



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 2009-10. 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

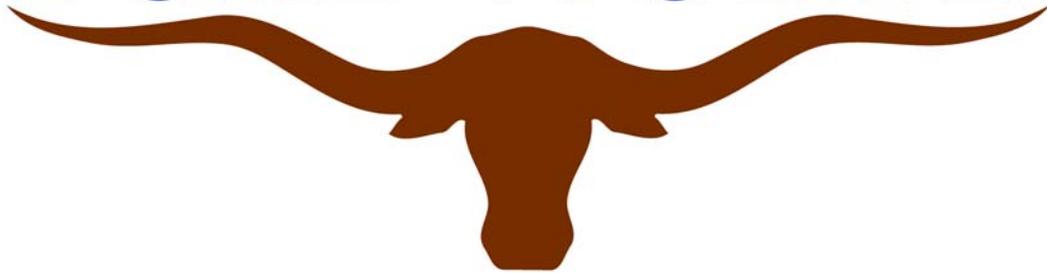
Jungus Jordan,
District 6

Carter Burdette,
District 7

Kathleen Hicks,
District 8

Joel Burns,
District 9

FORT WORTH



BUDGET FORMAT

The FY2010 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 FY2010:

- 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	Internal Audit
City Secretary	Law
Code Compliance	Library
Community Relations	Municipal Court

Environmental Management	Non-Departmental
Financial Management Services	Parks & Community Services
Fire	Planning & Development
Housing & Economic Development	Police
Human Resources	Transportation & Public Works

OTHER FUNDS

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

Enterprise Funds include:

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

Internal Service Funds include:

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

Special Funds include:

Risk Management Fund	Awarded Assets Funds
Workers' Compensation Fund	Lake Worth Trust Fund
Group Health and Life Insurance Fund	Cable Communications Fund
Unemployment Compensation Fund	Special Trust Fund
Culture and Tourism Fund	Crime Control and Prevention District Fund
Environmental Protection 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 FY2008 unaudited actual expenditures, FY2009

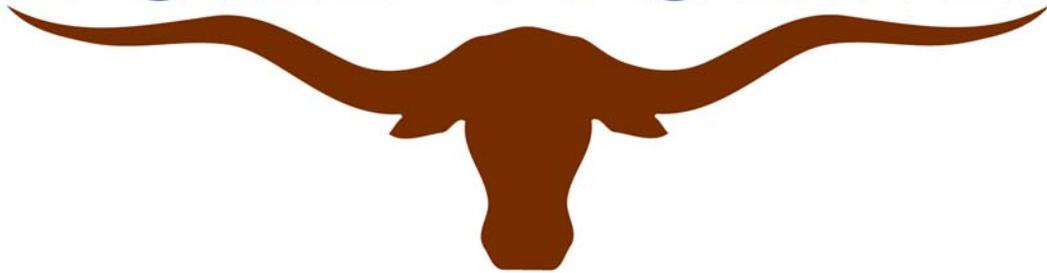
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adopted expenditures, FY2010 proposed and adopted expenditures. Expenditures are broken into five cost categories: personnel services, supplies, contractual services, capital outlays, and debt service. Staffing levels, chain of command, and major functions 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.

<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

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 FY2010 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 March 10, 2009, 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 FY2013.

The forecast projected expenditures to outpace revenues in each of the five years, with an average annual growth rate of 5.4% and 4.8% respectively. Personnel costs were projected to grow from 70% of expenditures to 73% 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 decline by 2.0% for FY2010.

The Citizen Survey was conducted during the spring of 2009 by an independent consultant. The survey was administered as part of the City's on-going effort to assess citizen satisfaction with the quality of city services. The results are used to guide the City Manager's proposed recommendations, as well as City Council decision-making. The 2009 Citizen Survey yielded positive results. Most of the residents surveyed were satisfied with City services. A presentation of the results of this survey was presented to the City Council on May 5th, 2009. This tool will continue to be used to gauge citizen satisfaction and perception.

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 March 13th 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 Reduction Scenarios:

Following the Budget Kickoff, the Executive Team met with members of the Budget Staff to come up with various scenarios to cover the projected gap of approximately \$58 million in FY2010. The proposed process consisted of four parallel exercises (A, B, C and D), each of which was tasked with closing the budget deficit. Each exercise was considered as suggestions and were assembled into "buckets" of options. Each "bucket" was reviewed and analyzed to identify potential reduction and/or revenue generating ideas.

The four idea buckets were distinguished as follows:

- Cost Savings
- Departmental Program Prioritization
- City-wide Program Prioritization
- Revenue Enhancements

In addition to the suggestions submitted, the Budget Staff developed a web-based "suggestion box" that allowed all city employees to offer savings suggestions. Employees were able to submit their suggestions anonymously. There was some inevitable overlap in the process; however, this assisted in further discussions and analysis of the numerous options. Department Heads were assigned to a team and worked with the Budget Office to develop priorities and recommendations for presentation to the City Manager.

