



An Open Letter to the Citizens of Fort Worth

Creating a Vision for the Future

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

The strategic goals will enable the City Council to:

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

City Council will refine and adjust the strategic goals, as circumstances change. Overall, the City of Fort Worth will concentrate on five top-priority strategic goals for fiscal year 2015. The strategic goals intend to provide a clear and concise statement about where the City Council wants Fort Worth to go over the next five years and to stimulate broader discussion of the important issues facing Fort Worth now and in the future. A number of ongoing administrative and community processes will make the goals reality.

The City Council’s strategic goals are:

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

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

Mission: Working together to build a strong community.

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

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

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

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

- Exceptional Customer Experience
- Accountability
- Ethical Behavior
- Diversity
- Mutual Respect
- Continuous Improvement



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

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

Ann Zadeh,
District 9



October 1, 2014

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

I am pleased to present you with the Fiscal Year 2015 (FY2015) Adopted Budget. It is exciting to see the shift in the City's economic outlook—from improvements in unemployment levels and sales tax collections to upticks in residential and commercial development activity. Along with this growth have come increased demands on City services and infrastructure, and ultimately City dollars. While our financial future is optimistic, paramount to developing the FY2015 budget was building upon previous years' efforts to make the City leaner and more efficient and ensure the long-term protection of our quality of life.

I am impressed with the focused and difficult decisions made by the Mayor and City Council over the past several years, and continuing into this year's budget, to remain good stewards of the City's resources. For the FY2015 Adopted Budget, these decisions included reallocating and committing resources to:

- Provide more funding for capital and infrastructure, as evidenced by the success of the \$292 million 2014 Bond Program and the soon-to-be-opened Public Safety Training Center;
- Address financial issues and obligations for pensions and retiree health benefits; and
- Meet commitments for Police and Fire contract agreements.

We started the FY2015 budget process anticipating an estimated \$26.0 million shortfall in the City's General Fund budget. However, due to the diligence and persistence of the City Council and City staff, I am presenting you with a balanced General Fund budget that:

- Totals \$589.8 million, an increase of 2.9% over FY2014;
- Maintains the City's tax rate at \$0.8550 per \$100 of assessed values for the 8th year in a row; and
- Minimizes the Use of Fund Balance at \$4.1 million.

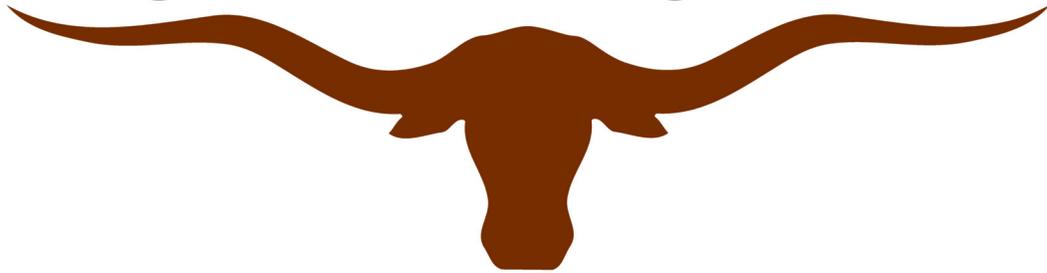
Reflecting the growing demands on our City's resources, the citywide FY2015 Adopted Budget—which includes the Debt Service Fund and most operating funds—totals \$1.5 billion, an increase of 2.9% over the FY2014 Adopted Budget. The citywide adopted budget also includes a total of 6,407.55 authorized positions overall, an increase of 48.30 AP from the FY2014 Adopted Budget.

As one of the fastest growing cities in the nation, as well as one of the most livable communities, we believe much is in store for the City of Fort Worth. With that in mind, I present to you the City of Fort Worth's FY2015 Adopted Budget. I appreciate your input throughout this budget process, along with the hard work of our dedicated staff.

Respectfully submitted,

David Cooke
City Manager

FORT WORTH



EXECUTIVE SUMMARY

The Fiscal Year 2015 (FY2015) 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. The local Fort Worth economy continues to show steady signs of improvement; however, the growing demands on the City's limited financial resources continue to set the parameters within which the City must operate.

