An Open Letter to the Citizens of Fort Worth

Creating a Vision for the Future

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

The strategic goals will enable the City Council to:

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

City Council will refine and adjust the strategic plan, as circumstances change. Overall, the City of Fort Worth will concentrate on five top-priority strategic goals for fiscal year 2010-11. This strategic goals report is intended to provide a clear and concise statement about where the City Council wants Fort Worth to go over the next five years and to stimulate broader discussion of the important issues facing Fort Worth now and in the future. A number of ongoing administrative and community processes will make the goals reality.

The strategic goals describe:

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

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

Mike Moncrief, Mayor

Salvador Espino,
District 2

W. B. "Zim" Zimmerman,
District 3

Danny Scarth,
District 4

Frank Moss,
District 5

Jungus Jordan,
District 6

Carter Burdette,
District 7

Kathleen Hicks,
District 8

Joel Burns,
District 9

FORT WORTH

BUDGET FORMAT

The FY2011 adopted budget document for the City of Fort Worth provides historical, present, and future comparisons of revenues and expenditures; planned allocations of resources - both fiscal and personnel; and brief descriptions of the anticipated annual accomplishments of City programs outlined in each department's business plan.

FUND STRUCTURE

Operating budgets are divided into several different funds. Activities supported by tax dollars are included in the General Fund. Enterprise Funds are those that are funded on a fee-for-service basis, such as the Water and Sewer Fund and the Municipal Airports Fund. Services that are provided internally by City departments on a fee-for-service basis for other City departments, such as the Equipment Services Fund, are specified as Internal Service Funds. Finally, Special Funds are financial accounts for special revenue sources. An example is the Workers' Compensation Fund, which administers revenue collected in the form of contributions from City departments that incur workers' compensation claim expenses. Each of these fund types is included in the City of Fort Worth adopted budget.

BUDGET DOCUMENT STRUCTURE

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

CITY STRATEGIC GOALS FOR CITY DEPARTMENTS

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 FY2011:

- 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.

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

City Manager's Office	Law
City Secretary	Library
Code Compliance	Municipal Court
Financial Management Services	Non-Departmental

Fire	Parks & Community Services
Housing & Economic Development	Planning & Development
Human Resources	Police
Internal Audit	Transportation & Public Works

OTHER FUNDS

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

Enterprise Funds include:

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

Internal Service Funds include:

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

Special Funds include:

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

DEPARTMENTAL BUDGET PAGES

Each departmental budget is comprised of different summary forms. The *departmental/fund budget summary* pages provide a description of departmental/fund responsibilities and consolidation of departmental expenditures and staff levels. These resource allocations are provided for FY2009 unaudited actual expenditures, FY2010

adopted expenditures, FY2011 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 provide a summary of each departmental center's past, present, and future expenditure and personnel allocations. The budget document is color-coded to allow the reader to reference specific pages more easily. The City Manager's Message and all other descriptive pages in the introductory section are printed on white unless otherwise noted in the following color-coding chart. This chart indicates the page color for each type of recurring page in this document.

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

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

FORT WORTH

BUDGET PROCEDURE, BASIS AND PHILOSOPHY

PROCEDURE

The Fort Worth City Charter provides that on or before August 15 each year, the City Manager must submit to the City Council a proposed budget that provides a complete financial plan for all city funds and activities for the ensuing year. With this requirement in mind, the Budget and Research Division establishes a budget schedule each year to enable the City Manager and their staff to prepare a proposed budget that will meet all provisions of the City Charter and provide the City Council with a thorough, informative description of the level of municipal services being proposed and their costs.

Below is a synopsis of each budget process phase as it pertains to FY2011 budget preparation:

Policy Issues:

Departments began the budget process by submitting policy issues that may impact departments in the immediate future. In general, policy issues are salient issues expected to impact the ways in which each department accomplishes its departmental mission over the next five years. Such issues tend to have budget implications. Moreover, they reflect broad trends, rather than specific departmental budget requests for additional authorized positions, equipment, and other major needs.

Multi-Year Financial Forecast:

The City Council is presented with the City's Multi-Year Financial Forecast (MYFF) for the General Fund. The intention was to give the Council a big-picture framework and long-term context in which to make annual budget decisions. The MYFF is updated to reflect the proposed budget and it is presented at that time. The forecast also serves to prepare the Council for any anticipated discrepancies between projected revenues and expenditures in future years.

On May 25, 2010, the Budget and Research Division, with the help of an outside consultant, presented a five-year financial forecast to the City Council. 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 & 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 and diesel fuel; and gas and electric utilities. Revenue accounts were projected with similar scrutiny, including: property tax revenue using permitting data and historical growth trends, sales tax revenue using historical analysis and the impact of the current economic environment; and licenses, permits, and fines based on an in-depth analysis by the associated departments. The forecast also included other assumptions, including no net increase in the size of the General Fund workforce through FY2015.

The forecast projected expenditures to outpace revenues in each of the five years, with an average annual growth rate of 1.7% and 5.8% respectively. Personnel costs were projected to grow from 71% of expenditures to 74% in five years, and property taxes – the largest single component of General Fund revenue – were projected to increase at a slower rate than previous years based on concerns with the housing market and economic hardship. The forecast showed that without a realignment of priorities and a streamlining of the City's operations, the City would continue to struggle to reach its General Fund reserve requirement of 10% of all operating costs.

Another concern that was highlighted during the forecast was the volatility of sales tax revenues, which are heavily, influenced by prevailing economic conditions, individual consumer discretion and world events. The forecast projected sales tax revenues to be flat as compared to FY2010.

Personnel Data (SBFS) Cleanup:

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

Budget Kickoff:

The "Budget Kickoff" meeting was held on April 9th so the Budget and Research Division could distribute 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.

Budget Reductions:

During the FY2010 budget process, the City Council directed staff to start earlier on FY2011 budget development to ensure ample time to make decisions on critical and complex budget issues.

Accordingly, staff worked with the Council in January to begin developing priorities on which to build the FY2011 budget. On January 26, the City Council took a monumental step in this direction and adopted a resolution establishing priorities for developing the budget. These priorities not only shape the budget process but they also provide direction on delivering essential services to our residents. Public Service had eight priorities while administrative service had five priorities.

Public Services Priorities

- Has an immediate or near-term effect on public safety; emergency response
- Meets a Charter / State / Federal mandate or is a long-term contract.
- Has a long-term and potentially severe effect on the public.
- Has a long-term effect on public safety, but is not severe
- Required construction / maintenance of infrastructure owned by the City
- Provides funds through a direct revenue generating or collection function
- Has a beneficial effect on the lives of a significant segment of the population <u>and</u> is not the core service of any outside entity.
- Any program, activity or service that does not meet the above priority is a complementary service.

Administrative Services Priorities

- Meets a Charter / State / Federal mandate or is a long-term contract.

- Is necessary in the short term for delivery of a core service.
- Has a long-term and potentially severe effect on the organization
- Is necessary in the delivery of a core service
- Is beneficial but not critical in the delivery of a core service

Each General Fund department reviewed their current programs and provided detailed information to determine which priority is being met by each service. As a result, the program prioritization was presented to the City Council.

