



An Open Letter to the Citizens of Fort Worth

Creating a Vision for the Future

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

The strategic goals will enable the City Council to:

- Better understand Fort Worth’s cultural heritage
- Have a consensus on values, vision and a mission for the future
- Translate the vision into an action plan
- Prioritize the use of limited city resources
- Support staff and community groups in focusing efforts on the vision and priorities

City Council will refine and adjust the strategic plan, as circumstances change. Overall, the City of Fort Worth will concentrate on five top-priority strategic goals for fiscal year 2014. This strategic goals report is intended to provide a clear and concise statement about where the City Council wants Fort Worth to go over the next five years and to stimulate broader discussion of the important issues facing Fort Worth now and in the future. A number of ongoing administrative and community processes will make the goals reality.

The strategic goals describe:

- What City Council desires to be accomplished over the next five years
- What Council would like Fort Worth to be doing differently
- What the impact will be to the citizens
- What challenges and opportunities must be addressed
- How the City’s efforts will be measured

In Fort Worth, the City continues to take a lead role in identifying and addressing community needs. As in the business sector, the role of government is evolving. The City of Fort Worth will continue to address community problems through the most appropriate methods possible, including partnership arrangements, brokering of services from agencies, contracting for services and other solutions. Success will require the assistance, support and partnership of the entire community.

Betsy Price, Mayor

Salvador Espino,  
District 2

W. B. “Zim” Zimmerman,  
District 3

Danny Scarth,  
District 4

Gyna Bivens,  
District 5

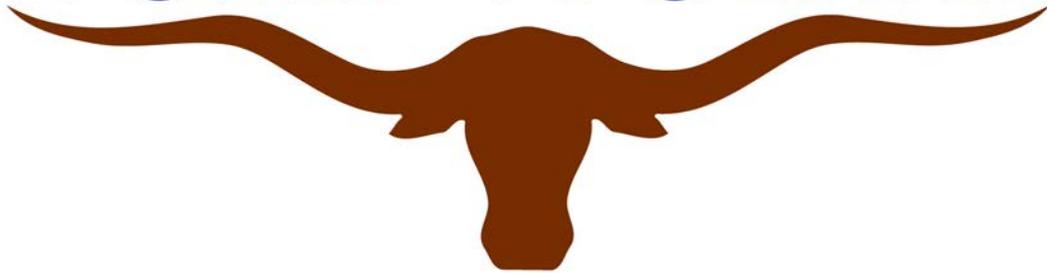
Jungus Jordan,  
District 6

Dennis Shingleton,  
District 7

Kelly Allen-Gray,  
District 8

Joel Burns,  
District 9

**FORT WORTH**





October 1, 2013

Honorable Mayor and Members of the City Council  
City of Fort Worth, Texas

I am pleased to present you with the Fiscal Year 2014 (FY2014) Adopted Budget—a budget that is, without a doubt, the product of many difficult choices made through a dynamic and collaborative process of looking at the City’s financial health from both short- and long-term perspectives. While our local economy is certainly improving, and for that we are grateful, limited financial resources continue to restrain the parameters within which the City must operate. Faced with an estimated shortfall of nearly \$41 million early on in the budget development process, we knew tough decisions and comprehensive adjustments to align our spending within available resources would be required. Hence, I deemed this year’s budget the “alignment budget.”

With guidance from the City Council, staff pursued a deliberate approach of identifying opportunities that would help balance the budget for the coming fiscal year while also putting the City on solid financial footing going forward. Staff took great care to make sure any budget proposals would have as minimal impact as possible on the community and City staff, without requiring the need for a property tax rate increase.

Ultimately, the fruit of these efforts is a FY2014 Adopted Budget that is balanced with the use of only \$7.7 million of fund balance. In addition, our property tax rate remains stable at \$0.8550 per \$100 of assessed valuation.

Totalling \$1.4 billion overall, nearly 39.5% (or \$572,935,411) of the FY2014 adopted budget reflects the cost of General Fund activities such as public safety, parks and community services, transportation and public works, planning and development, public libraries and general management of the City. The remainder reflects the cost of the activities and operations of our Enterprise, Insurance, Internal Service and Special Funds. The FY2014 Adopted Budget also includes 6,359.25 authorized positions (AP)--a net decrease of 101.80 AP from the FY2013 adopted budget.

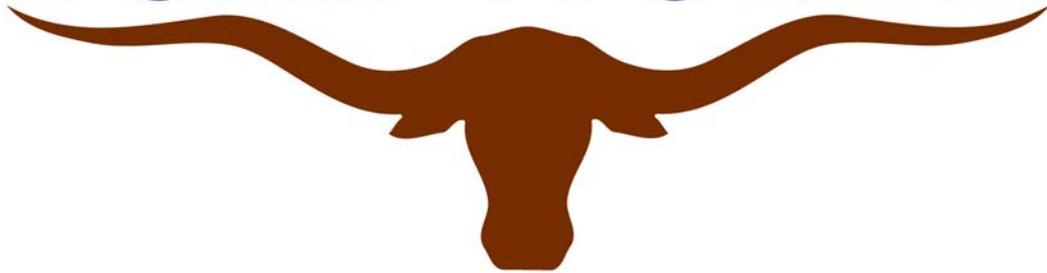
Arriving at the Adopted Budget we have today was a very time-intensive and arduous process. However, addressing the issue of the City’s long-term financial stability today is paramount to being able to provide the highest quality of services and programs for our citizens in the future.