OVERVIEW

The FY2015 Adopted Budget totals \$1.5 billion and consists of 20 different operating departments and four appointed officials across 29 funds, including the General Fund, Special Revenue Funds, Capital Project Fund, Debt Service Fund, Enterprise Funds, Internal Service Funds and a Fiduciary Fund. Of the total budget, 39.2%, or \$589.8 million, 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 remaining 60.8%, or \$914.4 million, will fund the operations of 28 other funds, including Special Revenue Funds, Capital Project Fund, Debt Service Fund, Enterprise Funds, Internal Service Funds and a Fiduciary Fund. The citywide budget also includes 6,407.55 authorized positions (AP), which is a net increase of 48.30 AP from the FY2014 Adopted budget.

Significant AP transfers from the General Fund to other funds include the transfer of 6.0 AP in the Crime Prevention Unit to the Crime Control and Prevention District (CCPD) Fund. In addition, the budget includes the transfer in of 9.80 AP from various grant funds to the Housing and Economic Development Department, which would also be offset by revenue transfers from those funds. General Fund position reductions in the FY2015 Adopted Budget include a total of 13.5 AP, including 5.5 AP in Municipal Court, 5.0 AP in the Library Department and 3.0 AP in the City Attorney's Office. General Fund position increases include a total 36.0 AP, the most significant of which include 17.0 AP to support Code Compliance's ability to address nuisance abatement and consumer health functions, 5.0 AP for Planning and Development to enhance customer service and gas lease services, 5.0 AP for Parks and Community Services to support maintenance and gardening services, 4.0 AP in Financial Management Services to supplement the accounting and financial reporting functions, 2.0 AP for the City Manager's Office to provide administrative assistance and enhance civic engagement, 2.0 AP for Transportation and Public Works for facilities operations and maintenance for the new Public Safety Training Center and 1.0 AP for the conversion of a filled senior administrative services position to permanent status in the Police Department.

BUDGET DEVELOPMENT PROCESS

Staff began the FY2015 budget process on Dec. 10, 2013 by presenting the City Council with the FY2013 year-end budget performance results, including information on debt expenditure trends and capital program results. In late February, the Financial Management Services Department hosted a citywide Budget Kickoff to mark the formal beginning of the budget development process. The meeting brought together the Executive Team, department heads, Budget Office staff and departmental fiscal coordinators to discuss the overall strategy for developing the FY2015 budget. City staff set out to prepare the FY2015 Adopted Budget by relying on the following budget development strategies:

1. Align business resources with needs
2. Improve efficiency and effectiveness
3. Address service levels in areas of concern

4. Maintain infrastructure and investments
5. Invest in employees
6. Fund contractual and mandated expenses
7. Maintain funds at required reserve amounts

As staff worked to close the budget gap, the inclusion or exclusion of various citywide expenditures, revenue opportunities, individual programs and existing service levels were all evaluated against these strategies.

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



Throughout the budget development process, staff also updated the City Council on the performance of the FY2014 budget. Council was provided with a first quarter FY2014 financial update on March 4, 2014, a second quarter FY2014 financial update on May 20, 2014 and a third quarter FY2014 financial update on August 12, 2014.

While a revenue uptick has been a hallmark of the FY2014 budget thus far, in reality, the cost of providing even the same level of City services continues to increase. Beyond that, maintenance needs are growing, as reflected by the 50 new acres of parkland and 18 new lane miles of roadway added in the past year. The City's population also continues to grow, putting a further strain 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 again faced with General Fund budget shortfall for FY2015 of approximately \$26.0 million.

As a result, staff initiated discussions on the impact a 2.8% across-the-board budget reduction would have for each individual department of the General Fund. With guidance from the City Council, staff took the deliberate approach of identifying potential service reductions and program eliminations to help balance the budget for the coming fiscal year and to strengthen the City's long-term financial prospects. The goal was to implement sustainable changes to the budget in order to expand the City's capacity to make future investments in infrastructure, services, operations and employees going forward.

Ultimately, the fruit of these efforts is a FY2015 Adopted Budget that is balanced. Due to improvements in revenue forecasts, tough reduction cuts and cost savings, the anticipated shortfall in the General Fund budget is expected to require the use of \$4.1 million of excess fund balance, while continuing to meet reserve requirements.

Another welcome outcome of this budget process is that there is again no change in the Adopted property tax rate of \$0.8550 per \$100 of assessed valuation. Staff continues to review and adhere to this and other policies set by the City Council when making budgetary and operational decisions.

SIGNIFICANT ISSUES

Before highlighting specifics of the FY2015 budget, included below are several topics that received significant attention during the budget development process—other post-employment benefits (OPEB), pension funding and public safety contract negotiations.

