

FY2023 Recommended Budget



David Cooke – City Manager

August 9, 2022

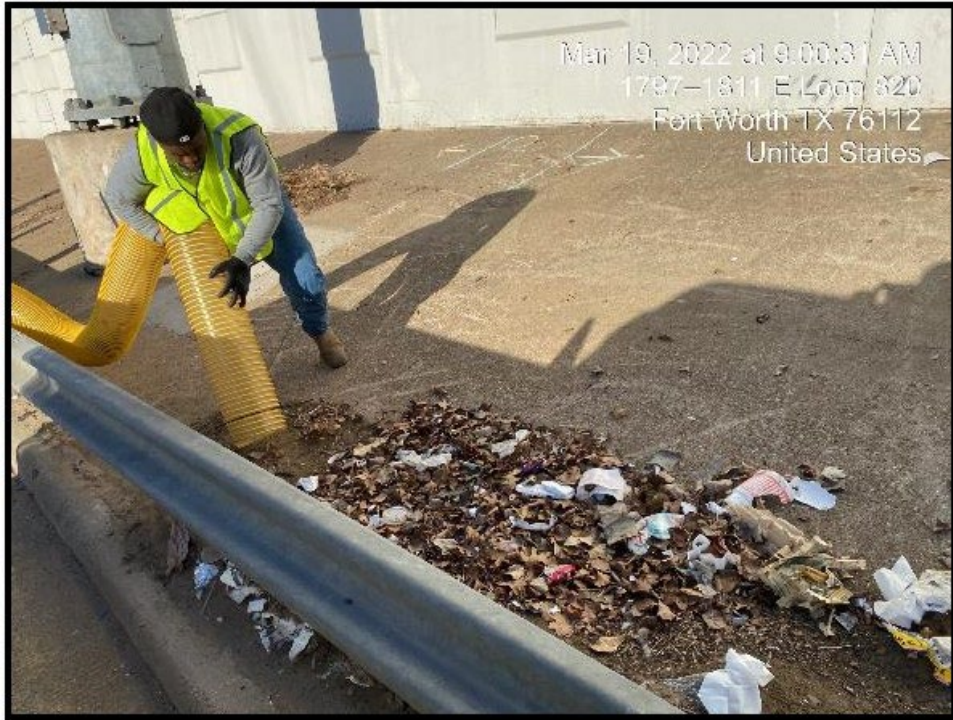
Agenda

- Introductory Comments
- FY2023 Strategic Priorities
- Recommended Operating Budget
- Assessed Values and Recommended Tax Rate
- Recommended Capital Budget

Effects of COVID-19



Safe and Clean Community



Bond Election



Workforce Recruitment and Retention



Cost of Living



Growing City

FAST@MPANY

This fast-growing city will offer relocating businesses an incentive to preserve open land

Fort Worth is trying to balance its rapid growth with a plan to get businesses to support, protecting its green spaces.

BY KRISTIN TOUSSAINT 2 MINUTE READ

Fort Worth, Texas, is the **third-fastest-growing** city in the country. But as it adds people, development is reshaping a city that boasts lots of open space.

As of 2020, Fort Worth was losing **50 acres of natural land a week** to development. In an effort to continue to grow while also keeping open space, the city is working on a new plan: When a company sets up shop in Fort Worth, it will have the option of helping preserve the city's natural ecosystems, even as it adds to development.

The city has been looking at this issue around open space for a few years, says Mayor Mattie Parker, including working on an **Open Space Conservation Program** in partnership with the Trust for Public Land, getting voters to approve a **bond package** that sets aside money for purchasing and preserving

Public Engagement

- Bi-annual Community Survey
- Steer the Budget campaign
- Bond program public meetings
- Budget stakeholder meetings
- Boards & Commissions

FY2023 Strategic Priorities

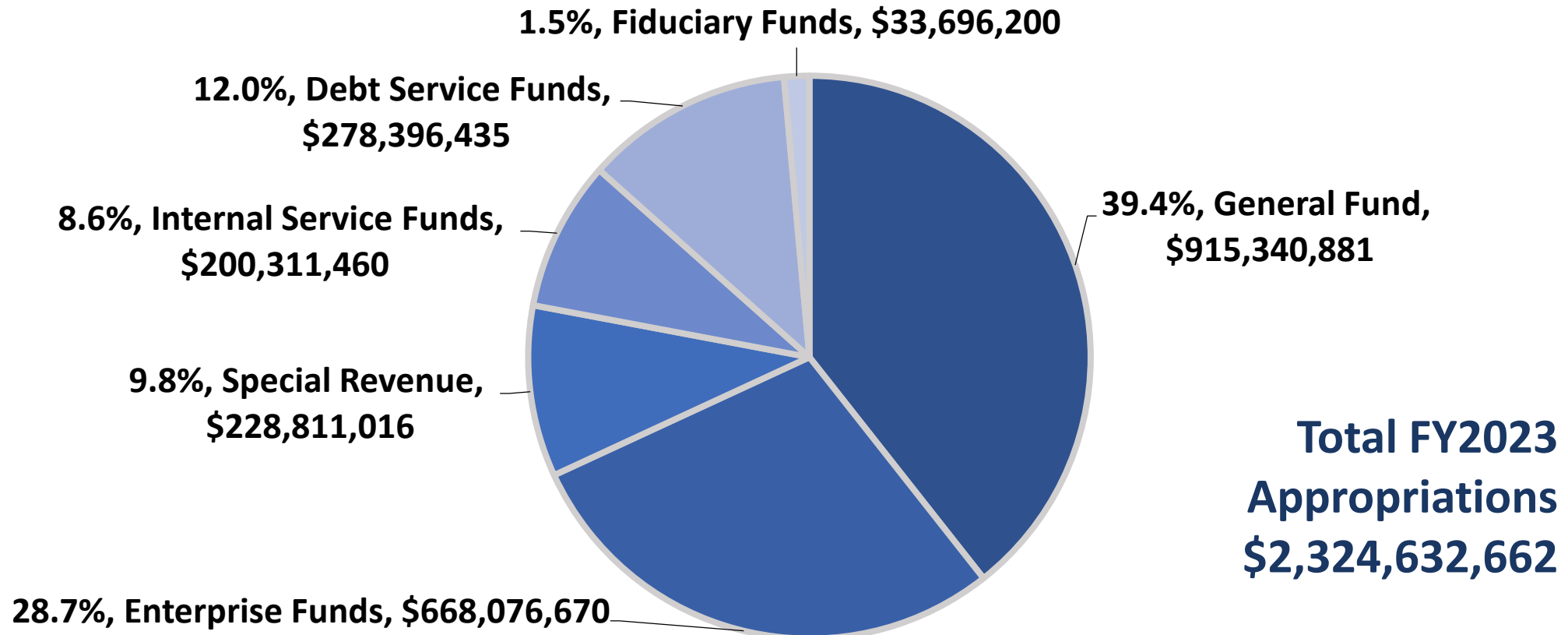
- Safe and clean community
- Infrastructure stewardship
- Supporting growth
- Workforce recruitment and retention
- Tax rate reduction