In May of this year, staff presented City Council with the annual Economic Forum and a Five Year Financial Forecast of the General Fund. The forecast illustrated the growing difference between revenues and expenditures as well as how the economic downturn was anticipated to severely impact Fort Worth. In addition to the growing expenses and decreasing revenue, the increase in funding requirements for retiree health care, employee retirement contributions and to maintain the 10% reserve fund balance, initially yielded a General Fund budget gap of approximately $77 million.

In order to manage the then updated budget gap of approximately $77 million identified for FY2011, staff developed an online budget exercise that allowed residents to provide input on how to close the budget gap. Additionally, staff conducted a public input meeting and open house. Citizens of Fort Worth were invited to an open house to learn more about the budget issues prior to an open meeting to solicit their input, comments and recommendations. The budget necessitated curtailing spending through departmental and citywide reductions and vacancy management. Certain critical service enhancements were also considered in this budget.

Departments were asked to critically reviewed their organization and services and submitted 10% (5% for Police and Fire) reductions based on the prioritization of their programs. Staff explored options for consolidating, privatizing, outsourcing or reducing these functions with the goal of shoring up the anticipated budget shortfall. As the department reviews began, there were several meetings and presentations that occurred and provided guidance on budgetary issues.

Departmental Request Phase

Departments prepared base budget requests to continue current services within a specified target figure. Any new programs a department considered were submitted as improvement/exception decision packages. The consequences of the failure to fund these items also had to be provided. The departmental budget request was comprised of a line-item expenditure request that is supplemented with detailed justifications. All requests for funding had to be related to specific program needs and had to be measurable in terms of effectiveness and/or indicators. This phase lasted until early May, 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 Budget Officer responsible for the budget. Once budget recommendations were determined, each Budget Analyst drafted a Departmental Reconciliation sheet for each of their departments, which summarized recommended budget and authorized position levels, as well as all proposed major funding changes. Based on feedback from the Budget Officer and the Budget Manager, the analysts made any necessary modifications to the budget recommendation for each department.

Proposed Budget Phase:

The City Manager directed the Assistant City Managers to review submissions and develop consensus-based recommendations. Upon completion, the City Manager met with the Assistant City Managers and the Budget staff to review these 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. The unfunded packages appear by department in the ranking order provided by each department. The reduction packages contained the result of Departmental Program Prioritization, which was a city-wide exercise conducted to define its programs and identify the direct and administrative costs associated with them. 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 citizen's comment has been received and considered by the City Council. The newly adopted budget becomes effective October 1.

Adopted Budget Phase:

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

PHILOSOPHY

On November 8, 1984, Fort Worth voters approved a number of amendments to the City Charter relating to the budget process. These amendments were substantially based on the budget section of the Model City Charter and replaced certain archaic elements of the old charter that had not been modified since 1924. It is believed that these amendments facilitate the budget enactment and administration process. Included within these charter revi-

sions were amendments that clarified and simplified the three types of appropriation transfers. At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, division, or section upon compliance with such conditions as City Council may establish by ordinance. Upon written request by the City Manager, the City Council may, by ordinance, transfer part or all of any unencumbered appropriation balance from one department to another. If at any time during the fiscal year the City Manager certifies that there are revenues in excess of those estimated in the budget that are available for appropriation, the City Council, by ordinance, may make supplemental appropriations for the year up to the amount of the excess.

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

In accordance with its accounting system, the City of Fort Worth's budget development process is built on the historical analysis of line-item expenditures. Additionally, program performance measures have been The City Manager directed Assistant City Managers to review submissions and develop consensus-based recommendations. Then the recommendations were reviewed with the City Manager. Once the City Manager received the preliminary budget recommendations, he met with the Assistant City Managers and the Budget staff to review and make adjustments to the recommendation. Following that review, the City Manager made final changes to the recommendations. Budget staff implemented those changes and provided departments a copy of their Departmental Reconciliation sheet, on which budget recommendations were summarized. This was followed by the beginning of the preparation of the City Manager's proposed budget document, entitled the Annual Budget and Program Objectives as Proposed by the City Manager. Throughout the spring and summer, the City Manager and city staff discussed the development of the budget and elicited policy direction from the Council through several budget workshops, thus further framing the proposed budget.

BASIS OF BUDGETING

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

Personnel Services
Supplies
Contractual Services
Capital Outlays, and
Debt Service

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

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

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

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

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

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

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

2011 Schedule for Budgeting and Tax Collection
(Tax Rate Does Not Exceed Effective or Rollback Tax Rate)

Date	Event	Statute / Code	City Charter
May 1	Mailing of Notices of appraised value by Chief Appraiser to property owners "by May 1 or as soon thereafter as practicable."	Tax Code 25.19(a)	
May 15	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 22	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 City Council meeting on June 29th)	Tax Code 11.13(n)	
July 10	Verify dates on Planning Calendar and ensure any forms modified by Comptroller for 2010 are distributed.		
July 20	Deadline for ARB to approve appraisal records		
July 20	Prepare IR for submission to Council of (1) appraisal roll and (2) collector's certification of an estimate of collection rate for current year.		
July 23	Receipt of certified appraisal roll		
July 25	Deadline for Chief Appraiser to certify rolls to taxing units.	Tax Code 26.01(a)	
July 26	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. 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.*"	Tax Code 26.04(b)	
July 27	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 . . ."]. - Brief presentation made to the City Council	Tax Code 26.04(b) 26.04(e)	
July 29	(1) Draft IR for effective and rollback tax rates. (2) Draft form for calculation of effective and rollback tax rates, statement and schedules. *Comptroller has prescribed form for this*	Tax Code 26.04(e)	
August 3	Submission to Council of effective and rollback tax rates [26.04(e) "by **August 7** or as soon thereafter as practicable . . ."] by IR City Council briefing on effective and roll back tax rates, publication and notice requirements	Tax Code 26.04(e)	

