

MANAGEMENT PLAN

Mission, Vision, Values, Management Priorities and Plan Core Objectives

The purpose of the management plan is to outline how the City is going to use available resources to accomplish the priorities identified by the community and City Council and report departmental performance throughout the year. Once priorities are set, departments build their budgets around these priorities and submit their budget for consideration.

A. Mission:

We strive to be a well-managed organization focusing on our future. Together we are building strong neighborhoods, developing a sound economy, fostering a healthy environment, and providing a safe community.

B. Vision:

By the year 2015, the City of Fort Worth will be commonly recognized as one of the best managed large cities in the country.

1. Citizens from all parts of Fort Worth will express a high degree of satisfaction with city services, as measured by the annual citizen survey. Fort Worth will rank among the top 10% of the country's large cities on overall citizen satisfaction.
2. Bond rating agencies will assign high ratings to Fort Worth in recognition of outstanding performance in the management of our economic, financial, and human resources.
3. City departments and employees will be recognized by their peers across the country for excellence in their fields.
4. The City will strive to employ a workforce that reflects at all levels the diversity of the community that we serve, and all of our employees will interact with their customers in a culturally competent manner.
5. Current and prospective employees will view Fort Worth city government as an employer of choice within the North Texas region.

C. Values:

1. Our highest value as City employees is the delivery of quality service to all our citizens.
2. To be worthy of the people's trust, each of us must consistently practice honesty and ethical behavior in the performance of our duties.
3. In both our service to the public and our interactions with one another, we shall always be guided by the principle of mutual respect.
4. We value the diversity in our community and organization; and we are committed to understanding and building upon our differences.

D. City Council Strategic Goals:

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

E. Management Priorities:

1. Ensure the long-term **financial health** of City government.
2. Attract, retain, and develop a **highly skilled, diverse workforce** for high quality customer service.
3. Conserve the City's financial and human resources by promoting **development that efficiently uses land, infrastructure, and public services**.

F. Management Plan Core Objectives:

1. Be a Well-Managed Organization:

- a. Improve **bond rating** status to yield cost-effective financing that meets the City's capital requirements, such as an AAA rating from Standards & Poor's and AAA from Moody's Investor Services for general obligation debt.
- b. Ensure the long-term financial affordability and competitiveness of **salaries and benefits** for all employees.
- c. Diversify **revenue sources** to improve cost recovery and supplement property and sales tax revenues.
- d. Invest in **technology** that makes City operations efficient, accountable and transparent.
- e. Promote the responsible and compliant management of City **records and information** to maximize efficiency, compliance and transparency of all operations and services.
- f. Promote **continuous improvement** of employee performance.
- g. Seek to employ people that reflect the **diversity** of the available labor pool, as determined by the Department of Labor (DOL).
- h. Improve **citizen satisfaction** by meeting or exceeding customer service standards.

2. Build Strong Neighborhoods:

- a. Add or rehabilitate quality, affordable and market-rate residential units and support desirable commercial development within designated growth centers, urban villages, and central city neighborhoods.
- b. Implement the five-year capital improvement program as updated annually in the Comprehensive Plan.
- c. Nurture existing community partnerships and identify opportunities to form new partnerships with residents, community stakeholders, and other agencies.
- d. Implement programs that address the housing costs and after-school needs of low-income residents.

3. Develop a Sound Economy:

- a. Implement the City's economic development strategies to create and retain well-paying jobs and to increase taxable value.
- b. Create and implement a multimodal transportation plan.

4. Foster a Healthy Environment:

- a. Improve air quality by reducing energy consumption per capita.
- b. Improve water quality and supply.
- c. Improve land quality by reducing waste and pollutants and promoting redevelopment of brownfields.

5. Provide a Safe Community:

- a. Ensure adequate public safety services for existing and future residents.
- b. Ensure the safety of buildings and property to protect occupants and neighbors.

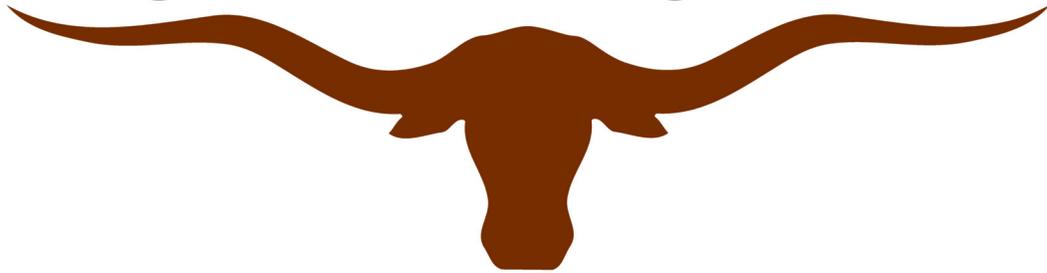
G. Budget Priorities

Budget priorities = Characteristics for rating City programs and services in order of importance for the annual budget.

Starting with budget preparation, all programs are rated on their degree of effectiveness in implementing the City Council strategic goals, management priorities, and management plan core objectives. The City Manager's Office evaluates and recommends improvement packages based on the budget priorities.



FORT WORTH



BUDGET FORMAT

The FY2014 adopted budget document for the City of Fort Worth provides historical, present, 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. 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 Funds are financial accounts for special revenue sources. An example is the Workers' Compensation Fund, which administers revenue collected in the form of contributions from City departments that incur workers' compensation claim expenses. 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 FY2014:

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

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.

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

City Attorney's Office	Human Resources
City Auditor's Office	Library
City Manager's Office	Municipal Court
City Secretary's Office	Non-Departmental
Code Compliance	Parks and Community Services
Financial Management Services	Planning and Development
Fire	Police
Housing and Economic Development	Transportation and Public Works

OTHER FUNDS

The remaining sections are divided into the Enterprise Funds, Internal Services Funds, and Special Funds.

Enterprise Funds include:

Municipal Airport Fund	Solid Waste Management Fund
Municipal Golf Fund	Stormwater Utility Fund
Municipal Parking Fund	Water & Sewer Fund

Internal Service Funds include:

Capital Projects Service Fund	Office Services Fund
Equipment Services Fund	Temporary Labor Fund
Information Systems Fund	

Special Funds include:

Awarded Assets Funds	Lake Worth Trust Fund
Crime Control and Prevention District Fund	Red Light Enforcement Fund
Culture and Tourism Fund	Risk Management Fund
Environmental Protection Fund	Unemployment Compensation Fund
Group Health and Life Insurance Fund	Workers' Compensation Fund

DEPARTMENTAL BUDGET PAGES

Each departmental budget is comprised of different summary forms. The *departmental/fund budget summary* pages provide a description of departmental/fund responsibilities and consolidation of departmental expenditures and staff levels. These resource allocations are provided for FY2012 unaudited actual expenditures, FY2013 adopted expenditures, FY2014 proposed and adopted expenditures. Expenditures are broken into five cost categories: personnel services, supplies, contractual services, capital outlays and debt service. Staffing levels, chain of command and major functions are depicted through an *organizational chart*. The *departmental objectives and measures* page explains the annual departmental objectives and provides program measures. The *departmental summary by center* pages provides a summary of each departmental center's past, present, and future expenditure and personnel allocations. The budget document is color-coded to allow the reader to reference specific pages more easily. The City Manager's Message and all other descriptive pages in the introductory section are printed on white unless otherwise noted in the following color-coding chart. This chart indicates the page color for each type of recurring page in this document.

PAGE TITLE**PAGE COLOR**

Fund Statement	Ivory
Fund Budget Summary	Gray
Cash/Fund Balance	Gray
Fund Five-Year Forecast	Gray
Comparison of Expenditures	Yellow
Comparison of Revenues	Tan
Departmental/Fund Budget Summary	White
Organizational Chart	White
Significant Budget Changes	Green
Departmental Objectives and Measures	Gray
Departmental Summary by Center	Blue
Departmental Budget Summary Other Funding	Pink

A glossary is included near the end of the document to assist the reader with unfamiliar terminology.