Recommended Operating Budget

Total Operating Budget

Fund	FY2022	FY2023	Change from Adopted	
	Adopted	Recommended	Amount	%
General Fund	831,934,777	915,340,881	83,406,104	10.03%
Enterprise Funds	635,941,315	668,076,670	32,135,355	5.05%
Special Revenue	177,432,495	228,811,016	51,378,521	28.96%
Internal Service Funds	138,195,003	200,311,460	62,116,457	44.95%
Debt Service Funds	258,359,041	278,396,435	20,037,394	7.76%
Fiduciary Funds	33,558,393	33,696,200	137,807	0.41%
Total Operating Funds	\$2,075,421,024	\$2,324,632,662	\$249,211,638	12.01%

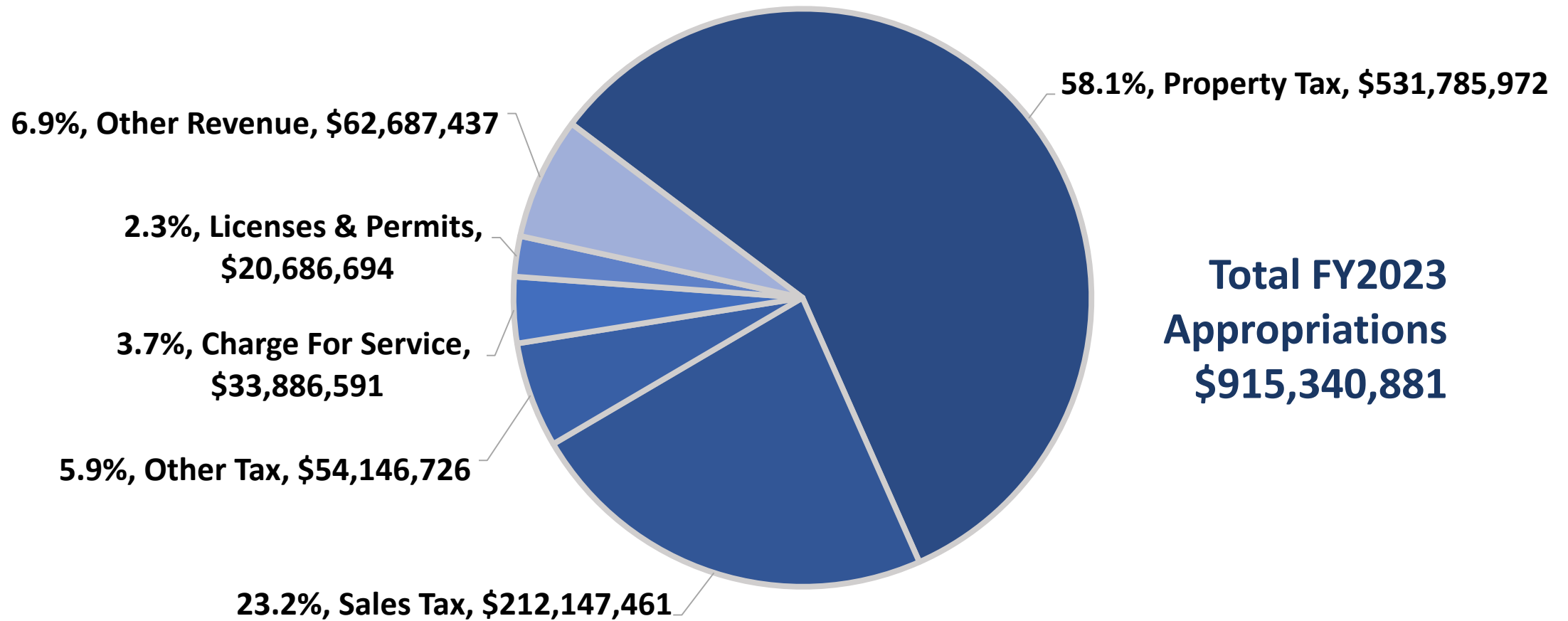
Total Operating Budget



General Fund Revenues Comparison

Source	FY2022	FY2023	Year to Year Change	
	Adopted	Recommended	Amount	%
Property Tax	481,721,693	531,785,972	50,064,279	10.39%
Sales Tax	182,885,742	212,147,461	29,261,719	16.00%
Other Tax	51,946,466	54,146,726	2,200,260	4.24%
Transfers In	41,625,774	48,592,339	6,966,565	16.74%
Charge for Services	42,719,552	33,886,591	(8,832,961)	-20.68%
Licenses & Permits	19,637,537	20,686,694	1,049,157	5.34%
Fines & Forfeitures	5,222,332	7,311,062	2,088,730	40.00%
Use of Money & Property	3,459,742	2,931,561	(528,181)	-15.27%
Other Revenue	2,243,643	3,347,033	1,103,390	49.18%
Intergovernmental	472,296	505,442	33,146	7.02%
Total	\$831,934,777	\$915,340,881	\$83,406,104	10.03%

