



FORT WORTH

City of Fort Worth Citizen's Guide to the Annual Budget FY2005-06



The City of Fort Worth
Citizens' Guide to the Budget

November 2005

FORT WORTH





October 28, 2005

Dear Citizen:

The City of Fort Worth is pleased to publish this guide to understanding our budget process.

The budget is the City's financial plan for the upcoming fiscal year. Because it determines the level of City services and the way in which these services will be funded, it stimulates much debate about the role of government, how and what City services are to be provided, and the future direction of Fort Worth. Understanding the City's budget and the decisions that lead to its adoption is essential to realizing how these issues affect Fort Worth.

I encourage you to read this booklet and to participate in our local government by letting your opinions be known to the City staff and City Council. If you would prefer to view this document on the Internet, go to <http://www.fortworthgov.org> and select the FY2005-06 Citizens' Guide to the Budget. Thank you for your interest in our municipal government.

Sincerely,

Charles R. Boswell
City Manager



STRUCTURE OF THE BUDGET

The *Citizens' Guide to the Budget* is published to help Fort Worth residents better understand the City of Fort Worth budget development process and its resulting operating adopted budget.

This section explains how the City's budget is organized. It outlines various types of taxes that the City collects (revenue), how these taxes are spent (expenditures), and the different types of funds that are part of the City's financial structure.

GENERAL FUND

The General Fund receives the largest amount of revenue in the overall City budget. Major revenues that contribute to this fund include:

- Property taxes
- Sales tax
- License and permit fees
- Service charges
- Fines and forfeitures

Several smaller revenue categories also contribute to this fund:

- Revenue from other governmental agencies
- Local taxes
- Interest income

General Fund revenues are used to finance City departments that provide basic services. These services include:

- Police protection

- Fire protection
- Parks
- Libraries
- Street maintenance
- Administration

General Fund revenues are also used to pay interest and principal on bonds sold for capital improvements, including projects such as street repairs and new fire stations. These types of payments are usually referred to as *debt service*.

ENTERPRISE FUNDS

Citizens and businesses pay for solid waste disposal, recycling, and water and sewer services. The City charges fees for these services and deposits the revenue in separate operating funds. The revenue is used to pay for the delivery of each service. Each service is intended to be a self-supporting business, and therefore operates as an *Enterprise Fund*.

When citizens and businesses pay their water bills, they are actually paying what it costs the City to provide their water. In order to easily track these costs, the City has established a separate Enterprise Fund called the *Water and Sewer Fund*. Based on expenditures in the Water and Sewer Fund, the City establishes a billing rate for water service that covers the total cost of producing and delivering water to its customers. Other Enterprise Funds include the *Solid Waste Fund*, *Municipal Parking Fund*, the *Municipal Golf Fund*, and the *Municipal Airports Fund*.

INTERNAL SERVICE FUNDS

The City has established *Internal Service Funds* for reasons similar to those for Enterprise Funds. However, Internal Service Funds do not provide a direct service to citizens. Instead, Internal Service Fund departments assist other City departments in the delivery of their services. The use of a separate fund helps ensure that City government is accountable for how it spends taxpayers' money.

For example:

- The *Temporary Labor Fund* provides temporary employee services to City departments. The Temporary Labor Fund then bills City departments for the temporary services provided, including all associated salary and administrative costs.
- The *Engineering Services Fund* provides for comprehensive engineering design, project management, surveying, quality control testing, and construction inspection for water, street, storm drain, sidewalk, and other infrastructure improvements. The fund allows the public and private sectors to work together to develop the best engineering product for the best price in the least amount of time. The fund derives approximately 80 percent of its revenue from Capital Improvement Program (CIP) projects, primarily in the Transportation / Public Works and Water departments.
- The *Office Services Fund* provides mail services, graphics design, and operates a print shop for City departments.

- The *Equipment Services Fund* procures, maintains, and repairs City-owned vehicles and equipment.