BUDGET PROCEDURE, BASIS AND PHILOSOPHY

PROCEDURE

The Fort Worth City Charter provides that on or before August 15 each year, the City Manager must submit to the City Council a proposed budget that provides a complete financial plan for all city funds and activities for the ensuing year. With this requirement in mind, 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 pertains to the FY2014 budget preparation:

Personnel Data (SBFS) Cleanup:

The annual budget preparation process takes place in early February when the Budget and Research Division opens 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 allows 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 held on March 1, 2013. During the meeting 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 City Council is presented with 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 MYFF is updated to reflect the proposed budget, and it is presented at that time. The forecast also serves 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, Housing and 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 no net increase in the size of the General Fund workforce through FY2018. The forecast projected expenditures to outpace revenues in each of the five years, with an average annual growth rate of 12.35%. Revenue is growing modestly at an annual average of 2.24% while expenditure is growing at an average of 3.46%. Personnel costs were projected to grow from 73% of expenditures in FY2014 to 74% in FY2018, and property taxes – the largest single component of General Fund revenue – were projected to increase at a slower rate than prior years based on continuing concerns with the housing market and economic difficulty. The forecast showed that without a realignment of priorities and a streamlining of the City's operations, the City would continue to struggle to reach its General Fund reserve requirement of 10% of all operating costs. 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. Therefore, forecast projected sales tax revenues to be about 4.20% higher as compared to FY2013.

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 is 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 and/or indicators. 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 and careful consideration of budgetary supporting detail and other information provided, the budget analyst made adjustments to a 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 were then presented to the budget manager and subsequently to the department's director responsible for the budget. Once budget recommendations were determined, each budget analyst drafted a departmental reconciliation sheet for each of their departments, which summarized recommended budget and authorized position levels, as well as all proposed major funding changes. Based on feedback from the budget manager and the department's director, the analysts made any necessary modifications to the budget recommendation for each department.

Proposed Budget Phase:

The city manager, the assistant city managers and budget 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 and unfunded 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 study sessions in which the departmental budgets are presented to Council members for their review and input. These budget study sessions occur over a one-month period 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' comment 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.

PHILOSOPHY

On November 8, 1984, Fort Worth voters approved a number of amendments to the City Charter relating to the budget process. These amendments were substantially based on the budget section of the Model City Charter and replaced certain archaic elements of the old charter that had not been modified since 1924. It is believed that these amendments facilitate the budget enactment and administration process. Included within these charter revisions were amendments that clarified and simplified the three types of appropriation transfers. At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, division, or section upon compliance with such conditions as City Council may establish by ordinance. Upon written request by the City Manager, the City Council may, by ordinance, transfer part or all of any unencumbered appropriation balance from one department to another. If at any time, during the fiscal year, the city manager certifies that there are revenues in excess of those estimated in the budget that are available for appropriation, the City Council, by ordinance, may make supplemental appropriations for the year up to the amount of the excess.

The City's basis of budgeting system is designed to be consistent with its accounting system, the modified accrual basis of accounting. Under this system, revenues are recognized when they become measurable and available. Expenditures are recognized when the fund liability is incurred within the current period.

BASIS OF BUDGETING

The City adopts an annual budget for the General Fund for which the level of expenditure may not legally exceed appropriations for each department or fund classified in the following categories:

- Personnel Services
- Supplies
- Contractual Services
- Capital Outlays
- Debt Service

Proposed expenditure appropriations for all departments and operations of the City are prepared under the direction of the city manager. The city manager may not amend appropriations within the above-mentioned categories for a department without seeking City Council approval. The City Council may increase, decrease or reject any item in the budget submitted by the city manager taking into consideration the recommendation of the city manager.

The City budgets for governmental funds, which include the General Fund and Debt Service, are based on the modified accrual basis of accounting. Under this method, revenues (income) are recognized in the period they become measurable and available to finance expenditures of the same period and expenditures (expenses) are recorded when incurred.

Exceptions to the modified accrual basis of accounting are as follows:

- Encumbrances are treated as expenditures in the year they are encumbered, not when the expenditure occurs.
- Grants are considered to be revenue when awarded, not when earned.
- Sales and use taxes are considered to be revenue when received rather than when earned.

The budgets for all proprietary funds, which include Enterprise Funds, Internal Service Funds, and Special Funds, are prepared using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. There are a few exceptions to this accounting treatment and they are:

D-10

- Capital outlay is budgeted as expenditure in the year purchased.
- Depreciation is not budgeted.
- Principal payments are shown as expenditures rather than reductions of the liability.
- Encumbrances are treated as expenditures in the year they are encumbered, not when the expense occurs.

Operating expenditures are controlled at the department level for General Fund and the fund level for other funds and may not exceed appropriations at those levels. Budget transfers within a department may be made with administrative approval, provided that the transfer is within the same fund. Transfers between departments within the same fund require City Council approval by resolution. Transfers between funds require City Council approval by resolution or ordinance. Increases in total appropriations require City Council approval by ordinance. Since expenditures may not legally exceed budget appropriations, amendments to the budget are sometimes required. A budget amendment is accomplished via a supplemental appropriation, which requires City Council approval by ordinance.

2013 Schedule for Budgeting and Tax Collection
(Tax Rate Does Not Exceed Effective or Rollback Tax Rate)
 (September 17th Budget Adoption)

Date	Dep't.	Event	Statute / Code	City Charter
May 1 st		Mailing of Notices of appraised value by Chief Appraiser to non-homestead property owners "by May 1 or as soon thereafter as practicable."	Tax Code 25.19(a)	
May 15 th		Deadline for Chief Appraiser to submit appraisal records to Appraisal Review Board (ARB) for determination of protests - "by May 15 or as soon thereafter as practicable."	Tax Code 25.22(a)	
May 28 th	CITY COUNCIL MEETING CANCELLED			
June 4 th CC Meeting 7:00 PM	BUDGET	Deadline for City Council to make changes to the residence homestead exemption –exemption must be adopted by the governing body of the taxing unit before July 1 in the manner provided by law for official action by the body. Note: Adoption of homestead exemption must be by ordinance (no CC meeting on June 11, 18, or 25)	Tax Code 11.13(n)	
June 11 th	CITY COUNCIL MEETING CANCELLED			
June 18 th	CITY COUNCIL MEETING CANCELLED			
June 25 th	CITY COUNCIL MEETING CANCELLED			
July 2 nd	CITY COUNCIL MEETING CANCELLED			
July 9	ALL / TREASURY	Verify dates on Planning Calendar and Treasury to ensure any forms modified by Comptroller for 2013 are distributed.		
July 22 nd		Deadline for ARB to approve appraisal records (July 20 th is Saturday; therefore deadline moves to next regular business day (Tex Tax Code 1.06))	Tax Code 41.12	
July 23 rd	CITY SEC/BUDGET	IR on Notice Requirements and Budget Calendar		
July 25 th		Deadline for Chief Appraiser to certify rolls to taxing units.	Tax Code 26.01(a)	
July 30 th	CITY COUNCIL MEETING CANCELLED			