The demand to continue quality City services with limited resources has challenged us to be innovative as we seek ways to provide for the needs of today while preparing the City for the opportunities that will come tomorrow. To help make these critical decisions, the City convened four citizen focus groups to provide resident feedback regarding the FY2010 budget and other identified issues impacting Fort Worth's citizens' quality of life. The focus groups conducted in four geographical locations within the City of Fort Worth. The work of the resident focus groups enhanced the annual citizen survey, providing important follow-up to responses gleaned from the survey. The results from the focus groups will advise and consult with City staff on the important issues facing the City today.

The specific details of each bucket are as follows:

Bucket A: Departmental Program Prioritization

In February, each department was asked to define its programs and identify the direct and administrative costs associated with them. Each program was also connected to a particular strategic sub goal, as defined in the Comprehensive Plan. This exercise was called the Program Identification/Definition (PID) process, and was outlined in a presentation to Department Heads on February 2, 2009.

Departments were then asked to utilize the detailed information they developed during the PID process to find strategic, programmatic savings totaling 10 percent of their FY2009 adopted budget. Departments were tasked with prioritizing their programs based on the core functions of their department and identify 10 percent of their budget to offer as program reductions. Line item reductions (office supplies, operating supplies, workshops, etc) were not recommended for this exercise.

The Departmental Program Prioritization bucket was intended to include programs that were not achieving their full potential and/or were not as high of a priority in terms of the department's overall purpose.

Although each department was asked to propose a 10 percent reduction, these proposals were not automatically accepted. Rather, they were used as ideas for Bucket A reductions and considered along with the options found in Buckets A, C, and D.

Bucket B: Cost Savings

The cost savings bucket consisted of ideas submitted during the focus group meeting between the executive team and all department heads. Potential cost savings related to employee benefits, consultants and other miscellaneous expenditures that occur City-wide were suggested. Cost savings are not programs, functions, or positions but rather policies and general business practices in which the city engages.

Bucket C: City-wide Program Prioritization

Similar to Bucket B proposals, Bucket C featured Function Prioritization done at the Executive Team level. Members of the Executive Team utilized the results of the PID process and a prioritization of the city's strategic goals and sub goals in order to identify functional and programmatic reductions in the city's budget.

When reviewing a program/function/department, the question was asked is: "Is this an appropriate function of City government, particularly in difficult economic times?" If the answer was "No", that program or function was considered for reduction. Where the departmental prioritization will, by its nature, be limited in scope, the Function Prioritization looked at programs and functions enterprise wide. Bucket C proposals were compared with Bucket B proposals to identify any similarities. Programs appearing in both buckets were given further consideration for potential reduction.

Additionally, the Citizen Survey was conducted over the next month and had been modified from previous years to include more precise questions that allowed the Executive Team to truly gauge the priorities of the public. In addition, citizen focus groups were convened for in-depth discussions about the programs and services the City provides in order to distinguish those of high priority to our citizens.

Bucket D: Revenue Enhancements

This option searched for new revenue sources and ways to enhance current revenue streams. Every dollar of new, sustainable revenue offered in Bucket D can potentially offset the need for a reduction proposed in the three other buckets.

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 mid-April, 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 Bucket B: 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 reader 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 reader 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 bud-

gets 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, and a summary of expenditure and staffing levels by cost center.

PHILOSOPHY

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

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

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.

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 con-

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tained the result of Bucket A: 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.

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.

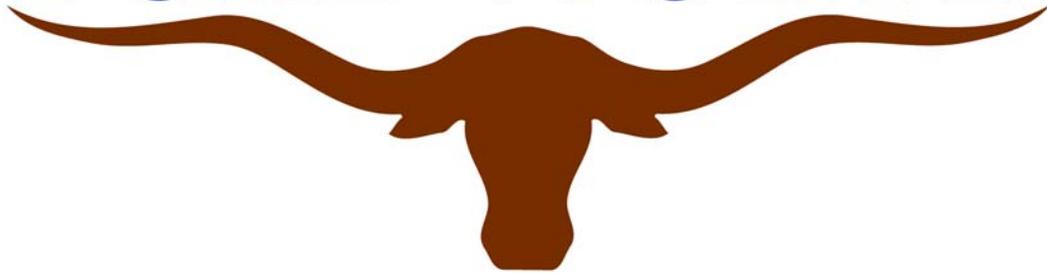
The budgets for all proprietary funds, which include Enterprise Funds, Internal Service Funds, and Special Funds, are prepared using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. There are a few exceptions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

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- 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.

