

BUDGET FORMAT

The FY2015 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 and Debt Service Fund. Enterprise Funds are those that are funded on a fee-for-service basis, such as the Water and Sewer Fund and the Municipal Airports Fund. Services that are provided internally by City departments on a fee-for-service basis for other City departments, such as the Equipment Services Fund, are specified as Internal Service Funds. Finally, Special Revenue Funds are financial accounts for special revenue sources. An example is the Culture and Tourism Fund, which administers revenue collected from the City's hotel and motel occupancy tax and from the operation of the City's public venues. Each of these fund types is included in the City of Fort Worth adopted budget.

BUDGET DOCUMENT STRUCTURE

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

CITY STRATEGIC GOALS FOR CITY DEPARTMENTS

The Fort Worth City Council conducted a priority planning process to deal proactively with the many opportunities and challenges facing the Fort Worth community. This process was very influential in guiding the activities of citizens, council and staff for the next five years. Overall, the City of Fort Worth will continue to concentrate on five top-priority strategic goals for FY2015:

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

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

GOVERNMENTAL FUNDS

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

General Funds:

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

- | | |
|----------------------------------|---------------------------------|
| City Attorney's Office | 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 |

Special Revenue Funds:

Capital Projects Fund	Municipal Courts Technology Fund
Crime Control and Prevention District Fund	Red Light Enforcement Fund
Culture and Tourism Fund	Special Trust Fund
Environmental Protection Fund	State Asset Forfeiture Fund
Justice Asset Forfeiture Fund	Treasury Asset Forfeiture Fund
Juvenile Case Management Fund	Vehicle and Equipment Replacement Fund
Municipal Courts Building Security Fund	

General Debt Service Fund:

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

PROPRIETARY FUNDS

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

Enterprise Funds:

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

Internal Service Funds:

Capital Projects Service Fund	Office Services Fund
Equipment Services Fund	Risk Management Fund
Group Health and Life Insurance Fund	Unemployment Compensation Fund
Information Systems Fund	Workers' Compensation Fund

FIDUCIARY FUNDS

The remaining section includes a fund that is used to account for assets held in trust for the benefit of one or more individuals or entities or a particular purpose.

Lake Worth Trust Fund

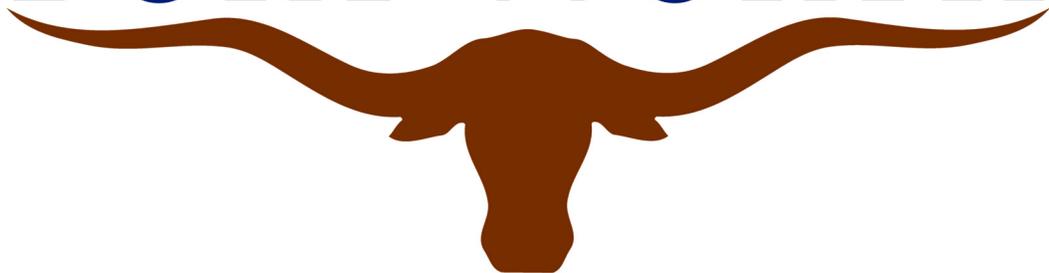
DEPARTMENTAL BUDGET PAGES

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 FY2013 unaudited actual expenditures, FY2014 adopted expenditures, FY2015 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.

<u>PAGE TITLE</u>	<u>PAGE COLOR</u>
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.

FORT WORTH



BUDGET PROCEDURE, BASIS AND PHILOSOPHY

BASIS AND PHILOSOPHY

The City adopts an annual balanced budget for which the level of expenditure for each department or fund may not legally exceed the appropriations for that department/fund. Based on analysis and recommendations from City staff, the City Manager submits a proposed budget to the City Council, who may increase, decrease or reject any item, taking into consideration the recommendation of the City Manager, and who adopt the budget that is to apply during the forthcoming fiscal year.

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

The budgets for all proprietary funds, which include Enterprise Funds, Internal Service Funds, and Special Revenue Funds, are prepared using the full accrual basis of accounting. Under this method, with limited exceptions revenues are recorded when they become measurable and available to finance expenditures, and expenses are recorded at the time liabilities are incurred. Exceptions to the foregoing general principle are:

- Capital outlays, which are budgeted as expenditures in the year of purchase.
- Depreciation, which is not budgeted.
- Principal payments, which are shown as expenditures rather than reductions of the liability.
- Encumbrances, which are treated as expenditures in the year they are encumbered.

Operating expenditures are controlled at the department level and may not exceed appropriations at those levels. Amendments and supplements to the budget are sometimes required during the fiscal year to address changing circumstances. The nature of the budgetary revision dictates the process to be followed. The City Manager may transfer unencumbered appropriation balance within a department by complying with the conditions established under City ordinance. To transfer unencumbered appropriation balance between departments, the City Council must adopt an ordinance. The overall budget appropriation may be increased via a supplemental appropriation ordinance that allocates funds that are certified as being in excess of those included in the budget and as being otherwise unencumbered.

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 pertained to the FY2015 budget preparation:

Personnel Data (SBFS) Cleanup:

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

Budget Kickoff:

The “Budget Kickoff” meeting was on February 28, 2014. 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 Budget Office prepared the City's Multi-Year Financial Forecast (MYFF) for the General Fund. The intention was to give the Council a big-picture framework and long-term context in which to make annual budget decisions. The forecast also served to prepare the Council for any anticipated discrepancies between projected revenues and expenditures in future years.

This comprehensive forecast was developed over the course of three months with the assistance of staff in Financial Management Services, Planning and Development, Human Resources, 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 a 5% across the board increase for all employees as well as Police and Fire contractual increases. The forecast projected expenditures to outpace revenues in each of the five years, with an average annual growth rate of 3.44%. Revenue is growing modestly at an annual average of 2.38% while expenditure is growing at an average of 2.57%. Property taxes – the largest single component of General Fund revenue – are projected to increase at a slower rate 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 maintain 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, the forecast projected sales tax revenues to be about 4.20% higher as compared to FY2014.

Departmental Request Phase:

Departments prepared base budget requests to continue current services within a specified target figure. Any new programs a department considered were submitted as improvement/exception decision packages. The consequences of the failure to fund these items also had to be provided. The departmental budget request was comprised of a line-item expenditure request that was supplemented with detailed justifications. All requests for funding had to be related to specific program needs and had to be measurable in terms of effectiveness 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 the 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.