Other Post-Employment Benefits (OPEB). The City's OPEB trust accumulates resources to address the City's liability for retiree healthcare benefits. In fiscal year 2009, the City established the 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, the Mayor and Council approved a 20-year funding plan. As of January 1, 2013, the actuarial value of the plan assets was \$24 million and the unfunded accrued liability was \$980 million. Pending the outcome of the January 2015 actuarial valuation, the City Council plans to revisit the previously approved 20-year funding plan to discuss the suitability of the plan based on the City's current financial needs and requirements and determine any potential adjustments, as needed. Until the City Council provides further direction on the OPEB funding plan, transfers to the OPEB trust that are budgeted for FY2015 will be delayed.

Pension Funding. In fiscal year 2014 the City's unfunded pension liability was \$1.12 billion dollars, up from \$1.07 billion dollars in fiscal year 2013. Measures have been taken to assist in addressing the financial position of the plan. Some of those measures include the reduction of benefits while increasing the City's contributions. A realistic approach in estimating the fund's return on investment was adopted by the retirement fund; however, it will take time to close the gap, and volatility of returns both helps and hinders the pension plan. The City continues to look at ways to improve the health of the pension system and is preparing to implement statements 67 and 68 of the Governmental Accounting Standards Board.

Public Safety Contract Negotiations. The Council approved the current 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.

The Firefighter Collective Bargaining Agreement expired on Sep. 30, 2013 and remained in effect during the "evergreen" period through September 30, 2014. Negotiations between the Fort Worth Professional Firefighters Association and the City began in November 2012, with a final deal authorized by the City Council on October 21, 2014. As a result of this agreement, the City Council took action in late October 2014 to amend the FY2015 Adopted Budget to include \$3.96 million to fund additional compensation costs related to the agreement.

MAJOR FUNDING AND ORGANIZATIONAL CHANGES

FUNDING CHANGES

Changes to the FY2015 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. Providing essential public programs and required levels of service sometimes necessitate program improvements, even in the most challenging of times. As part of the budget development process, departments submitted requests for program improvements, which were then vetted against the core objectives of the Management Plan. In addition, staff took into consideration any relevant contractual or statutory mandates. Based on this analysis, \$11.6 million in program improvements for the General Fund, and \$263,751 in program improvements for other funds are included in the FY2015 Adopted Budget.

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 \$16.7 million initially identified in potential General Fund reductions, \$5.1 million are included in the FY2015 Adopted 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 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's Financial Management Policy, the fund should have a minimum balance of 25% of its annual adopted expenditure budget. In FY2014, there was a one-time elimination of the citywide risk management transfers from other funds due to the fund's excess fund balance level. This decision provided savings of \$7 million citywide, including \$4.2 million for the General Fund. For FY2015, these citywide risk management transfers resume for all funds.

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 FY2014, funding was budgeted for 23 projects at \$11.6 million. For FY2015, four additional projects are expected to come online, with additional funding of \$3.5 million to satisfy all the projected agreements included in the budget.

Vehicles and Specialized Equipment. To address deficiencies in the City's vehicle and heavy equipment fleet, the FY2015 Adopted Budget includes funding for replacements and acquisitions of \$3.0 million for the General Fund and \$4.3 million for other funds. Additionally in FY2015, in order to improve long-range capital budgeting for vehicle and equipment purchases, the City is creating a Vehicle and Equipment Replacement Fund (VERF). The VERF has been set up as a capital projects fund to be used in managing revenues and expenditures associated with acquisition of the City's rolling stock, which includes automobiles, motorcycles,

specialized mobile equipment and other motor driven capital assets. The VEF will provide a mechanism for departments to set aside funding in preparation for upcoming vehicle-related capital expenditures and enhance transparency and auditing efforts by providing a central account repository for the purchase of most vehicles and equipment acquired by the City. Participating funds in the VEF include the General, Environmental Protection, Red Light Enforcement and Culture and Tourism Funds. Funds budgeted for equipment and capital purchases in these funds will be transferred to the VEF to provide a systematic, citywide approach to procurement and disposition of fleet, as well as ensure adequate funds are available to purchase vehicles and equipment.