With that in mind, I present to you the City of Fort Worth’s FY2014 Adopted Budget. I appreciate your diligence throughout this budget process, along with the hard work of our dedicated staff.

Respectfully submitted,

Tom Higgins  
City Manager

**FORT WORTH**



## EXECUTIVE SUMMARY

The Fiscal Year 2014 (FY2014) Adopted Budget is the product of many difficult choices made through a dynamic process of looking at the City's financial health not only for the coming year, but well into the future. While Fort Worth is fortunate enough to continue reaping the benefits of a slowly recovering economy, limited financial resources continue to set the parameters within which the City must operate.

### OVERVIEW

The adopted FY2014 budget totals \$1.4 billion and consists of 20 different operating departments and four appointed officials, including the General Fund, Enterprise Funds, Internal Service Funds, Special Funds and Insurance Funds. Of the total budget, nearly 39.5%, or \$572,935,411, reflects the cost of General Fund activities such as public safety, parks and community services, transportation and public works, planning and development, public libraries and general management of the City. The citywide budget includes 6,359.25 authorized positions (AP), which is a net decrease of 101.8 AP from the FY2013 adopted budget.

Significant AP transfers from the General Fund to other funds include 10.0 AP from the Parks and Community Services Department for the Late Night Program at five Community Centers and 6.0 AP from the Police Department for the School Security Initiative Program, both going to the Crime Control and Prevention District (CCPD). General Fund position reductions in the adopted FY2014 budget include a total of 119.5 AP the most significant of which are 46.0 vacant positions in the Police Department, 24.0 vacant positions in the Fire Department, 15.5 AP in Transportation and Public Works, 14.0 AP in Planning and Development, 7.0 AP in Municipal Court, 4.0 vacant AP in Code Compliance, 4.0 AP in Parks and Community Services and the remaining 5.0 AP from other Departments. General Fund position increases in the FY2014 budget include a total 8.0 AP, of which 5.0 AP are for the conversion of two filled senior accountant and three filled accountant positions to permanent status in the Financial Management Services Department and 3.0 AP to staff the newly created performance management program and implement training that supports the continues improvement and lean government initiative in the Human Resources Department.

### BUDGET DEVELOPMENT PROCESS

The FY2013 budget was developed from a maintenance perspective, reflecting the careful efforts of staff to be responsive to the Fort Worth City Council's goals and objectives and to the community's needs and desires while staying within the tight parameters of available funding.

While the City has worked in FY2013 to identify new efficiencies, the maintenance budget did not address the long-term financial gap facing the City. Therefore, the FY2014 adopted budget was termed an alignment budget. It is centered around comprehensive adjustments to right-size spending and ensure the City operates within its means. The goal is to make sustainable changes to the budget now in order to sustain investments in the City's infrastructure, services and operations and employees going forward.

With guidance from the City Council, staff took the deliberate approach of recommending service reductions and program eliminations not only to balance the budget for the coming fiscal year but also to help build a solid, long-term financial plan. Staff has done their best to make sure these decisions have as minimal impact as possible on the community and City staff, without need for a property tax rate increase.

Staff began the FY2014 budget process early by presenting Council with FY2012 year-end budget performance results on Dec. 11, 2012, including key information on debt expenditure trends, capital program results and gas lease proceeds. On Feb. 21, 2013, Council was updated with a first quarter FY2013 financial presentation, while staff began discussions on the impact a 10% across-the-board budget reduction would have for each individual department of the General Fund in order to build an alignment budget for FY2014. Staff provided both an Informal Report and full Financial Management Report for the second quarter of FY2013 on May 21, 2013 to keep both the City Council and the public up-to-date on the current year's financial status, capital project accomplishments and departmental performance.

As welcome as the revenue uptick has been, in reality, the cost of providing even the same level of City services continues to increase. Beyond that, maintenance needs are growing, as reflected by the eight new acres of parkland and 25 new lane miles of roadway added in the past year. The City's population also continues to grow, putting further demand on existing services and infrastructure. After combining these factors with higher costs for employee and retiree healthcare benefits, fund balance reserve requirements and debt service payments, the City was faced with a significant General Fund budget shortfall for FY2014.

City staff set out to address this challenge by relying on the following six "Guiding Principles:"

1. Balance the budget without a tax rate increase
2. Invest more in infrastructure by shifting one cent of the property tax rate from operations and maintenance to debt service
3. Minimize budgetary impact on citizens
4. Maintain the City Council's fund balance requirement of 10% of the General Fund
5. Align the current gap between expenses and revenues beyond FY2014
6. Invest in employees

It is always challenging to balance resources with needs. Accordingly, as staff worked to close the budget gap, citywide expenditure and revenue opportunities, individual programs and existing service levels were all thoroughly evaluated and, in addition to the guiding principles, proposals for both enhancements and reductions were assessed on their alignment with meeting the core objectives of the Management Plan again for FY2014.

