal Golf
Red Light Enforcement
Special Donations
Special Trust
State Asset Forfeiture
Treasury Asset Forfeiture
Special Trust

General Debt Service Fund:
This fund accounts for money used to pay the interest and principal of the City's long-term, tax-supported debt.

PROPRIETARY FUNDS

This section is comprised of the Proprietary Funds, which includes Enterprise Funds and Internal Service Funds, that account for the City's organizations and activities that are similar to businesses found in the private sector. These funds are intended to be self-supporting with services being financed through user charges or on a cost reimbursement basis.

Enterprise Funds:

Municipal Airports Fund
Municipal Parking Fund
Solid Waste Management Fund
Stormwater Utility Fund
Water and Sewer Fund

Internal Service Funds:

Capital Projects Service Fund
Equipment Services Fund
Group Health and Life Insurance Fund
Information Technology Systems Fund
Risk Financing Fund

BUDGET PROCEDURE, BASIS AND PHILOSOPHY

BASIS AND PHILOSOPHY

The City Council is responsible for legislation, policy formulation and overall direction setting of the government. This includes the approval of financial policies which establish and direct the operations of the City of Fort Worth. The City Manager is responsible for carrying out the policy directives of the City Council and managing the day-today operations of the executive departments, including the Department of Finance. The Chief Financial Officer/Director of Finance administers policy on behalf of the City Manager.

The City's framework for fiscal decision-making is a comprehensive set of Financial Management Policy Statements. As required by charter, the City adopts an annual balanced budget for which the level of expenditure for each department or fund may not legally exceed the appropriations for that department/fund. The budget was constructed around the City Council vision for the long-term direction of City services and the associated desired culture and environment. The City's departments created plans that address the appropriate level of funding required to meet stakeholders' needs based upon the City vision previously established. The budget is prepared in a manner that reflects the full cost of providing services and display estimated beginning fund balances/net position, estimated revenue and receipts, appropriations, and the estimated year-end fund balances/net position.

The City budgets for governmental funds, which include the General Fund, Capital Projects Service Fund, Special Revenue Funds and Debt Service Fund, using the modified accrual basis of accounting with the exception that changes in the fair value of investments are not treated as adjustments to revenue in the annual operating budget.

The budgets for all proprietary funds, which include enterprise funds and internal service funds, are prepared using the full accrual basis of accounting. Internal service funds shall be maintained to account for services provided primarily to departments within the City. Under this method, with limited exceptions, revenues are recorded when they become measurable and available to finance expenditures, and expenses are recorded at the time liabilities are incurred. Exceptions to the foregoing general principle are:

- Changes in the fair value of investments are not treated as adjustments to revenue in the annual operating budget;
- Debt service and capital lease principal payments are treated as expenses in the annual operating budget;
- Depreciation expense is not recognized in the annual operating budget; and
- Capital purchases are recognized as expense in the annual operating budget

Budgetary Control:

Budgetary controls begin with City Charter requirements that the City adopt an annual balanced budget by formal resolution for all City funds. Further, at a minimum, the legal level of control is at the department level for each fund for which a budget is adopted. The department is responsible for administering their respective programs within the financial constraints described by the adopted budget. The Chief Financial Officer/Director of Finance will provide regular reporting to the City Council regarding the status of actual expenditures, expenses, and revenues compared to the adopted budget.

Balanced Budget:

A budget ordinance is balanced when the sum of estimated revenues and appropriated fund balances/net position is equal to appropriations. Operating revenues and other financing sources must fully cover operating expenditures/expenses, including debt service and other financing uses. Operating expenditures/expenses for the purposes of balancing the annual budget shall include that year's contribution to capital funds required to maintain existing assets. Furthermore, operating expenditures/expenses shall include the portion of funds required to maintain the viability of internal service funds for the purposes in which they were created. In addition, minimum reserve levels as

outlined in the Financial Management Policy Statements must be maintained unless reserves are being used in accordance with the purposes permitted by the City's policy.

The City shall take an objective and analytical approach to forecasting revenues, expenditures and expenses as accurately as possible. Though the City will use the best information available to estimate revenues accurately, including mileage rates and tax revenues, absolute certainty is impossible. Should revenues be overestimated, the spending plans and priorities established during the budget process shall be used to propose appropriations and spending as required to bring the budget into balance. The Financial Management Services Department shall monitor revenue incomes and expenditure/expense outflows to assess the implications of the annual budget in order to provide timely updates on actual financial performance. Current portions of long-term liabilities are fully funded in order to maintain the trust of creditors and avoid accumulating excessive liabilities over the long-term.

The overall budget appropriation may be increased via a supplemental appropriation ordinance that allocates funds that are certified as being in excess of those included in the budget and as being otherwise unencumbered. These amendments shall be considered and adopted by the City Council at formal business meetings except for specific adjustments when limited authority is delegated to the City Manager, Chief Financial Officer/Director of Finance as prescribed within the adopted budget ordinance.

The City Manager, as empowered by the charter, may transfer part or all of any unencumbered appropriation balance among programs within a department, division or section upon compliance with such conditions as the City Council may establish by ordinance. Upon request by the City Manager, the Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department to another. No such transfers shall be made of revenues or earnings of any non-tax supported public entity to any other purpose.

PROCEDURE

The operating budgets are developed on an annual basis through supplemental programs, such as departmental business plans and performance measures/ key performance indicators. Together, these documents and activities provide a comprehensive plan to deliver efficient services to residents and stakeholders of the City in a manner that aligns resources with the policy, goals, mission, and vision of the City. The formulation of the budget, includes the publication of a comprehensive budget document and is one of the most important financial activities that the City of Fort Worth undertakes each year.

The City's fiscal year runs from October 1 through September 30th. The Fort Worth City Charter provides that on or before August 15th each year, the City Manager must submit to the City Council a proposed balanced budget that provides a complete financial plan for all city funds and activities for the ensuing year. The budget is required to be adopted by the City Council at least ten days after the first publication of the appropriations ordinance, which when so adopted shall constitute the City Council's appropriation of all funds for such year. Regarding these factors, the Budget and Research Division establishes a budget schedule each year to enable the City Manager and their staff to prepare a proposed budget that will meet all provisions of the City Charter and provide the City Council with a thorough, informative description of the level of municipal services being proposed and their costs.

Below is a synopsis of each budget process phase as it pertained to the FY2016 budget preparation:

Personnel Data (SBFS) Cleanup:

The annual budget preparation process took place in early February when the Budget and Research Division opened the Budget Reporting and Analysis Support System (BRASS) budget software to the departments to start the salary and benefits adjustment/clean up process. The personnel data cleanup allowed departments to make any necessary corrections to personnel information from the previous fiscal year to ensure that the appropriate amount of funding is budgeted for salaries and related personnel costs in the following fiscal year.

Budget Kickoff:

The “Budget Kickoff” meeting was on March 3, 2016. During the meeting, the City Manager outlined the financial policies used to guide departments during the budget process. The Budget and Research Division distributed budget instructions and standard budget forms to departments. This also marked the opening of the BRASS Budget system for the departments to input their budget requests.

Multi-Year Financial Forecast:

The Budget Office prepared the City's Multi-Year Financial Forecast (MYFF) for the General Fund. The intention was to give the Council a big-picture framework and long-term context in which to make annual budget decisions. The forecast also served to prepare the Council for any anticipated discrepancies between projected revenues and expenditures in future years.

This comprehensive forecast was developed over the course of three months with the assistance of staff in Financial Management Services, Planning and Development, Human Resources, Economic Development, and other departments. It featured detailed projections for each expenditure account, including the following: general and civil service salaries; group health insurance; motor vehicle fuel cost as well as gas and electric utilities. Revenue accounts were projected with similar scrutiny. Property tax revenue was projected using permitting data and historical growth trends, sales tax revenue using historical analysis and the impact of the current economic environment as well as licenses, permits and fines based on an in-depth analysis by the associated departments. The forecast also included other assumptions, including Police and Fire contractual increases. The forecast projected revenues to outpace expenditures. Property taxes – the largest single component of General Fund revenue – were projected to show steady increase based on strong growth in real estate construction. Another concern that was highlighted during the forecast was the volatility of sales tax revenues, which are heavily influenced by prevailing economic conditions, individual consumer discretion and world events.

Departmental Request Phase:

Departments prepared base budget requests to continue current services within a specified target figure. Any new programs a department considered were submitted as improvement/exception decision packages. The consequences of the failure to fund these items also had to be provided. The departmental budget request was comprised of a line-item expenditure request that was supplemented with detailed justifications. All requests for funding had to be related to specific program needs and had to be measurable in terms of effectiveness. This phase lasted until late March, when the BRASS Budget System was closed and departments were required to submit their requests for the next fiscal year.

Analyst Recommendation Phase:

The Analyst Recommendation Phase of the budget process began with careful budget analyst review of the budget requests submitted by their assigned departments. Based on analysis of historical spending patterns, current year-end budget estimates, budgetary supporting detail and other information provided, the budget analyst adjusted the department’s budget request. During that analysis process, some budget analysts returned to a department for clarification regarding budget requests. In that manner, budget analysts formulated their budget recommendations, which summarized the recommended budget and authorized position levels, as well as all proposed major funding changes. The recommendations were presented to the Director of the Financial Management Services Department / Chief Financial Officer, budget managers, and each department’s director and fiscal staff who provided feedback for the analysts to make any necessary modifications to the budget recommendation for each department.