FORT WORTH



2010 Schedule for Budgeting and Tax Collection
(Tax Rate Does Not Exceed Effective or Rollback Tax Rate)

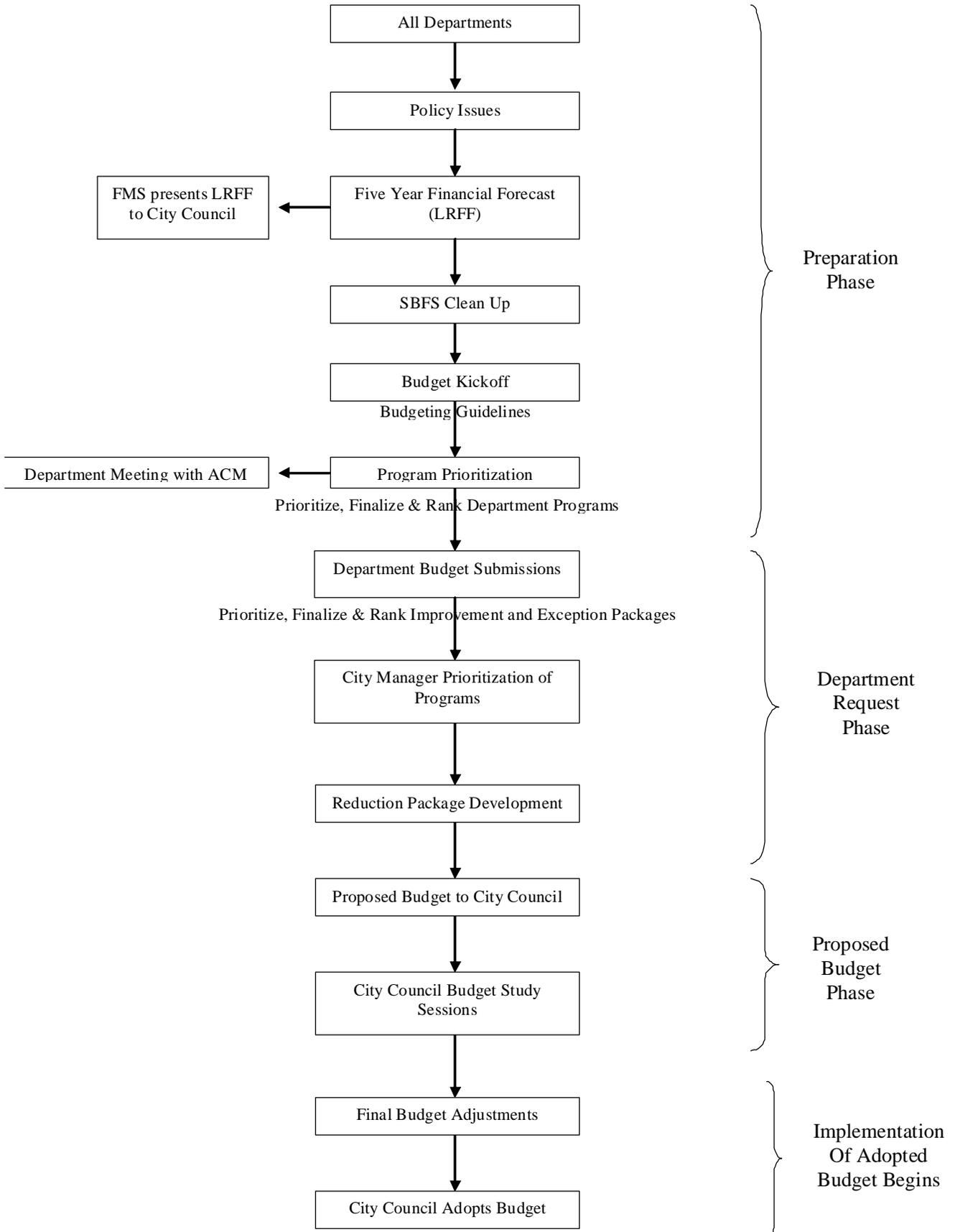
Date	Event	Statute / Code	City Charter
May 15	Mailing of Notices of appraised value by Chief Appraiser to property owners "by May 15 or as soon thereafter as practicable."	Tax Code 25.19(a)	
May 15	Deadline for Chief Appraiser to submit appraisal records to Appraisal Review Board (ARB) for determination of protests "by May 15 or as soon thereafter as practicable."	Tax Code 25.22(a)	
July 10	Verify dates on Planning Calendar and ensure any forms modified by Comptroller for 2009 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 25	Deadline for Chief Appraiser to certify rolls to taxing units.	Tax Code 26.01(a)	
July 27	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: <i>"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>	Tax Code 26.04(b)	
July 28 CC MEETING 10:00AM	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 to be made to the City Council	Tax Code 26.04(b) 26.04(e)	
July 31	(1) Draft IR for effective and rollback tax rates. (2) Draft form for calculation of effective and rollback tax rates, statement and schedules. <i>Comptroller has prescribed form for this</i>	Tax Code 26.04(e)	
August 3	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 4 CC MEETING 7:00PM	Submission to Council of effective and rollback tax rates [26.04(e) "by August 7 or as soon thereafter as practicable . . ."] by IR	Tax Code 26.04(e)	