Date	Dep't.	Event	Statute / Code	City Charter
August 1st	TREASURY prepares; LAW reviews	<p>Prepare IR for submission of appraisal roll to governing body and collector's certification of an estimate of the collection rate for the current year by August 1 or as soon thereafter as practicable.</p> <p>NOTE: "If the collector certified an anticipated collection rate in the preceding year and the actual collection in that year exceeded the anticipated rate, the collector shall also certify the amount of debt taxes collected in excess of the anticipated amount in the preceding year."</p> <p>Prepare IR for submission of effective and rollback tax rates by August 7 or as soon thereafter as practicable. (<i>Comptroller has prescribed forms</i>)</p>		<p>Tax Code 26.04(b)</p> <p>Tax Code 26.04(e)</p>
August 6 th Pre-Council Meeting 3:00 PM	<p>TREASURY</p> <p>TREASURY</p> <p>TREASURY</p>	<p>Submission of appraisal roll to governing body by IR, collector's certification of an estimate of the collection rate for the current year [26.04(b) "by August 1 or as soon thereafter as practicable . . ."].</p> <p>Submission to Council of effective and rollback tax rates [26.04(e) "by August 7 or as soon thereafter as practicable . . ."] by IR</p> <p>Pre-Council briefing on effective and roll back tax rates, publication and notice requirements (if necessary)</p>	<p>Tax Code 26.04(b)</p> <p>26.04(e)</p>	
August 7th	<p>CITY publishes SEC</p> <p>TREASURY publishes; CITY SEC verifies</p>	<p>Prepare, review and send Notice of Public Hearings on budget to newspaper to be published on <u>AUGUST 10</u></p> <p>[Notice of hearing on budget must be published no more than 30 and no less than 10 days before first budget hearing. If the proposed budget will require raising more revenue from property taxes than previous year, notice must contain statement set forth in LGC 102.005(b)]</p> <p>Send effective and rollback tax rates, statement and schedules to newspaper for publication on <u>AUGUST 10</u> [26.04(e) "by August 7 or as soon thereafter as practicable"]</p>	<p>LGC 102.005; 102.006; 102.0065</p> <p>Tax Code 26.04(e)</p>	
August 8th	BUDGET; M&C CENTER	Ensure budget presentation is on pre-council agenda for presentation of the budget on August 13 th		Ch X, Sec 1
August 10th	<p>CITY SEC</p> <p>CITY SEC</p>	<p>Verify publication of Notice of Budget Hearings in newspaper</p> <p>Verify Effective and Roll Back tax rates published in newspaper</p>	<p>LGC 102.0065(c)</p> <p>Tax Code 26.04(e)</p>	

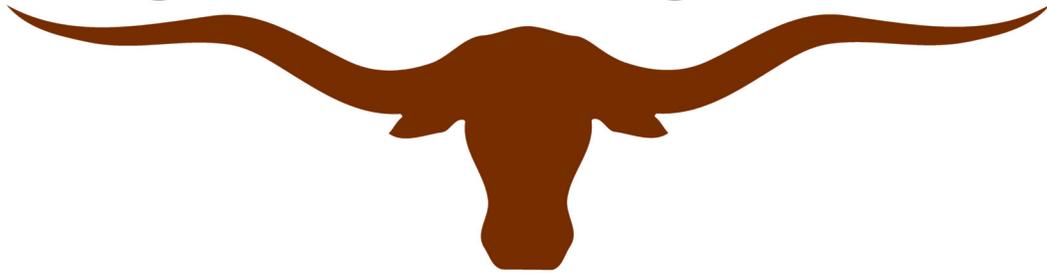
Date	Dep't.	Event	Statute / Code	City Charter
August 13 th Pre-Council Meeting 3:00 PM	BUDGET	Proposed budget presented to City Council at the Pre-Council Meeting [On or before the 15th day of August , the manager shall submit to the Council a proposed budget for the ensuing fiscal year...]		Ch X, Sec 1
August 14 th	BUDGET CITY SEC	Proposed budget filed with the municipal clerk [Budget officer shall file the proposed budget with the municipal clerk before the 30th day before the governing body makes its tax levy] If the proposed budget will require raising more revenue from property taxes than in the previous year, then the budget must contain a cover page statement as set forth in LGC 102.005(b) The proposed budget shall be made available for public inspection and posted to the City's website	LGC 102.005(a) LGC 102.005(b) LGC 102.005(c)	
August 15th (verify upcoming agenda)	BUDGET BUDGET, TREASURY prepares; LAW reviews M&C CENTER; BUDGET; LAW	City Council Budget Work Session (Pre-Council) Prepare Appropriation Ordinance, Debt Service Ordinance, and Ad Valorem Tax Ordinance to be finalized with the M&C Center by August 15 th Ensure Public Hearing and all ordinances are on the Council agenda for first reading at <u>AUGUST 20</u> CC meeting [full ordinance captions to be listed on the agenda]		Ch X, Sec 2
August 16th	BUDGET	City Council Budget Work Session (Pre-Council)		
August 20 th CC MEETING 10:00 AM	CITY SEC reads into the record	First reading of Appropriations Ordinance, Debt Service Ordinance and Ad Valorem Tax Ordinance at Council Meeting with Budget Hearing - Full ordinance captions to be listed on the agenda and read into the record - 1st Budget Hearing at Council meeting		Ch. X , Sec 2
August 21 st	CITY SEC	Send appropriation ordinance and debt service ordinance to newspaper for publication on <u>AUGUST 24</u> Note: Ordinances should be published in newspaper of general circulation following initial reading [Note: Publication should occur in standard publication time of 3 days or as soon thereafter as possible]		Ch. X, Sec 2
August 22 nd (verify upcoming agenda)	M&C CENTER; LAW BUDGET	Ensure Public Hearing and Appropriations Ordinance, Debt Service Ordinance and Ad Valorem Tax Ordinance are on agenda for 2nd budget hearing at SPECIAL CALLED MEETING ON AUGUST 27th AUGUST 27th MEETING CANCELLED City Council Budget Work Session (if necessary)		Ch X, Sec 2

Date	Dep't.	Event	Statute / Code	City Charter
August 24 th	CITY SEC	Verify appropriation ordinance and debt service ordinance are published in newspaper		Ch. X, Sec 2
August 27 th	CITY COUNCIL MEETING CANCELLED			
August 27 th SPECIAL CALLED CC MEETING 10:00AM	CANCELLED	2nd Budget Hearing on Appropriations Ordinance, Debt Service Ordinance, and Ad Valorem Tax Ordinance at SPECIAL CALLED Council Meeting in conjunction with joint meeting with The T Abbreviated captions of all ordinances on the agenda		Ch. X, Sec 2
August 29 th	BUDGET CANCELLED	City Council Budget Work Session (if necessary)		
September 3 rd	CITY COUNCIL MEETING CANCELLED			
September 5 th (verify upcoming agenda)	M&C CENTER; LAW BUDGET TREASURY	Ensure Public Hearing and Appropriations Ordinance, Debt Service Ordinance and Ad Valorem Tax Ordinance are on agenda for 2 nd budget hearing City Council Budget Work Session (if necessary) CANCELLED		Ch X, Sec 2
September 10 th CC MEETING 7:00 PM		2 nd Budget Hearing on Appropriations Ordinance, Debt Service Ordinance, and Ad Valorem Tax Ordinance at Council Meeting Abbreviated captions of ordinances on agenda ----- FINAL DATE TO PROPOSE A HIGHER TAX RATE ----- Note: A proposal to adopt a tax rate higher than the proposed tax rate will trigger new posting requirements and special called meetings to comply with the Tax Code If CC wishes to propose a higher tax rate, a Resolution should be placed on the City Council agenda (as necessary) to adopt a tax rate higher than the proposed tax rate of \$0.08550	Tax Code 26.06	Ch. X, Sec 2