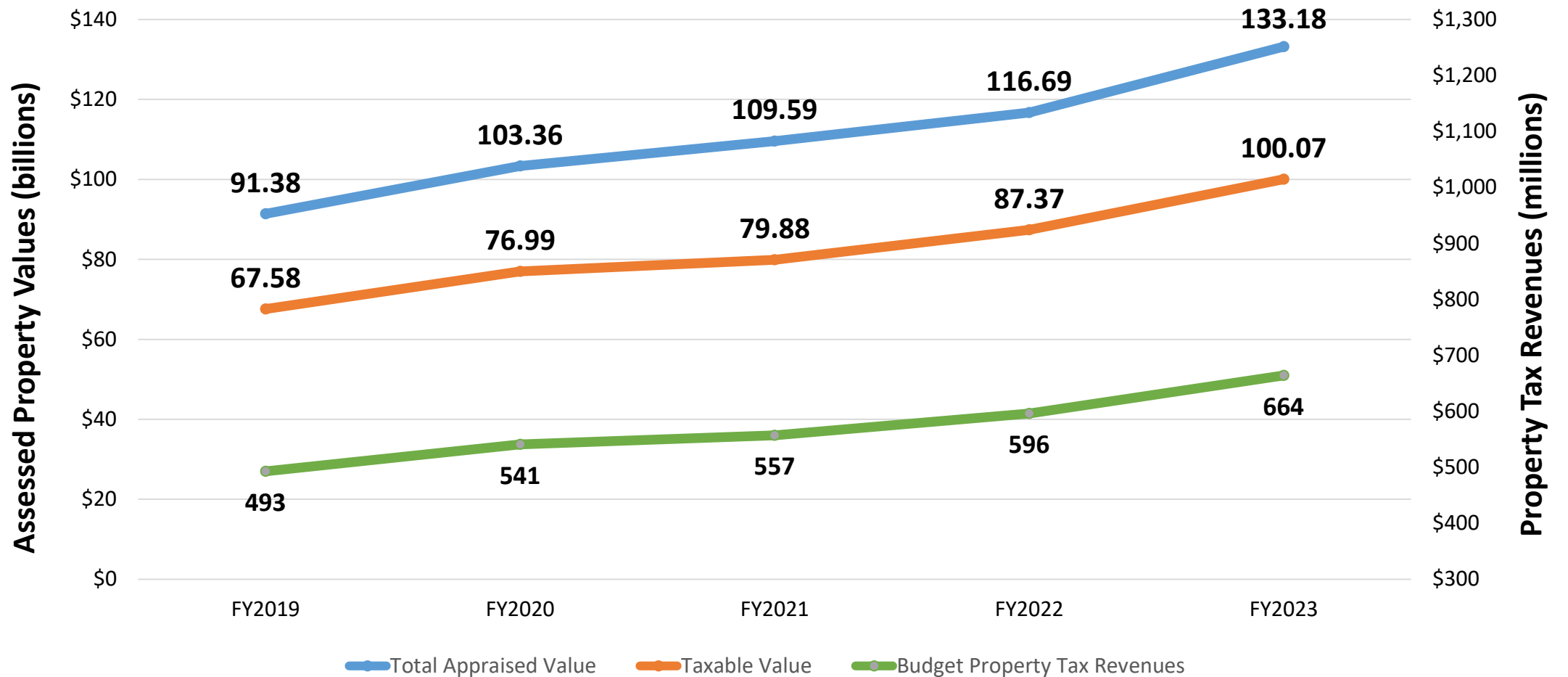
General Fund Revenues



**Total FY2023
Appropriations
\$915,340,881**

Assessed Values and Recommended Tax Rate

Property Values & Property Tax Revenue



Change in Net Taxable Values

FY2022	\$87,373,928,947
+ Change in taxable value	\$9,950,996,443
+ New construction value	\$2,748,614,415
FY2023	\$100,073,539,805