Proposed Budget Phase:

The City Manager, the Assistant City Managers, budget staff and the department fiscal staff met to review budget submissions and to develop consensus-based recommendations and make any necessary adjustments. Budget staff implemented the final changes and began preparation of the City Manager's proposed budget document, entitled the Annual Budget and Program Objectives as Proposed by the City Manager.

The proposed budget document is supplemented with a book that contains copies of funded program improvement packages, as well as program reduction packages. While improvement packages represent expanded or new programs, reduction packages represent a department's proposal for potential programs or items to be cut from the budget, should the City Council determine that budget reductions are necessary. These improvement and reduction packages are reviewed as part of the budget process. The City Council is advised to use the decision package book as a means to evaluate various service levels within existing budget parameters. The decision packages allow the Council to compare the needs in a system-wide perspective with clear, programmatic consequences of funding decisions.

Once the City Manager's proposed budget is presented to the City Council, the City Council deliberation phase begins. In this phase, the City Council will hold a number of budget workshops in which the departmental budgets are presented to Council members for their review and input. These budget workshops occur over one month and may result in City Council-directed modifications to the proposed budget. These study sessions result in the adoption of the budget at a City Council meeting in mid-September after a minimum of two public hearings where citizens' comments have been received and considered by the City Council. The newly adopted budget becomes effective October 1.

Adopted Budget Phase:

In the Adopted Budget Phase, budget staff incorporates all budget changes agreed upon by the City Council into the budget document. The budget document is divided into separate sections for each of the City's funds, and each fund is subdivided into departments. Supplementary data is provided for each department, including a departmental summary that explains the primary purpose of the department and lists the expenditure and staffing data, an organization chart outlining the various functional divisions of the department, a listing of departmental objectives and corresponding program measures, a five-year revenue and expenditure forecast and a summary of expenditure and staffing levels by cost center.

Budget and Property Tax Setting Calendar and Schedule of Meetings
(Proposed Tax Rate Exceeds Effective or Rollback Tax Rate)
(September 13th Budget Adoption)

Throughout the process, residents are provided opportunities to give input for the budget's development through Public Hearings. Also, a number of City Council budget workshops and presentations are held on the Proposed Budget. The below represents the schedule needed to meet statutory requirements for the FY2017 Budget:

Tuesday – August 2, 2016 **Pre-Council Meeting (3 p.m.)**
- Presentation on City Manager's Proposed Fiscal Year (FY) 2017 Capital Budget

Tuesday – August 9, 2016 **Pre-Council Meeting (3 p.m.)**
- Presentation on City Manager's Proposed FY2017 Operating Budget

City Council Meeting (7 p.m.)
- M&C to authorize submitting Application for Funding to CCPD Board

Thursday and Friday – August 18/19, 2016 **Budget Workshop (9 a.m.)**

- Welcome – Honorable Betsy Price, Mayor
- Discussion of FY2017 Operating and Capital Budgets – David Cooke, City Manager
- Wrap-Up Discussion – Honorable Betsy Price, Mayor

Thursday – August 18, 2016 **CCPD Meeting (5:30 p.m.)**
- Presentation of Proposed CCPD Budget to CCPD Board
- CCPD 1st Public Hearing on its Budget

Tuesday – August 23, 2016 **Pre-Council Meeting (3 p.m.)**
1st Public Hearing on City Budget at City Council Meeting (7 p.m.)
1st Public Hearing on Tax Revenue Increase at City Council Meeting (7 p.m.)

Thursday – August 25, 2016 **Budget Workshop – if needed (9 a.m.)**

Thursday – August 25, 2016 **CCPD Meeting (5:30 p.m.)**
- 2nd CCPD Public Hearing on its Budget
- CCPD Board Adopts CCPD Budget

Tuesday – August 30, 2016 **Pre-Council Meeting (3 p.m.)**
2nd Public Hearing on City Budget at City Council Meeting (7 p.m.)
2nd Public Hearing on Tax Revenue Increase at City Council Meeting (7 p.m.)

Thursday – September 1, 2016 **Budget Workshop – if needed (9 a.m.)**

Monday – September 5, 2016 **Labor Day Holiday**

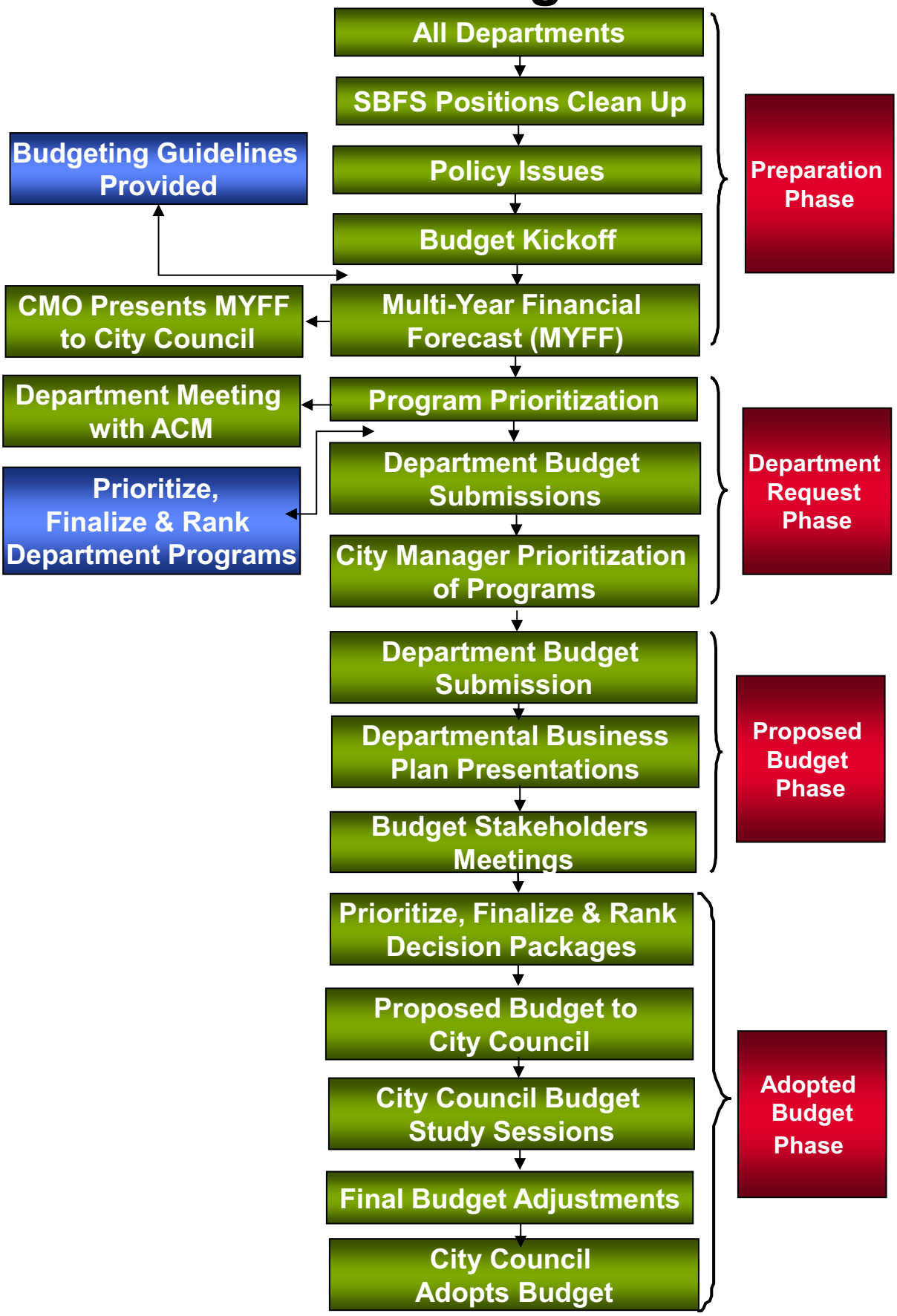
Tuesday – September 6, 2016 **CANCELLED City Council Meeting**

Tuesday – September 13, 2016 **Pre-Council Meeting (3 p.m.)**
Council holds Public Hearing on Board Approved CCPD Budget at City Council Meeting (7 p.m.)
Council approves or rejects CCPD Budget at City Council Meeting (7 p.m.)
Proposed Budget Adoption at City Council Meeting (7 p.m.)
Proposed Adoption of Tax Rate at City Council Meeting (7 p.m.)

* Denotes statutes that were amended. No amendments will impact the City until the FY2018 budget.

FORT WORTH®

Annual Budget Process



POLICY ISSUES

This section provides an overview of issues for FY2017 that are expected to result in some level of budgetary and/or operational impact over the next one to five years. The issues listed are often in the preliminary or problem identification stage, could pose significant resource allocation challenges in the near future, and/or adequately addressing the issue will require some sort of City Council action/decision. While some of the issues may result in requests for funding, others may require setting broader policy to meet future or existing service needs or adjustments to service level expectations in the City of Fort Worth.