2011 Schedule for Budgeting and Tax Collection
(Tax Rate Does Not Exceed Effective or Rollback Tax Rate)

Date	Event	Statute / Code	City Charter
August 4	Prepare, review and send Notice of Public Hearings on budget to newspaper to be published on AUGUST 7 [Notice of hearing on budget must be published 10 days before first budget hearing. If the proposed budget will require raising more revenue from property taxes than in the previous year, notice must contain statement set forth in LGC 102.005(b)]	LGC 102.005; 102.006; 102.0065	
August 4	Send to newspaper for publication of effective and rollback tax rates, statement and schedules. (paper requires 3 days lead time for publication)	Tax Code 26.04(e)	
August 5	(1) Ensure budget presentation is on pre-council agenda for presentation of the budget on August 10		Ch X, Sec 1
August 7	Publication of Notice of Budget Hearings in newspaper	LGC 102.0065(c)	
August 7	Publication in newspaper of effective and rollback tax rates, statement and schedules [26.04(e) "by August 7 or as soon thereafter as practicable"]	Tax Code 26.04(e)	
	Proposed budget presented to City Council at the Pre-Council Meeting [On or before the **15th day of August**, the manager shall submit to the Council a proposed budget for the ensuing fiscal year…]		Ch X, Sec 1
August 11	**Proposed budget filed with the municipal clerk** [Budget officer shall file the proposed budget with the municipal clerk **before the 30th day** before the governing body makes its tax levy] If the proposed budget will require raising more revenue from property taxes than in the previous year, then must contain cover page statement set forth in LGC 102.005(b) The proposed budget shall be made available for public inspection and posted to the City's website	LGC 102.005(a) 102.005(b) LGC 102.005(c)	
August 12	(1) Prepare Appropriation Ordinance, Debt Service Ordinance, and Ad Valorem Tax Ordinance to be submitted to the M&C Center by August 12th (2) Ensure Public Hearing and all ordinances are on the Council agenda for first reading at AUGUST 17 CC meeting [full ordinance captions to be listed on the agenda]		Ch X, Sec 2
August 13	City Council Budget Retreat		
August 17	First reading of Appropriations Ordinance, Debt Service Ordinance and Ad Valorem Tax Ordinance at Council Meeting with Public Hearing - Full ordinance captions to be listed on the agenda and read into the record - Public Hearing at Council meeting (1st hearing)		Ch. X , Sec 2

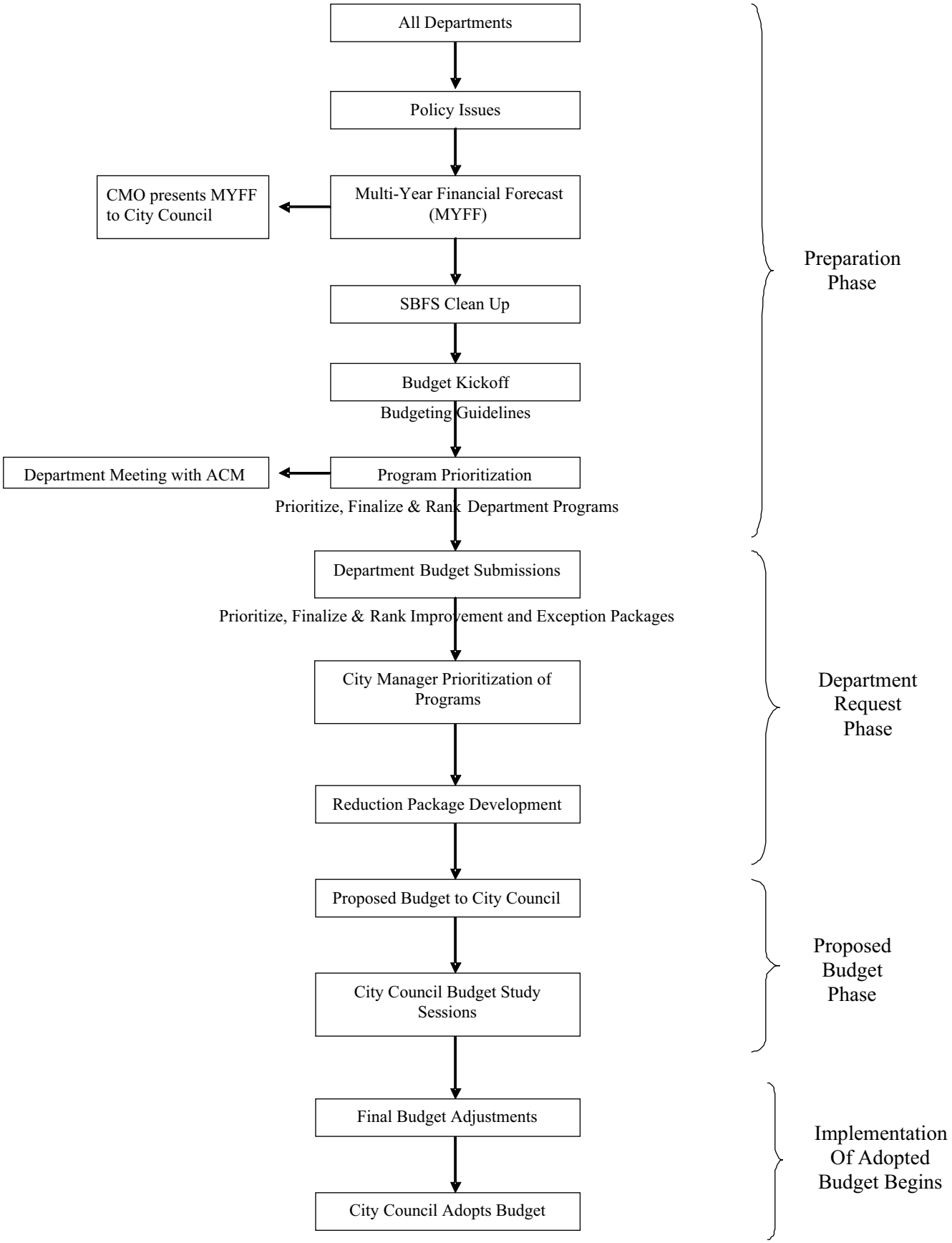
2011 Schedule for Budgeting and Tax Collection
(Tax Rate Does Not Exceed Effective or Rollback Tax Rate)

Date	Event	Statute / Code	City Charter
August 18	Send appropriation ordinance and debt service ordinance to newspaper for publication on AUGUST 21 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 19	Ensure Public Hearing and Appropriations Ordinance, Debt Service Ordinance and Ad Valorem Tax Ordinance are on agenda		Ch X, Sec 2
August 21	Verify appropriation ordinance and debt service ordinance are in newspaper		Ch. X, Sec 2
August 24	Public Hearing on Appropriations Ordinance, Debt Service Ordinance, and Ad Valorem Tax Ordinance at Council Meeting (2nd hearing)		Ch. X, Sec 2
September 9	Prepare Resolution to ratify property tax revenue increase (to be considered on September 21st Council agenda if necessary) 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.	LGC 102.007(c)	
September 9	Ensure Public Hearing and Appropriations Ordinance, Debt Service Ordinance and Ad Valorem Tax Ordinance are on agenda		Ch X, Sec 2
September 14	Public Hearing on Appropriations Ordinance, Debt Service Ordinance, and Ad Valorem Tax Ordinance at Council Meeting (3rd hearing)		Ch. X, Sec 2
September 16	(1) Ensure full caption of Appropriation Ordinance, Debt Service Ordinance and Ad Valorem Tax Ordinance (in that order) and Public Hearing for each are on Council Agenda (2) Ensure separate Resolution is on Agenda to ratify property tax revenue increase reflected in the budget (if necessary) (3) 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)].	(2) LGC 102.007(c) (3) Tax Code 26.05(b)(1)	Ch. X, Sec 2