11.4%






3.1%

Recommended Tax Rate

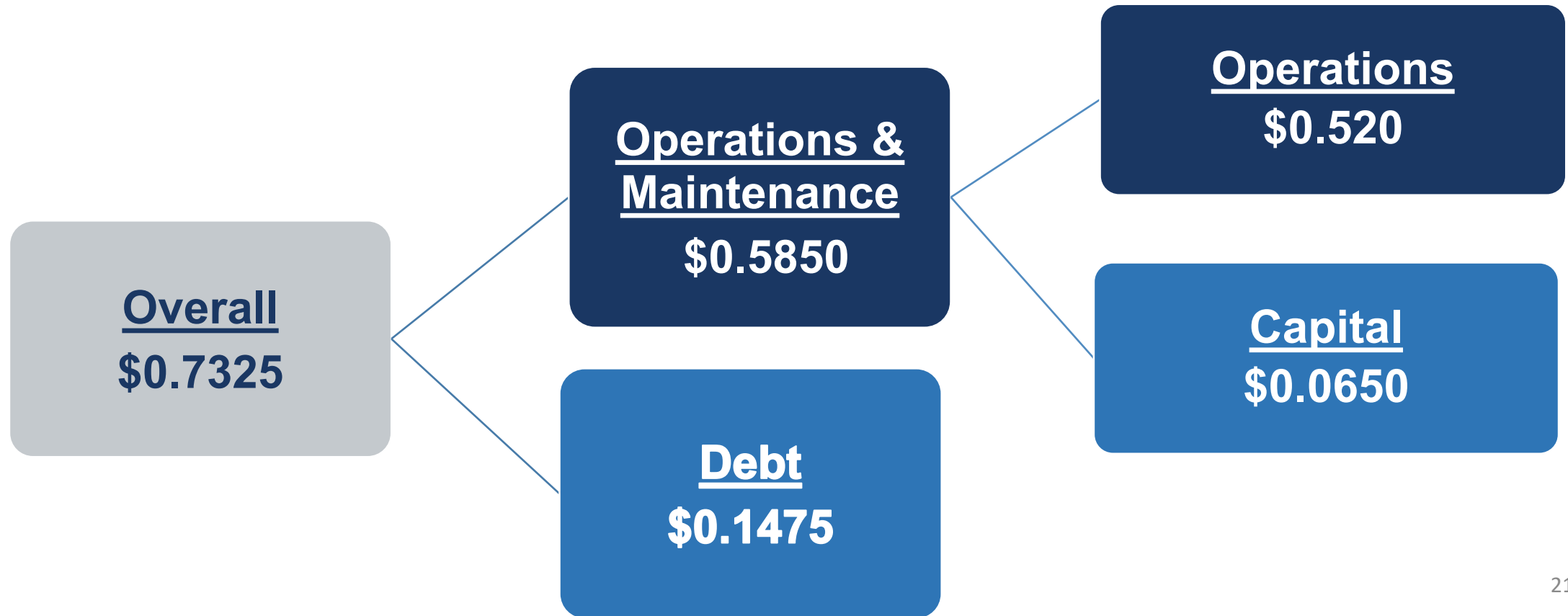
71.25¢

↓ 2.0¢

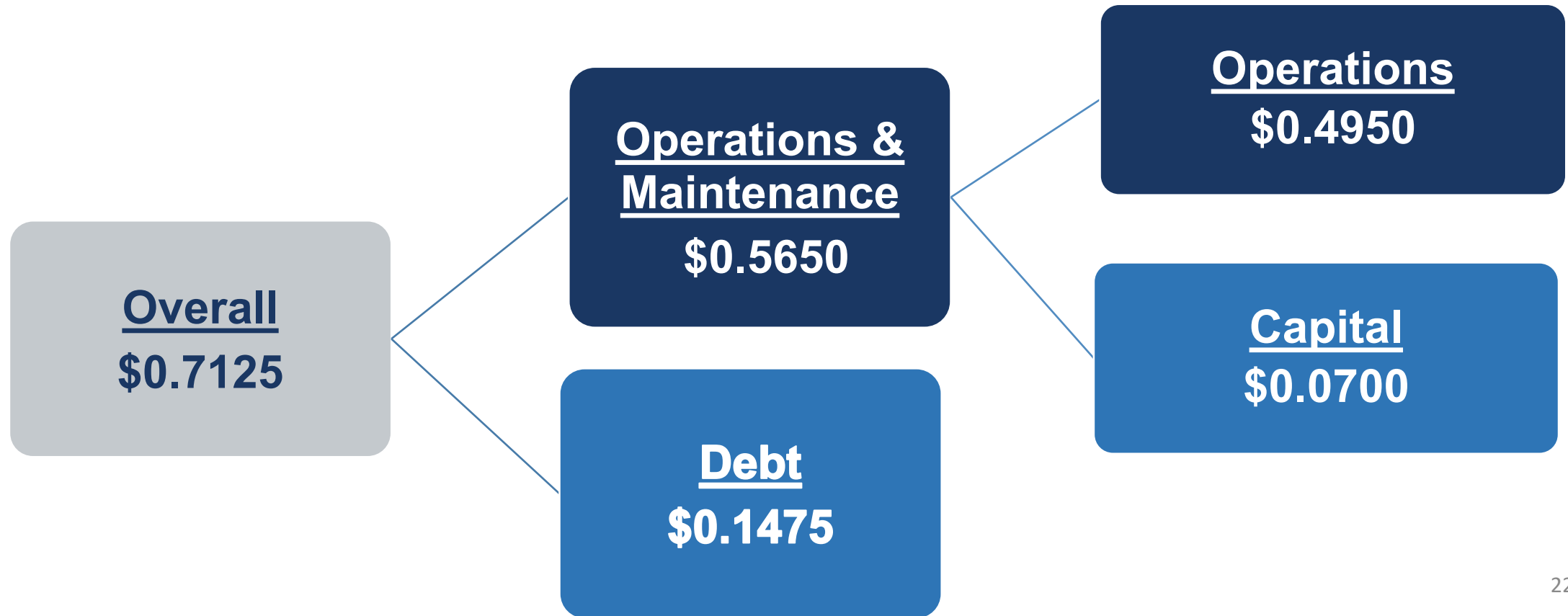
Value, Rate, & Revenue

Taxable Value	\$100,073,539,805	 14.5%
Tax Rate (Recommended)	\$0.7125	 2.0¢
Property Tax Revenue (Estimated)	\$663,990,539	 11.4%

Current Tax Rate Allocations



Recommended Tax Rate Allocations



Recommended Tax Rate Allocations

	FY 2022 Adopted	FY 2023 Recommended	Change
O&M	52.00	49.50	-2.50
PAYGo	6.50	7.00	+0.50
I&S (Debt)	14.75	14.75	----
Total	73.25	71.25	-2.00

Values expressed as cents

Estimated Property Tax Revenues

	FY2022 Budget	FY2023 Estimated	\$ Change	% Change
O&M	\$421,129,188	\$461,298,690	\$40,169,502	9.54%
PAYGo	52,891,148	65,234,158	12,340,010	23.33%
I&S	120,022,221	137,457,690	17,435,469	14.52%
Total	\$596,042,557	\$663,990,539	\$67,947,981	11.40%

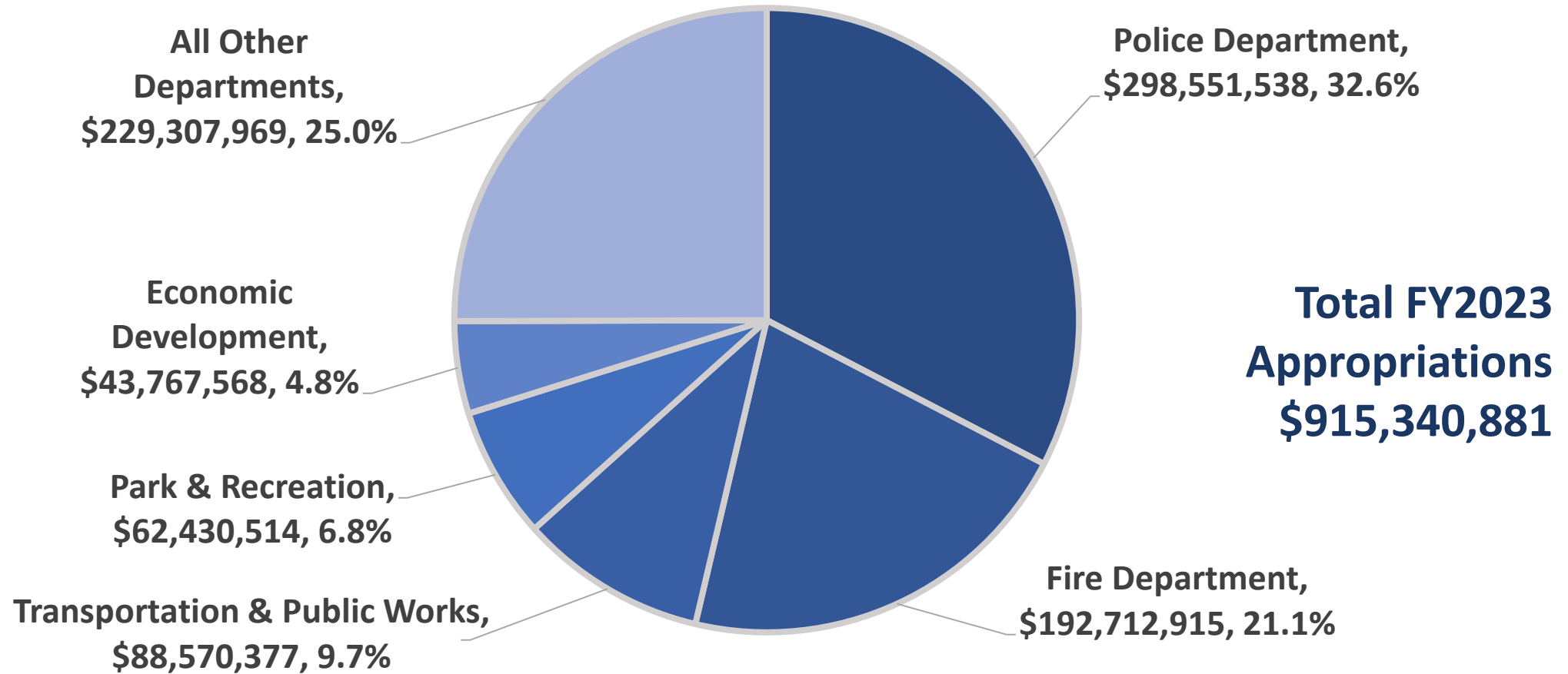
General Fund Expenditures

FY2022 (\$831,934,777)
to
FY2023 (\$915,340,881)

Comparison By Department

Department	FY2022	FY2023	Year to Year Change	
	Adopted	Recommended	Amount	%
Police Department	282,524,533	298,551,538	16,027,005	5.67%
Fire Department	174,944,776	192,712,915	17,768,139	10.16%
Transportation & Public Works	70,700,400	88,570,377	17,869,977	25.28%
Park and Recreation	55,722,945	62,430,514	6,707,569	12.04%
Economic Development	41,451,007	43,767,568	2,316,561	5.59%
Property Management	25,920,591	29,628,584	3,707,993	14.31%
Development Services	19,635,405	29,331,458	9,696,053	49.38%
Code Compliance	25,691,223	27,330,256	1,639,033	6.38%
Non-Departmental	13,509,715	26,973,345	13,463,630	99.66%
Library	22,900,585	26,075,266	3,174,681	13.86%
Municipal Court	14,846,205	15,350,385	504,180	3.40%
Neighborhood Services	11,149,184	14,344,160	3,194,976	28.66%
Financial Management Services	12,722,748	13,758,733	1,035,985	8.14%
City Manager's Office/Mayor & Council	9,942,348	10,740,253	797,905	8.03%
Planning & Data Analytics	8,735,579	8,750,328	14,749	0.17%
City Attorney	7,452,544	7,937,225	484,681	6.50%
Human Resources	5,754,584	6,283,156	528,572	9.19%
Communications & Public Engagement	4,645,717	5,513,485	867,768	18.68%
City Secretary	1,926,202	2,518,393	592,191	30.74%
Diversity & Inclusion	2,089,083	2,435,259	346,176	16.57%
City Auditor	2,131,447	2,337,683	206,236	9.68%
IT Solutions	17,537,956	-	(17,537,956)	-100.00%
Total	\$831,934,777	\$915,340,881	\$83,406,104	10.03%