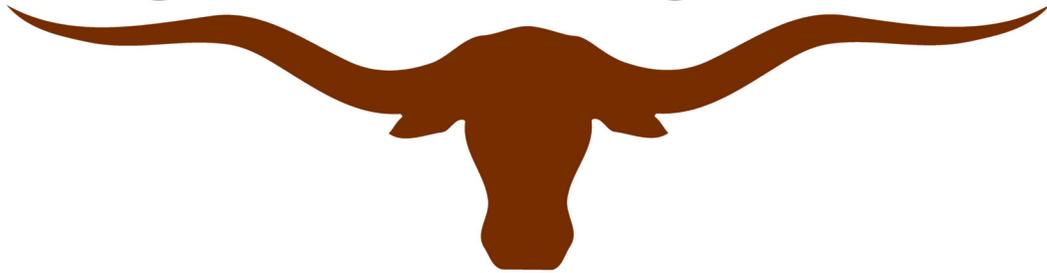
The proposed budget document is supplemented with a book that contains copies of funded and unfunded program improvement packages, as well as program reduction packages. While improvement packages represent expanded or new programs, reduction packages represent a department's proposal for potential programs 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' comments have been received and considered by the City Council. The newly adopted budget becomes effective October 1.

Adopted Budget Phase:

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

FORT WORTH



2014 Schedule for Budgeting and Tax Collection

(Proposed Tax Rate Exceeds Effective or Rollback Tax Rate - September 16th Budget Adoption)

Throughout the process, residents are provided opportunities to give input for the budget's development through Public Hearings. Also, a number of City Council budget work sessions and presentations are held on the Proposed Budget. The below represents the schedule needed to meet statutory requirements for the recently developed FY2015 Budget:

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)	
June 10 th CC Meeting (N)	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 17 or 24)	Tax Code 11.13(n)	
July 15 th	ALL TREASURY	Verify dates on Planning Calendar. Treasury to ensure any forms modified by Comptroller for 2014 are distributed.		
July 21 st		Deadline for ARB to approve appraisal records (statutory deadline is July 20 th , which is a Sunday; therefore deadline moves to next regular business day (Tex Tax Code 1.06))	Tax Code 41.12	
July 22 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 31 st	TREASURY prepares; LAW reviews TREASURY prepares; LAW reviews	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. <i>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."</i> Prepare IR for submission of effective and rollback tax rates by August 7 or as soon thereafter as practicable. (Comptroller has prescribed forms)	Tax Code 26.04(b) Tax Code 26.04(e)	

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Date	Dep't.	Event	Statute / Code	City Charter
August 5 th Pre-Council Meeting (N)	TREASURY TREASURY TREASURY	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 . . ."]. Submission to Council of effective and rollback tax rates [26.04(e) "by August 7 or as soon thereafter as practicable . . ." by IR Pre-Council briefing on effective and roll back tax rates, publication and notice requirements (if necessary)	Tax Code 26.04(b) Tax Code 26.04(e)	
August 6 th	CITY SEC publishes TREASURY publishes; CITY SEC verifies	Prepare, review and send Notice of Public Hearings on budget to newspaper to be published on <u>AUGUST 9</u> [Notice of hearing on budget must be published no more than 30 and no less than 10 days before date of 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)] Send effective and rollback tax rates, statement and schedules to newspaper for publication on <u>AUGUST 9</u> [26.04(e) "by August 7 or as soon thereafter as practicable"]	LGC 102.005; .006; 0065 Tax Code 26.04(e)	
August 7 th	BUDGET; M&C CENTER TREASURY	Ensure budget presentation is on pre-council agenda for presentation of the budget on August 12 th Ensure Resolution to consider tax revenue increase is on agenda for August 12th	 Tax Code 26.06(b)	Ch X, Sec 1
August 9 th	CITY SEC CITY SEC	Verify publication of Notice of Budget Hearings in newspaper Verify Effective and Roll Back tax rates published in newspaper	LGC 102.0065(c) Tax Code 26.04(e)	
August 12 th Pre-Council Meeting (N)	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] Explanation of upcoming Resolution to consider tax revenue increase at CC mtg Resolution to Consider Tax Revenue Increase For tax revenue increase - if proposed tax rate will exceed the rollback rate or the effective rate (whichever is lower); take record vote on Resolution (scheduled hearing dates must be listed in the Notice of Proposed Property Tax Rate)	 Tax Code 26.06(b) LGC 140.010	Ch X, Sec 1

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Date	Dep't.	Event	Statute / Code	City Charter
August 13 th	BUDGET CITY SEC TREASURY prepares; CITY SEC verifies	<p>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]</p> <p>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)</p> <p>The proposed budget shall be made available for public inspection and posted to the City's website</p> <p>Send to newspaper for publication on August 16th the notice of both public hearings on proposed property tax rate in format prescribed by state law.</p>	LGC 102.005(a) LGC 102.005(b) LGC 102.005(c) LGC 140.010	
<p>August 14th (verify upcoming agenda)</p>	BUDGET, TREASURY prepares; LAW reviews M&C CENTER; BUDGET; LAW	<p>Prepare Appropriation Ordinance and Ad Valorem Tax Ordinance to be finalized with the M&C Center by August 14th</p> <p>Ensure Public Hearing and all ordinances are on the Council agenda for first reading at <u>AUGUST 19</u> CC meeting [full ordinance captions to be listed on the agenda]</p>		Ch X, Sec 2
August 16 th	CITY SEC	<p>Verify notice of Proposed Property Tax Rate (inc Both Public Hearings) is (1) published in newspaper <i>at least 7 days before 1st hearing on proposed property tax rate</i> <i>at least ¼ page</i> <i>headline ≥ 24 point type</i> NOT in section for legal notices and classified ads.</p> <p>(2) posted on website <i>must contain substantially the same information as appears in the newspaper</i> <i>posted continuously from 7 days before 1st hearing through tax rate adoption</i></p> <p>(3) advertised on City TV station. <i>must contain substantially the same information as appears in the newspaper</i> <i>60-second notice</i> <i>5 times per day</i> <i>between 7am and 9pm</i> <i>daily from 7 days before 1st hearing through budget adoption*</i></p>	LGC 140.010 LGC 102.0065(c) Tax Code 26.065 LGC 140.010 Tax Code 26.065	
August 19 th CC MEETING (N)	CITY SEC reads into the record	<p>First reading of Appropriations Ordinance and Ad Valorem Tax Ordinance at Council Meeting with Budget Hearing</p> <p>- Full ordinance captions to be listed on the agenda and read into the record</p> <p>- 1st Budget Hearing at Council meeting</p>		Ch. X , Sec 2