2011 Schedule for Budgeting and Tax Collection
(Tax Rate Does Not Exceed Effective or Rollback Tax Rate)

Date	Event	Statute / Code	City Charter
September 21	Second reading of Appropriations Ordinance, Debt Service Ordinance and Ad Valorem Tax Ordinance (full ordinance captions to be listed on the agenda and read into the record) - Public Hearing at Council Meeting (4th hearing) (1) Council **adopts** Appropriations Ordinance (2) Council **adopts** Debt Service Ordinance (3) Council **adopts** Ad Valorem Tax Ordinance (4) Council **adopts Resolution** ratifying property tax revenue increase **DEADLINE TO ADOPT TAX RATE** (actual deadline is Sept 30th but this date was suggested to avoid any timing issues and for compliance with contract with Tarrant County Tax Assessor's Collection contract) [The governing body shall adopt a tax rate for the current tax year and shall notify the assessor of the rate before the later of Sept 30 or the 60th day after the date the certified appraisal roll is received. If rate is not adopted by this date, the rate becomes the lower of the effective tax rate or the tax rate adopted for the preceding tax year]	(4) LGC 102.007(c) Tax Code 26.05(a) 26.05(c)	
September 22 or ASAP	(1) Budget officer files approved budget with Municipal Clerk (2) Budget officer places budget on website (3) Budget officer files approved budget with County Clerk	(1) & (2) LGC 102.008 (3) LCG 102.009(d)	
September 22	(1) Send Appropriations Ordinance to newspaper for publication with schedule of changes made to original budget (2) Send Debt Service Ordinance to newspaper for publication (3) Publish Tax Levy Ordinance twice after passage (4) Website Homepage Notice 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)		Ch. X, Sec. 2 Ch. XXV, Sec. 2 (4) Tax Code 26.05(b)(2)
September 23	Submit tax rate to the Tax Assessor Prepare and submit M&C for City Council to approve tax roll		
September 25	Appropriation Ordinance published in the newspaper; budget becomes effective upon publication		Ch. X, Sec 2
Sept 28	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)	
Oct. 1 or ASAP	County Tax Assessor mails tax bills		

Budget Process



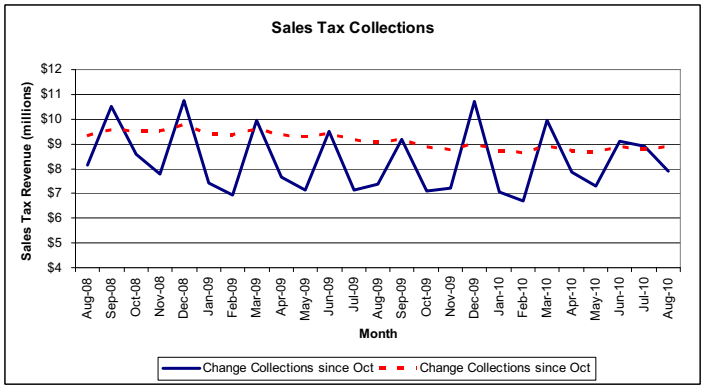
FORT WORTH

FORT WORTH'S ECONOMIC ENVIRONMENT

The City of Fort Worth began its FY2011 budget process in January 2010 in a sluggish economic climate that had most standard economic indicators, such as unemployment, inflation, and new construction, continuing toward a downturn in the local and regional economies that mimicked a stronger, national trend in the same direction.

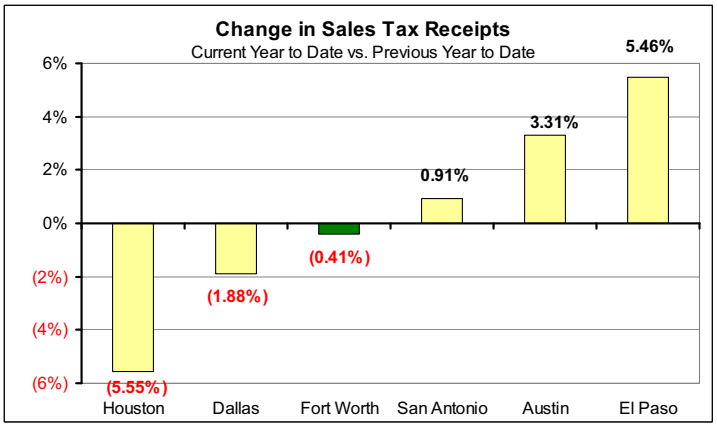
Each year the City of Fort Worth budget process begins with a thorough analysis that attempts to predict and evaluate how economic, financial, and population trends will affect both the resources available to the City of Fort Worth, as well as possible additional demands for City services. This information is provided to policymakers to assist them in making the best possible decisions during the budget evaluation process. This year, the local economic picture has been depressed, with property values declining, sales tax flat, and other indicators, such as the numbers of permits issued for new houses, declining significantly, indicating an overall cooling in the local economy.

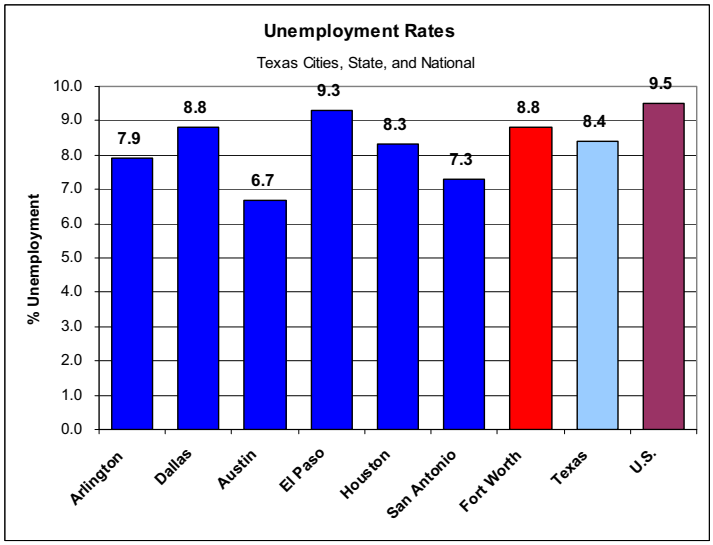
The City's revenue is comprised of property taxes (54%), sales tax (19%) and other sources including fees (27%). Although the City tries to maintain a diverse tax base, sales tax revenue remains an important indicator of the City's economic condition and must be closely monitored throughout the fiscal year. From 2003 until 2009, Fort Worth's actual sales tax collections experienced positive growth; however, sales tax collections have declined since then. The expected overall drop in consumer confidence caused sales tax growth to slow considerably. The economy has entered a protracted recession, and sales tax revenue experienced negative growth through most of FY2010.



The actual sales tax collection year-to-date in August 2010 was approximately 0.41% lower than the year-to-date value for the same month last year. The most recent 12-month moving average (August 2010) was approximately 2.25% lower than the previous 12 month moving average.