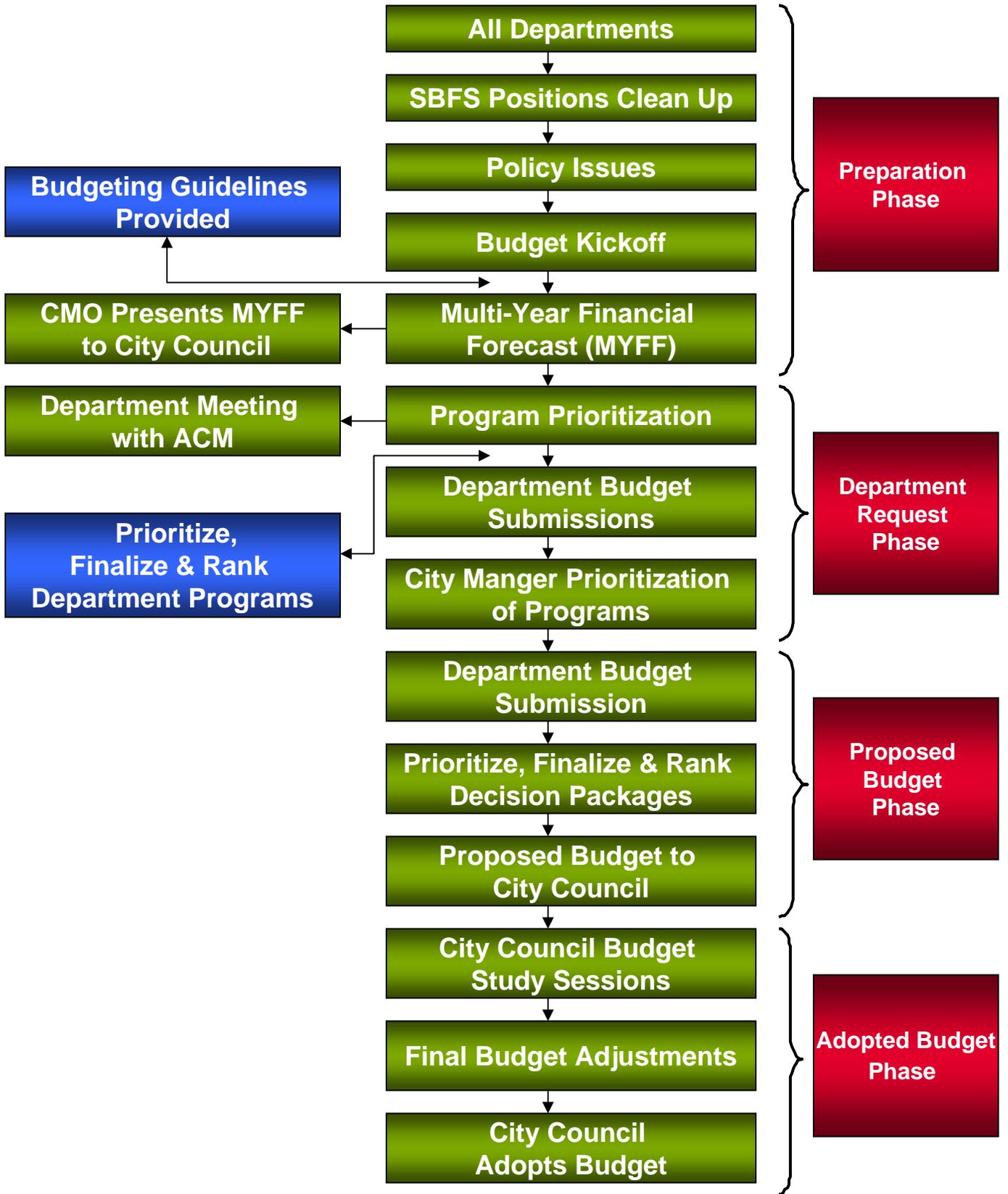
Date	Dep't.	Event	Statute / Code	City Charter
September 12 th (verify upcoming agenda)	M&C CENTER; LAW BUDGET prepares; LAW reviews; M&C CENTER verifies TREASURY BUDGET	Ensure full caption of Appropriation Ordinance, Debt Service Ordinance and Ad Valorem Tax Ordinance (in that order) are on Council Agenda If taxes collected to fund Maintenance & Operations is more than last year, ensure appropriate language is included in tax levy ordinance [26.05(b)(1)]. Ensure Resolution to ratify property tax revenue increase is on agenda to be considered at <u>September 17th</u> Council meeting AFTER adoption of ordinances <i>Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget.</i> City Council Budget Work Session (if necessary) CANCELLED	Tax Code 26.05(b)(1) LGC 102.007(c)	Ch. X, Sec 2
September 17 th CC MEETING 10:00 AM	M&C CENTER; CITY SEC	Second reading of Appropriations Ordinance, Debt Service Ordinance and Ad Valorem Tax Ordinance (full ordinance captions to be listed on the agenda and read into the record) 3rd Budget Hearing at Council Meeting; BUDGET ADOPTION <ul style="list-style-type: none"> - (1) Council adopts Appropriations Ordinance by RECORD VOTE - (2) Council adopts Debt Service Ordinance - (3) Council adopts Ad Valorem Tax Ordinance - (4) Council adopts ordinance transferring fund balances to General Fund (5) Council adopts Resolution ratifying property tax revenue increase	LGC 102.007(a) LGC 102.007(c)	Chapter X, Sec 2

Date	Dep't.	Event	Statute / Code	City Charter
September 30 th	M&C CENTER; CITY SEC	<p>DEADLINE TO ADOPT BUDGET <u>[special called meeting required]</u></p> <p>[The governing body shall adopt a tax rate for the current tax year and shall notify the assessor of the rate before the later of Sept 30 or the 60th day after the date the certified appraisal roll is received. If rate is not adopted by this date, the rate becomes the lower of the effective tax rate or the tax rate adopted for the preceding tax year]</p>	Tax Code 26.05(a) 26.05(c)	
Oct. 1 or ASAP		County Tax Assessor mails tax bills		

FORT WORTH



Annual Budget Process

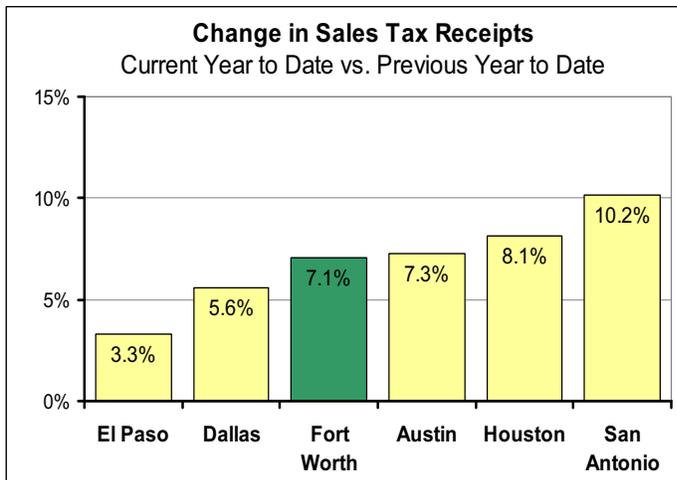
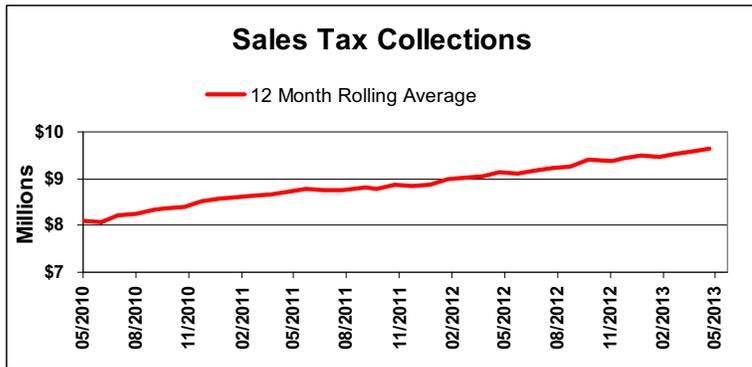


FORT WORTH'S ECONOMIC ENVIRONMENT

The economic outlook for Fort Worth showed signs of improvement throughout FY2013. Sales tax revenue climbed upward while unemployment levels dropped. Although the number of new home permits remained far below historic highs of 2008, improvements in new and existing home sales reflected greater confidence in the real estate market. The year brought many good things to Fort Worth including, a steady stream of new residents, as well as the new Motorola Flextronics plant (the first U.S.-assembled smartphone plant) and Texas A&M University School of Law in downtown Fort Worth. In addition, during the fourth quarter, Fitch Ratings deemed the City's rating outlook as stable--a rating supported by several factors throughout the year.

Sales Tax

Sales tax collections were again a bright star among the City's revenue streams. Since the beginning of the fiscal year, the 12-month rolling average achieved eight new record highs through July, with the most recent high of nearly \$9.8 million set in August. This amount represented a 6.7% increase compared to the same period last year. Furthermore, the City took in its highest monthly collections on record when it received nearly \$12.5 million in sales taxes in December--a 4.6% increase from December 2011.