Date	Event	Statute / Code	City Charter
<p>August 18 CC MEETING 10:00AM</p>	<p>(1) 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)</p> <p>- Public Hearing at Council meeting (1st hearing)</p> <p>(2) Send appropriation ordinance to newspaper for publication on <u>August 21st</u> Note: Appropriation ordinance should be published in newspaper of general circulation following its initial reading</p> <p>[Note: Publication should occur in standard publication time of 3 days or as soon thereafter as possible]</p>		<p>(1) Ch. X , Sec 2</p> <p>(2) Ch. X, Sec 2</p>
<p>August 20-21</p>	<p>City Council Budget Retreat</p>		
<p>August 21 (verify upcoming agenda)</p>	<p>Ensure Public Hearing on Appropriations Ordinance, Debt Service Ordinance, and Ad Valorem Tax Ordinance are on Agenda</p>		<p>Ch. X, Sec 2</p>
<p>August 25 CC MEETING 10:00AM</p>	<p>Public Hearing on Appropriations Ordinance, Debt Service Ordinance, and Ad Valorem Tax Ordinance at Council Meeting (2nd hearing)</p>		<p>Ch. X, Sec 2</p>
<p>August 28 (verify upcoming agenda)</p>	<p>Ensure Appropriations Ordinance, Debt Service Ordinance, and Ad Valorem Tax Ordinance are on Council Agenda, with Hearings</p>		<p>Ch. X, Sec 2</p>
<p>Sept 1 CC MEETING 7:00PM</p>	<p>Public Hearing on Appropriations Ordinance, Debt Service Ordinance, and Ad Valorem Tax Ordinance at Council Meeting (3rd hearing)</p>		<p>Ch. X, Sec 2</p>
<p>Sept 4 (verify upcoming agenda)</p>	<p>(1) Ensure Public Hearing on Appropriations Ordinance, Debt Service Ordinance, and Ad Valorem Tax Ordinance on Council Agenda</p> <p>(2) Prepare Resolution to ratify property tax revenue increase (to be considered on <u>September 15</u> Council agenda)</p>	<p>(2) LGC 102.007(c)</p>	<p>(1) Ch. X, Sec 2</p>
<p>Sept 8 CC MEETING 7:00PM</p>	<p>Public Hearing on Appropriations Ordinance, Debt Service Ordinance, and Ad Valorem Tax Ordinance at Council Meeting (4th hearing)</p>		<p>Ch. X, Sec. 2</p>

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Date	Event	Statute / Code	City Charter
Sept. 11 (verify upcoming agenda)	(1) Ensure full caption of Appropriation Ordinance, Debt Service Ordinance and Ad Valorem Tax Ordinance (<u>in that order</u>) and Public Hearing for each are on Council Agenda (2) Ensure separate Resolution is on Agenda to ratify the property tax revenue increase reflected in the budget (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
Sept. 15 CC MEETING 10:00AM	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 (5 th hearing) (1) Council adopts Appropriations Ordinance (2) Council adopts Debt Service Ordinance (3) Council adopts Ad Valorem Tax Ordinance (4) Council adopts Resolution ratifying tax revenue increase (5) 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)	(4) LGC 102.007(c) (5) Tax Code 26.05(b)(2)	
Sept. 15	Send Appropriations Ordinance to newspaper for publication with schedule of changes made to original budget by Council		Ch. X, Sec. 2
Sept. 16 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)	
Sept. 18	Appropriation Ordinance published in the newspaper; budget becomes effective upon publication		Ch. X, Sec 2
Sept 29 or next available City Council meeting after receipt	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



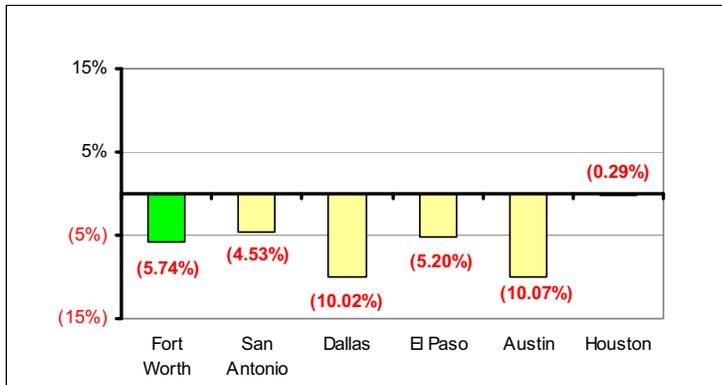
FORT WORTH'S ECONOMIC ENVIRONMENT

The City of Fort Worth began its FY2010 budget process in January 2009 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 sales tax declining, 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%).

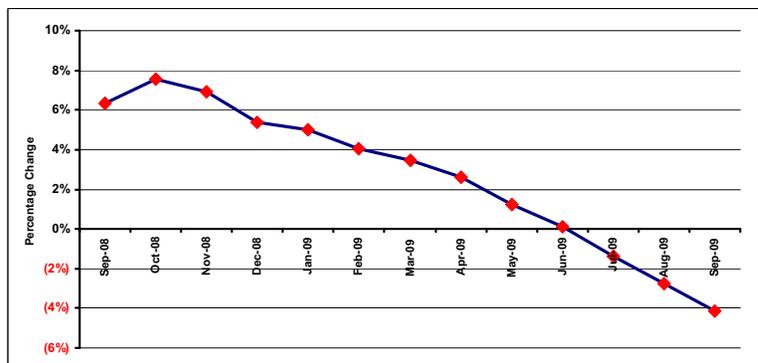
Sales Tax Benchmark, Oct 2008 – Sept 2009
Actual Year-to-Date Compared to
Actual Same Period Year-to-date



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. Since mid-2003, Fort Worth's actual sales tax collections have experienced positive growth; however, recent data shows that sales tax has declined. 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 has experienced negative growth. The City has survived economic downturns in the past and will continue to face challenges in its ability to provide expected services to its residents in the future.