General Fund Expenditures



What the recommended budget achieves

- Reduces existing tax rate by 2 cents
- Increases investment for:
 - Safe and Clean Community
 - Infrastructure Stewardship (including PAYGo)
 - Supporting Growth
 - Workforce Recruitment and Retention

Safe and Clean Community

- Increase resources for Police patrol; Crimes Against Children; homicide investigation; 911 communications; HOPE Team; Crisis Intervention Team; Neighborhood Patrol Officers
- Expand crossing guard program at middle schools
- Adding second fire engine company in far north Fort Worth; HOPE Team; safety personnel and equipment
- Transportation network improvements, including street lighting maintenance and pavement marking in high traffic areas
- Increase resources for multi-family inspections
- Increase resources for street sweeping, litter abatement, and homeless camp cleanup

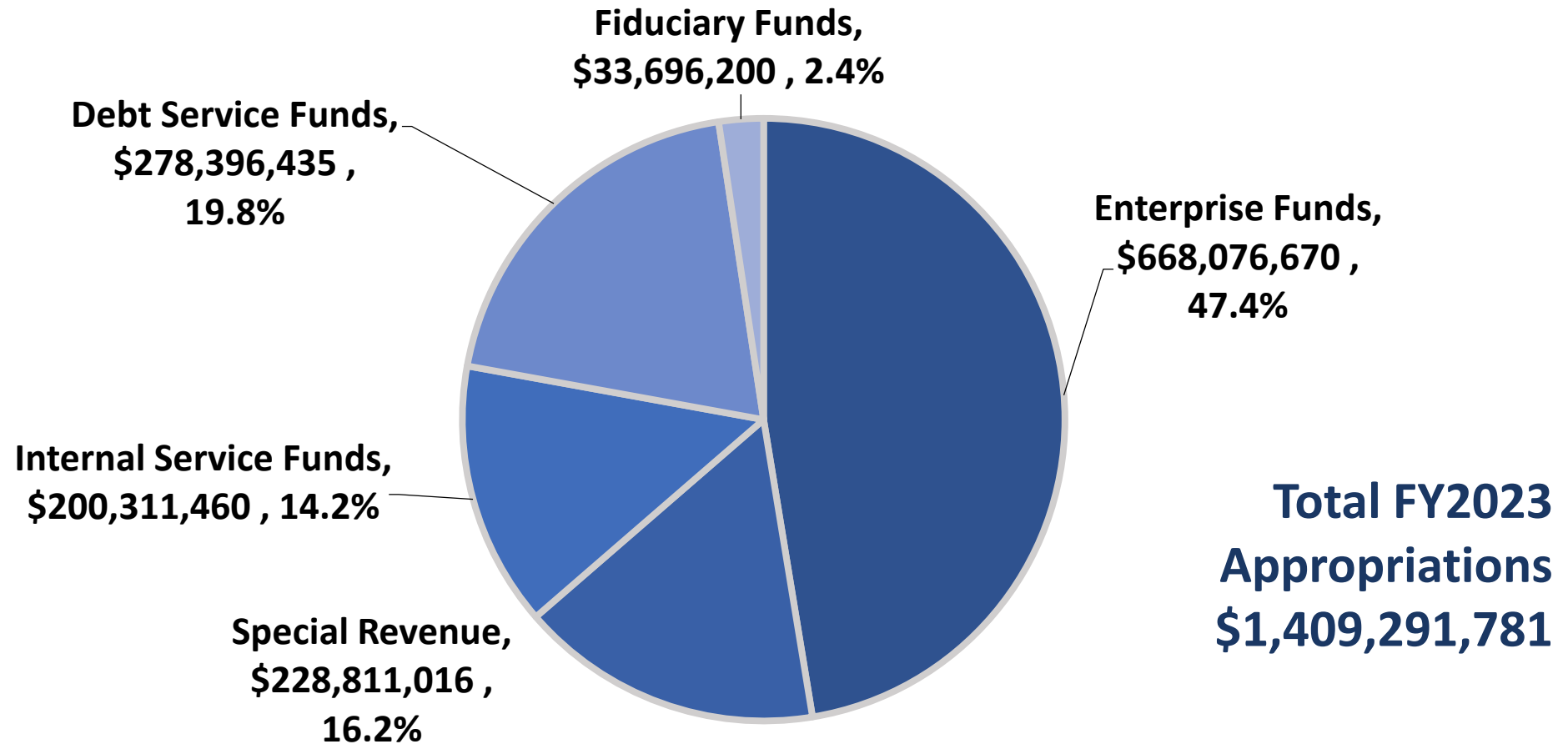
Supporting Growth

- Increase resources to facilitate development process including plans examiners, permitting, and project support
- Opening facilities and expanding programs in developing areas to support growing population
- Extend capital infrastructure investment