The *Information Systems Fund* maintains the City's information and telecommunications systems.

SPECIAL TRUST FUNDS

Money given to the City for specific purposes is managed in *Special Trust Funds*. These Special Trust Funds include:

- Income generated by cable television subscriptions.
- Income resulting from leases and the sale of property around Lake Worth.

POLICY ISSUES

As a prelude to budget formulation, the City Council is made aware of several issues that may impact not only the budget for the current fiscal year, but future fiscal years as well.

The following issues are likely to have significant funding and/or operational impacts on some aspect of City operations over the next five years. Salient issues have varying impact and action requirement timeframes, ranging from short- to long-term, over the five-year period. In order to adequately address the issues, some sort of City Council action/decision is required. While some of the issues may result in requests for funding, others may require broader policy decisions to address future service needs in the City of Fort Worth.

SHORT-TERM

The following are the issues that are expected to have an impact and need to be addressed in the next year:

Terrorist Threats And Security [Aviation, Fire, Human Resources, IT Solutions, Police, Public Health, Public Events, Water/Wastewater, Non-Departmental]

The continuing threat of terrorist activity will impact many departments organizationally, programmatically and financially. The City must ensure that it is prepared to the highest degree possible for any potential terrorist activity. Additionally, plans are being discussed and cost estimates are being gathered regarding improved security for all City facilities including the City's computer network. Some decisions have been made, but additional enhancements may include added personnel, cameras and other security equipment, and staffed kiosks.

Environmental Court [Municipal Court, Law]

Currently there are discussions regarding the possible implementation of an Environmental Court. Hearings in this court would center on issues such as code violations, fire, and animal cases. Should the decisions be made to establish this specialized court, the Municipal Court and Law Departments would require increased staffing and the addition of equipment to effectively and efficiently judge such cases.

Early Childhood Matters [Community Relations]

In May 2003, the City Council voted to take the Early Childhood Challenge sponsored by the National League of Cities. In January 2004, the City of Fort Worth was

one of 12 cities to be awarded a technical assistance opportunity by the National League of Cities to develop a Community Action Plan around early childhood issues. An Early Childhood Matters Working Group was convened that included participation and cooperation from concerned residents, social service agencies, nonprofit organizations, and business people. The Working Group vision is that every child in Fort Worth will enter kindergarten ready to succeed in school and life.

In October 2004, the City Council adopted a Community Action Plan to support families and caregivers so they can help children to develop successfully, to improve the quality and accessibility of early care and education programs, and to improve the health of children through access to medical care and community education. Furthermore, the Council authorized the creation of an Early Childhood Matters Council to implement that plan. The Community Relations Department is charged with staffing the Council and implementing the Community Action Plan. Funding sources will need to be identified to provide the necessary infrastructure to ensure that all of Fort Worth's young children are healthy, safe, successful in school, and connected to caring adults, allowing them the opportunity to contribute to the progress of our City.

The City was successful in obtaining federal grant funds from the Department of Health and Human Services to provide funding to create two neighborhood-based literacy hubs as pilot projects, but the funds will expire in March 2007 and no further funds of this type were allocated at the federal level. The funds were used for start up costs, but additional funding will be needed to sustain them for another year to

ensure the long-term sustainable outcomes and community change that are desired.

*Golf Management And Financial Plan
[Parks & Community Services]*

For the past four years, the Golf Division of the Parks and Community Services Department (Fort Worth Golf) and the game of golf in general, have faced with a myriad of problems primarily resulting from a nationally and locally depressed golf market. Fort Worth's municipal courses have been operating in a deficit situation due to decreased rounds and revenues while costs associated with managing the golf courses have continued to increase. Accordingly, extreme cuts in the golf budget in FY 2003-04 resulted in a significant improvement to the negative cash flow situation. However, the cuts also caused a decline in maintenance and infrastructure; in that there is no funding available for preventive or curative maintenance of the facilities. Such reductions are not in the best interest of the golf courses and result in a poor product for the golfers of Fort Worth. These conditions diminish our ability to retain or attract golfers.