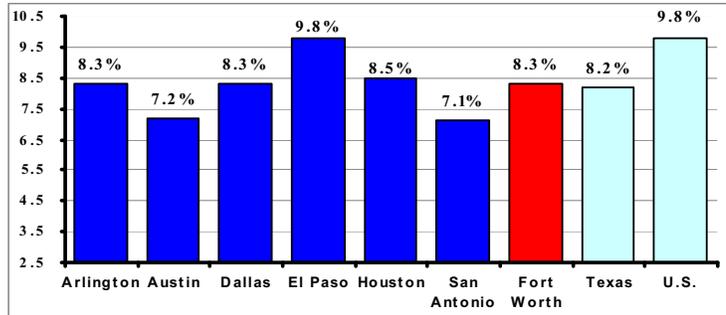
Sales Tax Revenue Trend
(Change in 12-Month Moving Average, % Change)



The actual sales tax collection year-to-date in September 2009 was approximately 5.74% lower than the year-to-date value for the same month last year. The most recent 12-month moving average (September 2009) was approximately 4.12% lower than the previous 12 month moving average.

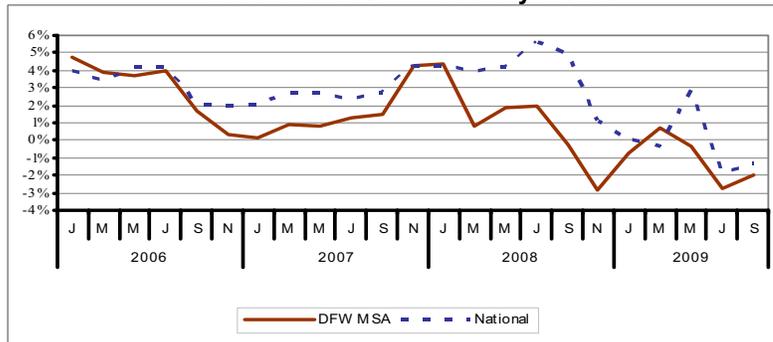
Unemployment Benchmarks (September, 2009)

The City's Unemployment Rate was 8.3% for September 2009, a figure slightly higher than the Texas average of 8.2% for the same month. Unemployment in Texas and in Fort Worth is significantly lower than the national unemployment rate of 9.8% for the same month. Unemployment levels are expected to rise 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 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.

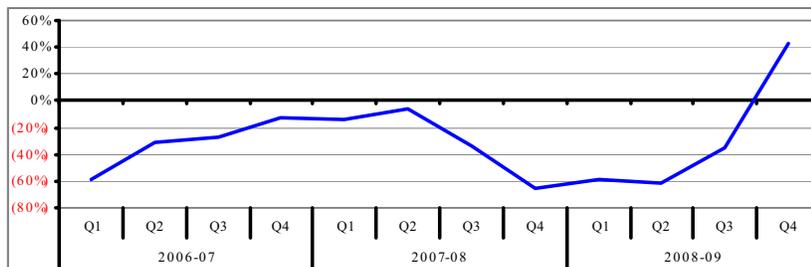


The Consumer Price Index (CPI) indicates the average price paid by households for a representative sample of goods and services. The CPI for the D/FW Metroplex, recorded in September 2009, showed prices declining by 2% over last year. The national decline in CPI for the same period was 1.3%. The CPI for the D/FW Metroplex has declined significantly in the last few quarters. Higher percentage changes in the average price of good suggest economic instability and are less desirable than small percentage price changes.

National & Local Inflationary Trends



New Housing Starts (% Change in Number of Permits From Same Quarter in Previous Year)



The City of Fort Worth Planning and Development Department reported a 43.16% increase in the number of Single-Family Building Permits issued for the fourth quarter FY08-09 (July-September) over the same period last year.