The Management Plan, developed by City staff, was designed to help guide Fort Worth in meeting the three "Management Priorities:" ensured financial health; retention of a highly skilled and diverse workforce; and efficient uses of land, infrastructure and public services. To meet these three management priorities, five "Core objectives" have also been identified:

1. Be a well-managed organization
2. Build strong neighborhoods
3. Develop a sound economy
4. Foster a healthy environment
5. Provide a safe community

Beginning with the FY2012 budget and continuing through this year, these core objectives have been a useful measure for allocating limited resources among competing needs.

Ultimately, the fruit of these efforts is a FY2014 adopted budget that is balanced. While staff initially anticipated needing approximately \$40.8M in fund balance to balance the budget, improvements in revenue forecasts, tough reduction cuts and cost savings, has reduced this to

only \$7.7 million of fund balance. Consequently, the City is positioned to realize greater financial stability in the years to come.

Again, there is no change in the adopted property tax rate of \$0.8550 per \$100 of assessed valuation. The only approved change to the property tax is the reallocation of one cent from the General Fund operations and maintenance to debt service. Staff continues to review and adhere to policies set by the City Council when making budgetary and operational decisions and will continue to utilize opportunities to reevaluate existing directives for their applicability to the FY2015 budget.

### **SIGNIFICANT ISSUES**

Before highlighting specifics of the FY2014 budget, included below are a couple of topics that received significant attention during the budget development process—funding for other post employment benefits (OPEB) and public safety contract negotiations.

**Other Post Employment Benefits (OPEB).** OPEB addresses the City's liability for retiree healthcare benefits. In FY2009, the City established a trust fund to address the growing retiree healthcare unfunded liability. As with the City's pension obligation, an actuarial valuation was completed on the retiree healthcare benefit and based on guidance from the City's Financial Advisers, Council approved a 20-year funding horizon. However, based on changing favorable factors and available alternatives, staff recommended not increasing the OPEB contributions for FY2014 for any funds, which equates to a \$7 million savings collectively of which \$5.2 million is the General Fund's portion. Staff will hold the \$14 million transfer made to the OPEB Trust in FY2013 constant for the coming fiscal year. Recommendations on changes to the 20-year plan were made to the City Council during budget deliberations.

**Public Safety Contract Negotiations.** The Council approved a new Police Meet & Confer contract in March 2013, which extends through September 2016 and provides pay raises of 1.0% for 2013-2014, 2.0% for 2014-15, and 1.0% at the beginning of the 2015-2016 year with an additional 2.0% in the middle of that year. Other contractual provisions include changes to educational requirements and assessment center evaluations for certain promotions, disciplinary investigation processes and recruitment standards for officers currently working for other law enforcement agencies.

In November 2007, the citizens of Fort Worth voted to give collective bargaining rights to firefighters. The first Firefighter Collective Bargaining Agreement negotiations began a year later and were approved by City Council in April 2010. The current agreement expires on September 30, 2013 and will remain in effect during the "evergreen" period until a new agreement is reached or until September 30, 2014, whichever comes first. Current negotiations between the Fort Worth Professional Firefighters Association and the City began in November 2012 and are still underway. During the FY2014 evergreen period, no changes to salary or other contractual obligations are anticipated unless a new agreement is reached. Because negotiations are still in progress, it is too soon to determine if any definitive financial impact will result from contract changes but negotiated stipulations involving salary and benefits, hiring procedures or even disciplinary actions and contract grievances could potentially affect the FY2014 and other future budgets.

### **MAJOR FUNDING AND ORGANIZATIONAL CHANGES**

## FUNDING CHANGES

Changes to the FY2014 budget reflect the challenges presented as the City strives to continue providing its citizens with high levels of services while operating within constrained budget parameters. These changes include program improvements necessitated by contractual, statutory and other obligations, along with program reductions to address the budget gap and changes in service needs.

**Program Improvements.** Although the City faces significant financial challenges in FY2014 towards closing future gaps, staff still recognizes that providing essential public programs and required levels of service may necessitate program improvements even in the most challenging of times. Therefore, \$3.0 million in program improvements for the General Fund, and \$1.3 million in program improvements for Other Funds have been included in the adopted FY2014 budget. The significant majority of these improvements are contractually or statutorily mandated and, as mentioned previously, each of these improvements promotes one or more of the City's five core objectives from the Management Plan.

**Program Reductions.** To address the budget gap and ensure that essential public services have the necessary resources to meet performance goals and citizen expectations, funding decisions among competing needs is inevitable. Of the more than \$26.6 million initially identified in potential reductions, \$16.5 million in General Fund reductions have been included in the adopted FY2014 budget. These competing needs were evaluated in every attempt to maintain acceptable citizen service standards, and avoid eliminating critical programs if objectives could continue to be met at a reduced cost.