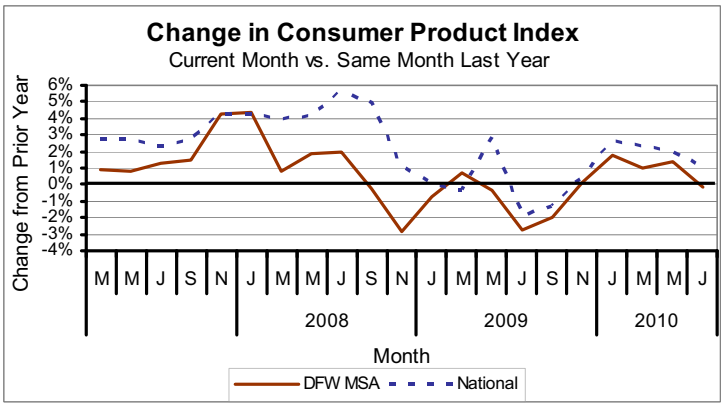
Sales tax revenue for Fort Worth remains in the middle of the pack when compared to other large Texas cities. Year-to-date revenues in August for Houston are 5.55% below last year, and are down 1.88% for Dallas. San Antonio has seen slight growth, at 0.91%, while Austin and El Paso have significant positive trends, at 3.31% and 5.46% respectively.

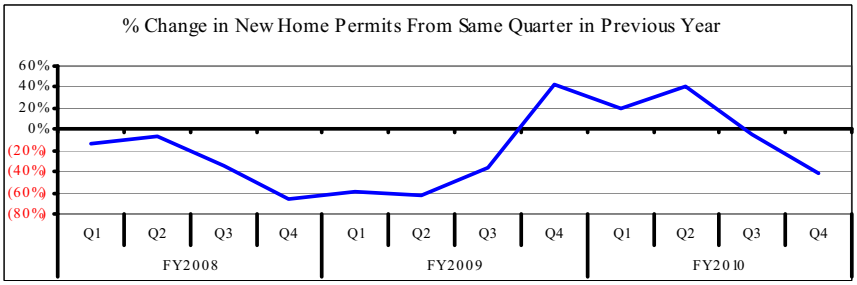




The City's unemployment rate was 8.8% for August 2010, a figure slightly higher than the Texas average of 8.4% for the same month. Unemployment in Texas is lower than the national unemployment rate of 9.5% for the same month. Unemployment levels are expected to remain flat nationally, as the economic situation continues to be uncertain. The level of unemployment in Fort Worth has tracked lower than the national average partly due to the economic impact of the Barnett Shale and the higher rate of economic growth experienced in the area. However, the national economic slow down has already reduced gas and oil prices, and if they continue to fall, the economic impact of the Barnett Shale may not be enough to prevent a more significant rise in the number of unemployed local workers. Additionally, overall growth in the regional economy is expected to slow considerably, in conjunction with the nation as a whole.

The Consumer Price Index (CPI) indicates the average price paid by households for a representative sample of goods and services. The CPI for the D/FW Metroplex, recorded in July 2010, showed prices declining by 0.2% over the same month last year. The national change in CPI for the same period was growth of 1.1%. The CPI for the D/FW Metroplex has increased slightly in the last few quarters, and the rate of growth has been slowing. Higher percentage changes in the average price of good suggest economic instability and are less desirable than small percentage price changes.





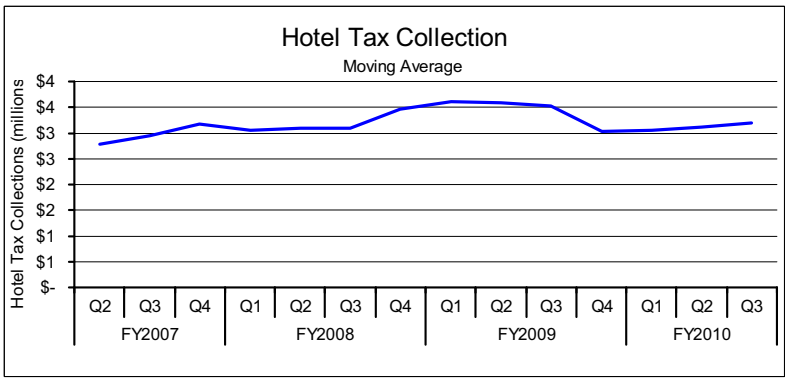
The City of Fort Worth Planning and Development Department reported a 40.68% decline in the number of Single-Family Building Permits issued for the fourth quarter FY2010 (July-September) over the same period last year.

The decline in the number of permits issued for single-family homes represents a significant change from the historic numbers of permits issued in FY2006. This decline is not entirely

surprising, however. This sector of the economy has experienced a decline nation-wide, a situation largely due to irresponsible lending for home mortgages. Careless lending caused the mortgage market to essentially collapse, limiting the availability of credit for new home buyers in the area. Buyers who cannot secure credit cannot purchase new homes. Builders then face excess inventory and are not willing to build new houses until those they already have built are sold, thereby drastically decreasing the number of permits issued for new construction.

While the decrease in the number of permits issued is an indicator of the slowing growth in the Fort Worth economy, a slight positive is the increase in total value represented by these permits. The total new value of single-family homes built in FY2010 was $447,097,060. This represents a 7.7% increase from FY2009, despite the declining number of permits. This suggests that individuals are choosing to build more expensive homes than in previous years, which may provide a boost for property tax revenues in FY2012.

Another indicator of the local economic picture is the collection of Hotel/Motel Tax revenue. This revenue is used to fund efforts to promote the City nationally and internationally. The 12-month moving average has been increasing this year after a sluggish FY2009, and year-to-date collections are up 10.7% from last year. Hotel taxes are generally a lagging indicator of recovery, as individuals and businesses reduce their travel during times of economic uncertainty. Fort Worth may also see a boost to hotel tax collections in FY2011 as a result of the 2011 Super Bowl.



The economic indicators provided in this summary give a broad view of how the City of Fort Worth's economy is performing. The current figures offered in this profile will change with time. As watchful consideration is given to each indicator, the City will manage its budget with continued, additional caution.

FORT WORTH

POLICY ISSUES

This section provides an overview of issues that are expected to result in some level of budgetary impact over the next one to five years. The issues listed are often in the preliminary, problem identification stage, but could pose significant resource allocation challenges in the near future. Adequately addressing these issues 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 address future service needs in the City of Fort Worth.

City Manager's Office:

Closed Captioning – Staff was able to find savings in its FY2009 budget to fund closed captioning services for FY2010. This allocation only includes services for Council and Pre Council meetings. Expansion of the service beyond this will require additional funding.

Reliance on Federal Funding – Funding from the U.S. Equal Employment Opportunity (EEOC) and the U.S. Department of Housing and Urban Development's Fair Housing Assistance Program (FHAP) provides funding for the City's fair employment, fair housing, landlord and tenant counseling. Fluctuations and decreases in EEOC and FHAP funding will impact the staffing levels requiring the department to secure local funds in order to continue to enforce the City's anti-discrimination in employment laws, enforcement of fair housing laws and provide the same level of service to neighborhoods, landlords, tenants and housing providers. The reliance on federal funding is classified as near term as municipalities are typically impacted by the federal budget and possible budget cuts. Over the past five years, outside funding from the above sources has decreased by 11% or $76,000. This downward trend is expected to continue at an increased pace that may exceed $100,000 over the next five years thus impacting the department's ability to fund staff and operations. Future inflationary pressures are not included in this estimate.