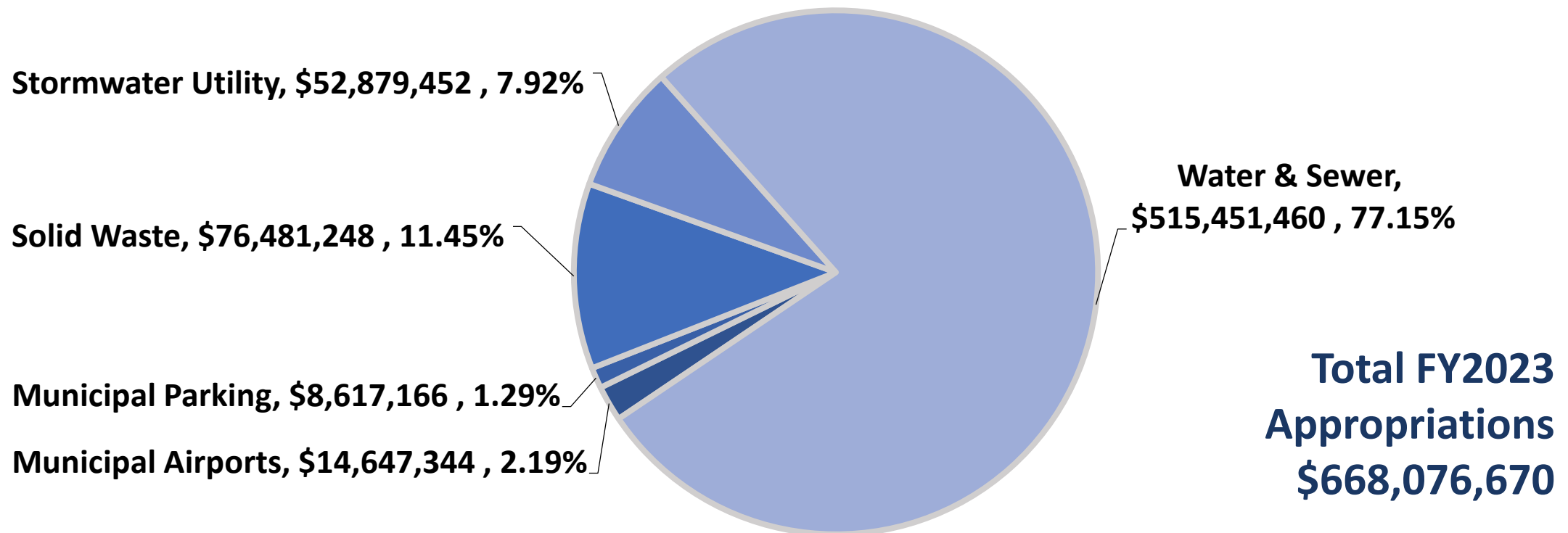
Infrastructure Stewardship

- Increase PAYGo funding for street reconstruction, traffic system maintenance, bridge maintenance, street lighting repairs & maintenance, and pavement marking program
- Increase maintenance support for parks and City facilities
- Continue cast iron pipeline replacement

Other Funds



Enterprise Funds



Water and Sewer

Fund	FY2022	FY2023	Year to Year Change	
	Adopted	Recommended	Amount	%
Water & Sewer	\$491,582,041	\$515,451,460	\$23,869,419	4.86%

- No retail rate increases
- Increases capital investment, including new Mary's Creek Water Reclamation Facility (WRF)
- Addresses inflation and commodity cost increases
- Keeps pace with growth and rehabilitation needs
- Funds corporate decisions and partner agency increases

Solid Waste

Fund	FY2022	FY2023	Year to Year Change	
	Adopted	Recommended	Amount	%
Solid Waste	\$72,605,338	\$76,481,248	\$3,875,910	5.34%

- No fee increases
- Provides residential solid waste collection, recycle processing, and waste disposal
- Shifts illegal dumping and litter costs to the Environmental Protection Fund
- Focus on developing strategies to preserve and extend landfill life

Stormwater Utility

Fund	FY2022	FY2023	Year to Year Change	
	Adopted	Recommended	Amount	%
Stormwater	\$50,031,036	\$52,879,452	\$2,848,416	5.69%

- No fee increases
- Continued implementation of capital program
- Partnering with Park & Recreation on drainage and erosion study

Municipal Parking

Fund	FY2022	FY2023	Year to Year Change	
	Adopted	Recommended	Amount	%
Municipal Parking	\$6,776,772	\$8,617,166	\$1,840,394	27.16%

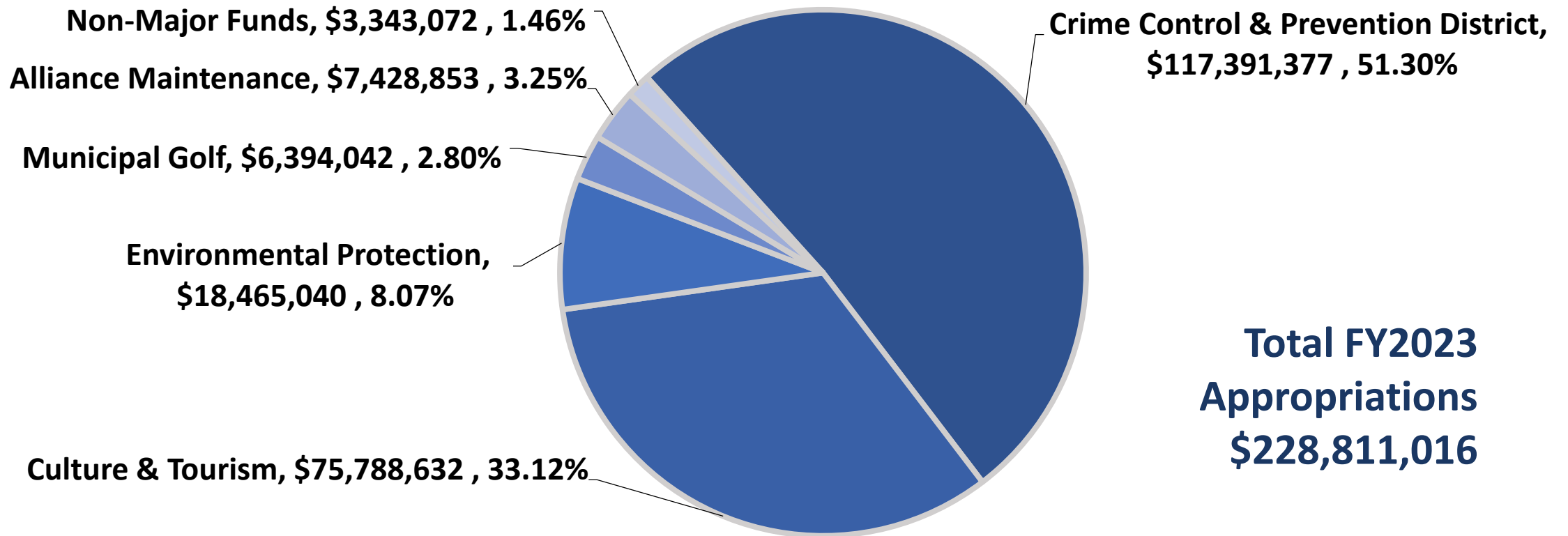
- Reflects return to pre-pandemic levels
- Debt service payment is included in FY2023
- Includes meter rate increases

Aviation

Fund	FY2022	FY2023	Year to Year Change	
	Adopted	Recommended	Amount	%
Aviation	\$14,946,128	\$14,647,344	-\$298,784	-2.00%

- Continued operations at Meacham and Spinks airports
- Continued management of Alliance contract
- Additional assistance for grant management

Special Revenue Funds



Crime Control and Prevention District

Fund	FY2022	FY2023	Year to Year Change	
	Adopted	Recommended	Amount	%
CCPD	\$94,935,970	\$117,391,377	\$22,455,407	23.65%

- Projecting 16% increase in Sales Tax revenue over FY2022 Adopted
- Expands Crossing Guards program to middle schools
- Adds positions to HOPE Team, Neighborhood Policing, Crisis Intervention Team
- Adds Fort Worth@6 at Chisholm Trail Community Center
- Increase support by 10% for Partners with a Shared Mission

Culture and Tourism

Fund	FY2022	FY2023	Year to Year Change	
	Adopted	Recommended	Amount	%
Culture & Tourism	\$62,353,341	\$75,788,632	\$13,435,291	21.55%