**Risk Management Transfers.** The Risk Management Fund was established to provide services to General Fund departments and other funds for resources based on a fee structure for the City's commercial and self-insurance programs, claims and litigation management, and subrogation programs. As a special trust fund according to the City Council-adopted Financial Management Policy, the Fund should have a minimum balance of 25% of the annual adopted expenditure budget for this fund. The Fund's reported fund balance at the beginning of FY2013 according to the Comprehensive Annual Financial Report (CAFR) exceeded \$16.2 million. Therefore the determination was made to eliminate the Risk Management Fund transfer organization-wide for FY2014 collectively providing savings of that \$7 million to all funds, \$4.2 million of which represents the General Fund portion. Risk Management Fund transfers are anticipated to resume in FY2015. The anticipated excess fund balance at the end FY2014 is \$3.4 million, which is 49% of the expenditure budget for this fund.

**Chapter 380 Economic Development Agreements.** Chapter 380 agreements, made in accordance with Texas Local Government Code 380, may be used as a gap-financing tool and are proposed by the City Council to serve as local grants to reimburse private developers for a range of expenses that may otherwise render projects financially unfeasible. Public support of these projects yields significant positive impact to the community and neighborhoods surrounding the project. During FY2013, funding was budgeted for 21 projects at \$11.2 million. For FY2014, two additional projects are expected to come online with additional funding of \$460,000 included in the FY2014 adopted budget to satisfy all the projected agreements for the coming fiscal year.

**Vehicles and Specialized Equipment.** To address the mission critical needs of the City in the area of vehicles and heavy equipment, funding has been maintained, while at reduced levels, for fleet replacements and acquisitions in the amount of \$1.2 million for the General Fund and \$3.7 million for Other Funds.

**ORGANIZATIONAL CHANGES**

The FY2014 budget includes a few major changes to the City’s organizational structure, including the following:

- The Stormwater Utility Fund transferred six existing senior customer service representative positions to the Water Department for the consolidation of billing, call center and customer services mid-year in FY2013. Personnel and other costs related to this transfer are being moved between the departments in FY2014.
- The Transportation and Public Works Department (TPW) transferred five positions to the Planning and Development Department for the reassignment of permitting functions during FY2013. Personnel and other costs related to this transfer are being moved between the departments in FY2014.
- The City Manager’s Office transferred nine existing positions to the Financial Management Services Department for the realignment of the Budget and Research Division.
- The Parks and Community Services Department transferred ten existing positions to the CCPD in conjunction with the Late Night Program.
- The Police Department transferred six existing positions to the CCPD for the reassignment of three officers each from the Narcotics Unit and Traffic Division to the School Security Initiative Program.
- The Office Services Fund transferred three existing positions to the Financial Management Services Department for the realignment of the Mailroom.
- The Information Technology Department added six authorized positions to allow the creation of an internal hardware computer services support function, which will allow the elimination of the outsourced computer support contract currently in place.

**GENERAL FUND REVENUES**

Unlike other parts of the country, the economic outlook for Fort Worth is encouraging with both property tax revenue and fee income continuing to grow. Revenue growth not only enables City staff to implement the FY2013 budget priorities; it also allows us to cover overages in General Fund costs while contributing a small amount to the City’s fund balance.

**Adopted General Fund Revenue Budget**

FY2013	FY2014	Percent	Dollar
<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>Change</u>
\$543,044,058	\$565,197,713	4.1%	\$22,153,655

**PROPERTY TAX**

## B-10

The City receives a significant portion of its revenues (approximately 52% of the FY2014 adopted revenue budget) from property taxes assessed on real and personal property. City staff works with appraisal districts from Tarrant, Wise, Parker and Denton County to prepare property tax revenue projections. By State law, each appraisal district is responsible for the valuation of all property within its jurisdiction. The certified property tax rolls received from all four districts in July 2013 showed an increase in the City's property tax base. The increases from the July 2012 certified property tax roll to the July 2013 certified property tax roll include a:

- 2.7% growth in adjusted net taxable property value
- 1.6% increase in property exemption values
- 14.3% increase in net taxable values for new residential construction
- 24.3% increase in net taxable values for new commercial construction

When updating the five-year financial forecast and preparing the presentation for City Council, staff analyzed many of the factors affecting property tax revenue, including anticipated population growth, historical change in values for residential and commercial properties, current and projected permitting data, the impact of foreclosures, as well as exemptions and protests. Staff also evaluated the allocation of the levy amount, and resulting availability of revenue for operations and maintenance (O&M) as compared to the amount available to repay the City's debt. The reallocation for FY2014 of one cent from the General Fund O&M to debt service was incorporated in keeping with the City Council's previous commitment to build capacity for capital projects. This shifts approximately \$4.2 million in revenue, but does not change the combined property tax rate from \$0.8550 per \$100 of assessed valuation. Based on the historical collection rate, staff also increased the collection rate assumption from 98.0% in FY2013 to 98.5% for FY2014.