City Secretary:

Enterprise Information Management System (EIMS) and Staffing – In FY2009 the City Secretary's Office completed the pilot program for document imaging/workflow software process. The total software/hardware associated costs of $1.2 million would be necessary for this system city-wide. Incremental funding of approximately $300,000 for the next four years would be required in order to provide for a systematic funding and implementation process though out all city departments. Upon the implementation of the City's EIMS software system, one additional Records Information Management (RIM) position is necessary to handle the increasing volume of electronic records that will be part of the EIMS system. This position will oversee the retention and disposition of the electronic records so that they are properly managed. This enterprise coordination will greatly enhance information and process management efficiency and collaboration across the organization.

CFW Code of Ordinances – The City Code of Ordinances has not been re-codified in 24 years. Legal review of the Code Book is needed in the near term, estimated cost at $30,000 to $48,000.

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.

Code Compliance:

Service and Program Enhancements – The Code Compliance Department has worked hard in distributing limited staff and resources to effectively meet the needs of each citizen, as well as, to target areas where there are greater demands for service. With continued growth and expansion of the city, the Department has identified specific staffing and equipment needs to address increased code, health, and animal control related issues. These needs include: Expansion of Animal Control Field Operations (5 FTE) to meet the increased demand for service, Safe Neighborhood Initiative Team (6 FTE) that would serve a dual role as Animal Care and Control/Code Officer for seamless service delivery, Expansion of the Rental Registration Section (6 FTE) to concentrate on the inspection of rental structures having 1 or 2 units, Expansion of the Community Service Section (4 FTE) to a 7-day work week supporting the North and South Field Operations, Nuisance Abatement and Animal Control, Tire Enforcement Team (2 FTE) to monitor tire shop manifests, the transport, and legal disposal of used tires, Expansion of Code Field Operations (7 FTE) to create a central city Code District, Expand Building Standards Division (2 FTE) to increase the number of Category I demolitions to be adjudicated through the Building Standards Commission each month, Training Officer (1 FTE) to provide consistency in training regarding interpretation, application and enforcement of City ordinances and provide ongoing training, testing and proper documentation to maintain officer state certification and Hotel/Motel Team (2 FTE) to systematically check and monitor all hotels and motels in the city for compliance. First year costs would be approximately $4,139,682 with estimated potential revenue of $264,250.

Northside Animal Control and Care Center – Fort Worth continues to expand to the north and west and a large percentage of service calls originate on the north side. The lone Animal Care and Control facility is currently on the far Southeast part of the city. This creates significant operational inefficiencies due to travel times, fuel costs and wear-and-tear on vehicles. There is a need for a north side animal care and control shelter annex with adequate staffing (15 FTE) and operating budgets. First year costs would be approximately $708,859 (not including facility and/or land acquisition costs).

Housing and Economic Development:

Fort Worth Partnership for Community Development – The City of Fort Worth along with the Amon Carter Foundation, the Sid Richardson Foundation, and the local business community created this partnership. Initially, the City made a three-year commitment to fund the Partnership in the amount of $800,000 ($275,000 in FY2007, $275,000 in FY2008 and $250,000 in FY2009). The initial $275,000 funding was provided in FY2007 by using funds acquired through the sale of real property. Additional, funding was provided by the Local Development Corporation to make up for the lack of FY2008 funding. Due to budget constraints, funding has not been requested as originally supposed to be for FY2009. The organization is requesting funding for the programs moving forward. The request is that annual funding be reduced to $100,000 annually after the last portion of the initial commitment is made available. The final portion of the original commitment was $250,000, which would have been due this past fiscal year.

Funding to Repay the City's Federal Line of Credit for HUD Findings – The City of Fort Worth has been receiving grant funding from the Department of Housing and Urban Development (HUD) since 1986. Periodically, HUD audits the grant expenditures to ensure compliance with HUD regulations. Based on HUD audits and reviews which determined that

some grant expenditures are ineligible, there is the potential for the City to be required to repay its federal line of credit with non-federal funds in an amount over $2 million dollars in the next few years. Currently, a total of $657,094 is being held in an escrow account in anticipation of repaying these HUD findings. Once the current escrow account is exhausted, funds will be needed to reimburse HUD for any additional ineligible expenditure.

Fire:

2nd Fire Company for Stations North of the Loop – The City has nine fire stations in the area north of loop 820, of those only two stations (Stations 35 and 38) have 2nd fire companies. The lack of a second company delays an aerial apparatus for multi-story buildings by 20-30 minutes and results in long response time during multiple events such as weather-related EMS and fires. One company per year should be added to existing remaining seven North fire stations.

Spinks Fire Station – Design for Fire Station 42 at Spinks Airport is underway. The Aviation Department will pay for the portion of the station used for aircraft rescue and firefighting. The estimate for the structural portion of the station is $3 million. This amount is needed in addition to Aviation funds. Initially 15 new firefighters would start training in the Fall of 2011 in order for the station to open in the first quarter of 2012.

Walsh Ranch Fire Station – The Walsh Ranch development in far west Fort Worth is expected to see the first residential structures in 2012. With response times from existing fire stations to the development ranging from 9 - 16 minutes, a station in the development will be needed by 2013. For planning purposes the station design/construction cost is $5 million. An additional $750,000 for fire apparatus is needed.

Law:

Prosecutor for Additional 4th floor Municipal Court Courtroom – The Law Department anticipates the potential addition of a courtroom on the 4th floor of the Municipal Court will necessitate an additional prosecutor position and additional office space. Additionally, Law anticipates the need for two additional prosecutors over the next five years as the population grows and cases filed in Municipal Court increases.

Library:

Collections – 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. In FY2011 funding for the materials collection was reduced by $293,289. Without adequate funding collections will continue to age and become outdated, worn materials may not be replaced readily and new formats (e-books, downloadable media) will continue to be minimally available to residents.

Facilities – In general, the Fort Worth Library is trying to offer a full range of services in facilities that are small, old and with infrastructures that do not meet modern service demands. Many lack community meeting spaces and while buildings are well maintained, funds are needed to correct infrastructure deficiencies, replace and/or upgrade systems.

Technology – Technology recommendations from the 2004 Fort Worth Library Services Plan to improve service and increase efficiency have not been implemented. Although public use of computers is one of the Library's most used services, many public access computers are over 5

years of age. Repair and maintenance is time consuming. Self service check-out stations are minimally available in the busiest facilities and radio frequency identification technology to increase staff efficiency is just being introduced with the opening of the new Northwest Branch Library.

Municipal Court:

Lake Worth – The Lake Worth Trust Fund has been decreasing due to the sale of properties around the Lake. The fund has historically been used to fund Lake Patrol operations consisting of 6 Marshals and vehicles. Although several options have been explored, including giving operational control to the Police Department, the general consensus is that because it costs more to staff the Lake Patrol with police officers than marshals, it will eventually be included in the Municipal Court General Fund budget item.