AVIATION

Meacham Airport Administration Building Renovation. Complete construction on the $21.4 million Meacham Airport Administration Building renovation project, with completion scheduled for December 2016. The Administration Building at Fort Worth Meacham International Airport was built in 1968. Other than a first floor addition in 1982, there have been no updates to the original structure. The renovation will remove the 1982 addition increasing the size of the apron. To make up for the loss of the 1982 addition, a third floor encompassing 23,000 square feet will be added. The lower level, currently used as basement space, has been designed to allow natural lighting on the east, south and north ends making the space more attractive for leasing. This renovation project will also address many deficiencies that include an outdated heating ventilation and air conditioning system, cooling towers that are under constant repair, lack of fire protection systems on the ground level and second floor, and Americans with Disabilities Act accessibility concerns.

Spinks Airport North Service Road. Complete construction on the $3 million Spinks Airport North Service road, with completion scheduled for December 2016. Currently, a gravel road exists that begins at the Air Traffic Control Tower and extends north connecting the Airport's east and west sides. This road is inadequate for most vehicles, notably fuel trucks that need to offload fuel to self-serve tanks on the east side of the airport. At present, drivers are required to contact Air Traffic Control and obtain permission to cross active runways. This is a safety concern recognized by the Texas Department of Transportation (TxDOT) and requires constant monitoring by Staff to ensure there will be no collisions on the runways. The new perimeter road will be a two lane concrete road of 1.3 miles in length and upon completion will eliminate the need for any vehicles to cross active runways. The road will also open up the northwest side of the airport for development.

CITY ATTORNEY'S OFFICE

Need for Additional Attorneys. An increase in construction contracts due to the implementation of the Capital Improvement Program has resulted in the need to dedicate another attorney to the process which takes resources away from other areas. The number and complexity of employment law claims has also increased, as well as the number of real estate transactions, which has resulted in the need to add attorneys to both areas of law, further reducing existing resources. Lack of legal personnel available to dedicate to legislative issues during the legislative session has further diverted resources from other areas and has slowed response time on general services.

The 1.161 million dollar bond program for the expansion of municipal court services was approved and the new jury courtroom. This new courtroom will create the need for additional prosecutors to handle the expected increase in workload. Additionally, there will be a need for additional prosecutors over the next five years due to the reorganization of the Municipal Court under its new director, the City's population growth and as the number of courtrooms increases. Lack of additional prosecutors will delay, if not completely prevent, the opening of any additional satellite courts, which has been a goal of City Council. Due to the growth and increasing complexity of the issues facing the Police Department, it is anticipated that there will be a need for an additional police legal advisor with experience and expertise. Funding for succession planning will be crucial as several senior lawyers will be eligible for retirement in the near future.

Need for Paralegals. Support Staff and Mid-Range Attorney Salary Deficiencies. Support Staff: Most of the support staff salary inequities were remedied with the 1% increase in payroll set aside in FY2015 to address the compensation issues, but support staff salaries remain under market, ranging from 3% to 5.93%. The administrative services coordinator salary is currently 21% below mid-range. These factors make it difficult to retain and recruit experienced support staff but it is expected that the Pay for Performance will alleviate some of the salary shortfall except for the administrative services coordinator position. Pay for Performance increases will not, however, address the concern that the support staff is often functioning in the capacity of a paralegal without corresponding compensation.

Attorneys. Based on the recent compensation and classification study completed by the Human Resources Department, attorney salaries are behind other comparable cities and well below the mid-range established by the study. There are thirty-five attorney positions in the office, including the City Attorney. The deputies and three assistant city attorneys are at or above mid-range. There are four attorneys that are 7% to 12% below mid-range, fifteen attorneys are 13% to 19% below mid-range and ten attorneys are 20% to 26% below the mid-range. The salaries for the attorneys assigned to DFW are comparable to their Dallas counterparts and are not included in the above numbers. Funds set aside for Pay for Performance will not address these deficiencies. We have lost five attorneys in the last year, including three minorities. Salary issues will have to be addressed to avoid the loss of expertise, diversity and strong performers within the Department.

CITY SECRETARY'S OFFICE

Enterprise Information Management System (EIMS) and Staffing. Acting upon the initiative of the City Secretary's Office in FY2012, which acquired available Laserfiche document management licenses excessed by closure of the City's Public Health Department, the Information Technology Solutions Department identified reserve funds to acquire additional software and professional services to deploy Laserfiche as the City's Enterprise Information Management System (EIMS). Initial funding for the system included the acquisition of 200 licenses to be used among deployments not only in the City Secretary's Office, but ultimately within the Police, Library, Human Resources, Transportation/Public Works, IT Solutions, and Financial Management Services Departments.

Continued funding is required for the eventual enterprise-wide deployment and continued support of the system, including incremental software funding identified in IT Solutions' budget. The expanded use of the system has necessitated the hiring of one additional Records Information Management (RIM) position to provide comprehensive oversight for the expanded deployment and use of EIMS. This position was approved, included in the FY2016-2017 budget, and, upon hiring will work in collaboration with IT Solutions and user departments to oversee the enhanced citywide management of electronic records. This enterprise-wide coordination will greatly enhance collaboration across the organization, cost avoidance, efficiency and transparency of information and processes.

Restoration of City Council Minute Books. Approximately 70 to 80 historical minute books need to be restored which includes de-acidification of pages and imaging of books. Eleven (11) of the books have been restored with annual funding allocations. At this pace, the process will take many years to complete. During that time, the condition of the books will continue to deteriorate. Increased funding in upcoming budgets will be needed to complete this project. While imaging of the books is vital for research purposes, it would be in the best interest of the City to have the handwritten minutes transcribed into typed documents to make them searchable by City staff and interested residents.

CODE COMPLIANCE

Mosquito Surveillance and Response. During the 2017 budget process the City funded mosquito surveillance and response primarily through a professional services agreement with the University of North Texas Health Science Center. With the continued development of new mosquito borne illnesses this level of funding will need to be maintained or possibly increased in the years to come. Consumer Health staff are over-extended during the mosquito season. We must continue to look for technology, efficiencies or revenue to support additional staff to ensure that the safety of our restaurants, daycare centers, and public pools are not compromised.

Revenue Billing and Collection. The Code Compliance Department currently has several legacy systems that inefficiently track accounts receivable for high weeds and grass, demolitions, boarding/securing, and nuisance abatements. This data will need a review for accuracy prior to the conversion to PeopleSoft Accounts Receivable Module and interfaces with existing work order systems will need to be created. The end goal is to increase efficiency of accounts receivable, to reduce delinquent accounts and ensure receivables are properly tracked. These legacy systems remain in use for FY2017.

North Shelter and Extended Hours of Service for Animal Field Operations. The City will open its first Animal Shelter Annex in November 2016 to provide better service and availability to citizens in north and far-north areas of the City. Though this will provide increased efficiency for Field Officers servicing the north area, it also provides need for more efficient logistics and transport of animals between the main shelter and the annex. During FY2016 the City Manager appointed a Task Force to perform an in-depth study of departmental operations and several weaknesses in staffing were identified to better meet residents' needs. These staffing needs are compounded as we face increasing pressure to extend Field Operational hours. Adding to our current operational demands, the 2014 Bond program approved funding to acquire land and design a second city animal shelter in north Fort Worth.

CODE COMPLIANCE / SOLID WASTE FUND

Comprehensive Solid Waste Management Plan (CSWMP). The practice of solid waste management in the United States has significantly changed over the past 20 years since the City's last solid waste management plan was approved in 1995. In many cases, practices have caught up with or exceeded the forward thinking program that Fort Worth implemented in 2003 and has enhanced over the past 12 years. A long range CSWMP that recommends where Fort Worth needs to advance over the next 20 years to handle the waste generated (commercial and residential) by one of the fastest growing major cities in the United States in a more sustainable manner is necessary.

The department has presented the Draft CSWMP to City Management, City Council and the community, and is striving to present the Final CSWMP for City Council adoption in early 2017. The Draft CSWMP has identified over 130 individual action items that will be evaluated, implemented or maintained through 2036, once approved.

Addition of One or Two Drop-off Stations. The City currently operates three drop-off stations where residential customers can dispose of excess trash, brush and recyclables. The existing stations are located at 2400 Brennan Avenue on the near north side, 5150 Martin Luther King Freeway in southeast Fort Worth and 6260 Old Hemphill Road in south Fort Worth. An additional drop-off station, currently under construction, at 301 Hillshire Drive will serve residents in the Alliance corridor area of far north Fort Worth. Future plans include construction of a drop-off station in west Fort Worth and an additional drop-off station in far east Fort Worth. In addition, allowing residents to drop off household chemicals (currently restricted to the Environmental Collection Center at 6400 Bridge Street) and reusable items that typically are donated will be implemented in the next year.

Comprehensive Litter Plan (CLP). The department began developing the City's CLP to improve the community aesthetics, stormwater quality and economic vibrancy, while reducing the impacts of neighborhood blight and mosquito breading areas. Additional services such as completing street sweeping along major thoroughfares and arterial road, enhanced placement and servicing of public trash (and in some cases recycling) containers, and expanded litter education and abatement programs will be implemented in conjunction with key partnerships (internal and external). These services are currently being developed and implemented with no offsetting revenues.