Subsequent to the reallocation of the one cent, the General Fund portion is expected to yield approximately \$286.3 million in FY2014 and is based on a levy amount of \$0.6759 per \$100 of assessed valuation. The debt service amount is expected to yield approximately \$75.9 million, which will allow the repayment of all current and proposed debt obligations, and is based on a levy amount of \$0.1791 per \$100 of assessed valuation.

### **SALES TAX**

At approximately 21% of the General Fund FY2014 adopted revenue budget, sales tax collections are a major revenue component. Improving economic conditions in FY2013 are proving promising as monthly sales tax collections have been higher than projected and higher than prior year actual receipts throughout the first nine months of the fiscal year. Current data suggest substantial collection growth in retail and wholesale trade are driving sales tax growth. In Texas, the Comptroller's Office reported that statewide collections for June were 9.2% higher than the previous year.

Among large Texas cities, Fort Worth is continuing a positive trend with year-to-date received in sales tax revenue up 6.6% over the same period last year. June 2013 receipts signaled a \$6.9 million increase in FY2013 sales tax revenue compared to budget projections. There were no significant audit adjustments in FY2013, and the City continues to follow the 20-year incremental repayment plan agreement with the State Comptroller to refund the \$9.3 million in audit adjustments identified in FY2011.

### **GENERAL FUND EXPENDITURES**

**Adopted General Fund Expenditure Budget**

FY2013 <u>Adopted</u>	FY2014 <u>Adopted</u>	Percent <u>Change</u>	Dollar <u>Change</u>
\$583,836,315	\$572,935,411	(1.9%)	(\$10,900,904)

General Fund expenditures continue to outpace revenues due to a variety of factors, including group health increases, program improvements and rising supply and service costs. As it did in FY2013, the General Fund will use \$7.7 million of excess fund balances to close the funding gap for FY2014.

**Salary and Benefits Changes.** In keeping with the City’s commitment to invest in its employees, the following salary and benefits changes are included in the FY2014 budget:

- Salary increases for sworn officers as stipulated by the Meet and Confer contract
- A 5% average salary increase for one month of the fiscal year (September 2014) for general employees
- A 2.7% increase in health insurance premiums for both the City’s contribution and those for active employees and retirees

**BUDGET HIGHLIGHTS**

The FY2014 adopted budget includes reductions along with a minimal number of enhancements. Included below are highlight of those changes listed by service group.

As a note, two of the four Infrastructure Services departments, Water and Aviation, are addressed in the Enterprise Funds section along with the Stormwater Utility and Municipal Parking Funds. The Capital Projects Service, Environmental Protection, Lake Worth and Red Light Enforcement Funds are addressed in the Other Funds section.

**PUBLIC SAFETY SERVICES GROUP**

**Code Compliance.** The Code Compliance Department preserves and enhances public health, welfare and safety through services that focus on education, prevention, compliance and community partnerships. The FY2014 adopted budget decreases due to the elimination of four positions.

**Fire Department.** The Fire Department, under the direction of the Fire Chief, currently has 42 stations in six battalions. The FY2014 adopted budget decreases due to the elimination of 24 vacant firefighter positions.

**Library.** The City’s library system consists of the Central Library, 13 branches, and two satellite facilities. The Department is divided into two divisions, the Public Services Division and the Operations Division. Significant changes to the FY2014 adopted budget includes increased funds for health care costs and information technology services and equipment. In addition, the budget reduces anticipated salary savings as the implementation of the FY2013 Shared Management Staffing Plan has limited staffing levels.

**Municipal Court.** The Municipal Court is a court of record with five courtrooms located in the historic A.D. Marshall Public Safety and Courts Building, two courtrooms and full payment services located at the Southwest Municipal Court, a twenty-four hour/seven day a week arraignment jail, Truancy Court and a six day a week satellite payment location. These courts

have jurisdiction within the City's territorial limits over all Class C misdemeanor criminal cases brought under City Ordinances and the Texas Penal Code, as well as civil parking cases within the City. The FY2014 adopted budget decreases due to the elimination of seven positions in various sections of the department; however, negative impacts to the public are not anticipated as duties will be reassigned.

**Police Department.** The Police Department (Department), under the direction of the Chief of Police, develops and implements programs to deter crime and protect life and property within the City of Fort Worth. The FY2014 adopted budget reflects the transfer of six positions to the CCPD and the elimination of 46.0 vacant positions. Additionally, the revenue transfer from the CCPD increases to pay the full cost of jail services with the City of Mansfield.

## **INFRASTRUCTURE AND ECONOMIC DEVELOPMENT SERVICES GROUP**

**Housing and Economic Development.** The Housing and Economic Development Department (HED) seeks to assist residential and commercial development through tax incentives, loan programs, property redevelopment and other homebuyer and small business assistance programs. Significant changes to the FY2014 adopted budget include the elimination of one grant-funded assistant director position, resulting in the net transfer of 0.5 positions to grants funding; elimination of the land agent position; elimination of one vacant economic development specialist position, which was partially funded by both the General Fund and TIF funding; reduction in funding for Tech Fort Worth; and fewer funds for appraisals and surveys.