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Date	Dep't.	Event	Statute / Code	City Charter
August 20 th	CITY SEC	Send appropriation ordinance to newspaper for publication on AUGUST 23. 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 21 st (verify upcoming agenda)	BUDGET M&C CENTER; LAW	City Council Budget Work Session (Pre-Council) Ensure Public Hearing and Appropriations Ordinance and Ad Valorem Tax Ordinance are on agenda for 2 nd budget hearing at meeting on AUGUST 26 th Ensure 1 st public hearing on proposed property tax rate is on agenda for August 26 th		Ch X, Sec 2
August 22 nd	BUDGET	City Council Budget Work Session (Pre-Council)		
August 23 rd	CITY SEC	Verify appropriation ordinance is published in newspaper		Ch. X, Sec 2
August 26 th CC MEETING (D)		2nd Budget Hearing on Appropriations Ordinance and Ad Valorem Tax Ordinance at City Council Meeting Abbreviated captions of all ordinances on the agenda 1st public hearing on proposed property tax rate <i>Note: Mayor's annotated agenda must include language to announce date, place and time of vote on tax rate</i>	Tax Code 26.06(d)	Ch. X, Sec 2
August 28 th	BUDGET	City Council Budget Work Session (if necessary)		
September 2 nd	CITY COUNCIL MTG CANCELLED			
September 4 th (verify upcoming agenda)	M&C CENTER; LAW BUDGET TREASURY	Ensure Public Hearing and Appropriations Ordinance and Ad Valorem Tax Ordinance are on agenda for 3 rd budget hearing Ensure 2nd public hearing on proposed property tax rate is on agenda for September 9 th City Council Budget Work Session (if necessary)	Tax Code 26.06(e) – 2 nd pub. hearing between 3 and 14 days before vote	Ch X, Sec 2

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Date	Dep't.	Event	Statute / Code	City Charter
September 9 th CC MEETING (N)		<p>3rd Budget Hearing on Appropriations Ordinance and Ad Valorem Tax Ordinance at Council Meeting</p> <p>Abbreviated captions of ordinances on agenda</p> <p>2nd public hearing on proposed property tax rate</p> <p><i>Note: Mayor's annotated agenda must include language to announce date, place and time of vote on tax rate</i></p> <p>-----FINAL DATE TO PROPOSE A HIGHER TAX RATE-----</p> <p>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 Tax Code</p> <p>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</p>	Tax Code 26.06(d)	Ch. X, Sec 2
September 11 th (verify upcoming agenda)	M&C CENTER; LAW BUDGET prepares; LAW reviews; M&C CENTER verifies TREASURY BUDGET	<p>Ensure full caption of Appropriation Ordinance and Ad Valorem Tax Ordinance (in that order) are on Council Agenda for <u>September 16th</u></p> <p>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)].</p> <p>If the proposed tax rate exceeds the effective tax rate, then ordinance must be approved by record vote. <i>Note: Ensure SPECIAL MOTION LANGUAGE for making the motion to adopt tax rate higher than effective rate is on Mayor's annotated agenda and is given to whichever Council member wishes to make the motion</i></p> <p>Ensure Resolution to ratify property tax revenue increase is on agenda to be considered at <u>September 16th</u> Council meeting AFTER adoption of ordinances</p> <p><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></p> <p>City Council Budget Work Session (if necessary)</p>	Tax Code 26.05(b)(1) Tax Code 26.05(b) LGC 102.007(c)	Ch. X, Sec 2

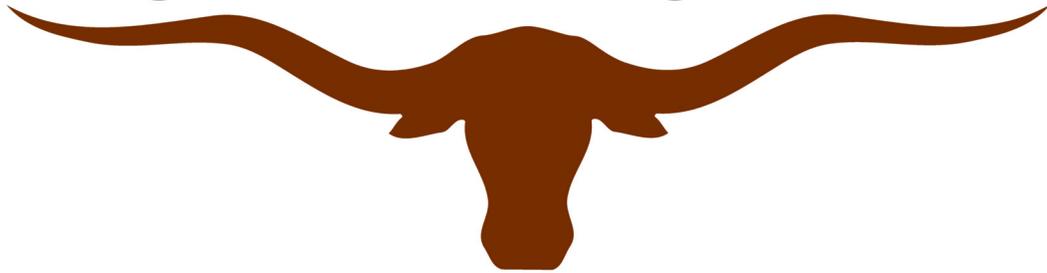
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Date	Dep't.	Event	Statute / Code	City Charter
September 16 th CC MEETING (N)	CITY SEC reads into the record M&C CENTER; CITY SEC	<p>Second reading of Appropriations Ordinance and Ad Valorem Tax Ordinance (full ordinance captions to be listed on the agenda and read into the record)</p> <p>4th Budget Hearing at Council Meeting; BUDGET ADOPTION</p> <ul style="list-style-type: none"> - (1) Council adopts Appropriations Ordinance by RECORD VOTE - (2) Council adopts Ad Valorem Tax Ordinance - (3) Council adopts other ordinances affecting budget such as transfer of fund balances to General Fund (if needed) <p><i>SPECIAL MOTION LANGUAGE: "I move that the property tax revenues be increased by the adoption of a tax rate of (specify tax rate), which is effectively a (insert percentage by which the proposed tax rate exceeds the effective tax rate) percent increase in the tax revenues."</i></p> <p>(4) Council adopts Resolution ratifying property tax revenue increase</p> <p>Note: OK to remove proposed-property-tax-rate notices from television and internet.</p>	LGC 102.007(a) TAX CODE 26.05(b) LGC 102.007(c)	Ch. X, Sec 2
September 17 th or ASAP	BUDGET BUDGET/CITY SEC publishes and sends budget to webmaster	<p>Budget officer files approved budget with City Secretary and County Clerk (City Sec is considered Municipal Clerk for purposes of this section) and posts budget on website</p> <p>***** Budget must be adopted by Record Vote and must include a Cover Page to be included with the Budget Book and be posted on the website that includes:</p> <ul style="list-style-type: none"> (a) statutory statement on whether budget raises more, less, or same property tax rev; (b) record vote of each member of governing body by name; (c) city property tax rates for preceding and current fiscal years, including adopted rate, effective rate, effective maintenance and operations tax rate, rollback rate, and debt rate; and (d) total amount of city debt obligations secured by property taxes <p>Send Appropriations Ordinance to newspaper for 2nd publication with schedule of changes made to original budget, and post budget on City website</p> <p>Publish Tax Levy Ordinance <u>twice</u> after passage</p> <p><u>Website Homepage Notice</u> is published after adoption of budget (must include statement that City adopted a tax rate that will raise more taxes for M&O than last year's rate if applicable)</p>	LGC 102.008, .009(d) LGC 102.007(d), (e) Tax Code 26.05(b)(2)	Ch. X, Sec. 2 Ch. XXV, Sec. 2