ORGANIZATIONAL CHANGES

The FY2015 budget includes a few major changes to the City’s organizational structure, including the following:

- The Housing and Economic Development Department added 9.8 positions in order to adjust workload across the department. Five new positions were added to provide support in the Administration Division and Housing and Community Development Division and 4.8 positions were reallocated from grants funds to the General Fund.
- The Crime Control and Prevention District (CCPD) added 7.0 public safety communicators (911 dispatchers) to support the Code Blue program and one technology project coordinator position. In addition, the Crime Prevention Unit, including 6.0 positions, was transferred from the General Fund to the CCPD.
- The Planning and Development Department transferred 7.0 positions to the City Manager’s Office for the realignment of the Neighborhood Office with the Communications and Public Engagement Office.
- The Enterprise Resource Project Fund transferred 6.0 positions to the Information Systems Fund for the realignment of the City’s technology initiatives.
- The Temporary Labor Fund was eliminated following the consolidation of the fund into the General Fund during the latter part of FY2014.

GENERAL FUND REVENUES

Unlike other parts of the country, the economic outlook for Fort Worth is encouraging with property and sales tax revenue, along with fee income, continuing to grow.

Adopted General Fund Revenue Budget			
FY2014	FY2015	Percent	Dollar
<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>Change</u>
\$565,197,713	\$585,641,568	3.6%	\$20,443,855

PROPERTY TAX

The City receives a significant portion of its revenues (52.8% of the FY2015 Adopted revenue budget) from property taxes assessed on real and personal property. City staff works with appraisal districts from Tarrant, Denton, Wise, and Parker Counties to prepare property tax revenue projections. By State law, each appraisal district is responsible for the valuation of all

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property within its jurisdiction. The certified property tax rolls received from all four districts in July 2014 showed an increase in the City's property tax base. In comparison to the July 2013 certified property tax roll, the July 2014 certified property tax roll reflected the following improvements:

- 6.3% growth in adjusted net taxable property value
- 5.2% increase in property exemption values
- 30.6% increase in net taxable values for new residential construction
- 0.4% 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. In previous years, the City Council abided by its commitment to build capacity for capital projects by shifting a portion of the City's property tax from O&M to debt service. The City's ability to defer shifting an additional cent from O&M to debt for FY2015 until FY2016 is supported by:

- Multiple transfers to debt service from residual project funds
- Reimbursements from other funds in an aggregate amount equivalent to one penny of tax rate

For FY2015, the City's combined property tax rate remains at \$0.8550 per \$100 of assessed valuation with a 98.5% collection rate. Based on the O&M levy rate of \$0.6759 per \$100 of assessed valuation, the General Fund portion of the property tax rate is expected to yield approximately \$304.3 million in revenue for FY2015. The debt service levy rate of \$0.1791 per \$100 of assessed valuation is expected to yield approximately \$80.6 million, which will allow the repayment of all current and proposed debt obligations.

SALES TAX

At approximately 21.5% of the General Fund FY2015 Adopted revenue budget, sales tax collections are a major revenue component. Economic conditions in FY2014 continued to improve with the 12-month rolling average of sales tax collections achieving new record highs throughout much of the year. This trend is positioned to continue through FY2015 given that the Dallas-Fort Worth area was named one of the top retail construction markets in the country with over 2.6 million square feet of shopping, retail and entertainment space under construction at the start of the 2014 calendar year.

The Texas Comptroller's Office reported that statewide collections for July 2014 were 5.7% higher than the previous year. Based on the FY2014 year-end budget projections, sales tax revenue is expected to exceed the FY2014 adopted budget by \$4.6 million, or 3.8%.



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Among large Texas cities, Fort Worth is continuing a positive trend with year-to-date sales tax collections also up 5.7% over the same period last year, which puts Fort Worth's sales tax performance ahead of El Paso, Houston and Dallas.

There were no significant audit adjustments at the time of the third quarter re-estimates for FY2014, and the City continues to follow the 20-year incremental repayment plan agreement with the State Comptroller to refund the \$9.3 million in audit adjustments identified in FY2011. As of June 2014, the City has \$7.9 million remaining to repay with the last payment expected in August 2031.

GENERAL FUND EXPENDITURES

Adopted General Fund Expenditure Budget			
FY2014	FY2015	Percent	Dollar
<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>Change</u>
\$572,935,411	\$589,750,930	2.9%	\$16,815,519

General Fund expenditures continue to outpace revenues due to a variety of factors, including rising supply and service costs, program and service level improvements and personnel cost increases. The General Fund portion of the FY2015 Adopted Budget includes a planned use of \$4.1 million of excess fund balance to close the funding gap.