Disaster Debris Management Plan (DDMP). In conjunction with the Emergency Management Office, the City's DDMP has been developed and rolled out to other key City departments. Handling debris following a significant disaster or storm event is very resource intensive (equipment, personnel, time and potentially additional contractors) and extremely costly. Our DDMP will help the City successfully navigate future event effectively and efficiently to lessen the impacts to the entire community and City services.

One Call Customer Service System Staffing. Previously a study to review and research the need for a centralized call center, using 311 and a single 10-digit telephone number to absorb the city call centers was conducted. An analysis of this study has been formulated to determine the cost, how and when the City should implement a centralized system. Once implemented as a citywide asset, additional staffing needs from the Code Compliance Department may be required to support this new service system.

CODE COMPLIANCE / ENVIRONMENTAL PROTECTION FUND

Changing State and Federal Environmental Mandates/Clean Air Act Compliance Requirements. North Texas is currently in nonattainment for ozone by National Ambient Air Quality Standards. The existing standard, revised in 2008 to 75 parts-per-billion (ppb) from 85 ppb, has resulted in the need for implementation of additional control measures. The Environmental Protection Agency is currently considering a further reduction to between 60 and 70 ppb. Potential control measures that may be enacted and affect the City of Fort Worth operations include, but may not be limited to, regional policies and partnerships, the institution of fees and fines, an independent enforcement situation, and/or other tactics to limit or reduce ozone precursor emission production. Costs associated with these requirements cannot be determined until the Clean Air Steering Committee completes control measures anticipated for the new State Implementation Plan (SIP) to improve air quality in the Dallas-Fort Worth (DFW) area and meet the requirements of the Federal Clean Air Act. Additional costs may also be associated with the U.S. Supreme Court decision regarding cross-state carbon dioxide emissions, especially from coal-fired plants.

Sustainability. Sustainability is a broad term used to define a business practice wherein an organization's environmental "footprint" is defined and policies and measures are implemented to minimize or eliminate this impact. Sustainability issues potentially include, but are not limited to, the minimization of the City's waste stream, implementation and enforcement of a clean fleet policy, the application of smart growth and resource conservation programs, and green economic development models. Sustainability continues to drive compliance and development issues. As the City looks to implement the recommendations of the City's Sustainability Task Force, in addition to required state and federal resource conservation and preservation rules, increased effort will be required to ensure that appropriate evaluation, reductions, and compliance measures are being recorded in the public, private, and commercial sectors. No cost estimate has been determined at this time.

ECONOMIC DEVELOPMENT

Implementation of Economic Development Strategic Plan. The Economic Development Department will lead an effort in partnership with identified stakeholders and with the assistance of an outside consultant to develop a Strategic Economic Development Plan ("the plan") for the City of Fort Worth. The plan will coordinate, as appropriate, with adopted local, regional (and sub-regional) economic development plans and initiatives.

Additionally, the plan must outline clear lines of responsibility, partnerships, defined and expected outcomes, and the ability to measure progress and update the plan over time.

More specifically the plan will address the multiple challenges identified by the City Council during its annual retreat that should be part of an effective economic development program:

- The growth of residential based tax base outpacing the growth of commercial tax base
- The stagnation of the average income of households in Fort Worth
- Growing income and education disparities Engaging in education and meeting future workforce demands
- Central City Revitalization
- Review/update of growth policies and standards

The plan is intended to define, identify, and revise specific strategies, actions, and programs for the City of Fort Worth and partner organizations to address the desires of the City Council and the citizenry.

Customer Relation Management and B2G Now Software. Economic Development is a diverse and increasingly complicated business with significant demands for accountability and transparency. In order to enhance the department's efforts to comply with GASB77, as well as 49 CFR Part 23 & 26, the need for appropriate resources and technology remains a key priority for the department. Both resources would allow for a streamlined approach to project and compliance management, as well as improving communications with stakeholders, such as certified firms and prime contractors. B2G Now also protects the organization by preventing fraud through the procurement process.

Facility/Maintenance Needs for the Guinn School. The buildings on the Guinn campus were completed almost 20 years ago and while the buildings are structurally sound, there are ongoing maintenance, repair and renovation needs that have not been addressed. New roofing and HVAC systems have been identified as areas of concern as the campus has not had a comprehensive maintenance plan in place. Signage at the campus is inadequate and the buildings cannot be identified even though the campus is situated on the access road of I-35. The telecom and internet networks are sub-par which leads to challenges not only with city staff, but with tenants leasing space on the campus.

Construction of Guinn Plaza. In February 2007, the City Council assembled a citizen committee to consider conceptual designs for a commemorative plaza to be located on the historic James E. Guinn School campus at I-35 South and East Rosedale Street. By June 2007, Komatsu & Associates architects had presented a conceptual design of the plaza, which was approved by the committee. The Fort Worth Public Art staff provided examples of the types of public art that could be integrated into the plaza in order to commemorate James E. Guinn and the historic elementary school that once existed on the site. Funding for the design, construction and public art components of the plaza was approved in 2008 through the Southside TIF and the Fort Worth Public Art Program. However, work was not completed due to the economic downturn and the cost estimates for the plaza design have risen over the last few years resulting in a funding gap that needs to be addressed in order to reach project completion. This has been a high priority item for the near southeast community for several years and would complete the overall footprint of the Guinn school campus once completed.

Need for Office of Business Diversity Outreach Specialist. As the Office of Business Diversity takes on expanded efforts to increase capacity for minority and women owned firms, the increased workload is impacting our resources in the areas of contracting compliance. The need for a specific outreach coordinator will allow the department to focus efforts on joint venture programs, mentor/protégée relationship building with larger prime contractors and sub-contractors, and coordination with partner entities such as the North Central Texas Regional Certification Agency.

Need for Business Assistance Center Manager. Over the past five years, the Business Assistance Center (BAC) has lost five (5) staff members due to reorganization and budget cuts. These positions include two Business Development Managers, two Marketing Coordinators and one Web Master. These duties have been spread out over existing staff, but as our client impact continues to grow, it is becoming increasingly difficult to administer and promote programs that serve our small business community. Since the BAC is partially funded through a grant from the University of North Texas Health Science Center and has job creation/retention as performance metric, it is vital that the program has adequate staffing in place to complete its mission. If the BAC is not able to adequately manage and report its success in implementation of the grant, there is a potential loss of funding of over $500,000 annually that could become a general fund impact in order to keep the Center operating.

Need for additional office space. There is a consistent need for additional conference room and office space for clients and partner organizations the Guinn Campus. Underutilized space that is currently being used as a breakroom could potentially be reconfigured for additional office or conference room space. This would allow the BAC to bring in additional small business resources and have space for additional staff if necessary.

FINANCIAL MANAGEMENT SERVICES

Enterprise Resource Planning (ERP) Phase II Implementation. The City is in the midst of moving from multiple fragmented systems to an integrated business management system or ERP software. The transition from decades old systems to a true ERP system requires a hard look at current processes. Implementation presents an opportunity to reengineer and update business processes across the organization. Change management organizationally requires ongoing effective communication and training with stakeholders to create alignment with the overall strategic direction of the organization.

Revenue Collection and Diversification. The City utilizes a decentralized system to collect revenues included within the annual financial plan and budget. As a result, different operating procedures and practices are deployed by different business units. The time has come for the City to take a look at our revenues and collection policies and practices to ensure collection rates are commensurate with industry best practices. In addition, the City needs to complete a review of available revenue sources and combinations of revenues starting with the determination of what the City is eligible to collect under Texas state law. Developing new sustainable revenue streams will help to withstand fluctuations in property tax and sales tax.

HUMAN RESOURCES

Health Plan Funding. The North Texas healthcare market is the 3rd most expensive in the nation. Despite efforts through plan design changes to mitigate increases in claims for FY2016, claims rose well above target by nearly $13M. For FY2017 additional plan design changes are being enacted to further mitigate claim increases including increasing out-of-pocket maximums and emergency room co-pays, eliminating out-of-network laboratories, providing incentives to use a specific surgical provider for certain procedures, broadening drug step therapy, requiring the use of generic drugs, eliminating coverage for over-the-counter drugs, limiting pharmacy network, adding a specialty drug co-pay and increasing premiums to employees. While it is believed that these measures will mitigate potential claim increases for FY2017, the exact impact is unknown.

Meet and Confer and Collective Bargaining. The Meet and Confer Agreement with the Fort Worth Police Officers Association expired on September 30, 2016 and shall remain in effect until a new contract is agreed upon or until the expiration of the evergreen period on September 30, 2017. A new Collective Bargaining Agreement was implemented in FY2015 with the Fort Worth Professional Firefighters Association, IAFF Local 440. Both of these contracts will result in additional costs for the terms of the contracts and beyond as additional resources may be required to monitor the contracts and respond to any grievances or litigation that may result from the implementation of the contracts.

Pension. The City's retirement fund continues to fall short of the funded status that ensures its long-term sustainability. The City Manager has assembled a task forces to evaluate alternatives regarding benefits and contributions in preparation to submit a Funding Soundness Restoration Plan to the State in 2017. Failure to address the issues could have significant impacts to future employees and taxpayers to ensure that all future commitments are funded.