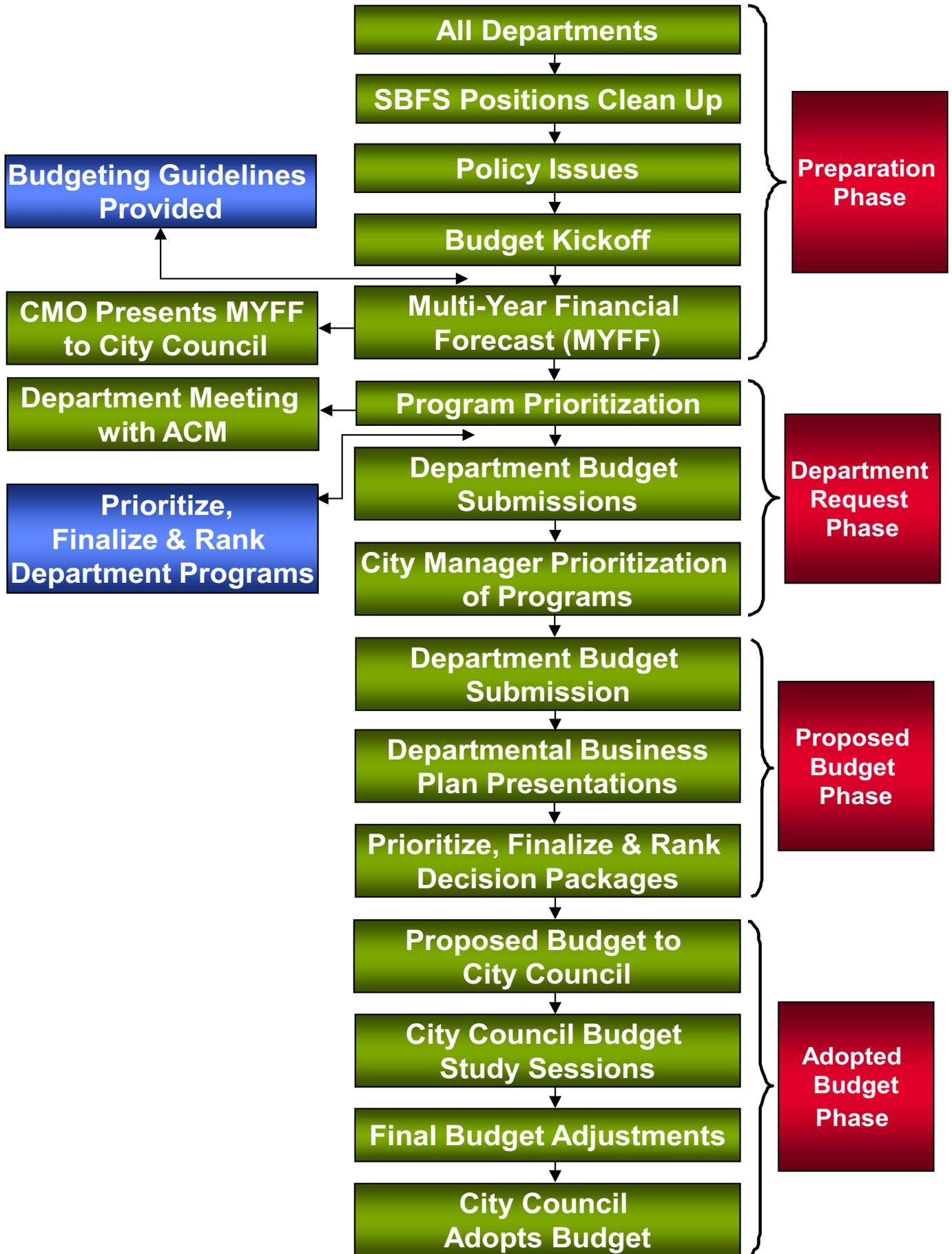
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Date	Dep't.	Event	Statute / Code	City Charter
September 18 th	TREASURY	Submit tax rate to the Tax Assessor Ensure M&C for Council to approve tax roll is on the agenda for Sept. 23 rd or (ASAP)		
September 20 th	CITY SEC	Verify that Appropriation Ordinance with Schedule of Changes are published in the newspaper; BUDGET BECOMES EFFECTIVE		Ch. X, Sec 2
Sept 23 rd or ASAP CC MEETING (D)	TREASURY drafts; LAW reviews; BUDGET sends to webmaster	City Council approves M&C to approve Ad Valorem Tax Roll (Tax Assessor's calculation of taxes on each property using tax rate adopted)	Tax Code 26.09(e)	
September 30 th	M&C CENTER; CITY SEC	DEADLINE TO ADOPT BUDGET [special called meeting required] [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 60 th 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]	Tax Code 26.05(a), (c)	
Oct. 1 or ASAP		County Tax Assessor mails tax bills		

FORT WORTH



Annual Budget Process

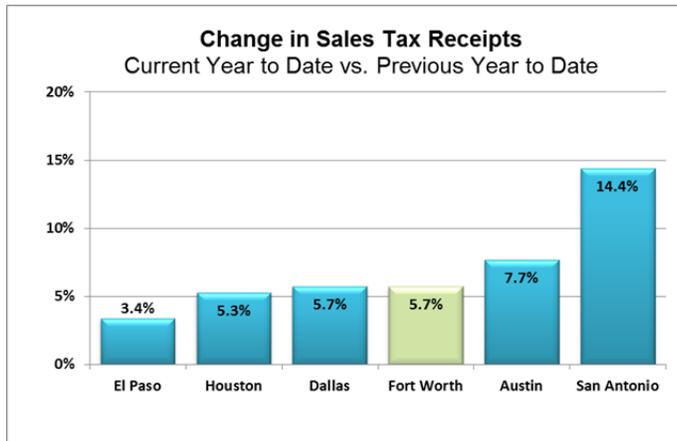
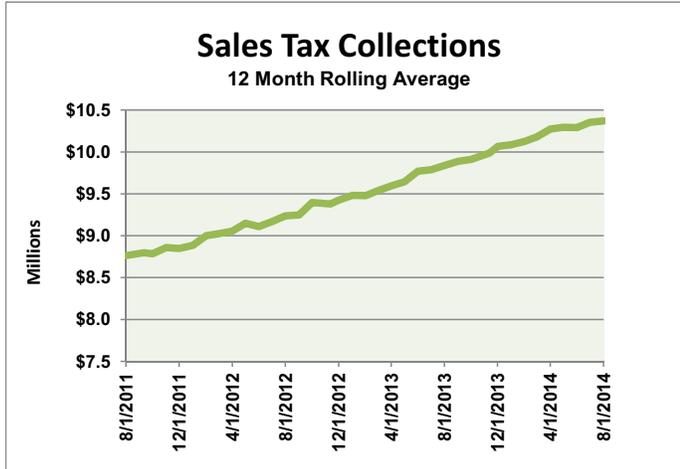


FORT WORTH'S ECONOMIC ENVIRONMENT

The economic outlook for Fort Worth showed signs of improvement throughout FY2014. 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.

Sales Tax

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 with the most recent high of \$10.37 million set in August 2014. This trend is positioned to carry through FY2015 given that the Dallas-Fort Worth area was recently 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.



Among large Texas cities, Fort Worth is continuing a positive trend with year-to-date sales tax collections for August 2014 up 5.7% over the same period last year. This puts Fort Worth's sales tax performance ahead of El Paso, Houston and Dallas.

Retail sales show strength based on sales tax collections reported this year and are expected to remain strong through the end of the year and into FY2015. It is important to note that

September collections will be reported by the Comptroller's Office in November, so they are not reflected in current year-to-date collections; however, the expectation is that the September collections will stay on pace with the increase in previous months.