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 FY2015 budget:

- Salary increases for sworn officers as stipulated by the Meet and Confer contract
- A 4% across-the-board salary increase for general employees, plus a 1% payroll increase to address specific classifications with recruitment and retention challenges
- Funding to provide training to support employee performance and development

BUDGET HIGHLIGHTS

The FY2015 adopted budget includes reductions, along with a minimal number of enhancements. Included below are highlights of those changes listed by service group.

As a note, two of the four Infrastructure Services departments, Water and Sewer, 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. It consists of the Code Enforcement Services, Solid Waste, Health Services (including Animal Care and Control) and Administration Divisions. In keeping with the objective of providing a safe community, the FY2015 Adopted Budget increases due to the addition of six code enforcement officers and one supervisor in the Code Enforcement Division. In the Health Services Division, a total of ten positions were added, including three animal control officer positions to form a stray animal team, two veterinarian technicians and three

animal shelter technicians to help provide support to animal control officers, and two consumer health specialists. In addition, this budget reflects a significant increase in demolition costs.

Fire Department. The Fire Department, under the direction of the Fire Chief, currently has 42 stations in six battalions. It is anticipated that the construction of Fire Station 43, which was approved as part of the 2014 Bond Program, will begin in FY2015. The FY2015 adopted budget decreases due to a partial reduction in the civil service longevity supplemental pay. This reduction is offset by additional funding for an annual recruit class, citywide allocations for information technology and equipment services and a rental agreement with the Aviation Department for Fire Station 25.

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 Systemwide Services Division. For FY2015, positions and funds were reallocated across existing and new divisions to better reflect the Department's management structure. The FY2015 adopted budget decreases due to the reduction in funds for scheduled temporaries and the elimination of five positions, one vacant senior IT tech support analyst, one vacant senior librarian, one vacant librarian supervisor, one filled senior administrative assistant and one filled IT manager. Reductions are partially offset by an increase in funds for information technology services and equipment.

Municipal Court. The Municipal Court is a court of record with five courtrooms located in the historic A.D. Marshall Public Safety and Courts Building and two courtrooms and full payment services located at the Southwest Municipal Court, a twenty-four hour/seven day a week arraignment jail, 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 FY2015 Adopted Budget decreases due to an increase in anticipated salary savings budgeted and the elimination of 6.5 vacant positions, a part-time administrative secretary, two customer service representatives II, two deputy marshals, and one human services specialist, with no anticipated negative impacts to the public. The elimination of the court interpreter position is offset by an increase in funding for contractual services to provide interpreter services. The adopted budget includes funding for the project manager responsible for implementation of the Case View Management System and reflects the addition of funds for the operation of the North Fort Worth satellite payment location as a result of the Water and Sewer Department's proposal to cease operations at this location.

Police Department. The Police Department, under the direction of the Chief of Police, develops and implements programs to deter crime and protect life and property within the City of Fort Worth. The FY2015 Adopted Budget decreases due to the elimination of the transfer from the CCPD Fund to pay the full cost of jail services with the City of Mansfield. This contract will be paid directly from the CCPD Fund starting in FY2015. It also includes the transfer out of an assistant city attorney's position to the City Attorney's Office, as well as reductions in operating supplies and contractual services. In addition, the budget includes the transfer of the Crime Prevention Unit, including 6.0 AP, to the CCPD.

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 FY2015 adopted budget include the addition of five

positions, one housing and community development manager, one land agent, one administrative technician, one management analyst, and one administrative assistant, and the net transfer of 4.8 positions from grant funds to the General Fund. The cost of these positions is offset by revenue transfers from the Fort Worth Local Development Corporation, Fort Worth Housing Finance Corporation, tax increment financing districts and public improvement districts. The budget also reflects a 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 FY2014, the Department implemented comprehensive electronic plan reviews and pursued a complete reorganization of the Development Division. The FY2015 budget includes an increase of five authorized positions and associated costs for the funding of approved improvement packages which include four customer service representatives in the Customer Intake Section as well as one administrative assistant in the Gas Lease Section. The addition of this administrative assistant position will be offset 100% annually by gas lease revenues; thus, there will be no impact to the General Fund. Additionally, the Planning and Development Department implemented several fee increases in FY2014 and is expected to bring in additional revenue in FY2015.