At the direction of the City Council, the Parks and Community Services Department issued a Request for Proposal to interested golf course management companies to determine the feasibility of leasing the five municipal golf courses to a management firm. Concurrently, PACS staff was working to develop a model for an operation that could compete in the local market.

PACS staff presented the model for self-operation to the Government and Neighborhood Relations Committee on February 1, 2005 and to the City Council on February 8, 2005. The City Council

endorsed staff's proposal to continue to self-operate, making modifications that will allow Fort Worth Golf to compete in the local market. The modifications to current operations include:

- Withdraw from Equipment Services
- Create a modified staffing plan to address operational needs that are seasonal in nature and that increases staff but lowers the cost of operation
- Self-operate food & beverage service beginning in September 2005

According to the pro forma created by PACS staff, the golf division will continue to operate at a deficit until 2009. After that time, the pro forma indicates a steady recovery, with the current deficit and additional debt incurred in the interim to be paid off by 2015. Specific debt/recovery projections are available from the PACS department.

Nashville Police Facility [Police]

The design of the police facility located on Nashville is underway. It currently houses a Neighborhood Policing District and the Traffic Division. The new facility will likely add the Gang Unit and the School Security Initiative. This is the first step in a long-term plan to provide suitable facilities that are owned rather than leased for police activities since similar needs exist across the City, particularly as the geographic boundaries grow. The financial impact will be debt service in the General Fund; however, the operational cost of the facility will likely decrease due to energy efficiency and other improvements. It has yet to be determined if police personnel will be able to occupy the space during construction depending on the site plan. If it becomes impossible, the department will incur costs

to move and house staff at temporary sites during construction.

Crime Lab [Police]

The Police Department has been exploring options for the long-term provision of crime lab services for several years. The Department is currently outsourcing all DNA analysis and is limited in the number of disciplines that can be added in the future in the current space. A consultant is completing the needs assessment to consider the scope and cost of a new facility. Only \$1.7 million is currently earmarked in the Crime Control and Prevention District Fund, which will undoubtedly be inadequate to cover the costs of a new facility that will be viable for several decades. Staff will be returning to the City Council in the spring to outline the available options to ensure that valuable tools for solving crime are widely available.

Police Department Staffing [Police]

The City Council has worked hard to ensure that patrol staffing has kept pace with the growing population and geographic boundaries. However, investigative and support staffing has not kept pace. The Police Department identified a need for 50 additional detectives over two years during the FY2005-06 budget preparation process. However, funding was only available for six additional positions. In order to continue the progress of decreasing the crime rates in the City, detective staffing must be a high priority to ensure that crimes are solved and offenders prosecuted. In addition, the support services throughout the department are straining under the growth of the number of patrol officers and will continue to need attention.

Post-Employment Benefits [Finance, Human Resources]

The General Accounting Standards Board (GASB) has instituted requirements that will require municipalities to account for post employment health benefits as a liability. For entities with \$100 million or more in revenue, the standards will be effective in 2007. An independent contractor will be performing actuarial analysis over the next year and will provide the City with assistance on complying with the law. In the event the City was unable to comply with the new requirements to effectively account for post employment health benefits, a lower bond rating could result.

Enhanced Storm Water Program [Transportation/Public Works]

Stormwater runoff is no longer an incidental aspect of development that can be largely ignored except after a major storm—it is now recognized as an integral part of every aspect of development impacting the vitality of the community and its quality of life. The creation of a Storm Water Utility Fund would address these complex issues, and provide an organizational structure and funding mechanism for the planning, designing, construction and maintenance of needed facilities. Staff has identified over \$550 million of capital needs alone. Additional resources will also be required to inventory, evaluate, and develop plans to maintain this largely ignored element of Fort Worth's infrastructure. Staff will be coming back to Council with recommendations on handling this issue.