Hotel Demand

The June – August 2014 edition of the *Econometric Forecasts of U.S. Lodging Markets* report indicated that the forecast for Fort Worth hotels occupancy rate would see an increase in ranking (currently #12 out of 50 markets) over the next four quarters. Year-over-

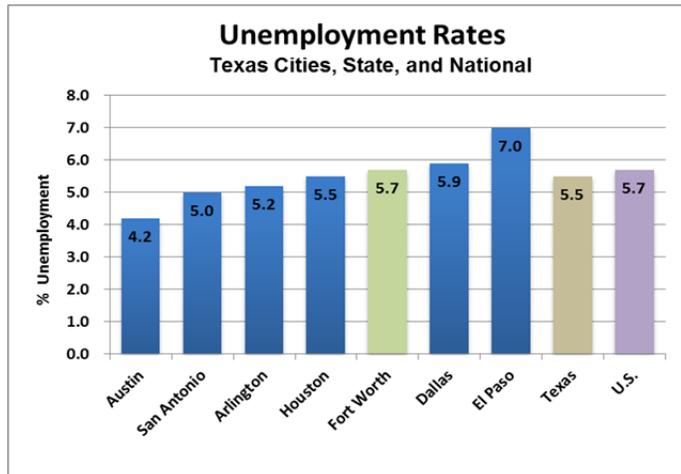
year increase in revenue per available room (RevPAR)--the hotel industry's key performance measure, is expected to climb the rankings up to #10 of 50 markets.

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. Additionally, during periods of normal economic growth, the elasticity between hotel market and economic variables approximately equals 1.2 - meaning that for every one percent increase in employment, hotel room demand increases by 1.2 percent, according to an *Econometric Forecasts of U.S. Lodging Markets report*. Based on this assumption, as Fort Worth's unemployment rate continues to fall, Fort Worth will see an increase in the demand for hotel rooms, thus increasing hotel tax collections.



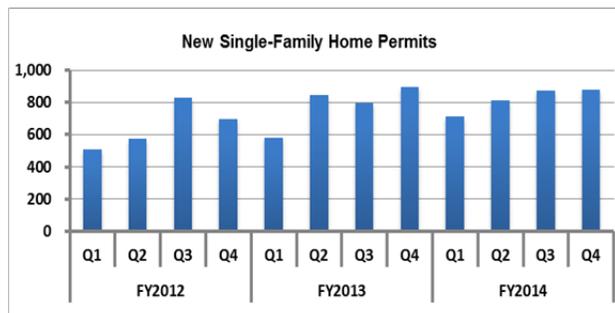
Employment Growth

Job growth in Fort Worth finished strong in FY2014. According to The U.S. Bureau of Labor and Statistics, Regional Commissioner Stanley W. Suchman noted that among the 12 largest metropolitan areas in the country, Dallas-Fort Worth ranked second in the rate of job growth and third in the number of jobs added. Even with slight seasonal fluctuations, both national and local unemployment rates continue to decline. As of August 2014, Fort Worth's unemployment rate is 5.7% compared to 6.2% in August 2013. In comparison, the national and state unemployment rates are 5.7% for the U.S. and 5.5% for Texas. Among major Texas cities, Austin has the lowest unemployment rate at 4.2%, while El Paso's 7.0% unemployment trailed behind not only the major Texas cities but national and state levels, as well.



Real Estate

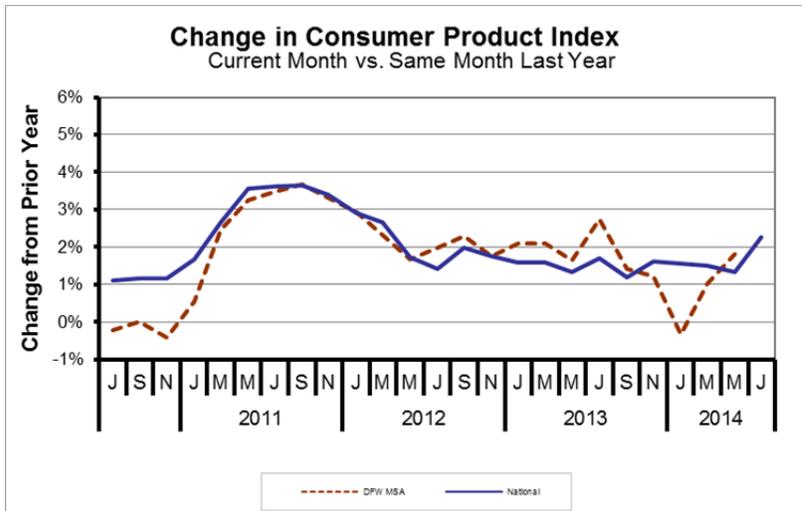
Building permit volume remained steady during the fourth quarter, with volume remaining consistent compared to the same quarter in FY2013. Existing values have seen a positive trend. According to the *Dallas Morning News*, Dallas-area home



sales have risen almost 20 percent from the last year, and prices have jumped more than 10 percent — more than double the average annual increase North Texas usually sees.

Inflation

Another point of interest is the persistently low inflation rate as measured by the Consumer Price Index (CPI)¹. The most recent CPI for the DFW Metroplex (recorded in May 2014) showed inflation increasing by 1.81% compared to May 2013. The CPI for the nation (as of July 2014) increased 2.27% compared to July 2013. 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 either too low or 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. In FY2013, *Forbes* ranked the City as the 6th fastest-growing city in the country, a trend that is expected to continue as other influencing factors continue to move in a positive direction. 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 2012².

According to recent research conducted by Vision North Texas, the DFW Metroplex is the fourth largest metropolitan area in the nation behind only New York, Los Angeles, and Chicago. Vision North Texas also suggested that “the region’s strong job market and international connectivity attract workers from all over the world. As long as the region’s economy remains strong, internal and external migration to the area is expected to continue.”

Forecast

The overall economic outlook for Fort Worth remains 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 through the end of 2015. Existing households are likely to continue spending at current rates, while new residents will

¹ The Consumer Price Index (CPI) indicates the average price paid by households for a representative sample of goods and services.

² 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.

add to the City's sales tax base. Population growth and steady strides in the residential real estate market support improved property tax revenue in the future. 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 2014 are added to the tax roll in 2015 and actually do not begin paying taxes until 2016. 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 faces budget challenges, current economic trends continue to offer reasons for optimism.

FORT WORTH



POLICY ISSUES

This section provides an overview of issues for FY2015 that are expected to result in some level of budgetary and/or operational impact over the next one to five years. The issues listed are often in the preliminary or problem identification stage, could pose significant resource allocation challenges in the near future, and/or adequately addressing the issue will require some sort of City Council action/decision. While some of the issues may result in requests for funding, others may require setting broader policy to meet future or existing service needs or adjustments to service level expectations in the City of Fort Worth.