Transportation and Public Works. The Transportation and Public Works Department manages the City's traffic and pedestrian-orientated mobility. The most significant changes to the department's FY2015 Adopted Budget include the elimination of funding for one-time vehicle purchases made in FY2014. In addition, the FY2015 Adopted Budget includes the addition of funding for maintenance and staffing at two new municipal facilities, including the new Public Safety Training Center and the 900 Monroe building; vehicle replacements; energy saving roof coatings at four community centers; City Hall elevator upgrades; and citywide allocations for IT, equipment services and workers' compensation.

COMMUNITY AND STRATEGIC 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 and is composed of seven divisions, including Administration, Accounting, Budget, Financial Reporting, Purchasing, Treasury and the Mailroom. The FY2015 Adopted Budget increases primarily for the transfer of the Deloitte and Touche contract for the CAFR Audit from the City Auditor's department to Financial Management Services. Reorganization of the department added a new Financial Reporting division and four positions to supplement and support functions throughout the department.

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, as well as 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 FY2015 Adopted Budget includes transfer of the Temporary Labor Fund to the General Fund and increased costs for 1.5 positions. The adopted budget also includes a decrease due to the transfer of an HR Assistant Director position to the CMO and net transfer of 0.65 positions to Insurance Funds.

Non-Departmental. Non-Departmental is a General Fund department that records all expenditure items not exclusively within the programmatic responsibilities of particular General Fund departments. Significant increases to the FY2015 Adopted Budget include reinstatement of the City's contribution to the Risk Management Fund for commercial claims and litigation costs and the addition of funds for Chapter 380 Economic Development Agreements. The budget also includes the addition of funds for the FY2015 City Council and Special Elections; the relocation of Fire and Police department units to new facilities; a subsidy to the Golf Fund, as well as the Culture and Tourism Fund; and funds to support the Directions Home program to end homelessness. These increases are offset by the transfer of the Radio Communication System payments to Debt service and the reduction of electricity costs for the Fort Worth Convention Center and Will Roger Memorial Center, which were transferred to Culture and Tourism.

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 FY2015 Adopted Budget include a reduction of funding for the contracted Comin' up Gang Intervention Program by 50%, salaries and benefits updates and reduced contractual services. Significant changes include an increase in the Fort Worth Zoo's management contract with the Fort Worth Zoological Association and funding for the demolition of pool infrastructure for five closed pools. The adopted budget also includes increased costs for three gardeners, two of which will be offset by revenue from the special trust fund, and two maintenance workers.

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 FY2015 Adopted Budget increases due to a reduction in anticipated salary savings as fewer turnovers are expected while three attorney positions will be held vacant during FY2015. In addition, the budget includes the transfer in of one assistant city attorney position from Police to the City Attorney's Office.

City Auditor's Office. Under the direction of the City Auditor, staff is responsible for ensuring City operations are effective, efficient and have adequate internal controls to ensure accountability, transparency, and accuracy, through independent assessments of operations and business practices. The department conducts financial audits to verify financial transactions and balances; operational audits, which involve reviewing the performance of a program or service; grant audits focusing on compliance with the financial, contractual, and operational terms of grant agreements; construction project audits, which include reviews of construction project costs; and information system audits to verify that computer systems are accurate and efficient. The FY2015 Adopted Budget decreases due to reductions in contractual expenses as a result of the CAFR being transferred to the Financial Management Services Department, reduced funds for consultant and professional services related to independent audit services, and reduced costs for scheduled temporaries.

City Manager's Office. The City Manager's Office is composed of six divisions: Administration, Mayor and Council, Human Relations, Governmental Relations, the Office of Communications and Public Engagement, and Performance and Learning Services. The FY2015 Adopted

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Budget reflects an increase primarily due to the increase in the City Manager's salary, the reduction in anticipated salary savings, the transfer of one authorized position from Human Resources to the Performance Learning Services Office, the transfer of one authorized position from the Capital Projects Service Fund to the City Manager's Office and the transfer of seven Neighborhood Education Group positions from Planning and Development to the City Manager's Office. The FY2015 Adopted Budget for Governmental Relations also increased, as there will be a legislative session during FY2015.

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 FY2015 Adopted Budget decreases are a result of reduction of funding for an offsite facility rental used to store records. Additional decreases were due to reduced allocation costs regarding IT and worker's compensation.