- Includes Hotel Occupancy tax (HOT), 2% tax, DFW Revenue Sharing, Project Financing Zone (PFZ), and Arena operating funds
- Projected revenue increase due to return to pre-pandemic activity levels
- Continues use of American Rescue Plan Act (ARPA) funds to kick start Convention Center expansion

Environmental Protection Fund

Fund	FY2022	FY2023	Year to Year Change	
	Adopted	Recommended	Amount	%
Environmental	\$4,890,542	\$18,465,040	\$13,574,498	277.57%

- Includes illegal dumping and litter costs transferred from the Solid Waste Fund
- Distributes existing litter/illegal dumping program costs more equitably
- Expands street sweeping, homeless camp cleanups, and litter control services which will result in a noticeably cleaner community
- Recommends first fee increase since fee was created in 1996

Municipal Golf

Fund	FY2022	FY2023	Year to Year Change	
	Adopted	Recommended	Amount	%
Municipal Golf	\$5,647,344	\$6,394,042	\$746,698	13.22%

- Year one of five phasing out of subsidy from General Fund
- Fund balance reserve in excess of fund balance policy
- Includes funding for facility improvement and fleet replacement

Internal Service Funds

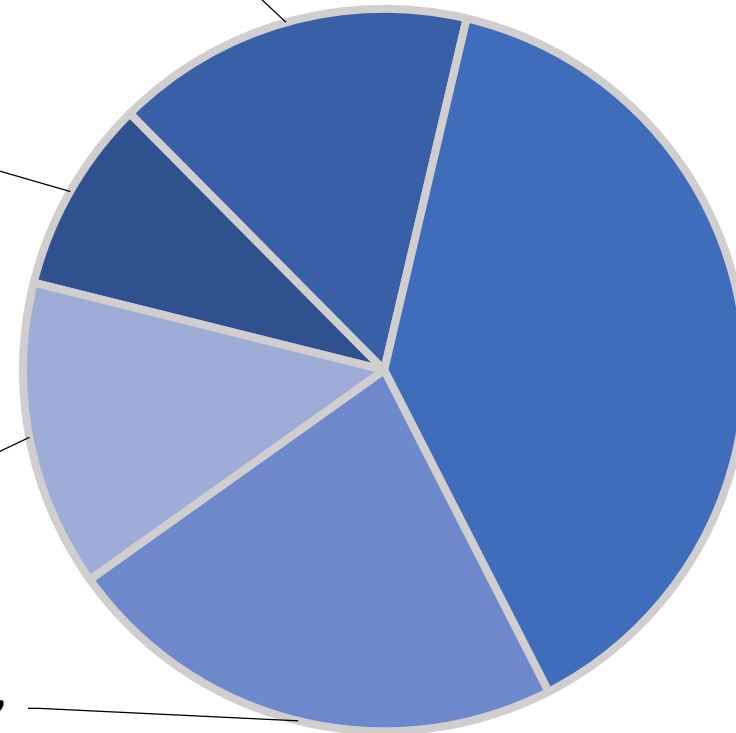
Fleet & Equipment Services, \$32,231,585 , 16.09%

**Capital Projects Service,
\$17,400,737 , 8.69%**

**Risk Financing,
\$27,510,695 , 13.73%**

**Information Technology,
\$45,414,896 , 22.67%**

**Group Health & Life,
\$77,753,547 , 38.82%**



**Total FY2023
Appropriations
\$200,311,460**

Total Operating Budget

(Recap)

Fund	FY2022	FY2023	Change from Adopted	
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General Fund	831,934,777	915,340,881	83,406,104	10.03%
Enterprise Funds	635,941,315	668,076,670	32,135,355	5.05%
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Fiduciary Funds	33,558,393	33,696,200	137,807	0.41%
Total Operating Funds	\$2,075,421,024	\$2,324,632,662	\$249,211,638	12.01%

Total Authorized Positions

Fund	FY2022	FY2023	Change from Adopted	
	Adopted	Recommended	Transfers	Additions
General Fund	5,269	5,328	(138)	197
Enterprise Funds	1,273	1,240	(51)	18
Special Revenue	761	884	27	95
Internal Service Funds	246	424	162	16
Total Operating Funds	7,549	7,876	-	326

5-Year Capital Improvement Program (CIP)

Capital Planning & Financing

Maintain Existing Infrastructure

Ongoing, cash like revenues:

- Property Tax (PAYGo)
- Gas Well Leases

New Infrastructure Investment

- Debt Instruments
 - Bonds, Notes, etc.
- Impact Fees
- Park Dedication Fees
- Grants

Tax Rate Allocation

		Fiscal Year										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
in Cents	O&M	67.59	63.79	62.84	59.65	57.65	56.50	53.00	53.00	52.00	49.50	
	PAYG		3.80	4.75	6.50	6.50	6.50	6.50	6.50	6.50	7.00	
	Debt	17.91	17.91	17.91	17.35	16.35	15.50	15.25	15.25	14.75	14.75	
	Total	85.50	85.50	85.50	83.50	80.50	78.50	74.75	74.75	73.25	71.25	
		2014 Bond Referenda \$292M				2018 Bond Referenda \$399.5M				2022 Bond Referenda \$560M		
Debt & PAYG as a % of Total Tax Rate		21%	25%	27%	29%	28%	28%	29%	29%	29%	31%	
PAYG as a % of Capital		0%	18%	21%	27%	28%	30%	30%	30%	31%	32%	

O&M = Operating and Maintenance | PAYGo = Pay-As-You-Go | I&S = Interest and Sinking (Debt)

Capital Projects Underway

- Approved and underway
 - Future City Hall and Council Chamber
 - Fire Station 45 and Fire Station 26 (replacement)
 - South Patrol Division Headquarters
 - Far Southwest Library
 - Diamond Hill and Northwest Community Centers

FY2023 Capital Planning Goals

- Continue 2018 Bond Program
- Initiate 2022 Bond Program
- Increase funding for infrastructure investment & maintenance (PAYGo and Operating funds)
- Continue improvements to distressed neighborhoods through Neighborhood Improvement Strategy
- Better integrate 5-Year CIP and Comprehensive Plan

Framework

- Projects/capital spending programs are sorted into:
 - General CIP
 - Aviation CIP
 - Public Events CIP
 - Stormwater CIP
 - Water CIP
- Each CIP will reflect program/project appropriations
- Each program/project is funded by various revenue sources