LIBRARY

Collection Demands. As Fort Worth continues to grow, the demand for up-to-date materials that are available in a variety of formats grows. Funds for material collections have not increased to meet this demand. The Fort Worth Library's materials budget is below average among U.S. libraries serving populations of 500,000 to 999,000, ranking 36th out of 53 libraries. As residents acquire smart phones, tablets and e-readers, their demand for downloadable books, music and video has increased dramatically. Publishers charge libraries three to five times more than standard consumer retail prices for these new e-formats. Meeting demand for these new downloadable formats places additional strain on the budget. An estimated additional $500,000 is needed annually to absorb the costs of these new formats without seriously affecting the library's ability to continue providing books and other traditional, heavily-used materials.

Facilities/Maintenance Needs. While structurally sound, existing library facilities continue to have ongoing maintenance, repair and renovation needs. A number of the branch libraries are badly in need of re-carpeting, painting and other cosmetic maintenance. Signage is also inadequate. Older facilities have significant problems with mechanical systems and inadequate electrical, telecommunication and network capabilities, which hamper the Library's transition to 21st century library services. Studies done in conjunction with the Library System Master Plan, 20/20 Vision, approved by Council in 2011, found that most library users are within an eight-minute drive from their library. Residents in far north, far west, and far southwest Fort Worth, and several pockets inside Loop 820 do not have equitable access to library services. Additional facilities recommended in the Library System Master Plan would address these underserved areas of the City. The new libraries in the far north and southeast portions of the City were approved in the 2014 bond package and will address some (but not all) of these issues. Ongoing operational costs for the two facilities approved in the 2014 bond election will place an additional burden on the General Fund.

Central Library Utilization. Although in a good location, the Central Library is underutilized due to its poor street presence, perceived inadequate parking, and poor space layout and utilization. It is a large facility and basic maintenance items such as carpet replacement, which has not been done since 1995, are expensive. As the local neighborhood library for downtown workers, businesses and residents, it needs to make its most highly used services and materials more convenient to those entering the facility. Recommendations from Downtown Fort Worth, Inc.'s unfunded 3rd Street Plan address some of the street presence issues. The unfunded Library System Master Plan, 20/20 Vision Master Plan, as recommended to the Council for consideration and approved by the Library Advisory Board, outlines recommended space layout and utilization improvements and estimated costs.

Technology Upgrades. In order to adapt to the growing use of mobile technology and bring your own devices (BYOD), the Library is seeing an increased demand on its broadband capacity and speed. Additional resources will be needed to keep up with the ever-increasing need to expand our technology infrastructure.

MUNICIPAL COURT

Technology/Accessibility. As a Court of Record, case and document management is at the core of what the department does on a daily basis. The current system is tedious and does not provide the efficiencies that are necessary for a court of our size (volume/transaction). The City Council approved a contract with Journal Technologies Inc. to implement its eCourt CMS. eCourt will replace our current CMS, CourtView.

The implementation project is currently in the execution phase and projected to go live in September 2017.

The new case management system will significantly change the operations in the department. The department has the support of the City Manager's Office and the City Council in this effort. As we move forward with the aforementioned project, we will continue to explore ways to enhance accessibility and the convenience of case disposition in the interim. This exploration includes but is not limited to planning the bond approved virtual court solution to be included in the new Far North Library and providing a comprehensive visual solution in the courtrooms for evidentiary review.

Space Expansion/Equipment Needs. There are currently two full service Court facilities. The main downtown location is housed in a building that was constructed in 1938. As a result, heating and cooling is often challenging to maintain for good staff working conditions. In addition, the maintenance and repair costs for this facility will continue to increase as the building ages.

This facility is in need of improvements in the near term. There are some opportunities developing. The third floor was vacated with the movement of Fire Administration to the new Police and Fire Training Complex. The passage of 2014 Approved Bond Program included funding for an additional courtroom on the fourth floor and ADA accessibility enhancements. The Bond Counsel approved the request to change the location from the fourth to the third floor of the facility. Even with this change, there are still some office location changes that need to happen for the sake of efficiency and convenience. Overall, courtrooms are severely outdated. Judicial benches and furniture do not meet ergonomic/ durability requirements. The overall appearance and functionality of the courtrooms need to be updated in the near future. The department is planning further general fund enhancements for the first floor by centralizing direct customer service functions to improve customer service to the public, improve financial controls, and enhance overall security of personnel and data.

The department works cooperatively with the Police Department to operate the 24/7 arraignment jail at 350 Belknap. The current facility does not provide adequate secure space for all assigned staff and limits the number of persons who can be arraigned. In addition the current facility is not equipped with a bond window which could serve to more timely resolve cases and/or the posting of bonds.

Human Capital. The department continues to strive for improvements in recruiting, retaining and appropriately compensating our staff. In recent years, we have worked very closely with Human Resources to find ways to increase our applicant pool through enhanced language in postings and reviewing job classifications. For FY2017, the newly established Pay for Performance Plan will officially be underway making big strides in the compensation arena leading to the department's efforts to retain employees.

There are several tenured staff in critical positions in the department that are eligible (or nearing eligibility) for retirement. The department continues to monitor this potential and minimize the negative impact by working to develop a leadership succession plan to identify individuals with the potential to assume greater responsibility, to provide professional development experiences, and training in an effort to improve employee commitment and retention. In an effort to guarantee there is staff with the appropriate training and skills, additional resources for training and certifications is needed. The goal is to provide opportunities for training and encourage staff to become certified clerks. In FY2016, the department started a Clerk Certification Incentive Program.

Case Management. Case filings over the last five years have dropped almost 50 percent. This reduction in new filings has provided the department the opportunity to focus on the reduction of previous filings remaining undisposed. The department has made significant strides in improving the management of case activity to include the elimination of a backlog on bench trials and significant reduction on jury cases. Currently bench trials are generally set within 60 days of a request and jury trials are set within 90 to 120 days of a request. Additionally, the State Legislature convenes every two years. The Court must monitor this activity closely for any final bills that may impact how we do business. Most recently legislation was passed that completely revised the truancy laws. Accordingly, the City's Truancy Court must change in nature and how it operates. The CMS and facility enhancements previously mentioned in this document will also serve to improve case processing and customer service.

Audits and Regulatory Reports. The Internal Audit department performed an audit of 2013 activity related to cash and non-cash transactions, petty cash, and the external collections contract. The report was released in December 2014. The Department continues to integrate the recommendations into the court business processes, financial policies, and programming of the new CMS.

Other regular occurring audits/reports include:

- CA (Office of Court Administration) In-House Collections
- City Wide CAFR Audit
- DPS(Department of Public Safety) – CJIS Compliance
- Department of State Health Services (X-Ray Machines)
- Governor's Office – Juvenile Arrests by Marshals
- State Comptroller – Asset Forfeitures
- Tarrant County Juvenile Court
- State Comptroller's-Quarterly Court Cost Report and Payment
- TCOLE(Texas Commission on Law Enforcement)

Lake Worth Patrol. Over the years, the Lake Worth Trust Fund revenue has decreased due to the loss of lease opportunities resulting from the sale of properties around the lake. As a result, the fund no longer supports the lake patrol operations of six marshals and vehicles. Due to the reduced funding, staffing levels were reduced to three marshals in FY2012. With regards to the ongoing lake patrol operations, several options have been explored, including transferring operational control to the Police Department; however the increased cost associated with staffing the lake patrol with police officers rather than marshals is thought to be cost prohibitive. If the current level or any desires for enhanced levels of security at Lake Worth and the surrounding park area will continue to be provided by the Marshal Division, a permanent funding source must be identified.

NEIGHBORHOOD SERVICES

Directions Home Plan. The department will be conducting an update of the City's plan to end homelessness, *Directions Home*. The process to update the plan will be done over several months and include a wide variety of stakeholders. The outcome from this process may create a variety of potential changes that could lead to new priorities related to the City's efforts in dealing with homelessness. Funding continues to lag to meet housing needs.

Grant Funding. The department depends heavily on Federal and or State grant funds as its primary source for program funding. There are strict guidelines and limits (caps) for staff costs (staff salaries and fringe benefits) in these grants. While grant amounts have remained static over the last few years, staff costs has continuously increased to a point which dictates the need for more general fund allocation to maintain the same level of service. Additionally, any reduction in federal and state funding will adversely affect the level of service. Technology needs for staff have been unmet due to limited grant funding.

Addition of Community Centers. 2014 Bond Election allowed for building a new community center, Como Community Center. The original bond was set for $5.3M with solicitation of private donations of $1.7M to build up to a 25,000 square foot facility.

Residents of the community pushed for a larger facility requesting up to a 45,000 square foot facility adding possible additional operation cost of approximately $688,875. The additional square footage will increase ongoing operational costs.

Facility Renovation. Requests have been made to renovate four (4) community centers with vacated health/wellness clinics and daycares at the following facilities: Andrew Doc Session, Northside, North Tri Ethnic and Southside Community Center to maximize use of the facility and reduce unusable space. With the fulfillment of this request there will be an increase in minor equipment and operation cost to supply areas with needed equipment to make facility operable, slight increase in utilities, expanded IT infrastructure (computers, phones, security, surveillance) and custodial supplies.

The administrative and program delivery divisions of the Neighborhood Services Department are spread in three locations, one of which is a leased building. In order to limit lease costs, suitable city facilities are required to be identified to move staff from the leased location. Renovation of space adequate to meeting space requirement needs would free nearly $70,000 per year in rental fees.