SPECIAL REVENUE FUNDS

Crime Control and Prevention District Fund. In 1995, the citizens of Fort Worth voted to establish a Crime Control and Prevention District (CCPD), supported by a ½ cent sales tax for a five-year period, with the mission to enhance the Fort Worth Police Department's ability to provide quality service and to work in partnership with the community to reduce crime and to create a safe environment for all. The District has since been renewed by voters in 2000, 2005, 2009, and 2014 for subsequent five-year periods. Significant changes to the FY2015 Adopted Budget include increased transfers out due to increased funding for radio tower debt service payments, facility renovations and relocations and the transfer in of the Crime Prevention Unit from the General Fund to the CCPD Fund. The budget also includes a significant decrease for one-time vehicle and software purchases made in FY2014. The budget is adopted with a \$1,871,651 use of fund balance.

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 FY2015 Adopted Budget include the addition of funds for facility improvements, repairs and supplies, as the department works to maintain its aging facilities. The budget also includes an increase for the Fort Worth Convention and Visitors Bureau contract and electricity subsidy from the General Fund. Additionally, FY2015 represents the final payment for ERP Phase II based on the revised payment plan. Debt service for bond interest payments will also increase slightly in FY2015.

Environmental Protection Fund. As part of the Transportation and 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 FY2015 Adopted Budget include an increase in the Regulatory Division due to increased funding provided to the City Attorney's Office for its environmental attorney and a slight increase in motor vehicle repair parts and supplies. The budget also includes a reduction in funding for motor vehicles due to one-time purchases made in FY2014. This budget further, includes an increase in one authorized position due to a transfer of a grant funded position from Planning and Development. The budget is adopted with a \$222,441 use of fund balance.

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 cover the program's cost. The budget is based on using 58 cameras at 44 roadway intersections. 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 change to the FY2015 Adopted Budget is an increase in the anticipated State payment based on higher anticipated revenue. The budget is adopted with a \$1,898,906 use of fund balance.

Special Trust Fund. The Special Trust Fund is used to manage funds generated from donations, contributions, and gifts from entities, groups, organizations or outside sources.

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

Municipal Court Technology Fund. The Municipal Court Technology Project of the Special Trust Fund was recently established under the authority of Article 102.0172 of the Texas Code of Criminal to finance the purchase and maintenance of technological enhancements for the Municipal Court.

Municipal Court Building Security Fund. The Municipal Court Project of the Special Trust Fund was established under the authority of Article 102.017 of the Texas Code of Criminal Procedure to provide security services, including personnel and security equipment, for buildings that house the operations of the Municipal Court.

Juvenile Case Manager Fund. The Municipal Court Juvenile Case Management Project of the Special Trust Fund was recently established under the authority of Article 102.0174 of the Texas Code of Criminal Procedure to pay for costs related to the juvenile case manager position.

ENTERPRISE FUNDS

The FY2015 budgets for all enterprise funds include an increase for administrative services charges reimbursed to the General Fund. A 4% across-the-board salary increase for general employees, plus a 1% payroll increase to address specific classifications with recruitment and retention challenges, were also added. Additional changes for each of the funds are noted below.

Municipal Airports Fund. The FY2015 Adopted Budget for the Aviation Department includes the operations of the City's Alliance, Meacham and Spinks airports. The budget decreased due to the elimination of expenditures for fire fighters at Meacham Airport. 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 of the Meacham Airport Terminal Building may result in a slight decrease of revenues in FY2015 as temporary facilities are supplied to current tenants.

Municipal Golf Fund. The FY2015 Adopted Budget for the Municipal Golf Fund includes the operation of four municipal courses. Significant changes include an annual year-end subsidy of \$850K from the General Fund to balance revenues and expenditures. Significant decreases include the reduction of the ERP Phase II debt payment and its elimination from the operating budget. A mid-year transition from an Enterprise Fund to a Special Revenue Fund is also planned.

Municipal Parking Fund. The FY2015 Municipal Parking Fund maintains five parking garages, 20 surface lots, and 2,700 metered spaces. The primary changes to the FY2015 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 and recycling collection and disposal, operations at the drop-off stations, contract compliance, illegal dump cleanup, dead animal removal, and customer service through the City Call Center. While last year's budget was adopted with the use of \$1M fund balance, the FY2015 Adopted Budget increases the net position by \$400K. This net position improvement is due in part to a decrease of \$1.5M as a result of the removal of one-time costs for land purchases for a new drop off station, as well as additional revenue from residential trash collections of \$1.3M based on continued growth in Fort Worth. This budget includes increases in allocations for monthly billing costs, new equipment, disposal contracts, the addition of one position transferred from the General Fund, and the addition of seven positions to staff the new far north drop off station.