MEDIUM-TERM

The following are the issues that are expected to have an impact and need to be addressed in years two through three of the five-year time period:

Technology Enhancements [Finance, Fire, Human Resources, IT Solutions, Transportation/Public Works]

Departments need to be empowered through provision of resources to engage in multi-departmental information technology projects to allow them to obtain comprehensive, integrated systems that enhance the efficiency and effectiveness of their business practices. Numerous stand-alone systems that do not interface with other relevant City systems are ultimately more expensive to implement and maintain and frequently less powerful than integrated systems. Major technology investments under consideration or active development include e-government/e-commerce, an integrated financial and human resources system, data management systems in Municipal Court and other departments, work-order management systems, customer management systems, public computer labs in libraries and community centers, and the existing trunked radio system. The aforementioned investments, as well as smaller projects, require significant resource allocations and process reengineering. The result, however, will be a much more effective and efficient workforce providing an enhanced level of service to customers.

Air Quality Attainment [Environmental Management]

Based on the National Ambient Air Quality Standards (NAAQS), the Environmental Protection Agency (EPA) has designated

the Fort Worth/Dallas metroplex as a moderate non-attainment area for ozone. This region is transitioning from the 1-hour and 8-hour standard. Under the new 8-hour designation the Fort Worth/Dallas area has to be in attainment by June 2010. If the metroplex does not meet the established reduction target, highway and /or other federal funds could be jeopardized, permitting baselines can be reduced and additional requirements put in place that could have a crippling effect on economic development.

The City and its citizens must work to ensure attainment and maintenance of the standard. The Texas Commission on Environmental Quality (TCEQ) has determined that a major portion of the ozone forming pollution comes from automobiles; therefore, individuals can play an important role by making better commuter choices, altering their driving habits, etc. Also needed to reach attainment is a tremendous amount of regional cooperation, teamwork and partnership development. As part of this partnership, the City may be looked upon to involve itself in corporate purchases of cleaner burning vehicles, both on and off-road, change development standards to adhere to green building protocol, refer to all environmental preferable purchasing protocols, and consider the preferential treatment of green or zero emission power providers.

Succession Planning [Human Resources]

HR has identified a number of critical positions with incumbents eligible to retire within the next 5 years. Additionally, it has been recognized that there hasn't been a concerted effort or a comprehensive approach to address succession planning for the City of Fort Worth. In the next budget year, a plan for succession

planning will be developed and implemented. This will be an on-going process. The anticipated budgetary impact will ultimately depend upon the succession planning process that's implemented. If positions are overfilled to allow the successor to work side by side with the incumbent, there may be additional cost. Additionally, if specific training is needed for the successor, there may be a budgetary impact. Without careful succession planning, unnecessary external recruitment costs in some situations and/or the lack of viable candidates to step in to take charge when the incumbent departs could occur.

Physical Ability Program For Public Safety [Human Resources]

In previous decision packages, the concern was presented that the physical ability test used by the Police Department to process entry-level police officers lacked validation. The current exam has been in use for over 15 years and there is no valid data to support the use of this exam as a selection device. At Council's request this issue grew to include the consideration of physical ability upkeep and testing for incumbent police officers and other public safety workers. Human Resources recommend securing a consultant for physical ability test development, validation, the development of physical ability standards, and measurement for incumbent public safety workers.

Meet And Confer [Human Resources]

Current state legislation allows Chapter 143 cities of our size to enter into "meet and confer" discussions with fire and police associations. If Meet and Confer eventually passes, there will be additional cost to fund multi-year agreements with these agencies. Meet and Confer will result in

the need to provide funding for hiring an external negotiator and additional staff to provide the necessary research and analysis in preparation and during negotiations.

Central City Revitalization [Economic Development, Planning]

Different areas of Fort Worth face varying degrees of challenges in attracting private sector capital for quality commercial, business and housing development. Accordingly, there is a need for greater assistance availability for projects in areas where market activity has lagged. Placing sufficient and appropriate resources into unmet capital, land assemblage and infrastructure needs would support community-directed goals.