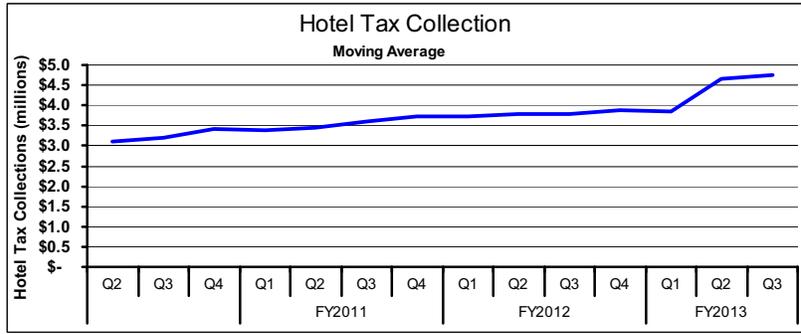
As of July, year-to-date sales tax collections for Fort Worth were 7.1% higher than the same period last year. Among the largest Texas cities, both El Paso and Dallas had lower growth rates, while San Antonio led the state with year-to-date receipts up 10.2% over last year.

Despite the positive trends, some industry analysts expect weak sales nationwide during the upcoming holiday shopping season according to a September *Wall Street Journal* article. These projections are influenced by tepid back-to-school results, as well as rising interest rates and persistent macroeconomic and political factors.

Hotel Demand

The June-August 2013 edition of the Econometric Forecasts of U.S. Lodging Markets report compiled by PKF Hospitality Research indicated that by year-end 2013, Fort Worth hotels would see a 4.4% year-over-year increase in revenue per available room (RevPAR)--the hotel industry's key performance measure. While better than last year, this growth pales in comparison to the 6.1% increase expected nationally. Factors driving Fort Worth's RevPAR increase include increased occupancy and average daily room rates of 1.8% and 2.5%, respectively.

The success of the hotel industry is critical as the City uses hotel/motel occupancy taxes (HOT) to support operations at the Will Rogers Memorial Center and Fort Worth Convention Center, in addition to funding efforts to market the City nationally and internationally.

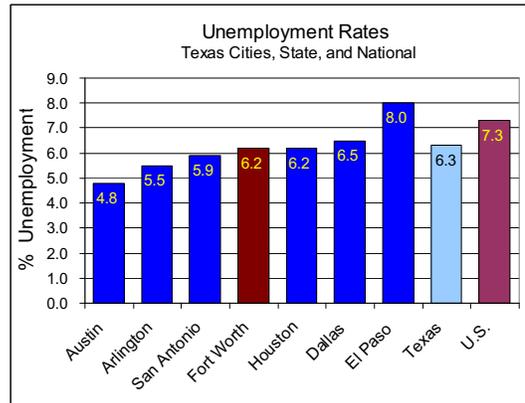


In FY2013, the City experienced record HOT revenue collections for the second and third quarter. The City collected nearly \$6.9 million for the second quarter (up 83.9% compared to last year) and \$4.3 million for the third quarter (up 11.3% compared to last year). These increases are likely a result of the Texas Comptroller's Office transitioning from a quarterly to monthly collection schedule. However, additional collection history is needed to determine how much of the increase is due to the change in collection schedule versus improvements in sales.

Employment Growth

Job growth in Fort Worth remained strong throughout FY2013. In May, *Forbes* recognized the Fort Worth-Arlington metro area as the best large city in Texas for jobs and 4th in the country. Rankings were based on recent, midterm and long-term growth and momentum. During the survey period (November 2001-January 2013), Fort Worth's employment expanded 16%.

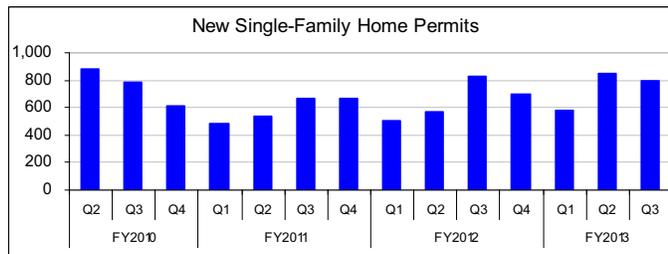
Even with slight seasonal fluctuations, both national and local unemployment rates continued to decline throughout the year. As of August 2013, Fort Worth's unemployment rate was 6.2% compared to 7.1% in August 2012. In comparison, the national and state unemployment rates were 7.3% for the U.S. and 6.3% for Texas. Among major Texas cities, Austin had the lowest unemployment rate at 4.8%, while El Paso's 8.0% unemployment trailed behind not only the major Texas cities, but national and state levels, as well.



The Real Estate Center at Texas A&M found job creation ranked highest in the state's construction industry, followed by mining and logging, leisure and hospitality services and professional and business services. Motorola's new Fort Worth manufacturing facility is expected to create 2,500 jobs statewide and produce the first smartphone ever assembled in the U.S.

Real Estate

Building permit volume suffered during the third quarter, with volume down 20% from the same quarter in FY2013. This was the first decline in year-over-year volume since the third quarter of 2011.

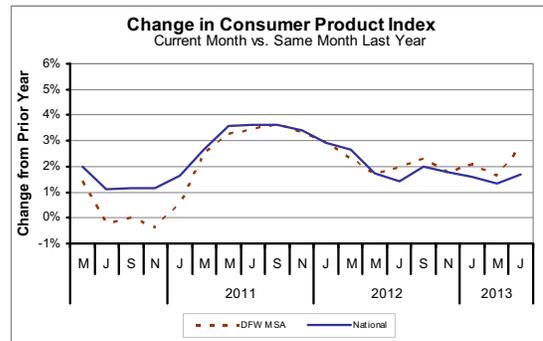


Across the metroplex, homebuilders started over 5,900 homes between April and June, the most starts in five years. Nationwide, builder confidence remained high as reflected

by the National Association of Home Builders/Wells Fargo Housing Market index. The index reached 58 in September, marking the fourth consecutive month it has surpassed 50¹ since April 2006 and the highest index since November 2005 (just before the housing market collapse). The boost in confidence was reflected in August new-home sales, which were up nationwide 12.6% compared to August 2012.

Inflation

Another point of interest is the persistently low inflation rate as measured by the Consumer Price Index (CPI)². The most recent CPI for the DFW Metroplex (recorded in July 2013) showed inflation increasing by nearly 2.8% compared to July 2012. The CPI for the country as a whole increased 1.7% during the same period. While the Federal Reserve says it is not alarmed yet by the slow growth nationwide (the target rate is 2%), it continues to monitor changes closely as inflation rates that are both too low and too high carry economic risks.



Population Growth

Job growth and other economic and lifestyle factors continued to make Texas, and specifically the Fort Worth area, a popular destination for new residents. During the year, *Forbes* ranked the City as the 6th fastest-growing city in the country. According to the magazine's study, the City achieved this designation with a 14.3% population increase to 777,992 between 2007 (noted as the beginning of the recession) and 2012³.

Forecast

The overall economic outlook for Fort Worth is positive. Sales taxes have climbed steadily since the recession ended in late 2010. Declining unemployment rates and continued population growth suggest these trends should continue well into 2014. Existing households are likely to continue spending at current rates, while new residents will add to the City's sales tax base. Population growth also supports improved property tax revenue. The increasing volume of building permits increases the overall tax base. Demand for existing homes supports the slow but steady growth in values, which also yields more property tax revenues. Property tax revenue will be slower to materialize than sales taxes, as homes built in 2013 are added to the tax roll in 2014 and actually do not begin paying taxes in 2015. However, this revenue growth is more certain than other sources, as the lagging nature of the revenue buffers property tax revenue from short-term economic trends. Although the City will face budget challenges again in FY2014, current economic trends offer a reason for optimism.

¹ Index readings over 50 indicate more builders view sales conditions as good than poor.

² The Consumer Price Index (CPI) indicates the average price paid by households for a representative sample of goods and services.

³ Population estimates based on U.S. Census Bureau numbers. The City of Fort Worth estimates its 2013 population at 767,560 based on data from the North Texas Council of Governments.