Facility Maintenance. Three facilities (Worth Heights Community Center; Northside Community Center; North Tri-Ethnic Community Center) have been approved through the utilization of Community Development Block Grant funds to complete needed renovations to make the facility ADA compliant. Overall, the City of Fort Worth has 22 Community Centers, within the Neighborhood Services Department there are seven (7) and one (1) exclusive senior center. Fellowship Corner Senior Center, Andrew "Doc" Session, Como, Martin Luther King, and Southside Community Centers require enhancements to improve access to facility, entrance doors, handrails in restrooms, and interior improvements to ramps. Replacement of activity room dividers at Andrew "Doc" Session, Martin Luther King, Southside and Worth Heights Community Centers. These facilities are frequently used for public meetings. These improvements will have a significant increase in minor equipment and inside repair costs.

PARK AND RECREATION

Growth and Annexation Impacts. Growth of the City in new developing areas located further away from existing infrastructure, operational support and services continues to place increased demands on the City resources. As budget dollars are directed to these new areas, a greater burden is put on the operations and maintenance activities in older, central city areas where much of the infrastructure has exceeded its useful life. This dynamic will continue to increase the need for additional funding and facilities.

Increases in Park Units, Acreage and Landscaped Areas. As a result of the 2000 Neighborhood and Community Park Dedication Policy, fully-developed parks are coming online requiring immediate services in developing areas. Since 2000, the City has acquired over 1,669.25 acres of new parkland. Due to city growth over the last decade, there will be a continued need for both neighborhood and community parks in underserved areas in accordance with the Park, Recreation and Open Space Master Plan. Additional park acreage annual maintenance is currently estimated at $3,300 to $5,000 per acre for undeveloped/developed parkland resulting in a need to increase total operating expenses accordingly. Funding will be needed for park/athletic field staff and maintenance facilities to increase efficiency and meet current standards. All park district operation compounds are located inside Loop 820. Parks in "outlying areas" currently require an approximate 30-minute drive to reach. As construction of landscaped streetscapes, roundabouts, and medians occur, significant resource allocations will be needed for on-going operating costs and maintenance of these investments and these costs will vary depending upon the design of the landscaping and plant material selected.

Movement of Maintenance Facilities. The extension of Trail Drive from Lancaster to University Drive will provide the opportunity to recapture open space in Trinity Park adjacent to the historic Van Zandt Cottage. The roadway project will necessitate the relocation of the park service center which houses park maintenance and citywide mowing operations.

In order to capitalize on this opportunity the department has undertaken a comprehensive analysis of other service center relocation and consolidation options including the graffiti abatement program and athletic field maintenance sections. As pricing and plans are developed and accepted, future capital funding will be required for implementation.

Botanic Garden. On November 15, 2016 the City Council accepted and referred the Botanic Garden Strategic Plan to the City Manager and staff. The Plan was developed by EMD Consulting Services, Inc. in collaboration with the Fort Worth Botanical Society, Fort Worth Garden Club, other Botanic Garden stakeholders and the City of Fort Worth. Five key goals were identified: Transform the guest experience, expand public programs, implement key parts of the 2010 Master Plan, repair, renovated and improve the gardens, features and facilities, and reorganize support groups and increase private support. Initial steps authorized in FY2017 include addressing future governance, undertaking a capital facilities assessment and obtaining more visitor information. Future Plan recommendations considerations will include public engagement, input from the Park and Recreation Advisory Board and policy action by the City Council.

Contractual Zoo Management. The renewal agreement with the Fort Worth Zoological Association for the provision of management services and oversight of the operations of the Fort Worth Zoo approved May 4, 2010, includes an annual adjustment for the Consumer Price Index. The contract has a 20-year term, beginning October 1, 2010 and expiring September 30, 2030.

City of Fort Worth Aquatics Program. In accordance with the *City-wide Aquatic Master Plan* amended in March 2012, the ground work for a long-term comprehensive approach to replace existing facilities which have exhausted their useful life has been laid. The Five- to 10- year plan calls for construction of five enhanced neighborhood family aquatic centers, one in each sector of the city. The Marine Enhanced Neighborhood and Family Aquatic Center (ENFAC) was built and opened in FY2013. The Forest Park Swimming Pool re-opened in FY2013. The demolitions of the remaining five out-of-service pools, ranging in age of 54 to 88 years, a critical element of the master plan, were completed with funding provided in FY2015. In FY2016 the City Council approved a partnership with the YMCA of Metropolitan Tarrant County to design and construct an ENFAC in southeast Fort Worth. The City is participating with $2.3 million in capital dollars and will provide an annual operational subsidy and capital endowment throughout the initial term of the twenty year agreement. The pool is scheduled to open in summer 2017.

Addition of Community Centers. The Victory Forest Community Center, is scheduled to open in January 2017. Initial costs for FF&E to open the Center were funded in FY2016. On-going funding to maintain programs and operations are funded in FY2017. On May 10, 2014, the voters of Fort Worth approved $31.4 million in bond funds for the Park and Recreation Department. Proposition Two includes community center expansions at the Handley-Meadowbrook and Eugene McCray centers; and a completely new center in the Como Community, athletic field complex development and phase one development of community parks. All of these improvements will result in additional on-going operating costs to ensure the sustainability of these capital improvements.

PARK AND RECREATION/MUNICIPAL GOLF FUND

Municipal Golf Fund. The Golf Fund was transferred from Enterprise Fund to Special Revenue Fund and will continue to receive a subsidy of less than 20% of their operating budget on an annual basis. Rockwood Park Golf Course will reopen 2017. The course is priced appropriately to compete with other courses within the golf market with respect to the amenities offered at the new course. The new course is projected to operate at a profit rather than the losses that have existed since 2009. This will allow the Municipal Golf Fund to move closer to being self-sufficient. Ongoing improvements to golf facilities will be necessary in order to improve the self-sustainability of the operations.

PARK AND RECREATION/COMMUNITY TREE PLANTING FUND

Community Tree Planting Fund. The Community Tree Planting Fund is a Special Operating Fund, formally the Tree Fund Revenue fund, created by the Tree Preservation Ordinance and whose fees are 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 to provide for the replacement and replanting of trees that are lost through development.
The Community Tree Planting Program is funded through FY2017 using the remaining fund balance of the program funds, gas revenues and tree removal fees. No funding has currently been identified for FY2018 and beyond.

PLANNING AND DEVELOPMENT

Development. The City is experiencing a large increase in development activity. FY2016 was our third busiest year in the history of the department. The City added $2.7 Billion in new construction and remodels with a 9.3% increase in the number of permits issued for new construction and remodels. The increase in workload is causing service delivery times that are much higher than published timeframes for customer service, plan reviews and inspections. Following input from the development community, the Planning and Development Department is continuously working on development process improvements with all pertinent departments. The changes have included implementation of many new policies and practices, and an increase in the number of authorized positions in FY17 that begin to restore staffing levels reduced during the recession. Staffing will continue to be an issue as demand is projected to increase throughout FY17 and the next few years. The Department continues to work with stakeholders to improve and enhance development process improvements and customer service delivery.

The department is also engaged in evaluating the cost of doing business in Fort Worth compared to other competitive cities. The development cost survey should be complete in December 2016 and reviewed by City Council in January 2017. The survey will serve as an evaluation tool determine if our costs are competitive and will allow for the review of transportation impact fees, park dedication fees and other fees attributable to the cost of growth and development. All of these evaluations will occur in FY 2017.

Revenue. The Department exceeded revenue forecasts by over one million dollars in FY16 due to rapidly increasing demands for service; however, we are not fully recuperating the cost of administering the Planning & Development function for the City. A fee review is conducted biennially with input from stakeholders and as requests for increased services arise, discussions ensue with stakeholders on how to best support the function financially. Currently, the Department does not have a financial interface with the new ERP system and revenue reconciliation is done manually on a daily basis. With approximately 14.5M in revenue annually, manual reconciliation is not a best practice.

POLICE

Staffing. The North Central Texas Council of Governments projects the population in Fort Worth will grow to an estimated 950,000 by 2021 and may exceed 1.3 million by 2040. Since 2000, Fort Worth added approximately 135,000 residents and 39 square miles to the area north of Loop 820 alone. Population growth, development and service expectations affect every area of FWPD operations including staffing, facilities, technology and equipment.

Significant development growth is projected to continue in an outward sprawling pattern primarily to the north, south and west where major developments are currently in the planning, design and/or construction phase that could impact response times and potentially quality of service depending on the availability of additional resources.

Since 2011, average Police response times to Priority 1 calls have increased citywide from 8:34 to 9:29. (as of June 30, 2016) Each of the five current Patrol Divisions have experienced Priority 1 response time increases over the past five years, with the North Patrol Division having the largest increase in response time from 10:02 to 11:43. Highest response times in far northern portions of Fort Worth are primarily due to significant growth, transportation infrastructure, substantial highway and arterial road congestion, sprawling development patterns, lack of connectivity and poor accessibility.

As the City's service area has continued to increase at a rapid pace, staffing levels will need to increase to keep the pace of the growth. In 2016, the City Council approved the creation of a new Sixth Patrol Division, which included incremental staffing increases over a three year period for a total of 83 sworn and 13 civilian positions to support the rapid growth north of Loop 820.