Historic Preservation Incentives [Planning, Economic Development]

The adopted Citywide Historic Preservation Plan recommends enhancing the City's existing incentives for historic preservation and developing new incentives, in partnership with a citizen committee comprised of developers, residential and commercial real estate professionals, and preservation professionals. Potential incentives may include enhancements to the existing historic site tax exemption, prioritizing historic resources for receiving tax increment financing, the creation of a façade rehabilitation loan program, and a local revolving loan fund for historic preservation. City staff is working on options to incorporate historic preservation incentives into the City's overall economic incentive policy.

*Urban Village Development Program
[Planning]*

One of the City's strategies for developing mixed-use urban villages is to construct capital improvements that leverage private investment and enhance pedestrian and transit access. The final report of the Commercial Corridors Task Force recommends that the City provide off-site improvements throughout the villages such as infrastructure, streetscape and landscape improvements, thereby creating a more positive image and climate to attract redevelopment. In accordance with the City Council's direction, City staff proposes to use \$2 million in 2004 bond funds as local match to leverage grant funds and private funds for urban design and streetscape improvements in the villages. Some grants will provide full funding for improvements, some will provide 80 percent funding, and some may be as low as 50 percent. The goal is to utilize the \$2 million in bond funds to leverage \$8 million, equaling a total of \$10 million over the next six years for streetscape improvements. In fiscal years 2004 and 2005 federal appropriations bills, the City has received earmarks totaling \$4.5 million for transportation-related improvements in the urban villages. These funds require no local match.

Water & Sewer Infrastructure Replacement and Upgrades [Water]

Infrastructure needs are the primary factor driving cost increases for the Water & Sewer Fund. Costs associated with the expansion of plant capacity and delivery and collection systems required to meet customer demand will result in increased debt service payments. Compounding the problem is an increase in environmental regulations that mandate additional modifications to existing infrastructure. In

addition, the repair and replacement of aging infrastructure comprises an increasingly larger portion of total expenditures. Ultimately, the costs to expand, upgrade, repair and replace infrastructure within the City's water and wastewater systems will necessitate continued increases in rates charged for water and sewer services.

Commuter Rail Transit [Planning]

In July 2003, the Regional Transportation Council (RTC) initiated a Regional Rail Corridor Study that will identify a Locally Preferred Alternative for the Union Pacific, Cottonbelt / Fort Worth & Western, and Burlington Northern Santa Fe corridors in Fort Worth. On September 30, 2003, the City Council adopted a resolution expressing the City Council's intent to establish local rail transit priorities on the basis of the RTC's Regional Rail Corridor Study. The City has requested Congressional support for "Trinity Railway Express Commuter Rail Extensions" in the reauthorization of TEA-21. Future development of rail transit will require a careful evaluation of available resources, in cooperation with the Fort Worth Transportation Authority and the RTC.

*Facilities Upgrades and Replacements
[Multiple Departments]*

There are numerous facilities within the city system that are aging, out-dated and/or offer insufficient office space for staff. The age and resulting condition of city facilities is important to departmental operations because such factors frequently hinder optimum service delivery. Facilities such as the Meacham Airport terminal and the Municipal Court building are aging, expensive to maintain and increasingly do not provide for the necessary accommodation of new staff, technology or

other improvements. During FY2005-06 the City will complete a Facilities Master Plan that will define and prioritize the City's short, medium, and long range needs for facility upgrades. This plan will be the foundation for the facilities portion of future Capital Improvement Programs. It will also provide the objective data needed to initiate projects for the most urgent facilities needs when opportunities arrive to finance projects using non-traditional means (e.g. build-to-suit, lease-to-purchase, and grants development agreements).