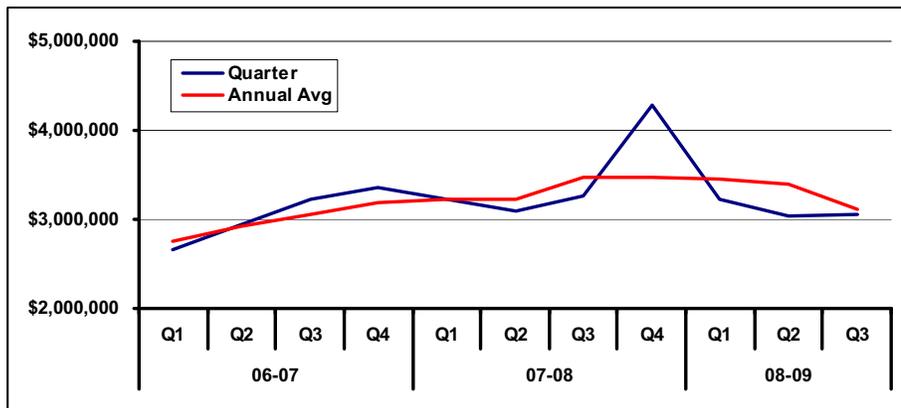
The decline in the number of permits issued for single-family homes represents a significant change from the historic numbers of permits issued in FY2005-06. This decline is not entirely surprising, however. This sector of the economy has experienced a decline nation-wide, a situation largely due to 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 more significant change is the declining total value represented by these permits. In the fourth quarter of FY2008-09, the total value of property associated with new single family permits decreased by 78% from the same time last year. For FY2008-09 as a whole, the total value associated with new home permits was \$415,957,553; a reduction of more than 47%. These figures seem to indicate two possibilities: that individuals who are able to build new houses are choosing to build less expensive houses; or that home prices in general are trending downward. Any reduction in property values would significantly impact City revenues from ad valorem tax revenue and would present a difficult funding challenge.

Hotel/Motel Tax Revenue
 Quarterly and Smoothed Annual Average
 Collections in Millions

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 amount of revenue collected through Hotel/Motel taxation has decreased by 6.5% in the third quarter of FY2008-09, over the same period last fiscal year.



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 Secretary:

Enterprise Information Management System Staffing – In FY2009 the City Secretary's Office completed the pilot program for document imaging/workflow software process. The program costs would be necessary for the next four years. 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 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 22 years. Legal review of the Code Book is needed in the near term. Municipal Code Corporation provides those services and has given the City an estimated cost for those services at \$30,000 to \$40,000.

Restoration of City Council Minute Books – Approximately 70 to 80 historical minute books need to be restored. Cost estimates include restoration of covers, de-acidification of pages and imaging of books. This is a long term project (5 years) due to cost estimate and seeking of a grant.

Code Compliance:

Service and Program Enhancements – With continued City growth, staff has identified specific staffing and equipment needs to address increased code, health, and animal control related issues. These needs include the expansions of: the Animal Control Field Operations to meet the increased demand for service; the Rental Registration Section to concentrate on the inspection of rental structures having 1 or 2 units; the expansion of the Community Service Section to a 7-day work week supporting the North and South Field Operations, Nuisance Abatement and Animal Control, the Code Field Operations to create a Central City Code District, and the expansion of the Building Standards Division to increase the number of Category I demolitions to be adjudicated through the Building Standards Commission each month. The department also identified the need to create Safe Neighborhood Initiative Team that would serve a dual role as Animal Care and Control/Code Officer for seamless service delivery, the creation of the Tire Enforcement Team to monitor tire shop manifests, transport, and legal disposal of used tires; and the creation of the Hotel/Motels Team 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.

Stand Alone Animal Adoption Center – A group of potential private investors have formed a non-profit organization to raise the funds necessary to build a stand-alone animal adoption center to dramatically improve the adoption rates for animals brought to the City's shelter. Staffing (11 FTE) and operating costs to run the center would be required should the center be built. Should a planned endowment fund-raising effort fall short of what would be required, additional funds would need to be budgeted. The annual cost is approximately \$464,676 with estimated potential revenue of \$187,500.

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.

Community Relations

Closed Captioning – The Community Relations Department was able to find savings in its FY2009 budget to fund closed captioning services for FY2010. Continuation of the service beyond FY2010 will require an ongoing allocation of approximately \$50,000 to fund the annual contract with the provider.

Centralized Call Center – The City Council has asked city staff to consider a centralized customer contact center or a “311 Call Center”. To date, the City of Fort Worth had merged the call center functions of four major service departments or areas – Environmental Management, Code Compliance, Animal Care and Control, and Transportation and Public Works - as well as the city’s main switchboard number into the new City Call Center, formerly called the Solid Waste Call Center. The three-year plan for the City Call Center calls includes the following items:

- Citizens can reach the City Call Center with one phone number.
- Calls will be answered 24/7.
- Online service requests can be made and tracked (see next item).
- Departments to be considered for consolidation into the City Call Center will be identified and consolidation planning will be implemented.

There will be costs for licensing, programming and maintenance of the system in addition to staffing needs. As the scope of this project is still evolving, budgetary impacts to the general fund are unknown at this time.

Online Tracking – A Multi-Departmental Online Service Request & Tracking System is needed to improve the quality of customer service on the City of Fort Worth’s Web site. The system would increase resident access to city services by providing a centralized, knowledge-based customer complaint / request tracking system. The system would address online complaints and requests from the public as well as City employees and would benefit departments by offering coordinated reporting, tracking, auditing and problem resolution capability. Cost of implementing an enterprise system is approximately \$150,000.

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) and Community Development Block Grants (CDBG) provides funding for the City’s fair employment, fair housing, landlord and tenant counseling and neighborhood capacity building programs. Fluctuations and decreases in EEOC, FHAP and CDBG 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 we 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.