**Planning and Development.** The Planning and Development Department seeks to make Fort Worth the most livable city in Texas by promoting orderly growth and development, safe construction and neighborhood vitality. In FY2013, the Department completed the first phase implementation of a new citywide permitting system in record time, cutting nearly 10 months off the standard implementation schedule. In FY2014, the Department will implement comprehensive electronic plan reviews and pursue a complete reorganization of the Development Division. The reorganization should result in more streamlined inspection services and add efficiencies in customer service while holding costs to current levels even with minor projected increases in permitting activities. In addition to this reorganization, the department's FY2014 adopted budget includes the elimination of nine positions and expenses that have the least impact on service delivery in the Planning Division.

**Transportation and Public Works.** The Transportation and Public Works Department manages the City's traffic and pedestrian-orientated mobility. The most significant changes to the FY2014 adopted budget for TPW include program reductions for contract street maintenance, repair and maintenance materials, the scheduled maintenance program, and funding for the energy savings performance contract. The adopted budget includes an elimination of 15.0 positions and an additional net reduction of 0.5 of a position from the elimination of an administrative position, in conjunction with the transfer of 50.0% of this position's job responsibilities to an existing position in the Environmental Protection Fund.

## **COMMUNITY DEVELOPMENT AND ADMINISTRATIVE SERVICES GROUP**

**Financial Management Services.** The Financial Management Services Department is responsible for providing timely and accurate financial, operational and management information through a variety of functions. The FY2014 adopted budget increases primarily for the transfer-in of two divisions--the Budget and Research Division and Mailroom Division from the City Manager's Office and Office Services Fund, respectively. This increase is offset by a reduction in banking fees and consultants for the CAFR.

**Human Resources.** The Human Resources Department administers the City's compensation and fringe benefits program; prepares and revises job classifications; administers recruitment and selection processes; maintains employee records; and administers the Workers' Compensation, Group Health and Life Insurance and Unemployment Compensation Funds. The Human Resources staff will continue to look for ways to reduce health care costs, improve employee health and wellness, and provide cost effective health care. The primary change to the FY2014 adopted budget includes increased funding for training. This increase is offset in large part by the elimination of one Human Resources analyst, transfer of 1.6 authorized positions to other funds and decreased funding for contractual and temporary services.

**Non-Departmental.** Non-Departmental is a General Fund department that records all expenditure items not exclusively within the programmatic responsibilities of a General Fund department. Significant decreases to the FY2014 adopted budget include the elimination of the City's contribution to the Risk Management Fund for commercial, claims and litigation costs, the elimination of one-time funding for the Fire retirees' health benefits, the elimination of funding for FY2013 City elections and a transfer of the James Avenue lease funding to the Debt Service Fund. Non-discretionary costs, including retiree group health contributions, resulted in budget increases. Additional increases are for one-time funding for the FY2014 Bond Election.

**Parks and Community Services.** The Parks and Community Services operations include the maintenance of over 260 parks and public spaces encompassing over 11,660 acres, as well as the provision of recreational and cultural activities, community assistance and educational programming—all of which make Fort Worth a great place to live, work and play. Significant decreases to the FY2014 adopted budget include the transfer of the Late Night program with 10.0 positions and a portion of the Comin' Up Gang intervention program to the CCPD. Other significant changes include an increase in the Fort Worth Zoo's management contract with the Fort Worth Zoological Association and increased costs for tree removal services. This increase is offset by the elimination of one-time purchases made in FY2013 for start-up costs for the Chisholm Trail Community Center and other one-time equipment and vehicle purchases. The adopted budget also includes the elimination of a field operations crew leader at the Botanic Garden, community center aide at Haws Athletic Center, senior skilled trades technician, and planner.

## **APPOINTED OFFICIALS**

**City Attorney's Office.** Under the direction of the City Attorney, the assistant city attorneys and staff are responsible for the administration of all City legal affairs; City representation in all suits, litigation and hearings; preparation of ordinances, contracts, and all other legal documents; and the rendering of legal advice and opinions to the City Council, City Manager and City departments. The FY2014 adopted budget increases due to a reduction in anticipated salary savings as less turnover is expected while three attorney positions will be held vacant during FY2014.

**City Auditor's Office.** Under the direction of the City Auditor, staff is responsible for ensuring City operations are effective, efficient and have adequate internal controls to ensure accountability, transparency, and accuracy, through independent assessments of operations and business practices. The department conducts financial audits to verify financial transactions and balances; operational audits which involve reviewing the performance of a program or service; grant audits which focus on compliance with the financial, contractual, and operational terms of grant agreements; construction project audits, which include reviews of construction project cost; and information system audits which involve verifying that computer systems are

accurate and efficient. The FY2014 adopted budget decreases for consultant and professional services related to independent audit services, reduced costs for scheduled temporaries and by maintaining one senior auditor position vacant during FY2014.

**City Manager's Office.** The City Manager's Office is composed of five divisions: Administration, Mayor and Council, Human Relations, Governmental Relations, and the Office of Media and Public Affairs. The FY2014 adopted budget reflects a decrease primarily due to the transfer of the Budget and Research Division to the Financial Management Services Department. The adopted budget for the Governmental Relations also decreases as there will be no legislative session during FY2014.