Franchise Utility Relocation and City Right of Way [Engineering, Law]

In 1999, the 76th State Legislature enacted House Bill 1777 (HB 1777), which provided standardized terms and conditions for the use of public rights-of-way for local telephone providers in order to ensure that providers do not face barriers to entry into the marketplace or anticompetitive conditions and that municipalities retain their traditional rights to manage the public rights-of-way and to receive reasonable compensation for the use of those rights-of-way. Further, HB 1777 asserted that municipalities could not require telecommunication providers to enter into franchise agreements. In the past, franchise agreements enabled municipalities to require that telecommunication, electric, and gas utility companies relocate their facilities within the City's right of way to accommodate public works construction.

In 2003, SBC Communications, Inc. claimed that, under the HB 1777, it has the right to be reimbursed for relocation of its facilities unless the relocation is necessitated by street/roadway straightening or widening. This claim was made after a major SBC transmission system was discovered to be in the path of

a proposed culvert for the 1998 CIP Dry Branch Creek Drainage Project. SBC notified the City that the cost of the transmission system relocation was in excess of \$600,000 and requested reimbursement for this cost. SBC has since notified the City that the final cost for Dry Branch Creek is \$1.1 million. SBC has continued to take a similar position on utility conflicts it does not believe are straightening or widening "transportation-related projects."

TXU Electric has adopted a similar position to SBC. Both Atmos Energy Gas and TXU Electric are currently governed by existing franchise agreements. The franchise agreement with Atmos Energy is clear that they bear responsibility for the cost of utility relocations. TXU Electric's franchise agreement is silent on this issue. In several instances TXU Electric has taken the same position as SBC regarding the cost of utility relocation by arguing that when the franchise agreement does not specifically address the costs then the state law, as interpreted by SBC, governs.

SBC and TXU Electric, in most situations, are now requesting payment in advance or signed agreements that would obligate the City for the payments after completion of work. The City Attorney's Office contends that the City has the right to require telecommunication, gas, and electric utility companies to relocate their facilities at their own expense.

Staff believes that this growing issue will result in considerable unanticipated cost and project delay for future infrastructure projects. Major city arterials and neighborhood streets may not be built or rehabilitated in a timely manner and indirect expenses related to utility relocation could cost the City millions of dollars if legislation changes are not made

or if a Right-of-Way Use Ordinance is not created and implemented by the City.

In addition, the private utility companies have dispatched large contingencies of their local staff associated with utility relocation efforts in the Metroplex to Louisiana and Mississippi to begin the repairs necessitated by Hurricanes Katrina and Rita. The reduction in staffing availability for local relocations will likely have a negative impact on the City's capital project schedules.

Lake Worth Trust Fund [Engineering, Municipal Court, Parks & Community Services]

The Lake Worth Fund is a fund that manages close to 300 lease properties adjacent to Lake Worth. Upon expiration of the leases, the fund purchases improvements located on the leased properties and markets the properties for sale to the public. Currently, revenue from these leases is dwindling and is not sufficient for paying related annual expenses that occur with the remaining properties and park grounds. Based on the historical expenditures of this account, the Lake Worth Fund could be depleted in approximately two years. For the last four years the fund has had to use its reserve funds to balance its annual budget. Annual costs for park maintenance and the Lake Patrol may need to be paid from other funding sources other than the dwindling Lake Worth fund.

Utility Improvements [Fort Worth Zoo]

The contract with the Fort Worth Zoological Association (FWZA) states that the City will relocate or alter basic utilities to accommodate any construction or modifications to the Zoo. The FWZA continues to update and renovate existing

exhibit each year. Resources need to be identified each year to meet the City's obligation for funding the utility improvements based on the prospective projects for each fiscal year.