Parks and Community Services:

Parks, Medians and Rights of Way – Growth and Annexation Increase the Need for Funding and Facilities – Growth of the city in new developing areas located further away from existing infrastructure, operational support and services continues to place increased demands on existing resources. New budget dollars are directed to these areas which places a greater burden on existing operations and maintenance activities in older, central city areas where much of the infrastructure has exceeded its useful life.

Growth in Park Units and Acreage – As a result of the 2000 Neighborhood and Community Park Dedication Policy, fully developed parks are coming on-line requiring immediate services. Since 2000 the City has acquired over 869 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 $4,115 per acre 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 a 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 force account labor.

Zoo Improvements – Per the operations contract with the Zoological Association, appropriation of funds to underwrite utility improvements and commercial insurance of Zoo structure continues as projects are approved for construction or renovation by the City at the Zoo would be paid by the City. A review of current and proposed Zoo projects is completed annually. Utility improvements for approved construction are estimated at 1% of the construction, however, the actual amounts can be less or greater than 1% depending on the age of the infrastructure being improved. The actual construction and operation of the new exhibits are funded through the Zoo Association. The cost for insurance and any repairs to the actual exhibit buildings are provided by the City annually.

Aquatic Program – The FY2011 Adopted Budget required the closure of all City of Fort Worth public swimming pools. The Forest Park Swimming Pool infrastructure failed in the FY2010 swimming season and cannot be reopened without investment in rebuilding the infrastructure. In accordance with the City-wide Aquatic Master Plan adopted in January 2008, the ground

work for a long term comprehensive approach to replace existing facilities which have exhausted their useful life has been laid. The 20 year plan currently calls for construction of contemporary designed facilities including Medium Family Aquatic Centers and "spray-grounds" as well as indoor partnerships. 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.

Addition of Community Centers – The 2004 CIP allocated $7.5 million for the design and construction of three community centers. The south central area of the city has been designated for one center which is scheduled to come online in FY 2013. The second facility will be located in the far southwest area and is targeted for completion in FY 2013. Both facilities will require funding for initial costs to open including furniture, supplies and equipment; thereafter, on-going costs to maintain programs and operations. The third center which opened in 2008 and is located in the northern area of the City is operated under contract with the YMCA.

Planning and Development:

New Permitting Software – The City's growing needs and increased complexity have taxed the department's permitting software (Permits Plus) beyond its capabilities. Several departments are dependent upon the software including Fire and Parks. Additionally, this permitting system is primary in providing checks and balances for verifying revenue. The City needs to address replacing or performing major upgrades to ensure continued maintenance, support and functionality of this critical software.

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 review. However, following input from the development community, the Development Division underwent a series of changes in an attempt to improve the quality and speed of its service delivery. These changes included office renovations, implementation of many new policies and practices, and an increase in the number of approved positions assigned to various Development sections. The net result has been a reduction in service delivery times. National and local development activity has waned due to the national economic difficulties. During this economic downturn, Development activities and revenues decreased; subsequently, severe cuts were made to the Division's budget and staffing. If development activity resumes with economic recovery, resources need to be reallocated insuring timely responses to citizens and developers to encourage growth and heightened property values within the City.

Police:

Increasing Jail Cost – In FY2011, the jail cost will increase by $210,017 to $5,460,461 in the base contract amount due to the annual automatic increase clause of 4%. A separate line item cost in the contract providing for guarding inmates after being admitted to a hospital will be shifted from the jail contract to a separate professional services contract. The daily inmate housing rate will also be increased by 4%. The jail contract calls for an audit of the contract costs, which is being completed by the City's Internal Audit Department. It is hoped that the audit will provide the City a decrease in contract costs for FY 2012. However, the Crime Control and Prevention District (CCPD) contribution to the jail contract was capped off at the FY2005

funding level. Since the amount not funded by CCPD will continue to increase at a rate of about 4% a year, a future objective is to entirely shift jail costs to the General Fund.

Civil Service Pay Plan – The Crime Control and Prevention District (CCPD) initially funded a cost of living adjustment for Police Officers in 1995. The CCPD Board and City Council has expressed a mutual commitment to begin transferring ongoing CCPD personnel cost to the General Fund to allow for a more focused acquisition of crime prevention equipment and technology.

Heliport – The Department is actively seeking a new site to relocate the Police Heliport therefore related construction and long term lease cost are presently unknown.

Recruit Training – With the increasing population, it is necessary for the department to continue to grow and meet the new demands of a growing City. The Crime Control and Prevention District (CCPD) needs to focus on continuing to provide adequate funding to train the new officer to meet the needs of the City.

Transportation and Public Works:

Transportation Utility Funding – Fort Worth is the fastest growing major city in the United States and the demands for city services, especially transportation infrastructure, have grown dramatically while the general fund per capita revenue has not kept pace with inflation. Since 1995, infrastructure funding has suffered because of conflicting demands between general municipal services, infrastructure needs, a concerted effort to reduce the overall tax rate, 53% growth in the City's population and the current economic downturn resulting in the first real decline in property values and sales tax receipts. Today, the City of Fort Worth anticipates $1.8 billion in transportation infrastructure needs over the next ten years. The current debt funding model, including allocation of mineral lease revenue and anticipated transportation impact fees, only yields $763 million in funding for existing and future capacity needs, leaving a billion dollar gap. The Mayors Task Force on Infrastructure Funding has concluded that a combination of funding sources is required to mitigate the current serious underfunding of transportation infrastructure and recommended the creation of a Transportation Utility composed of three funding sources: Initiate a "Transportation User Fee" to enable the City to pay for street repairs, increase the "Transportation Impact Fees" to better reflect the costs of infrastructure development, and most importantly reallocate four cents of the Property Tax Rate from operations and maintenance to debt service for transportation infrastructure by shifting one cent each year from FY2012 through FY2015 which will create a more appropriate level of capital funding for infrastructure.

Traffic Safety Infrastructure Management – The current funding levels are insufficient for establishing adequate preventive maintenance programs to keep the City's traffic safety infrastructure (streetlights, traffic signals, traffic signs, pavement markings, railroad crossing safety devices, and intelligent transportation systems) performing at industry standards. To replace pavement markings on an eight-year cycle, a proactive Contract Pavement Marking Program is recommended. The program would be phased in over six years starting with the current FY2011 funding of $170,000, and increasing in annual increments of approximately $125,000 to $920,000 by full program implementation in FY2017. Also, funding of $350,000 is needed annually for retaining a contractor to perform preventative maintenance on traffic signals. The contractor would inspect and test each traffic signal for proper operation and prepare reports including recommendations regarding annual preventive maintenance. Additionally, $150,000 is needed annually for retaining an engineering consultant to assist with

traffic signal timing studies and implementing traffic signal optimization improvements associated with citizen requests.