AVIATION

Meacham Airport Administration Building Renovation. Complete design and begin construction in January 2015 on the \$17.2 million Meacham Airport Administration Building renovation project, with completion scheduled for May 2016. The Administration Building at Fort Worth Meacham International Airport was built in 1968. Other than a first floor addition in 1982, there have been no updates to the original structure. The renovation will remove the 1982 addition increasing the size of the apron. To make up for the loss of the 1982 addition, a third floor encompassing 23,000 square feet will be added. The lower level, currently used as basement space, has been designed to allow natural lighting on the east, south and north ends making the space more attractive for leasing. This renovation project will also address many deficiencies that include an outdated heating ventilation and air conditioning system, cooling towers that are under constant repair, lack of fire protection systems on the ground level and second floor, and Americans with Disabilities Act accessibility concerns.

Spinks Airport Perimeter Road. Complete design and begin construction in June 2015 on the \$3 million Spinks Airport perimeter road, with completion scheduled for April 2016. Currently, a gravel road exists that begins at the Air Traffic Control Tower and extends north connecting the Airport's east and west sides. This road is inadequate for most vehicles, notably fuel trucks that need to offload fuel to self-serve tanks on the east side of the airport. At present, drivers are required to contact Air Traffic Control and obtain permission to cross active runways. This is a safety concern recognized by the Texas Department of Transportation (TxDOT) and requires constant monitoring by Staff to ensure there will be no collisions on the runways. The new perimeter road will be a two lane concrete road of 1.3 miles in length and upon completion will eliminate the need for any vehicles to cross active runways. The road will also open up the northwest side of the airport for development.

CITY ATTORNEY'S OFFICE

Loss of Vacant Attorney and Support Staff Positions. The City Attorney's Office held three positions frozen during FY2013 and FY2014, and held two additional positions open during FY2014 to create budget savings for the City. Three positions, including two prosecutor positions and one support staff position, will be eliminated in FY2015. All of these positions are vital to providing necessary legal services to the City. Eliminating prosecutor positions could hamper the ability to effectively prosecute cases under the current municipal court structure.

Need for Additional Attorneys. The \$1.16 million dollar bond program for the expansion of municipal court services was approved, and the new jury courtroom is expected to be ready in August 2015. This new courtroom will create the need for additional prosecutors to handle the expected increase in workload. There will also be a need for additional prosecutors over the next five years as the City's population grows and the number of courtrooms increases. Lack of additional prosecutors will delay, if not completely prevent, the opening of any additional satellite courts, which has been a goal of City Council. Due to the growth and increasing complexity of the issues facing the Police Department, it is anticipated that there will be a need for an additional police legal advisor with experience and expertise. Funding for succession planning will be crucial as several senior lawyers will be eligible for retirement in the near future.

Need for Paralegals. 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 as the City's budget improves.

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. A second classification of legal secretary was requested, but that request was denied by the Human Resources Department. The second classification would have created promotional opportunities, but the denial of a second classification and ongoing budgetary concerns continue to inhibit management's ability to equalize pay. 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 midrange 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, ticklers (reminders) and manage electronic discovery. Research into software and licensing is on-going, and it is anticipated that an initial investment of \$30,000 - \$50,000 will be needed for an adequate number of user licenses and approximately \$10,000 annually for updates and maintenance fees.

Need for an additional conference room and offices. There is a constant need for network and audio and visual capabilities in a large conference room. Existing conference rooms are not large enough to support upgraded audio and visual equipment and attendees. Additionally, we have two unfilled attorney positions in our budget but do not have office space. There is one small conference room that could be converted to an office, but that leaves us short on conference rooms. Outside of this one possibility, there is no space for an additional office.

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 improving 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 temporary labor for the scanning of official documents to make them easily accessible while reducing the volume of paper documents maintained on- and off-site. This initiative would eliminate the need to lease separate facilities to store the physical records, which currently includes 673 inactive record boxes. Temporary labor is significantly less than contractual and microfilming costs.

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 sustainable plan for surveillance, prevention education, larviciding and adulticiding (spraying) should this level of disease return in subsequent years. Currently, the City has a professional services agreement with the University of North Texas Health Science Center to conduct mosquito surveillance. This service agreement is scheduled to be renewed in FY2015.

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 early FY2015. Future plans include construction of a drop-off station in 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 since the City's last solid waste management plan approved in 1995. In many cases, practices have 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. The department has hired a consultant to assist in the development of this long range plan, which is expected to be completed prior to the end of FY2016.

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

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, 826 pieces of equipment are serviced by the Water Service Center. 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 a total of 22 bays. The new facility would require an additional 7.0 FTE to maintain acceptable service levels that are already strained by limited space and age of the City fleet and to provide for a second shift to respond to after hours' repairs. This item won citizen approval as Proposition Six in the City's 2014 Bond Program on May 10, 2014. The design phase will be completed in FY2015.

Fuel Management System Conversion. The Equipment Services Department currently uses some fuel management systems that are at end of life. This system is needed to replace the Megatronics system and some manual sites. The cost for a replacement system is under review as the scope of the project recently changed. A Request for Proposal (RFP) for a new fuel management system was issued on July 10, 2013. The bids were reviewed in the summer of 2014, however, City Management decided to reevaluate the scope of the proposal before selecting a vendor. New bids will be obtained from the seven vendors based upon the new scope of the project.

FINANCIAL MANAGEMENT SERVICES

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

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

FIRE

Additional fire stations in rapidly expanding areas of the City. Response times remain a challenge in some outer-portions of the city limits where population growth is occurring. Some areas of far north Fort Worth and new developments along the Chisolm Trail Parkway in the southwest will remain priorities for future expansion of services.

Replacement of aging fire stations. Several of the department's 42 existing fire stations were constructed in the 1960's. As these facilities reach 50 years of age, maintenance costs and an inability to accommodate new equipment and apparatus sizes and weights pose challenges.

Consideration of mandating 10-year smoke detectors in City ordinances. Newer technologies and advancements in smoke detectors have increased the effectiveness of these fire prevention tools. In an effort to prevent fire injuries and fatalities, consideration will be given to changing existing ordinance language to require 10-year smoke detectors where smoke detectors are currently required. The new devices are more costly, yet significantly more effective, than what is currently required.

HOUSING AND ECONOMIC DEVELOPMENT

Reorganization of the Housing & Community Development Division. For FY2015, the department's staffing increased by five positions. The addition of these positions will allow for a reorganization of the Housing & Community Development Division to better segregate and align work assignments based on capacity. This reorganization should improve customer service response to community development initiatives and land sales.

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

HUMAN RESOURCES

Meet and Confer and Collective Bargaining. A new contract was implemented in FY2013 with the Fort Worth Police Officers Association. The Firefighter Collective Bargaining Agreement with the Fort Worth Professional Firefighters Association, IAFF Local 440, 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. 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

New Telephone System. The City's existing phone system is at the end of its life and no longer vendor supported. This initiative is planned to begin in FY2015. The estimate for a new system is \$6 million. The Information Solutions Fund's fund balance is planned to support this initiative.