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 FY2015, the City's ERU rate remains unchanged at \$5.40. The Stormwater Capital Projects Program is supported by revenue bond sales, which have occurred 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 FY2015 Adopted Budget includes an increase in the IT Services Section of \$1,254,212, mainly due to an increase in consultants and professional services, as well as an increase of \$500,000 for the collection of new data and cataloging of existing closed-circuit television (CCTV) data to the geographic information systems (GIS) database for asset management and asset criticality decision support. Authorized positions remain the same as for FY2014.

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 FY2015 Adopted Budget increases due to an increase in the cost of raw water purchased from the Tarrant Regional Water District. This increase is partially offset by the elimination of the Northside Satellite Office, which includes the reduction of three positions, as well as decreases in various other costs. To cover anticipated costs, the new retail rates, effective January 2015, include increases of 7.4% and 4.9% for the Water System and Sewer System, respectively.

Additionally, the wholesale rates will include an 11.1% increase for Water and 2.0% decrease for Wastewater.

INTERNAL SERVICE FUNDS

Capital Projects Service Fund. The Capital Projects Service Fund provides internal services to various departments for their capital infrastructure project needs based on a fee structure. The annual revenue and expenditure budgets are based on the anticipated amount of services the various departments and funds will require for the year. The FY2015 Adopted Budget decreases by one position due to the transfer out of the Regional Transportation Coordinator position to the City Manager's Office. The fund's budget also includes decreases in various other costs including contractual services, citywide allocations and one-time capital purchases made in 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 FY2015 Adopted Budget is an increase in ESD rates in order to more accurately reflect costs associated with fleet maintenance. Also included in the FY2015 Adopted Budget is the establishment of the Vehicle and Equipment Replacement Fund (VERF). The VERF has been set up as a capital projects fund to be used in managing revenues and expenditures associated with acquisition of the City's rolling stock, which includes automobiles, motorcycles, specialized mobile equipment and other motor driven capital assets. The VERF will aid in ongoing efforts to improve long-range capital planning by providing a mechanism for departments to set aside funding in preparation for upcoming vehicle-related capital expenditures. The VERF will also assist transparency and auditing efforts by providing a central account repository for the purchase of most vehicles and equipment acquired by the City.

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. The primary changes to this budget include an increase for death benefits and active employee accidental death and dismemberment expenses. The budget also includes a decrease for the transfer of 0.38 of an authorized position from the Group Health Fund to the General Fund. The budget is adopted with a \$1,802,296 use of fund balance.

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 FY2015 Adopted Budget includes a significant increase from the FY2014 budget. The primary change to the budget is the addition of seven positions for technical support to the ERP project.

Office Services Fund. The Office Services Fund provides internal services to General Fund departments and other funds, mainly print shop and graphics services. The annual revenue budget is based on the anticipated amount of services the various departments/funds will require for the year. The primary changes to the FY2015 Adopted Budget include a decrease in

rental costs for copiers and multifunctional devices throughout the City based on a new lease agreement. Authorized positions remain the same as FY2014.

Risk Management Fund. The Risk Management Fund is comprised of the City's commercial insurance program and self-insured programs, claims and litigation management and subrogation programs. Risk Management focuses on controlling costs from losses and costs incurred by the City due to accidents, as well as managing an integrated program responsible for the preservation and protection of the City's resources and assets thru loss prevention, loss control, and risk financing mechanisms. The primary changes to the FY2015 Adopted Budget include decreases for deductibles based on claim history and the frequency of several types of losses. The budget includes an increase for the transfer of 0.3 of an authorized position from the General Fund to the Risk Management Fund. The primary change to this budget includes a proposed decrease in unemployment claim expenses. Authorized positions remain the same as FY2014.

Unemployment Compensation Fund. The Unemployment Compensation Fund is responsible for providing reimbursement payments to the State-mandated, employer-paid unemployment insurance program. The primary change to this budget includes a proposed decrease in unemployment claim expenses. Authorized positions remain the same as FY2014. The budget is adopted with a \$21,250 use of fund balance.

Workers' Compensation Fund. The Workers' Compensation Fund provides statutorily-mandated workers' compensation benefits to City employees who are injured in the course and scope of employment for which compensation is payable under the Texas Workers' Compensation Act. The primary change to this budget includes an increase in Workers' Compensation claims. The budget also includes a decrease for the transfer of 0.17 of an authorized position from the Workers' Compensation Fund to the General Fund.

FIDUCIARY FUNDS

Lake Worth Trust Fund. 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 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 FY2015.

FORT WORTH