Street Infrastructure Performance – The goal of the Major Street Maintenance Program is to maintain the street network at a service level of Pavement Quality Index 7, on a scale of 0 (poor) to 10 (excellent). This requires $24M annually. The current budget of $19.7M leaves a $4.3M 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, $2.5M is needed annually. The current budget of $1.6M leaves a funding gap of $900,000. In FY2012, $2.2M in additional funding will be needed to add one concrete crew and one bridge maintenance crew, and an additional $500,000 for contract bridge maintenance.

Environmental Protection:

Changing State and Federal Environmental Mandates – Greenhouse Gas Benchmark and Monitoring – In late September 2009, a federal law requiring affected industries to collect accurate and timely data on greenhouse gas emissions was promulgated. As a result, the City must collect baseline emissions data in calendar year 2010 with reoccurring compliance data collected over the next 5 years. The City has not performed this type of work or analysis in the past and will require the assistance of engineers, contractors, and vendors to assure appropriate effort and infrastructure to appropriately measure and report impact. The City has been awarded an Energy Efficiency and Conservation Block Grant for the initial assessment process in an amount not to exceed $88,300 including grant administrative costs. Future year funding requirements will be determined by this initial assessment along with the results of pending legislation.

Changing State and Federal Environmental Mandates – Clean Air Act Compliance Requirements – North Texas is currently in non-attainment for Ozone with the National Emissions Standards for Hazardous Air Pollutants. Proposals have the standard potentially dropping to 60 parts-per-billion (ppb) from the current 85ppb resulting in the need for the implementation of additional control measures. Potential control measures that may be enacted and affect the City of Fort Worth operations include, but may not be limited to, regional policies and partnerships, the institution of fees and fines, an independent enforcement situation, and/or other schemes to limit or reduce ozone precursor emission production. Costs associated with these new requirements cannot be determined until the federal lawsuit is finalized later this year and the Clean Air Steering Committee reconvenes to write the control measures anticipated for the next state implementation plan.

Sustainability – Sustainability is a broad term used to define a business practice wherein an organization's environmental "footprint" is defined and policies and measures are implemented to minimize or eliminate this impact. Sustainability issues potentially include, but are not limited to the minimization of the City's waste stream, implementation and enforcement of a clean fleet policy, the application of smart growth and resource conservation programs, and green economic development models. Sustainability will be driving compliance and development issues over the next 5 years. As the City looks to implement the recommendations of the City's Sustainability Task Force and additionally require state and federal resource conservation and preservation rules, additional 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.

Equipment Services:

Expansion of the Water Service Center – The Water Service Center is already past capacity. The recommendation from the City Manager's Office is that this expansion be paid for in a Water Capital Project. This expansion in ESD staff would not be possible until after the building is expanded. These expenses reflect an increase of 9 A.P.'s.

Municipal Golf:

Golf Courses – All six golf courses have declining infrastructure due to the age of the courses and their facilities. It will be the challenge of the golf division to develop a plan to address each of these needs and how to fund the improvements. Currently the gas well revenues expenditure policy allows for 50% of the gas royalties and bonus to remain in a capital improvement fund. Staff will have to address the list of infrastructure needs as funds become available from gas revenues as well as the continued subsidy of low revenue courses.

Municipal Parking:

Commercial Loading Zones – This parking service enhancement entails converting 60 existing loading zones in the Central Business District (CBD) to metered commercial loading zones. Metering encourages more efficient use of the spaces within the zones while generating revenue from current non-revenue producing spaces.

Pay and Display Stations – The department is exploring the use of pay-and-display technology as part of the downtown parking meter system. A pilot study will be conducted in early FY2011. If the results are satisfactory, there will be a phased implementation of the technology throughout the City.

Solid Waste:

Review and Renewal of Fort Worth's Solid Waste Management Program – In 2013, City contracts for the collection and management of the residential garbage, recycling, yard waste and bulk trash as well as cart procurement/maintenance and recycle processing will expire. Over the next 3 years, the City will be required to determine the effectiveness of the programs, if it is in the best interests of the citizens to renew or re-bid the contracts, and what changes or improvements need to be made to the collection program. Contractors will be required to help provide the effort and experience to ensure that issues are appropriately researched and vetted and contracts are executed in a timely manner.

Storm Water Utility:

Capability increase for Studies, Project Planning and Project Funding – There is over $1 billion in needed capital improvements throughout the City to address severe drainage problems. Storm Water Utility revenue, and the debt capacity afforded through it, can only support $30 - $35 million annually in capital improvements. Additional funding sources will need to be identified to increase the rate at which improvements can be made.

Work order/Asset Management – The Storm Water utility has very unsophisticated capabilities with respect to the collection, compilation, and reporting on key data needed to effectively and efficiently plan and execute day-to-day operations and strategically plan future program implementation. In FY2011, the utility plans to select a vendor to implement a true Work

Order/Asset Management system. This will dramatically improve program management capabilities.

Large Capital Needs – Correcting flooding problems in the numerous older, fully developed sections of the City is going to be cost prohibitive using current standards and conventional construction (individual projects can cost $50 - $100 million). The Storm Water Utility is in the process of developing a strategy for approaching such issues that will be used to guide the prioritization of projects and the framework for developing implementable solutions.

Northside Operations Facility – Continued collaboration is needed with other departments to locate and acquire a suitable location north of Loop 820 for a multi-departmental facility to house field operations. This facility is essential and required to eliminate the operational inefficiency resulting from extended travel periods to and from existing facilities.

Water Department:

Westside Water Treatment Plant – The recent Fort Worth Water System Master Plan found that the existing westside water system lacks the capacity to meet the future demands due to development and annexation. To meet these future demands, it was recommended the construction of a water treatment plant in the western part of Fort Worth. The proposed plant will treat up to 10 million gallons of raw water per day from the recently installed Tarrant Regional Water Board 90-inch raw water main, connecting Eagle Mountain Lake with Richland Chambers, Cedar Creek, and Benbrook Reservoirs. The plant is expected to be in service in 2012. A State Revolving Loan will be utilized to fund the construction of this project so debt services payments have been included in this estimate. Additionally, this plant will only provide for growth of the existing service revenue, not a new revenue source.

Drought Response Program – The Water Department has been working with Tarrant Regional Water District (TRWD), the Trinity River Authority and the cities of Arlington and Mansfield to develop a consistent and updated Emergency Water Management/Drought Contingency Plan to the Texas Commission on Environmental Quality (TCEQ). The update was required after an evaluation by TRWD consultants showed the prior plan had virtually no impact on reducing water usage in times of drought. From a drought perspective, Stage 1 would be triggered when water supply is at 75 percent of capacity; Stage 2 would be triggered when water supply is at 60 percent and Stage 3 would be triggered when water supply is at 45 percent. Each customer would be limited to two watering days per week in Stage 1, one watering day per week in Stage 2 and only outdoor watering with a handheld hose would be allowed in Stage 3. TRWD estimates Stage 1 could occur, on average, once every five years. While the Water department currently budgets for the enforcement of this program as a part of the Water Conservation Program, there could be a reduction in water service revenues due to the restriction of customer usage.

FORT WORTH