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 unknown.

High Speed Fiber Network. As technology and systems advance, a fast reliable network becomes more critical. City departments working together can collaborate on solutions to support requirements such as cameras, traffic management, and City IT network to achieve the best efficiencies and cost savings. Design for this solution will likely include City-owned fiber, as well as vendor provided communications services. This initiative will begin in FY2015/2016. It would be a multi-year initiative that could include capital costs in the range of \$25 million to \$50 million.

Public Safety 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.

Enterprise Resource Planning (ERP) Phase I. A software upgrade for the Human Resources/Payroll system will be required in FY2016. In order to accomplish this, the department will submit a program improvement decision package as part of its FY2016 budget request. Upgrades are part of the normal maintenance and use process of the software, which must be periodically upgraded to stay on a version that is supported by the vendor.

New Digital Radio System. The City's public safety and public works communications system supports City departments and all critical communication for emergency responders. The new system will require software maintenance/support that did not exist in the previous 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 or more annually beginning in FY2016.

LIBRARY

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

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

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

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

MUNICIPAL COURT

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 fully supports the lake patrol operations of six marshals and vehicles. Due to the reduced funding, staffing levels were reduced to three marshals in FY2012. With regards to the ongoing lake patrol operations, several options have been explored, including transferring operational control to the Police Department; however the increased cost associated with staffing the lake patrol with police officers rather than marshals is thought to be cost prohibitive. Due to the increased activity around the lake, there is a concern that the current operation is not adequate to service this area. The Lake Worth Patrol currently utilizes two boats to patrol the lake. Both pieces of equipment are critical and need to be replaced due to depreciation over the years. Consideration must be given to the adequate level of security needed and a permanent funding source must be identified. This will provide significant progress towards establishing a predictable, perpetuating presence at Lake Worth.

Marshal Fleet. The Marshal fleet is aged, and the majority of vehicles have high mileage. Vehicles funded through the General Fund are held to certain replacement criterion that leads to Marshal vehicles being kept in service past customary limits for front line law enforcement vehicles. Having vehicles in service past these limits increases repair and maintenance costs and produces dependability concerns. The Marshal Division needs to have the ability to replace vehicles before their operation becomes unreasonably expensive. The Marshal Division vehicles should be exempt from the standard vehicle replacement criteria. This would allow for earlier replacement of vehicles, reduce operational cost and increase dependability. A large number of law enforcement agencies across the country adhere to programs that remove vehicles from front line service at 100,000 miles. The Fort Worth Police Department uses such a model. The majority of Marshal Division vehicles are front line vehicles and the fleet should be managed as such. The fleet consists of 26 vehicles; and of those 26 vehicles, 11 have over 100,000 miles and an additional three have over 90,000 miles. A solid commitment to revise the criterion for Marshal vehicles in future budget years would enable the Marshal Division to reduce the average age and mileage of its fleet; thereby reducing annual operating expenses.

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 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 kiosk solution was approved for the proposed North Library facility.

Case Management System Replacement. Over the last couple years, the Court has been preparing to replace its current case management system (CMS), CourtView. Municipal Court employees participated in focus groups and worked with a consultant to develop business/technical requirements and an assessment of the department's needs. Those requirements became the foundation for the department to solicit proposals from prospective vendors in the CMS community. Based on this foundation, an evaluation committee reviewed and observed several software solutions. The Court is currently at the end of the procurement process for a new case management system that will further enhance the operations and functions of the department. However, the overall funding for the new Case Management System could pose a significant resource allocation for years to come. The new system will require annual operating costs that will exceed the projected revenue for the Municipal Court Technology Project Fund. A stable and recurring funding source must be identified.

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, a greater burden is put on the operations and maintenance activities in older, central city areas where much of the infrastructure has exceeded its useful life. This dynamic will continue to increase the need for additional funding and facilities.

Increases in Park Units, Acreage and Landscaped Areas. . As a result of the 2000 Neighborhood and Community Park Dedication Policy, fully-developed parks are coming online requiring immediate services in developing areas. Since 2000, the City has acquired over 1,540 acres of new parkland. Due to city growth over the last decade, there will be a continued need for both neighborhood and community parks in underserved areas in accordance with the Park, Recreation and Open Space Master Plan. Additional park acreage annual maintenance is currently estimated at \$3,300 to \$5,000 per acre for undeveloped/developed parkland resulting in a need to increase total operating expenses accordingly. Funding will be needed for park/athletic field staff and maintenance facilities to increase efficiency and meet current standards. All park district operation compounds are located inside Loop 820. Parks in “outlying areas” currently require an approximate 30-minute drive to reach. 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. As construction of landscaped streetscapes, roundabouts, and medians occur, significant resource allocations will be needed for on-going operating costs and maintenance of these investments and these costs will vary depending upon the design of the landscaping and plant material selected.

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 fifth and 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. The Marine Enhanced Neighborhood and Family Aquatic Center was built and opened in FY2013. The Forest Park Swimming Pool re-opened in FY2013. The demolition of the remaining five out-of-service pools, ranging in age of 54 to 88 years is a critical element of the master plan with funding provided in FY2015.

Addition of Community Centers. The 2004 Capital Improvement Program (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 Chisholm Trail Community Center, opened March 1, 2014. The south central area has been designated for the third community center, to be known as the Victory Forest Community Center, which is scheduled to come online in FY2016. 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. On May 10, 2014, the voters of Fort Worth approved \$31.4 million in bond funds for the Parks and Community Services Department. Proposition Two includes community center expansions, athletic field complex development and phase one development of community parks. All of these improvements will result in additional on-going operating costs to ensure the sustainability of these capital improvements.

PARKS AND COMMUNITY SERVICES/GOLF FUND

Municipal Golf Fund. The Parks and Community Services Department conducted 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. The recommended program policy will continue to focus on equity, access and affordability while continuing to provide the public with optimum playing conditions and the highest level of customer service. Beginning in FY2015, the Municipal Golf Enterprise Fund will shift to a Special Revenue Fund program operating on a 20% subsidy rate.

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. The initial step in this re-investment initiative was taken with the allocation of \$2 million in the 2014 Bond Program. It is anticipated that the golf course will undergo renovations in FY2016. Funding for a new pro shop, cart, storage and maintenance facility remains pending.

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. 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. At the same time these improvements were being made, national and local development activity waned due to the nation's economic difficulties. Development activity has since stabilized and we have experienced mild growth in permitting and plan review activity. Resources have been allocated to ensure timely responses to citizens and developers and the department continues to work with stakeholders to improve and enhance development process improvements and customer service delivery.

POLICE

Staffing. Service delivery requires adequate staffing throughout the department, including sworn and civilian personnel. Creating a succession plan to accommodate expected retirements of sworn personnel is critical to maintaining optimal operating efficiencies. The Police Executive Research Forum conducted a staffing study to examine existing staffing levels and efficiencies throughout the department. The study should be finalized in October or November of 2014.