Facilities. The Police Department is currently operating in nearly 40 facilities including a new Public Safety Complex for administration and training. The size of the city demands more strategically placed patrol division facilities to better serve the size of the community. To address the growth north of Loop 820, a Sixth Patrol Division facility was approved in FY2015. Design of a new Sixth Patrol Division facility is currently underway with groundbreaking expected in late 2016 and completion in late 2017 (or early 2018).

Training. The Police Department must accelerate and expand recruitment, training, and promotion through the ranks to keep up with a growing city and attrition. As outlined in the staffing section in the department's Five-Year Strategic Plan, it is necessary that FWPD increase staffing while also contending with substantial attrition, as over 400 officers are or will be eligible for retirement in the next five-years. Currently, the Training Division is comprised of three sections: Career Development, Enhanced Skills, and Backgrounds and Recruiting. The Training Division endeavors to hire the most qualified applicants to become police officers for the City of Fort Worth and to keep those officers highly trained throughout their career.
The Training Division is responsible for documenting department training and working towards ensuring all training exceeds the level of compliance established by the Texas Commission on Law Enforcement (TCOLE). TCOLE is the state agency created in 1965 to provide oversight for the licensing, training, and regulations pertaining to all state certified peace officers. The Training Division will strive to provide advanced training, enhanced skills training, reality based training, as well as recruit and train a diverse skilled workforce. Funding to support training and certification will be needed.

Community Relations. The Fort Worth Police Department remains one of the largest "Community Policing" agencies in the United States. The Code Blue program, Citizens on Patrol, has been assisting with crime suppression strategies for more than 25 years. With their support, the City has seen a 43% decrease in crime rate in the last 15 years. However, with an aging program, many members can no longer effectively patrol their communities. The Police Department has appointed a "Director of Volunteer Programs" to increase volunteerism for this program and many others that make Fort Worth one of the safest major cities in the United States. Neighborhood Patrol Officers (NPO) work hand-in-hand with Citizens on Patrol, and serve to further the department's Community Policing philosophy. Each police beat is assigned a NPO, which attend neighborhood association meetings, business owner meetings, and stay up-to-date on crime offenses in their beat.

Recent nationwide issues regarding minority distrust and police use of force have reaffirmed Fort Worth Police Department's continued efforts to further Community Policing efforts and continue to build relationships with all members of our City, particularly our minority communities. It has become increasingly important to provide officers with enhanced training so that they have tools to build strong relationships with the community and make good decisions in highly stressful situations. As part of this effort, the Police Department is participating in the National Initiative for Building Community Trust and Justice pilot site project.

The National Initiative for Building Community Trust and Justice is a three-year program initiated in six pilot cities around the United States. Fort Worth earned selection as one of the pilot cities in March 2015. The other five pilot cities include Birmingham, Alabama; Gary, Indiana; Minneapolis, Minnesota; Pittsburgh, Pennsylvania; and Stockton, California. The mission of the National Initiative for Building Community Trust and Justice is to improve relationships and increase trust between communities and the criminal justice system. It also aims to advance the public and scholarly understandings of the issues contributing to those relationships. The program is funded through the National Network for Safe Communities at John Jay College of Criminal Justice in New York with a $4.75 million grant from the U.S. Department of Justice. The program is organized through a research partnership that includes John Jay College, the Justice Collaboratory at Yale Law School, The Center for Policing Equity at UCLA, and the Urban Institute in Washington D.C.

The program invests in training, evidence-based strategies, policy development, and research to combat distrust and mend relationships between law enforcement and the community. The overall goal of the project is to develop and implement intervention strategies aimed at enhancing procedural justice, reducing implicit bias, and encouraging reconciliation processes. The information gathered in the three-year pilot program will be analyzed from the six pilot cities and will provide the foundation for a similar program nationwide.

The National Initiative program focuses on the following three pillars to help improve relationships and increase trust between the Police Department and the community:

- **Racial reconciliation** facilitates frank conversations between minority communities and law enforcement that allow them to address historic tensions, grievances, and misconceptions between them and reset relationships.
- **Procedural justice** focuses on how the characteristics of law enforcement interactions with the public shape the public's views of the police, their willingness to obey the law, and actual crime rates.
- **Implicit bias** focuses on how largely unconscious psychological processes can shape authorities' actions and lead to racially disparate outcomes even where actual racism is not present.

From 2015 through August 2016, the Fort Worth Police Department held site visits with National Initiative representatives, conducted training, and workshops covering the following topics.

- Procedural Justice Training Classes
- Implicit Bias Training Classes
- Climate Assessment and Attitude Behavior Matching
- The National Justice Database (NJD)
- Policies and Practices Review
- Reconciliation and Truth-Telling Process
- Unique Interventions
- Community Surveys

National Initiative training is **mandatory** for all police personnel. It is provided to police recruits before they graduate from the police academy, and tenets are included on promotional exams. The Fort Worth Police Department is committed to working with representatives from the National Initiative project to implement key recommendations and strategies to ensure the mission is accomplished. In 2016, the department began providing training classes for the Procedural Justice Pillar and additional classes in the remainder of 2016 through 2017 are scheduled. Racial Reconciliation and Implicit Bias classes are among those planned, and five permanent trainers are dedicated to teaching National Initiative classes.

Technology. It is critical that the Police Department keep pace with rapid development of technology-based applications within law enforcement. Technology drives policy changes as new and emergent innovations play an increasingly critical role in the daily work of officers. Enhanced technology has the potential to revolutionize policing, by offering better information quickly, which allows them to design their own plans to prevent or investigate crimes in specific police beats. In order to support current and future operational needs, technological improvements must be as responsive and adaptive to change, as we expect from every police officer. The Department must also continue to be aggressive in cultivating relationships with internal and external stakeholders, to identify possibilities for public private partnerships in support of technological enhancements. Expansion of the current infrastructure is critical to operations.

The Police Department has been one of the leaders nationwide in implementing body camera technology. In FY17, FWPD will obtain additional body camera systems to fulfill the commitment of outfitting every uniformed officer in the department with a body camera. The FWPD will continue to purchase the necessary amount of systems to equip every new officer with a camera as they graduate from the academy. Overall funding increases are necessary for FWPD to keep up with the technology demands. Please see the Fort Worth Police Department's Five-Year Strategic Plan for more details related to specific technology needs.

PERFORMANCE AND BUDGET

Customer Relationship Management (CRM) Solution. The implementation of the city wide CRM solution will change our ability to engage with citizens through multiple channels and track service requests. Current processes will be streamlined and services levels for citizen establish to create greater efficiency and transparency in service delivery. Additional technical staff will be required for the eventual city-wide deployment and support of this robust citizen centric system that will interface with other systems and provide analytic tools to support informed decision making.

PROPERTY MANAGEMENT

Construction of the new Water Service Center. The Water Service Center was constructed in 1969 with 11 service bays which are only adequate for providing support to a fleet of 200 pieces of equipment. Currently, 826 pieces of equipment are serviced by the Water Service Center. A total of 16 bays are needed for the current fleet size. The recommendation from the City Manager's Office is that a new facility be built and paid for as a Water Capital Project. The Water Capital Fund was able to contribute $7.2 million to build a service center with a total of 12 bays. Fleet will require the use of the existing facility to meet the Water Department's requirement for a second shift to maintain their fleet. Seven additional positions were approved in the FY2017 budget to maintain acceptable service levels due to the age of the City fleet and to provide for the second shift to respond to after hours' repairs. This item won citizen approval as Proposition #6 in the City's 2014 Bond Program on May 10, 2014. The seven additional positions will be filled in the second half of FY2017 in anticipation of the opening of the Water Service Center in the summer of 2017.

Fuel Management Reconciliation System. The Fleet Division currently has 63 fuel sites. This reconciliation system will fulfill requests from a previous fuel audit to assist with improved internal controls for fuel management. This system includes a new pricing structure to more accurately calculate the value of the fuel inventory. Also, fuel gallons will be tracked in all automated fuel sites to meet state regulatory requirements. Finally, these internal controls will assist in the monitoring for fuel levels to prevent fuel theft or spillage. The completion of this system is necessary for the transition to the upgraded FASTER Web version.

FASTER Web Upgrade. The FASTER Fleet Management System will be upgraded from a client server program to a Web based program. The upgraded system will make the following improvements to the fleet management system: more flexible and robust reporting, better asset management with pictures of each vehicle viewed on work orders and asset records, role based permissions for more specific system controls, easier maintenance of the system from one server rather than 300+ client users and the system will be accessible from mobile devices (i.e. tablets, laptops and remote computers).

Construction of Fleet's portion of North Service Center. The new North Service Center is scheduled to open in the fall of 2017. The service center will have a new fuel island with ten dispensers (four for unleaded and six for diesel/diesel exhaust fluid). A Propane fuel site is also included at the fuel island. The first phase of a fleet maintenance facility will be constructed to service some of the vehicles that will be located at this site. Additional phases of the fleet maintenance facility will be submitted for the FY2018 Bond and another future Bond election. This facility will be needed to maintain the number of vehicles that the city will own when the service center is completed in the next decade.