**City Secretary's Office.** The City Secretary's Office serves as a coordinator for City Council meetings and maintains records of all official City Council minutes. The department also coordinates the City Council's boards and commissions' appointment process and maintains the records relating to these appointments. The City Secretary serves as the Election Administrator for all city-held elections. The FY2014 adopted budget decreases for the elimination of one part-time customer service representative position.

## **ENTERPRISE FUNDS**

The FY2014 budgets for all enterprise funds include a 2.7% increase for group health insurance, administrative services charges reimbursed to the General Fund and no increase in allocations for OPEB transfers. Transfers to the Risk Management Fund were also eliminated from all enterprises fund budgets, while a 5.0% average salary increase for one month of FY2014 was added. Additional changes for each of the funds are noted below.

**Municipal Airports Fund.** The FY2014 adopted budget for the Aviation Department includes the operations of the City's Alliance, Meacham and Spinks airports. The adopted budget recognizes that airport revenues are generally stable. Alliance Airport has a slight reduction in facility repair supplies and services as the result of a new contract with Alliance Air Services to manage the air traffic control tower and cover these costs. Planned renovations on the Meacham Airport Terminal Building may result in a slight decrease of revenues in FY2014 as temporary facilities are supplied to current tenants.

**Municipal Golf Fund.** The FY2014 adopted budget for the Municipal Golf Fund includes the operation of four municipal courses. Significant changes include the addition of a new practice course at Rockwood and new grass on the greens at Sycamore, which will enhance the playability of both courses. Furthermore, two new tournament pavilions, one each at Rockwood and Pecan Valley, will attract new outside events availing the opportunity to increase rounds at both courses and boost business during the upcoming fiscal year.

**Municipal Parking Fund.** The FY2014 Municipal Parking Fund maintains five parking garages, 20 surface lots and 2,700 metered spaces. The primary changes to the FY2014 adopted budget include an increase in the debt services payment for the Western Heritage Garage, as well as for material costs for traffic and street signage in the Parking Meters Division due to plans to replace 89 commercial loading zone signs, 15 passenger loading zone signs and 106 no parking signs throughout the city.

**Solid Waste Fund.** As part of the Code Compliance Department, the Solid Waste Division is responsible for providing residential solid waste collection and disposal, operations at the drop-off stations, contract compliance, illegal dump cleanup, dead animal removal and customer service through the City Call Center. In keeping with the Management Plan's core objective of providing a healthy environment, the FY2014 adopted budget increases by one position in Solid

Waste Administration to support long-range planning for solid waste services. The budget also increases for the acquisition of land for construction of new convenience centers.

**Stormwater Utility Fund.** The Stormwater Utility Fund was authorized by the City Council in FY2006, and the first full year of operation was FY2007. As of this budget year, staff has identified over \$1.0 billion in stormwater projects necessary to address life safety issues, mitigate flooding and erosion, and replace undersized and deteriorated stormwater infrastructure. Over \$330 million of this backlog involves areas of the city where chronic flooding has occurred and presents a threat to life and property. The revenue budget is generated almost entirely from the Stormwater Fee charged to approximately 215,000 residential and commercial customers at an Equivalent Residential Unit (ERU) rate. For FY2014, the City's per ERU rate remains unchanged at \$5.40. The Stormwater Capital Projects Program is supported by revenue bond sales, which have been every two years, with three sales occurring to date. The 2007 sale provided \$25 million, the 2009 sale provided \$45 million and the 2011 sale provided \$80 million for stormwater capital projects through FY2013. The FY2014 adopted budget includes an increased transfer to the Water and Sewer Fund, which will be offset by the transfer of six positions to the Water and Sewer Fund for billing, call center and customer service. In addition, the adopted budget includes an increase in transfers to the Stormwater Capital Project Fund for various capital initiatives and increased Payment in Lieu of Taxes (PILOT) to the General Fund based on the growth in the Stormwater Utility's net capital assets. The adopted budget also reflects an increase of four positions, including three positions for stormwater development review and one position for floodplain management.

**Water and Sewer Fund.** The Water and Sewer Fund provides water and wastewater services to residential, commercial, industrial and wholesale customers. The annual revenue budget is based on the anticipated amount of services the various customers will require for the year. The FY2014 adopted budget includes a substantial cost increase in the raw water purchase from the Tarrant Regional Water District. The adopted budget also completes the phasing-in of a correction to previously over-budgeted sewer volumes that began in FY2013 and was initially planned for a three-year phase-in. Based on the fund's expenditure reductions for FY2014, this should actually be completed over two years. To cover anticipated costs, the new retail rates, effective January 2014, include increases of 6.4% and 5.3% for the Water System and Sewer System, respectively. Additionally, the wholesale rates are adopted with a 16.2% increase for Water and 3.8% decrease for Wastewater.