POLICY ISSUES

This section provides an overview of issues from FY2014 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

Aviation Leasing Policy and Minimum Standards. The Aviation Minimum Standards were last updated in 1992. The department is in the process of updating this document, which establishes standards for tenants and users of the airports such as aircraft maintenance, flight training, aircraft fueling, etc. The standards are intended to ensure a level playing field between airport tenants and that the basic needs of airport customers are being met. In regards to leasing, the department has historically operated on a case-by-case basis for leasing airport property. The leasing policy will outline the parameters for leasing airport property and improvements with the objective of balancing the private sector interest of conducting a profitable business, with the City interest of managing scarce land resources and producing sufficient revenue to maintain the airports. The Leasing Policy has been completed. The Minimum Standards are still in draft. Aviation expects these to be approved by Council in the spring of 2014.

Compatible Land Use and Height Zoning. This project is intended to protect the existing public airports in the City of Fort Worth. The project will establish compatible land use zones and height restriction zones around the five airports within the City. The airports include Alliance, Dallas/Fort Worth International, Naval Air Station Joint Reserve Base Fort Worth (NAS-JRB), Meacham, and Spinks. The compatible land use zones will be a part of the City's Land Use Plans and will ensure compatibility for noise and safety. There will also be height restriction zones based upon the adopted Airport Layout Plans for each airport. The adoption of each of these zones will be through amendments to the Municipal Code. The Code amendments will relocate these items from the Aviation section of the Code to the Planning and Development section of the Code to provide better enforcement and oversight on these land use issues. Planning and Development has completed the NAS-JRB zoning overlay and is now moving on to the Alliance Meacham and Spinks. This project is expected to be completed in the spring of 2014.

CITY ATTORNEY'S OFFICE

Need for Paralegals and Additional Attorneys. During the 2010 reorganization of the City Attorney's Office, two overage paralegal positions were authorized, but due to budget constraints, these positions were not filled and subsequently were part of the City Attorney's Office reduction program for FY2011. The continued lack of paralegals creates time management and work productivity issues for the attorneys and should be reexamined if the City's financial condition improves.

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. Additional prosecutors will also be needed over the next five years as the City's population grows and the number of courtrooms and cases filed in Municipal Court increases. Funding for succession planning will be crucial, as several senior lawyers will be eligible for retirement in the near future.

Existing Salary Inequities and Mid-Range Attorney Salary Deficiencies. Support staff salaries are almost 13% under the market average and compensation inequities exist between current support staff with comparable experience. These factors make it difficult to retain and recruit experienced support staff. Based on responses from city attorneys across the country, starting salaries for attorneys appear to be competitive, but the lack of promotional opportunities and merit increases have put mid-range attorney salaries behind other comparable cities. Salary issues will have to be addressed to avoid the loss of expertise, diversity and strong performers within the department.

Case Management Software. Pursuant to the City Council's direction to become more technology driven, the City Attorney's Office needs to purchase case management software in the near future, which will benefit both litigation and transactional attorneys. Case management software will allow the organization and automation of cases, provide for a central repository for litigation documents and research, standardize case creation and tracking, provide deadline tracking, scheduling, reminders and manage electronic discovery. Cost estimates for the initial software purchase are \$50,000 to \$60,000, and \$20,000 in annual operating funds is the estimated need for an adequate number of user licenses, annual updates and maintenance fees.

Conference Room Space. The City Attorney's Office has existing available conference rooms; however, none are large enough to support upgraded audio and visual equipment, as well as attendees. Unutilized space in the City Attorney's Office, which was previously used as a law library, is sufficient for a larger and technology enhanced conference room; however, the Department lacks the necessary funds for such a conversion.

CITY MANAGER'S OFFICE

Reliance on Federal Funding. The U.S. Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Housing and Urban Development's Fair Housing Assistance Program (FHAP) provide funding for the City's fair employment, fair housing, landlord and tenant counseling. Fluctuations and decreases in EEOC and FHAP funding will impact staffing levels requiring the department to secure local funds to continue enforcement of the City's anti-discrimination in employment laws, enforcement of fair housing laws and provision of the same level of service to neighborhoods, landlords, tenants and housing providers. The reliance on federal funding is classified as near term due to the fact that municipalities are typically impacted by challenges in the federal budget and potential federal budget cuts.

CITY SECRETARY'S OFFICE

Enterprise Information Management System (EIMS) and Staffing. In FY2012, the City's Information Technology Solutions (ITS) Department identified reserve funds that provided for the purchase of software and professional services for the Laserfiche Electronic Document Management system for the City Secretary's Office. Initial funding for the system included the acquisition of 200 licenses that will provide use of the system by the City Secretary's Office, along with the Water, Police, Library and Human Resources Departments. However, continued funding is required for the eventual enterprise-wide deployment and continued support of the system. Incremental funding of approximately \$300,000 annually, for a total of \$1.2 million, for the next four years would be required to provide for a systematic funding and implementation process throughout all City departments. The expanded use of the system will necessitate the hiring of one additional Records Information Management (RIM) position to handle the increasing volume of electronic records that will be part of the EIMS system. This person will oversee the retention and disposition of the electronic records to ensure they are properly managed. This enterprise-wide coordination will greatly enhance information and process management, efficiency and collaboration across the organization.

Restoration of City Council Minute Books. Approximately 70 to 80 historical minute books need to be restored. Cost estimate for this project is \$120,000, which includes restoration of covers, de-acidification of pages and imaging of books. 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.

Granicus VoteCast for the Council Chamber. Funding of this initiative would provide for an electronic voting system for the City Council and various boards, commissions and committees. This system would enhance the City's video streaming endeavor by providing for transparency in the voting process. It will also include the MinutesMaker software that provides automatic annotation into the Council minutes, thereby decreasing transcription challenges and increasing accuracy. The automatic flow of information will help improve process efficiency and allow for the unquestionable credibility of the public record.

Scanning Official Documents. Additional funds are necessary for the scanning of official documents by a vendor to make them easily accessible while reducing the volume of paper documents maintained on- and off-site. This initiative would eventually eliminate the need to lease separate facilities to store the physical records, which currently includes 673 inactive record boxes. Contracting with a vendor is significantly less than microfilming costs, and funding would be divided evenly over a three-year period at \$30,000 each year.

CODE COMPLIANCE

Mosquito Surveillance and Response. The City has not funded mosquito surveillance and/or response capacity for several years. With the unprecedented levels of West Nile Virus reported in Fort Worth, Tarrant County and the metroplex during 2012, there is a need to develop a plan for surveillance, prevention education, larviciding and adulticiding (spraying) should this level of disease return in subsequent years.

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 (ERP Phase II) 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.

CODE COMPLIANCE/SOLID WASTE FUND

Addition of Two Drop-off Stations. The City currently operates three drop-off stations where residents can dispose of 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. One additional drop-off station is being designed for construction to serve residents in the Alliance corridor area of far north Fort Worth. Construction will start in late FY2014. Future plans include construction of drop-off stations west of Loop 820 for west Fort Worth and an additional drop-off station in far east Fort Worth.

Comprehensive Solid Waste Management Plan. The practice of solid waste management in the United States has significantly changed over the past 20 years. In many cases it has caught up with or exceeded the forward thinking program that Fort Worth implemented in 2003. A long range management plan is needed to determine where Fort Worth needs to advance over the next 20 years to handle the waste generated by one of the fastest growing major cities in the United States in a sustainable manner.

Storm Debris Management Plan. In conjunction with the Emergency Management Office, a formalized storm debris management plan needs to be developed. Handling debris following a significant storm event is very resource intensive (equipment, personnel and time) as well as extremely costly. A properly written Storm Debris Management Plan will help the City successfully navigate future debris collection, processing and disposal episodes efficiently and in a cost effective manner. This Storm Debris Management Plan will be done in conjunction with the Comprehensive Solid Waste Management Plan.

One Call Customer Service System Staffing. Over the past year, a study to review and research the need for and requirement of a One Call system, such as 311 or designated and promoted single 10-digit telephone number to connect with the City Call Center has been conducted. Analyses of this study is being formulated to determine how and when the City should move to this type of system. Once implemented as a City wide asset, additional staffing needs from the Code Compliance Department may also be required to support this new service system.