Fleet Management Policy. The Fleet Division will develop a fleet management policy to govern service levels to customer departments. Also, the policy will address vehicle acquisition and disposition statutes to give direction to the Fleet Division on issues such as standardization of the fleet, alternative fuel priorities, vehicle replacement, take home vehicle policy and subrogation, etc. The policy will be presented to the City Council to address these issues and assist in capital improvement planning.

Land Asset Management. The Real Property Division is responsible for the management of the City's real property asset inventory. This includes the purchase and sale of land rights, developing and maintaining comprehensive information systems and databases that identify properties that the City owns in fee simple title (approx. 3,000) and tax foreclosed properties held in trust for itself and local taxing entities (approx. 600). Since the inception of the Property Management Department, Real Property staff has worked with the ITS Department to leverage technological resources to help management identify and track the disposition of these properties. Additionally the Real Property Division has planned to reduce the City's inventory of Tax Foreclosed Properties through holding six Sealed Bid Sales and 20+ Direct Sales each year. A realignment of duties was required in order to address the increased workload.

Lease Management. The City leases space to private and governmental entities within City facilities in support of initiatives to improve quality of life, promote education, and in support of the arts. Additionally, the City leases space from private entities when existing space is unavailable for City operations within City facilities or when the City needs a presence within the community. Since the inception of Property Management Department, staff has been compiling an inventory of the property leases, entering into new leases when necessary, and assuring that existing leases are renewed timely so that City operations and community initiatives are met. Improved technology is required to track the lease assets, assess space needs and track revenues and expenditures for better planning and utilization of space in City facilities and to analyze the cost/benefit of renting space in private facilities.

Mineral Management. The City has an estimated total of 18,000 mineral acres with 11,402 mineral acres under lease with various gas companies. Leasing of the remaining 7,000 mineral acres of City properties for subsurface natural gas drilling is dependent on a sustained and remarkable increase in the natural gas market prices. The variability of the gas market (prices), well decline (production) and other market factors cause unforeseen fluctuations in annual royalty revenues which may be higher or lower than estimated at the beginning of a budget year.

Assurance of an accurate royalty revenue stream requires consistent due diligence review of the City's mineral interest, market price and production for the 604 mineral leases in the City inventory. Lease assignments and transfers between gas companies, lawsuits, and audits add a further complexity to assuring the accuracy of the City's royalty revenue stream and distribution of the revenue per Federal guidelines and the City's financial management policies. Improved technology, process review and sufficient staff resources will be required for optimum management of this estimated $1 billion mineral asset.

Lake Worth. Staff is currently developing a policy outlining requirements for the sale of residential platted lots at Lake Worth taking into consideration existing water quality studies, future land use studies, and state and local regulations. Policies are also being developed to address the use of the revenue from the sale of the leased residential properties and to identify a funding source for the purchase of residential improvements on these properties if not sold when leases expire in 2032. These policies will be presented to City Council for approval and implementation. Additionally, royalty revenues from mineral leases of Lake Worth properties have declined limiting the capital improvements that can be completed as outlined in the 2007 Lake Worth Capital Improvement Implementation Plan. As a result, other sources of funding may be required to complete the capital projects identified in the Plan and to provide for the necessary City facilities required to bring leased residential lots into compliance prior to sale.

TRANSPORTATION AND PUBLIC WORKS

Street Infrastructure Performance. The national standard for major street networks is a pavement condition index of seven, on a scale of 0 (failed) to 10 (excellent). In order to maintain the street network at this minimum standard, it is estimated that the level of funding would need to be over $30 million annually. This leaves a significant funding gap of more than $20 million.

Traffic Management:

- **Traffic Signals.** Current funding levels are approximately 51% of the required funding needed to establish adequate preventive maintenance programs to keep the City's traffic signal infrastructure operational and performing at industry standard.

- **Street Lights.** Current funding levels are approximately 26% of the required funding needed to establish adequate preventive maintenance programs and lighting system upgrades to keep the City's traffic signal infrastructure. In late 2016 it was decided to conduct an LED pilot program in FY2017 that essentially will upgrade 5% of our street lights to LED which are higher performing products expected to deliver energy savings and have at least a 10-year life span compared to a 3-4 life span of our current lighting products. This project requires infrastructure repairs prior to LED upgrading, therefore 10% of allocated funding will be used in the LED pilot program.

- **Pavement Markings.** Current funding levels are approximately 22% of the required funding needed to establish an adequate maintenance program for pavement markings to ensure reflectivity. This funding level requirement includes a $8.5 million backlog in pavement markings that are beyond the life expectancy for reflectivity.

- **Traffic Signs.** Current funding levels are approximately 22% of the required funding needed to establish an adequate maintenance program for traffic signs to support critical traffic safety operations. Funding level includes updating signs to improve reflectivity, installing new signs as a result of growth and replace missing signage to ensure roadways meet national standards and citizens expectations.

- **Traffic Engineering.** Current funding levels are approximately 60% of the required funding needed to conduct the necessary traffic safety evaluations/studies for schools, neighborhoods and commercial areas.

TRANSPORTATION AND PUBLIC WORKS/STORMWATER UTILITY

Capital Improvement Program. Throughout the City, an estimated $300 million in capital infrastructure needs have been identified to address serious flood risks. The current capital improvement plan invests $6 million to $8 million per year in Pay As You Go cash funding. Additional Stormwater Utility revenue will need to be generated and/or alternative funding sources identified to continue making steady progress addressing the major deficiencies in the City’s drainage system.

Additionally, correcting flooding problems in the numerous older, fully-developed sections of the City is going to be cost prohibitive using current standards and conventional construction (individual projects can cost $50 - $100 million). The Stormwater Utility Fund is in the process of developing a master plan strategy for approaching such issues that will be used to guide the prioritization of projects and the framework for developing implementable solutions.

Water Quality Protection. The emphasis on integrating water quality in flood control projects will increase in FY2016. Two primary drivers of this are the Environmental Protection Agency and the Trinity River Vision Authority. The Environmental Protection Agency will place emphasis on stormwater treatment with green infrastructure approaches, watershed based coordination of permitted discharges, and treatment requirements on development. The Trinity River Vision project will increase the need for point and non-point source Best Management Practices (BMPs) in critical drainage areas. Temporary BMPs during construction will be a growing concern for all departments, which implement capital projects or participate in developer projects.

Federal Flood Insurance Reform. Recent revisions to the National Flood Insurance Program (NFIP) may result in increased demand for resolutions to potential flooding problems in these areas, from home buy-outs to structural improvement projects. NFIP began to be phased in to existing flood insurance policies in 2013. Affordable flood insurance is available to all residents of Fort Worth because the City has participated in the NFIP since 1980. The Stormwater Utility's Floodplain Management Program has enhanced the level of participation in the NFIP through the Community Rating System (CRS) and has improved the City's rating to a Level 8 Community under CRS. This improved rating has resulted in a ten percent reduction in the flood insurance premiums for residents with policies within mapped floodplains throughout the City. Among the 2012 revisions to the NFIP is the requirement to revise flood insurance premiums to match actuarial rates based upon the risk of flooding. Actuarially-based flood insurance premiums are significantly higher than the NFIP discounted rates, and the difference in premiums is planned to be incrementally phased into affected policies over the next four years. The increased premiums placed on mortgages in floodplains will significantly impact annual expenses for those residents and properties. The demand from citizens for resolutions of potential flooding problems may increase due to the direct financial impact of NFIP and flood insurance premiums.

Development Review Activities. Economic recovery has spurred significant growth of development activities resulting in increased demands for review of new development projects for compliance with City drainage standards. There has been a recent push from various circles for additional review of small lot development in flood prone areas. To accommodate this additional review and maintain service levels, more resources would need to be devoted to the development review function.

Stormwater Infrastructure Management. 67 percent of the Fund's operational budget provides ongoing infrastructure system maintenance and support for infrastructure rehabilitation or capital improvements. Maintenance includes inlet inspection and cleaning, storm drainage system and pipe repair, mowing and vegetation management for channels and rehabilitation of degraded channels. The City's Stormwater infrastructure system continues to grow from new development, City road and drainage projects, and annexations. Funding requirements are increasing for ongoing maintenance of aging and additional infrastructure. Current funding levels are still almost exclusively reactive for 920 miles of pipe with 30 percent of pipe over 50 years old. Funding allows annual maintenance on only 20 percent of the over 35,000 inlets in the inventory. Through recent accomplishments, the Stormwater Utility is working toward effective prioritization of maintenance projects and strategic allocation of resources

WATER DEPARTMENT

Impact Fees. Impact fees help pay the cost of building or expanding facilities in order to meet the needs of new development. The Water Department charges impact fees to offset the cost of water and wastewater facilities needed to meet new development service requirements. This reduces the affect these costs might have on existing customer rates. Chapter 395 of the Texas Local Government Code requires that impact fees be updated at least every five years. The Water Department's current impact fees took effect on January 1, 2013, with the next update required by January 1, 2018. The process includes updating land use assumptions, population growth projections, and growth-related Capital Improvement Plans over a 20-year planning period. For the first time, the Department is including financing costs as well as growth-related debt from entities from which it purchases raw water supply and wastewater treatment services. The Department is contractually obligated to pay these capital improvement costs. The City Council will be asked to review the impact fee recommendations and determine to what extent costs should be borne by new development versus existing ratepayers.