

A Resolution

NO. 3475-04-2007

APPOINTING MEMBERS OF THE GAS WELL REVENUES FINANCIAL MANAGEMENT STRATEGY AD HOC COMMITTEE

WHEREAS, natural gas drilling, production and pipeline revenues derived from the Barnett Shale are projected to result in a significant and unique financial windfall for the City of Fort Worth during the next 20 years; and

WHEREAS, gas well drilling, extraction and production activities in the Barnett Shale have and will continue to result in major economic benefits for the City and the Region; and

WHEREAS, revenues from the one time gas lease bonuses and royalty collection on City property are significant but they are also a volatile and unpredictable source of revenue subject to the variability of gas well production levels, commodity market prices, gas use levels and the pressures of ever increasing costs of extraction; and

WHEREAS, Barnett Shale gas production is a finite resource and as a result production revenue and tax revenue from the extraction of natural gas from the Barnett Shale are predicted to diminish over time; and

WHEREAS, tax revenues have risen as a result of the increases in the property valuations of the real property mineral estates and these valuations can be expected to elevate initially as the production of gas increases in future phases of the Barnett Shale development but will eventually decrease as the finite amount of gas is extracted; and

WHEREAS, the City Council, on behalf of current and future generations has expressed its commitment, intent and desire to take full advantage of this unique opportunity to maximize the value of this one time revenue windfall for the current and perpetual benefit of all Fort Worth citizens; and

WHEREAS, on April 26, 2005, the City Council established the current Gas Well Revenue Distribution Policy in M&C G-14767; and

WHEREAS, the Gas Well Revenue Distribution Policy was incorporated into the City of Fort Worth Financial Management Policy Statements on September 13, 2005, in accordance with M&C G-14918; and

WHEREAS, the City Council has determined the best interest of the City of Fort Worth will be served by the establishment of the Gas Well Revenues Financial Management Strategy Ad Hoc Committee.



CITY OF FORT WORTH

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS, THAT:

- 1) A Gas Well Revenues Financial Management Strategy Ad Hoc Committee is hereby established, consisting of nine members as follows
 - i. Denny Alexander Chair
 - ii. Lillie Biggins
 - iii. Gina Bivens
 - iv. Bob Crow
 - v. Homer Dowd
 - vi. Walker Friedman
 - vii. Tim Petrus
 - viii. Andrew Jose Rosell
 - ix. Bob Terrell

- 2) The Gas Well Revenues Financial Management Strategy Ad Hoc Committee is charged with considering and making recommendations to the City Council on the following gas well revenue management strategies and issues:
 - i. Formulate the most prudent financial strategy that maximizes and leverages the positive impact of gas revenues for current and future generations of Fort Worth Citizens.
 - ii. Determine the most effective expenditure and investment model to ensure that gas revenues provide substantial benefits to the citizenry in perpetuity.
 - iii. Design a productive, effective and dependable endowment management plan that efficiently regulates expenditures of endowment interest and reinvestment of interest to ensure the perpetual growth of the corpus of the endowment funds.
 - iv. Determine the most fiscally prudent expenditure criteria for application of the expenditure policy.
 - v. Review, consider and evaluate Council Proposal No. 265, Amendment to the City Policy Concerning the Allocation of Gas Well Drilling Revenues and Amendments to State Law Concerning the Investment of those Revenues.

- 3) The committee shall consider public input in a minimum of three public meetings, including a Town Hall Discussion during the deliberative process of its charge from April to June of 2007.
- 4) The Committee shall participate in a City Council Work Session in July of 2007 for the purpose of reviewing and communicating its findings and recommendations to the City Council.
- 5) The Committee shall operate under Roberts Rules of Order and may adopt any necessary bylaws and protocols needed to ensure the smooth and timely conduct of committee business and public input.
- 6) Committee members shall serve at the pleasure of the City Council and shall serve unless or until replaced by City Council. The Committee shall be subject to the rules applicable generally to citizen advisory committees and shall cease to exist upon the accomplishment of the purpose for which it was created, or unless abolished by a majority vote of the City Council
- 7) The Committee shall by majority vote of all of its members, make recommendations concerning the issues in the committee's charge. The City Council shall make the final determination concerning the adoption of new policies for the wise and prudent management and disbursement of the subject gas well revenue.

Adopted this 17th day of April 2007.

ATTEST:

By: Marty Hendrix
Marty Hendrix, City Secretary

APPROVED
CITY COUNCIL

APR 17 2007

Marty Hendrix
City Secretary of the
City of Fort Worth, Texas