Intelligence-Led Policing. FWPD's ability to respond to emerging crime trends, such as cybercrimes and economic crimes, requires significant resources and up-to-date technology and equipment. The rapid development of technology-based applications within law enforcement will achieve the fastest growth in history in the next several years. It will be difficult for the police department to keep up with technology demands without additional resources.

Facility Improvements. FWPD has nearly 40 facilities that are used for a variety of functions. Half of these facilities are leased, and the other half are City-owned. Short-term facility needs include renovations to the KXAS/Channel 5 building, reducing the number of leased facilities, determining new locations for several units due to the potential sale of 350 West Belknap Street, and other improvements to facilities that have exceeded capacity. A new facility in far north Fort Worth is necessary to accommodate a future Sixth Patrol Division. As the city continues to grow and new development

continues in far north Fort Worth, a Sixth Patrol Division is necessary to address the needs of the expanding region. Call response times are higher in the far north area of the city than other areas. A new Patrol Division facility will require the need for associated resources. A Strategic Facility Plan is currently being developed and should be complete by the end of calendar year 2014.

TRANSPORTATION AND PUBLIC WORKS

Traffic Management. Current funding levels are approximately 20% of the required funding need to establish 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.

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 FY2015 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 FY2015, \$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 nonattainment for ozone by National Ambient Air Quality Standards. The existing standard, revised in 2008 to 75 parts-per-billion (ppb) from 85 ppb, has resulted in the need for implementation of additional control measures. The Environmental Protection Agency is currently considering a further reduction to between 60 and 70 ppb. Potential control measures that may be enacted and affect the City of Fort Worth operations include, but may not be limited to, regional policies and partnerships, the institution of fees and fines, an independent enforcement situation, and/or other tactics to limit or reduce ozone precursor emission production. Costs associated with these requirements cannot be determined until the Clean Air Steering Committee completes control measures anticipated for the new State Implementation Plan (SIP) to improve air quality in the Dallas-Fort Worth (DFW) area and meet the requirements of the Federal Clean Air Act. Additional costs may also be associated with the U.S. Supreme Court decision regarding cross-state carbon dioxide emissions, especially from coal-fired plants.

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

TRANSPORTATION AND PUBLIC WORKS/STORMWATER UTILITY

Capital Improvement Program. There were 172 areas identified throughout the City that required critically needed capital improvements to address severe drainage problems. Since the Stormwater Utility was established in 2006, 70 of these areas have been addressed. Completed improvements resulted in 32 roadways improved, 150,000+ traffic vehicles per day protected from flooding, 320 properties protected from flooding, and 20 lane miles of roadways rebuilt by these projects. There are 19 areas with capital improvement projects in progress, and improvements for 15 areas are funded with the FY2014 bond package. Improvements for 68 areas requiring critical Stormwater capital improvements are

unfunded with an estimated cost of \$300 million. 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 to \$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.

Water Quality Protection. The emphasis on integrating water quality in flood control projects will increase in FY2015. 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 implementing capital projects or participating in developer projects.

Federal Flood Insurance Reform. Recent revisions to the National Flood Insurance Program (NFIP) may result in increased demand for resolutions to potential flooding problems in these areas, from home buy-outs to structural improvement projects. The NFIP began to be phased into 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. The demand from citizens for resolutions of potential flooding problems may increase due to the direct financial impact of NFIP and flood insurance premiums.

Development Review Activities. Economic recovery has spurred significant growth of development activities resulting in increased demands for review of new development projects for compliance with City drainage standards. Working with the development community, the Stormwater division has undergone a series of changes in an attempt to improve the quality and speed of its service delivery to ensure timely responses to citizens and developers. These changes have included: a review of drainage requirements and the review process to improve efficiency while ensuring that an adequate level of review is conducted to keep new development projects from creating new drainage problems; additional staffing, thereby increasing the reviewers and dedicating a manager to development review; and supplementing staffing with contractual development design review services to handle peak workload demands. The continued need for contractual resources is anticipated through FY2015 to ensure timely reviews.

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

WATER DEPARTMENT

Water Supply. The Tarrant Regional Water District (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 the Cedar Creek and Richland Chambers Reservoirs to Tarrant County by 2020 to support regional community and economic growth. This significant increase will continue to place upward pressure on the water rates Fort Worth charges its retail and wholesale customers over the next 10 years.

Biosolids. 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. Odor complaints to the Texas Commission on Environmental Quality (TCEQ) have initiated a rule making process to the existing biosolids treatment and application regulations. The impact of these rule changes will require a re-evaluation of the biosolids program's treatment, dewatering and land application processes. It is expected that changes to the existing program will increase the biosolids costs by as much as 50% to 100%.

Water Condition Assessment Program. As part of the department's asset management program, the department is implementing a Water Condition Assessment Program for the water distribution system in FY2015. The program includes large main leak detection and condition assessment, as well risk based ranking of all pipe segments to enhance water conservation and more efficiently target renewal and repair expenditures. Proactively identifying leaks on large distribution mains will conserve water and support repairs prior to development of costly breaks, which often include property damage and disruption of public water supply. Data-based condition assessment and ranking of pipe segments will support more efficiently targeted water main repairs and renewal expenditures. In turn, these efforts will improve distribution system integrity and water conservation by reducing the number of main breaks and leaks per 100 miles of pipe. Funding in FY2015 will begin the implementation of this new program. Additional funding in future years may be desirable to further advance the benefits of the program.

Utility-wide Asset Management Program Enhancements. Based on the implementation plan developed in FY2014, the department plans to develop and implement a coordinated program that will enhance operations by unifying software platforms that will allow for more cohesive tracking of maintenance, collection of historical data, and reporting on assets. Consolidating to one asset management system for Field Operations and the Water Production and Reclamation plants leverages the existing investment the Utility has made in its asset management system, as well as provides a more cohesive view of historical data for analysis of financial, operational, and other data. The enhancements will result in a department-wide asset management methodology that will create a common platform for evidence-based capital project benefit analysis and prioritization. Future funding will be necessary to realize the full benefit of a utility-wide asset management program.

Municipal Utility Districts. A municipal utility district (MUD) is a political subdivision of the State of Texas authorized by the TCEQ to provide water, sewage, drainage and other services within the MUD boundaries. MUDs are an infrastructure financing system used to lower the lot cost and provide a way for developers to recover extensive infrastructure capital costs through ad valorem taxes. As MUD petitions increase with a more robust economy, the department can leverage MUD developers' desire for Fort Worth's water and sewer service to require other types of essential services (e.g., roadway, drainage and other district services) that are consistent with the City's Comprehensive Plan. These negotiations can include assessing the feasibility and desirability of using public-private partnerships to extend water and sewer service within the extraterritorial jurisdiction consistent with Fort Worth's Comprehensive Water and Wastewater Master Plans. The assessment would include an increase in the capital and operating costs due to accelerating the infrastructure investment in advance of the planned timeframe.