Youth, Education and Families – Education attainment for Fort Worth residents will continue to be an important policy issue with children coming to kindergarten unprepared to succeed, not doing well in school, and dropping out before completing high school. Federal funds, in addition to City of Fort Worth general operating funds, have supported the City’s Early Childhood Program to train parents to ensure their children have the skills they need. Although the City Council approved funding to pay staff to continue funding of two Early Resource Centers in FY2010, the loss of federal funding would result in closure of two existing (grant funded) Resource Centers and two planned (grant funded) Resource Centers opening in FY2010.

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 for as originally supposed to be for FY2009. The organization is requesting annual 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.

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 in March of FY2010, funds will be needed to reimburse HUD for any additional ineligible expenditures.

Human Resources:

On-Site Employee Health Clinic and Fitness Facility – City Council approved the establishment of the On-Site Employee Health Clinic and Fitness Facility funded from the Workers' Compensation Fund in the amount of \$1,050,500. Workers' Compensation Fund currently contains sufficient funds in excess reserves to fund the Employee Health Clinic and Fitness Facility operations for approximately three years through FY2012. Beginning in FY 2013 if the Employee Health Clinic and Fitness Facility is continued, an alternative funding source will need to be identified for operations.

Environmental Management:

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 (GHG) 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 can not 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 organizations' 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 but we anticipate that funding will be absorbed within existing department program costs.

Financial Management Services:

Office Space – In order to meet the demands placed on the department for CAFR completion and compliance needs, the number of staff has increased over the last couple fiscal years. Accordingly, office space continues to be an issue for the department. Accommodations for staff need immediate attention. The estimated cost to renovate the first floor of the Zipper Building is \$400K. Renovation for the third floor of City Hall is much less at a cost of \$16K.

BuySpeed Upgrade/Modifications – In 2009, BUYSPEED will be upgraded to the web based version in order for the City to continue to receive vendor support. The upgrade is currently underway and is on schedule. In conjunction with the system upgrade, the department has recently been informed that additional hardware will likely be required in order to retire the older Buyspeed servers. The maintenance fee schedule is also changing. It will now be based on each user login instead of concurrent licenses.

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 North stations.

Spinks Fire Station – Planning 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 one fire crew of 15 would start training in July 2011 in order to be trained for the station to open in early 2012.

Walsh Ranch Fire Station – The Walsh Ranch development in far west Fort Worth is expected to see the first residential structures in late 2011 or early 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. Physical space will need to be addressed by Municipal Court personnel.

Library:

Increase Library Materials – Circulation has increased over 8% the last two fiscal years. Current funding levels can only maintain the library collection at its present size, as over 100,000 worn and outdated books, DVDs, and CDs must be replaced each year. Projected FY2009 per capita holdings is 1.48. An additional 157,000 items will be required to attain the State's basic collection standard of 1.6 items per capita by 2012.

Library Comprehensive Plan – It is necessary to allocate funds for the development of a comprehensive plan for the City of Fort Worth library system. This will include securing consultants, including associated costs, with expertise in library planning. A Library Comprehensive Plan includes outcomes assessment of the 2003 Long Range Services Plan, citizen survey of existing/possible future library services, demographic forecast/needs assessment, and facilities/technology assessments

Municipal Court:

Additional Jury Courtroom – An additional jury courtroom will require increased operational costs in terms of jury summons, jury payments, increased staffing costs, paper and postage requirements. Personnel costs include a Judge, Deputy Marshal and Senior Customer Service Representative.

Lakeworth – 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.

Office Equipment Furniture and Replacement – The department is currently utilizing old furniture which will require mass replacement, including the phasing out of obsolete office equipment, such as rotary files and shelving. Budgetary concerns will include the cost to replace or update furniture and large equipment. A major consideration is the age of the building which may require substantial refurbishing to remain functional.

Parks and Community Services:

Parks and Medians – 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. The Park, Recreation and Open Space Master Plan indicates the addition of an estimated 850 acres by 2011 at an annual cost of \$3,400 per acre resulting in a need to increase total operating expenses by \$2.7 million. 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.

Zoo Improvements and Contract Renewal – The need to continue the appropriation of funds to underwrite utility improvements and insurance at the Fort Worth Zoo continues per the operations contract with the Fort Worth Zoological Association (Zoo Association), the cost of utility improvements for projects 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. 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. It is anticipated that these costs will continue to escalate at a 3-5% rate each year. The Zoo Association is nearing the close of the first twenty years of their contract with the City. Although the contract has renewal options, the ability of the Zoo Association to fund capital improvements is directly related to the remaining years of the current agreement period. As a result, the Zoo Association will be pursuing a renewal and review of the current operations contract with the City and possible additional concessions, including an increased city subsidy (\$5.4 m in FY 2010) for the operation of this valuable asset and City attraction.

Aquatic Program – The FY2010 Adopted Budget required the closure of six of the seven City of Fort Worth public swimming pools during the summer in 2010. 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 calls for construction of contemporary designed facilities including Medium Family Aquatic Centers and “spray-grounds”. Capital funds for design and construction require allocation and, once complete, operating dollars will be necessary to service and program these facilities.