EQUIPMENT SERVICES

Construction of a 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, the Water Service Center services 826 pieces of equipment. The recommendation from the City Manager's Office is that a new facility be built and paid for as a Water Capital Project with an estimated cost of \$7.2 million. The new Water Service Center includes the addition of 11 bays for a total of 22, much needed improvements to existing buildings, electrical upgrades and the resurfacing of all parking areas and driveways. The new facility would require an additional seven full-time equivalent positions to maintain acceptable service levels that are already strained by limited space and age of the City fleet and to possibly provide for a second shift to respond to after hours repairs.

FIRE

Additional fire stations in rapidly expanding areas of the City (Far North, Far West and Far South).

Far North - The City has nine fire stations in the area north of Loop 820; and of those, only two stations (Stations 35 and 38) have a second fire company. However, the second company for Station 35 is an Aircraft Rescue Firefighting-dedicated company and cannot respond to calls off Alliance airport property. The second company for Station 38 is the only aerial apparatus for the area, which presents challenges for responses to incidents at multi-story buildings and delays arrival by 20-30 minutes. One company per year should be added to the existing remaining seven north fire stations.

Far West - Walsh Ranch is expected to see the first phase of development in the next two years. With response times from existing fire stations to the development ranging from 9-16 minutes, a station in the development will be needed by 2015. For planning purposes, the station design/construction cost is \$5 million. An additional \$750,000 for fire apparatus is needed. The annual cost to staff and operate the station will be approximately \$1.4 million.

Far South - The City has five fire stations in the area south of Loop 820; and of those, only one station (Station 26) has a second fire company. The second company for Station 26 is the only aerial apparatus for the area, which presents challenges for responses to incidents at multi-story buildings. Additionally, response times to Spinks Airport exceed stated departmental goals. An additional fire station with a second fire company should be added for coverage to the Far South area of town and for Spinks Airport.

Maintaining response time standards with fewer personnel. The stated response time goal for the department is for a company to arrive on-scene within five minutes from the time of dispatch. The department struggles to meet this goal with the current staffing levels, and fewer personnel could present additional challenges.

HOUSING AND ECONOMIC DEVELOPMENT

Consolidation of Economic Development and Business Development Divisions. In FY2014, the Economic Development and Business Development divisions will be consolidated to create the Economic and Business Development division, resulting in the elimination of two positions. Minimal service impacts will occur to customers of the Minority-Owned Business Enterprise/Small Business Enterprise Office and other customers at the Business Assistance Center, but service impacts will occur in the Economic Development division as these groups are merged.

Elimination of target areas for direct sale and sale of all tax-foreclosed properties through a bid sale. The reduction of a third position in Housing and Economic Development will result in the elimination of target areas for tax-foreclosed properties and will require that all tax-foreclosed properties be sold in bid sales. A service impact may occur as only one position will remain to serve both internal and external customers on real property questions and issues.

HUMAN RESOURCES

Meet and Confer and Collective Bargaining. A new contract was implemented in FY2013 with the Fort Worth Police Officers Association and a new contract will be implemented in FY2014 with the Fort Worth Professional Firefighters Association, IAFF Local 440. These contracts will result in additional costs for the terms of the contracts and beyond. 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.

INFORMATION TECHNOLOGY SOLUTIONS

Enterprise Resource Planning (ERP) Phase I. A software upgrade for the Human Resources/Payroll system will be required in FY2015. The Information Solutions Fund's fund balance would be used to support this initiative in FY2015. This is part of the normal maintenance and use process of the software, which must be maintained and upgraded about every three years to stay on a version that is supported by the vendor.

Customer Relationship Management (CRM) System. A CRM system, such as 311/single number or similar call system will need further research and analyses soon, along with its electronic version via social media, web site and other applications. This focuses a new emphasis on customer service, especially to provide citizens an easy to remember number when calling the City for assistance. CRM also includes on-line and new media methods of communicating with City government, which again is a new focus of management. The cost estimate for this program is \$2 million to \$5 million over several years and will positively impact the service provision for numerous City departments and operations.

Replacement/New Technologies. Public Safety will need software licensing upgrades, such as for call recording, ticket writers, and fire station alerting systems. A preliminary cost estimate is over \$1 million to complete a replacement/new technologies program.

Replacement Radio System. The City Council approved a system purchase agreement with Motorola Solutions for the upgrade of the City's public safety and public works communications system that supports City departments and all critical communication for emergency responders. The upgrade to a current generation digital system will more effectively meet the requirements of first responders and fulfill state and federal objectives for interoperability among the region's similar agencies. This system will replace the City's current system acquired in 1992, which is no longer supported by the manufacturer. Although project financing is secured by tax notes and dedicated funding from Crime Control and Prevention District (CCPD), ongoing maintenance will be required beginning in FY2015. Maintenance for the existing system is provided by City staff. The new system will require software maintenance/support that does not exist in the current system. Additionally, manufacturer support will likely be required for hardware maintenance on the new system. A preliminary cost for the required maintenance to meet federal compliance and regulations is estimated to be \$1 million to \$3 million annually or more.

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 \$500,000 additional annually is needed 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 of 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 System Master Plan would address these underserved areas of the City. Ongoing operational costs for the two facilities being considered for inclusion 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. The Library has installed radio frequency identification technology (RFID) in two libraries. RFID provides increased security for library materials and improves customer convenience and staff efficiencies by automating and streamlining some checkout and check-in operations. Funding is needed to convert the Central Library and branches. Additionally, with the 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

Addition of a Bond Window at 350 Belknap Jail Location. Current jail operations are contracted with the City of Mansfield. One issue that has remained problematic is the inability to provide a bond window at the 350 Belknap jail location for defendants in custody to be released on bond or payment prior to being taken to the Mansfield Law Enforcement Center. This results in additional costs to the City and extended time in jail for defendants. The addition of a bond window staffed by Municipal Court personnel at this location would help expedite the release of prisoners and the collection of funds within the direct care and control of the City of Fort Worth.

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 for FY2012. The current dredging operations at Lake Worth posed additional demands on lake patrol operations. To meet those demands, additional marshal staff was added and paid through the dredging project. 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 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.

Enhanced Accessibility (Virtual Court). The Court is currently exploring technology-related enhancements to provide greater accessibility for citizens to resolve their citations. This initiative is known as "Video Court". The concept is currently being utilized in the City of San Antonio and involves the use of a remotely located kiosk, with audio and video screen capability, to provide real time capability to contact a clerk and judge at a current court location. The defendant would be able to speak to a clerk and judge to resolve their citations without having to travel to a courthouse. This initiative has the potential to reduce foot traffic and mail at the current public service locations while providing increased accessibility to

Court services. As a part of the 2014 Bond Program a Video Court solution is being proposed with the North Library facility.

PARKS AND COMMUNITY SERVICES

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, 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 and Acreage. 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 1,462 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 \$3,000 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. Although contract maintenance is the primary source for the delivery of new services, to be fully effective, a diversified operations and management strategy is necessary including the use of various internal staff hired to address these needs.

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 incremental increases to the base contract fee for the first five years of the agreement, plus an annual adjustment for the Consumer Price Index. The remaining incremental increase for FY2015 is \$1 million. 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 5 to 10 year plan calls for construction of five enhanced neighborhood family aquatic centers, one in each sector of the city. These contemporary designed facilities would encompass 25,000 square feet of full-service facilities in an accelerated manner. Capital funds for design and construction require allocation; and, once complete, operating dollars will be necessary to service and program these facilities, which most likely will rely on a subsidy for sustainability and affordability. In addition, demolition of the remaining five pools, ranging in age of 53 to 87 years is a critical element of the master plan.