Recommended 2023-2027 CIP

CIP Plans	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Aviation	\$28,181,498	\$54,578,219	\$52,422,506	\$16,498,218	\$35,562,095	\$187,242,536
Public Events	\$5,896,000	\$27,265,000	\$9,920,000	\$464,980,000	\$13,865,000	\$521,926,000
General	\$188,767,046	\$110,008,016	\$110,851,751	\$114,781,896	\$118,477,920	\$642,886,629
Solid Waste	\$5,469,000	\$2,170,000	\$2,645,000	\$3,015,000	\$2,100,000	\$15,399,000
Stormwater	\$19,277,206	\$60,267,469	\$17,730,402	\$18,884,991	\$20,111,919	\$136,271,987
Water	\$264,119,897	\$242,371,469	\$233,540,182	\$258,261,632	\$273,703,836	\$1,271,997,016
Total	\$511,710,647	\$496,660,173	\$427,109,841	\$876,421,737	\$463,820,770	\$2,775,723,168
Funding Sources	\$511,710,647	\$496,660,173	\$427,109,841	\$876,421,737	\$463,820,770	\$2,775,723,168

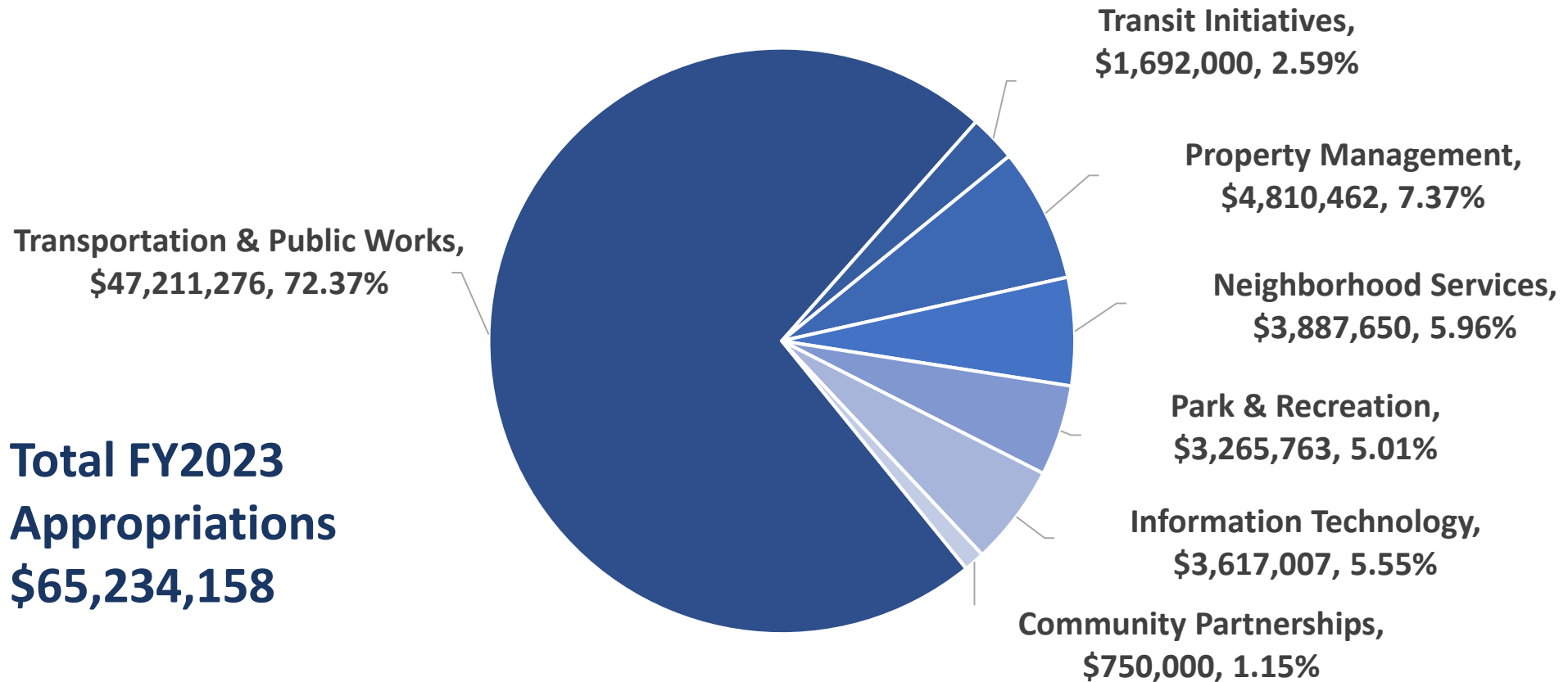
Recommended 2023-2027 General CIP

General Plan	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Asset Management	\$481,000	\$130,000	\$125,000	\$50,000	\$50,000	\$836,000
Capital Outlay	\$39,585,551	\$37,142,916	\$35,249,342	\$37,034,005	\$39,301,783	\$188,313,597
City Facilities	\$63,861,328	\$5,673,668	\$5,018,160	\$5,186,342	\$5,360,409	\$85,099,907
Community Improvements	\$24,299,607	\$16,873,625	\$19,090,665	\$19,314,341	\$19,240,545	\$98,818,783
Information Technology	\$10,879,924	\$11,721,772	\$11,556,238	\$11,991,430	\$11,877,203	\$58,026,567
Transportation	\$49,659,636	\$38,466,035	\$39,812,346	\$41,205,778	\$42,647,980	\$211,791,775
Total	\$188,767,046	\$110,008,016	\$110,851,751	\$114,781,896	\$118,477,920	\$642,886,629

Pay As You Go Budget

Fund	FY2022	FY2023	Change from Adopted	
	Adopted	Recommended	Amount	%
Transportation & Public Works	34,273,455	47,211,276	12,937,821	37.70%
Transit	1,635,000	1,692,000	57,000	3.50%
Property Management	4,334,000	4,810,462	476,462	11.00%
Neighborhood Services	3,706,000	3,887,650	181,650	4.90%
Park & Recreation	4,653,000	3,265,763	(1,387,237)	-29.80%
Information Technology	3,539,693	3,617,007	77,314	2.20%
Community Partnerships	750,000	750,000	-	0.00%
Total Operating Funds	\$52,891,148	\$65,234,158	\$12,343,010	23.34%

Pay As You Go Distribution



Pay As You Go – Transportation

- \$26.0 million for Street Rehabilitation
- \$8.7 million for Pavement Markings
 - Improves to 3 year replacement cycle & reduces response time to 30 days within the next 12 months
- \$3.0 million for Street Lighting increase for street lighting
 - Increases total crews to 12 & reduces response time to 30 days within the next 12 months
- \$2.7 million for Sidewalks
- \$1.7 million for Transit Initiatives

Pay As You Go – Other

- \$4.8 million for Property Management maintenance
- \$3.9 million for Neighborhood Improvement Strategy
- \$3.6 million for technology infrastructure maintenance
- \$3.3 million for park infrastructure maintenance

FY2023 Recommended Budget Priorities Addressed

- Safe and clean community
- Infrastructure stewardship
- Supporting growth
- Workforce recruitment and retention
- Tax rate reduction

Next Steps

- **Budget Work Sessions**
 - August 10, 12, 25, 26, September 8, 9
- **Public Hearing on Budget**
 - September 13
- **Public Hearing on Tax Revenue**
 - September 27
- **Adopt Tax Rate, Operating Budget, and 5-Year CIP**
 - September 27