## **OTHER FUNDS**

**Capital Projects Service Fund.** The Capital Projects Service Fund provides internal services to various departments for their capital infrastructure project needs based on a fee structure. The annual revenue and expenditure budgets are based on the anticipated amount of services the various departments and funds will require for the year. The FY2014 adopted budget includes an elimination of five authorized positions and an increase in anticipated salary savings from vacancies and turnover throughout the year. Minimal, if any, service impacts are anticipated as the majority of these positions were vacant and have duties already reassigned during FY2013. The most significant change to this fund is the elimination of all post employment costs, including retiree group health, retiree death benefit and Other Post Employment Benefits (OPEB) based on a determination by the City Attorney's Office and Bond Counsel as to the restrictive use of this type of project funding.

**Culture and Tourism Fund.** The Culture and Tourism Fund was established primarily to manage revenue from the City's hotel and motel occupancy tax (HOT). The Public Events Department uses the revenue received through the collection of HOT, DFW revenue sharing

and events scheduled at the Will Rogers Memorial Center (WRMC) and the Fort Worth Convention Center (FWCC). Significant changes to the FY2014 adopted budget include the addition of funds for facility improvements, repairs and supplies as the Department attempts to maintain its aging facilities in a superior condition. The budget also includes an increase for the Fort Worth Convention and Visitors Bureau contract, electricity reimbursements to the General Fund and one authorized position. Debt service for bond interest payments will also increase slightly in FY2014.

**Environmental Protection Fund.** As part of the Public Works Department, the Environmental Protection Fund is responsible for providing stormwater permit compliance (inspections, monitoring, enforcement and education), internal City compliance with state and federal environmental regulations and the household hazardous waste program. The primary changes to the FY2014 adopted budget include a decrease in transfers to the Environmental Protection Project Fund for services such as asbestos abatement, underground storage tank removal and other environmental concerns on an as-needed basis and the elimination of one-time vehicle replacements. If funding for such situations were needed in FY2014, a fund balance appropriation could be initiated. The adopted budget also includes a decrease for the transfer of 0.5 of a position to TPW's Administration Division of the General Fund. The budget is adopted with a \$187,685 use of fund balance and includes no rate increase for FY2014.

**Equipment Services Fund.** The Equipment Services Fund is the City's fleet management fund. The Equipment Services Department manages all fuel purchased and provided for City vehicles and equipment; as well as the maintenance, oil and lube services, repair, acquisition and replacement of the City's fleet. The most significant change to the FY2014 adopted budget is an increase in the cost of parts and supplies based on the NAPA Auto Parts contract that was implemented in FY2013. However, this increase is offset in large part by a decrease in anticipated fuel expenses. Other significant changes include additional funds allocated for retiree insurance contributions and an upgrade of the City's fuel stations.

**Information Systems Fund.** The Information Technology (IT) Solutions Department provides internal services to General Fund departments and other funds for their IT services based on a fee structure through the Information Systems Fund. The annual revenue budget is based on the anticipated amount of services the various departments/funds will require for the year. Interdepartmental charges are primarily based on numbers for radio, telephone, and computing services. The FY2014 budget includes a significant increase from the FY2013 budget. The primary change to the budget is the addition of seven positions for hardware support across the City. These positions are expected to provide computer hardware technical support at a greatly reduced cost compared to the third-party contract used in FY2013.

**Group Health Insurance Fund.** The Group Health Insurance Fund is a special fund that provides services to General Fund departments and other funds for their employee health benefit coverage based on a fee structure. The annual revenue budget is based on the anticipated amount of services the various departments/funds will require for the year. For FY2014, increases are required to cover the rising cost of health care. This increase (2.7% for current employees and retirees) applies to the City's contribution and will reduce the paycheck of a current employee on the Basic Plan by approximately \$21.36 annually for employee only coverage, and \$180.96 annually for employee and family coverage. Healthcare costs are expected to increase again by approximately 7.1% in FY2015.

**Lake Worth.** The Lake Worth Trust Fund is managed by the Water Department and is used to fund a portion of the Municipal Court Lake Patrol operations at and around Lake Worth. The

## B-17

main source of revenue for this fund is lease income from properties surrounding the lake. Lake Worth patrol will continue to be staffed at three approved positions for FY2014.

**Red Light Enforcement Fund.** The Red Light Enforcement Fund was formally established in FY2011 as a special fund. Automated red light enforcement is an effective tactic for reducing red light running violations, which decreases accidents and improves community safety. Revenues are derived from the issuance of citations to red light violators through automated camera enforcement at 63 City of Fort Worth roadway intersections and cover the program's cost. Half of the annual revenue after expenses is then sent to the State Trauma Fund Account. The remaining revenue is available for traffic safety activities. As the program continues to show success in changing behavior, the number of citations issued on an annual basis is anticipated to decline. The primary changes to the FY2014 adopted budget include a reduction in the State payment based on declines in citation collections, the elimination of the sidewalk program, and reductions in other initiatives of the traffic safety program such as vehicle detection loop repair. Up to four additional camera installations are under consideration for FY2014; therefore, the adopted budget increased for contractual costs for camera leases and collection charges. The budget is adopted with a \$2,738,176 use of fund balance from citation revenue collected in previous years that can be applied towards traffic safety activities.

**FORT WORTH**