Addition of Community Centers – The 2004 CIP allocated \$5 million for the design and construction of two community centers. The south central area of the city has been designated for one center which is scheduled to come online in FY 2011. The second facility will be located in the far southwest area and is targeted for completion in FY 2012. Both facilities will require funding for initial costs to open including furniture, supplies and equipment; thereafter, on-going costs to maintain programs and operations.

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 current software system falls short in this capacity. Personnel from IT Solutions are developing specifications to replace or upgrade the system. Planning and Development anticipates the purchase can be financed through equipment notes or with the contracted vendor.

Police:

Increasing Jail Cost – In FY2010, the jail cost grew by \$268,258 due to increases in contractual services and personnel cost, 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.

Transportation and Public Works:

Traffic Safety Infrastructure Management – The current funding levels are insufficient to permit the establishment of adequate preventive maintenance programs to keep the City's traffic safety infrastructure (street lights, 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 a phased implementation starting in FY2011 with \$480,000 and adding \$120,000 for the following four years for a total annual funding of \$960,000 by ultimate program implementation in FY2015.

Street Infrastructure Performance – The Major Street Maintenance Program's goal is to maintain the street network at a service level of Pavement Quality Index 7, on a scale of 0 (Poor) to 10 (Perfect) which requires \$24M annually. The current budget is \$19.7M leaving a \$4.3M funding gap. Additionally, to maintain the current level of service, the budget must be adjusted annually to offset inflation. In FY2011, a second concrete crew needs to be added at a cost of \$510,000 annually plus a one time equipment purchase cost of \$600,000. The Bridge Program's goal is to maintain bridges at a rating of 6 on a scale of 0 (Poor) to 9 (Excellent). Based on the 2007 inventory and long range bridge management program, \$2.5M is needed annually. The current budget is \$1.6M. In FY2011, \$500,000 is needed for contract bridge maintenance. A second bridge crew needs to be added in FY2012 at a cost of \$510,000 annually plus a one time equipment purchase cost of \$600,000.

Equipment Services:

Expansion of the Water Service Center – The Water Service Center is already past capacity. The recommendation from the CMO 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 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.

Municipal Parking:

Commercial Loading Zones –This parking service enhancement entails converting 60 existing loading zones in the Central Business District (CDB) 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.

Parking Meter Expansion –This is a continuation of a multi-year meter expansion program designed to increase the number of parking meters in the Central Business District (CDB) from 2,000 to 3,500. Three hundred and fifty (350) meters will be added annually at a cost \$75,000. Two additional employees will be needed over the next five years.

Garage Security – During the next two years approximately \$235,000 will be needed to install, and \$10,000 annually to maintain security systems and improve overall safety in the Commerce Street, Houston Street and the Taylor Street garages

Credit card/Smartcard – The department studied a few options in FY2009 for a smartcard system. The system

did not prove to be a viable option. The Municipal Parking Fund will implement a pilot for FY2010 with potential full implementation in FY2011. The estimated cost is \$100,000.

Office Services:

Billing Program for Reprographics – The program in use was designed in-house in DOS dBase 4 in 1989-90 and has been a fast and easy system. The program is no longer available and not compatible with newer operating systems and software. Our current program loses data periodically and the city no longer has dBase experts to fix it. For reporting purposes it is essential that Reprographics get a tested and proved program. The last price Reprographics received for a new billing program was approximately \$60,000 plus a \$6,000 annual maintenance.

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.

Stormwater Utility:

Capability increase for Field Operations – The Field Operations Section is responsible for infrastructure maintenance and repair (sink-holes, cave-ins, blockages and pipe separations), channel maintenance and reconstruction (erosion mitigation, grading, vegetation management, cleaning), inlet cleaning and minor construction projects. For the year's shown, capability is added to the program in accordance with the implementation plan presented to City Council in 2006 using a mix of contract and in-house resources. A privatization evaluation is being completed and over the next 12 to 15 months it is likely that major Storm Water infrastructure construction and repair projects will become contractor supported while routine maintenance and minor repairs will be accomplished in-house.

Capability increase for Studies, Project Planning and Project Funding – The Engineering Section is responsible for Watershed Studies and Project Planning, as well as Project Management (Project Management costs charged to projects) for Stormwater initiated projects. Studies are critical for systematic and consistent development of projects which reduce flooding, protect lives and property and ensure storm water runoff quality. Each year represents increased capability in these areas. This initiative also identifies debt service for projects funded by Storm Water revenue bonds.

GIS Infrastructure Assessment – The Stormwater Utility was implemented with the understanding that reliable data regarding the status, condition or precise location of Fort Worth's underground drainage infrastructure was virtually non-existent. This initiative represents a contract with a consultant to map the stormwater watersheds throughout the City and to build a GIS infrastructure database to capture and manipulate this data for hydraulic modeling and project preparation. Fiscal Year 2010 is year two of this estimated four year project.

Northside Operations Facility – Continue collaboration with other Departments and the Program Management Office 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 west-side 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