Addition of Community Centers. The 2004 CIP allocated \$7.5 million for the design and construction of three community centers. The Northpark Community Center was constructed in partnership with the YMCA and opened in 2008. It is located in the northern area of the City and is operated under contract with the YMCA. The facility to be located in the far southwest area, now known as the Chisholm Trail Community Center, is targeted for completion in FY2014 and operating dollars for that center are included in the adopted FY2014 budget. The south central area of the city has been designated for the third center, which is scheduled to come online in FY2015. The remaining facility will require funding for initial costs to open including furniture, supplies and equipment and thereafter, on-going funding to maintain programs and operations.

PARKS AND COMMUNITY SERVICES/GOLF FUND

Municipal Golf Fund. The Parks and Community Services Department will conduct an analysis in conjunction with the Golf Advisory Committee and the Parks and Community Services Advisory Board to formulate a program policy recommendation for consideration by the City Council on the future

management and operational model for the City's four golf facilities. It is anticipated that the recommended program Policy will continue focus on equity, access and affordability while continuing to provide the public with optimum playing conditions and the highest level of customer service.

Rockwood Golf Course Infrastructure. Rockwood Golf Course which was built in 1938 has exceeded its useful life. The aging infrastructure puts the course at a considerable disadvantage and course conditions have become exceedingly uneconomical to maintain due to outdated turf grasses, inadequate drainage systems and an inefficient irrigation system. The resulting conditions are not conducive to providing the acceptable level of product which is expected in today's competitive market. The need for a policy decision related to re-investment in the infrastructure has reached a critical juncture with respect to the sustainability of this physical asset.

PLANNING AND DEVELOPMENT

Planning and Development Activities. Several years ago, the City experienced a period of unprecedented growth and staff was unable to adequately service the demand. Service delivery times were high for customer service, inspections and plan reviews. However, following input from the development community, the Development division underwent a series of changes in an attempt to improve the quality and speed of its service delivery. These changes included office renovations, implementation of many new policies and practices and an increase in the number of approved positions assigned to various Development sections. The net result has been a reduction in service delivery times. At the same time, these improvements were being made, national and local development activity waned due to the national economic difficulties. During this economic downturn, development activities and revenues decreased and, subsequently, severe cuts were made to the department's budget and staffing. As development activity stabilizes with the slow economic recovery, additional resources will need to be allocated to ensure timely responses to citizens and developers. During the past year, the department has continued to work with stakeholders to improve and enhance development process improvements and customer service delivery.

POLICE

Additional Sixth Division Facility. A Patrol Division facility is needed to accommodate future Sixth Division patrol operations, including support facilities such as a fitness center and community meeting room. As growth continues on the far north side of Fort Worth, a Sixth Patrol Division is necessary to address the needs of this expansive region, which has greater potential than the rest of the city to grow due to developable land and future potential annexations. The far north and far northwest sectors of the city have been the fastest growing since 2000. Due to the recent growth that the City has experienced, the department is evaluating the need to create a Sixth Division to service the City. This will in turn require the need for associated resources.

Jail Contract – For FY2014, the full cost of the Mansfield Jail Services Contract will be budgeted in the Crime Control Prevention District for the first time. Due to the increasing cost of the existing detention service contract, the City of Fort Worth is currently evaluating detention service options.

TRANSPORTATION AND PUBLIC WORKS

Traffic Safety Infrastructure Management. Current funding levels are insufficient for establishing adequate preventive maintenance programs to keep the City's traffic safety infrastructure (streetlights, traffic signals, traffic signs, pavement markings, railroad crossing safety devices, and intelligent transportation systems) performing at industry standards. To replace pavement markings on an eight-year cycle, a proactive Contract Pavement Marking Program was recommended in 2011. However, this program has been delayed in its implementation because of unforeseen economic conditions. As a result, FY2015 or FY2016 is being targeted to begin this program. The program would be phased in over a six-year period, building up to \$920,000 for full program implementation. Additionally, \$350,000 is needed annually to retain a contractor to perform traffic services preventative maintenance. Another \$150,000 is

needed annually to retain an engineering consultant to assist with traffic signal timing studies and implement traffic signal optimization improvements associated with citizen requests.

Street Infrastructure Performance. The goal of the Major Street Maintenance Program is to maintain the street network at a service level of Pavement Quality Index 7, on a scale of 0 (poor) to 10 (excellent). This requires \$24 million annually. The projected FY2014 budget of \$9.5 million leaves a \$14.5 million funding gap. The goal of the Bridge Program is to maintain bridges at a rating of 6 on a scale of 0 (Poor) to 9 (Excellent). To achieve this goal, \$2.5 million is needed annually. The current budget of \$2.2 million leaves a funding gap of \$300,000. In FY2014, \$2.2 million in additional funding will be needed to add one concrete crew and one bridge maintenance crew.

TRANSPORTATION AND PUBLIC WORKS/ENVIRONMENTAL PROTECTION FUND

Changing State and Federal Environmental Mandates/Clean Air Act Compliance Requirements. North Texas is currently in non-attainment for ozone with the National Ambient Air Quality Standards. Proposals have the existing standard potentially dropping to 60 parts-per-billion (ppb) from the current 85ppb resulting in the need for the implementation of additional control measures. 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 new requirements cannot be determined until the federal lawsuit is finalized later this year and the Clean Air Steering Committee reconvenes to write the control measures anticipated for the next State Implementation Plan.

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 will be driving compliance and development issues over the next five years. 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.

TRANSPORTATION AND PUBLIC WORKS/STORMWATER UTILITY

Capital Improvement Program. There are over \$1 billion in needed capital improvements throughout the City to address severe drainage problems. 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 is in the process of developing a strategy for approaching such issues that will be used to guide the prioritization of projects and the framework for developing implementable solutions.

Northside Operations Facility. Stormwater is collaborating with other City departments to construct a multi-departmental facility to house field operations in north Fort Worth. This facility will improve operational efficiency, reducing extended travel periods to and from existing facilities and work locations.

Water Quality Protection. The emphasis on integrating water quality in flood control projects will increase in FY2014. 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) will begin 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 10% 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. This may result in increased demand for resolutions to potential flooding problems in these areas, from home buy-outs to structural improvement projects.

WATER DEPARTMENT

Drought Response Program. The Water Department has been working with the Tarrant Regional Water District (TRWD), the Trinity River Authority and the cities of Dallas, Arlington and Mansfield to develop consistent and updated Emergency Water Management and Drought Contingency Plans for the Texas Commission on Environmental Quality (TCEQ). Updated plans are required every five years and will be completed by May 1, 2014. From a drought perspective, all triggers would remain the same; however, water use reduction will focus on non-essential water use, primarily outdoor watering of lawns and landscapes. Stage 1 was entered on June 3, 2013. While the Water Department currently budgets for the enforcement of this program as part of the Water Conservation section, it is anticipated that there will be a reduction in water service revenues due to the restriction of customer water usage.

Water Supply. TRWD is the exclusive provider of raw water to the City of Fort Worth and its wholesale water customers. The rate charged by TRWD for raw water is projected to increase by more than 75% over the next 10 years. The primary driver of this rate increase is the cost of the Integrated Pipeline project, which will transport additional water from Cedar Creek and Richland Chambers Reservoirs to Tarrant County by 2020 to support regional community and economic growth. This significant increase will likely present funding challenges to the Water Department over the next 10 years.

Revised Total Coliform Rule. On February 13, 2013, the U.S. Environmental Protection Agency (EPA) approved new drinking water regulations, which will apply to all public water systems effective April 1, 2016. The City will be required to implement changes to water quality testing for the public water supply. While the Water Department budgets for regulatory compliance, the revisions to improve/maintain public health protection are expected to result in some level of budgetary and/or operational impacts to meet the future service needs.

Biosolids Land Application. The Village Creek Water Reclamation Facility has been treating and land applying Class A Biosolids since 1995. Each year, an average of 100 dry tons per day is dewatered, lime stabilized, transported and applied to pastures within a nine county area adjacent to Tarrant County. Since 1995, populations in the rural areas have been increasing, thereby creating impact issues related to biosolids land application. During the past year, the Texas Commission on Environmental Quality has been evaluating these impacts and is expected to present its findings in November 2013. It is expected that this evaluation will result in increased biosolids regulations controlling impact to rural populations. These regulation changes may impact costs related to our current land application program.