Park Dedication Policy [Parks & Community Services]

In 1998, the Parks and Community Services Department (PACSD) created a Park, Recreation and Open Space Master Plan that was adopted by City Council. The plan set forth strategies to encourage development of a park system in Fort Worth that would meet national standards and focus on achieving the City's Strategic Goal of creating a clean and attractive city. In order to meet the national standard of 21.25 acres of parkland per 1,000 citizens, the PACSD used data from the 1997 Needs Assessment Survey, to develop a more comprehensive Park Dedication Policy. Under the current policy established in 2000 and revised in 2004, developers are required to dedicate 6.25 acres in local close to home park land per 1,000 population (note: in the Central City a flat fee of \$500 per additional residential unit is accessed). The balance of 15 acres to meet the national standard would come through donation or acquisition of large regional parks.

Based on the projected growth the City will acquire approximately 700 acres by 2010 resulting in a need to increase the total operating expenses over the coming five years by \$900,000 to a total of \$2.5 million.

LONG-TERM ISSUES:

The following are the issues that are expected to have an impact and need to be addressed in year four and beyond:

Fort Worth Nature Center Master Plan Implementation [Parks & Community Services]

The master plan for the Fort Worth Nature Center and Refuge (FWNR&C) was adopted by the City Council in June 2003. This plan calls for the development of the FWNR&C in several phases that include center improvement, the construction of a new Visitor's Center, increased staffing and program delivery. The plan also calls for the center to provide venues for a multitude of events to raise revenue for the operation of the center. However, the success of this plan depends largely on an increase in base funding to successfully leverage private funding.

Replace Fire Stations 37 and 40 [Fire Department]

Fire Stations 37 (4721 Ray White Road) was built as a temporary fire station and opened in December 1998. It was determined that a fire station was needed in this area of the City, but the unknown growth pattern determined that a temporary station be built. With the current growth in the area, a location for permanent stations can now be identified. Fire Station 40 (8510 Spring Street) was originally an Eagle Mountain Volunteer Fire Department station the City acquired during the Lake Country annexation. The station became an active Fort Worth Fire Department station in January 2000. Although the station has served the department well, with continuing growth in the area, relocating the station would better serve the area. Additionally, the station does not meet the standards for the Fire Department; for example, the apparatus building had to be extended in order for our apparatus to fit in the bays. Even with the extension, the building is marginal at best.

Storm Water Permit Renewal [Environmental Management]

In the fall of 2004, the City of Fort Worth received a draft permit to Discharge to the Waters of the State of Texas, the Storm Water Permit. Comments have been sent back to the TCEQ and we are waiting for the final draft to be published for public comment. Although draft, several programs that still raise concern include:

Floatables Program

To date, the City has been working to characterize the amount and makeup of the floating trash that enters its storm drain system. An anticipated program/permit improvement will be the mandate of, at a minimum, a field study of floatable removal technologies. Results of these tests will help define removal efficiencies and cost applications. Worst-case scenario, the large-scale removal of floatable trash in our streams could be required.

Construction Inspection

Currently, the City inspects all construction sites and common planned developments that are 1 acre or greater. Currently 2 inspectors actively inspect and regulate the more than 350 active developments in the City. Depending on permit requirements, this workload could be greatly increased due to increased monitoring requirements.

Industrial inspections

Under our current program, all industrial discharges are to be inspected once during the permit term. It is anticipated that the new permit will require annual inspection of all industries in the City for pollution potential. This will dramatically increase the workload of this program.

Without final compliance date, requirements, or permits, it is difficult to anticipate the potential financial impact of

these programs. What is known is that whatever is required will result in an increased workload for this department.

Trinity River Vision Implementation [Planning]

The Trinity River Vision Master Plan encompasses almost 88 miles of river and major tributary corridors in Tarrant County and considers flood control, environmental quality, conservation, recreation facilities, trails, reforestation, beautification, and linkages to neighborhoods and downtown. The Master Plan proposes an urban waterfront, town lake and bypass channel for the Central City segment of the river. The Tarrant Regional Water District in cooperation with Streams and Valleys Inc., the City of Fort Worth, and the U.S. Army Corps of Engineers, has prepared a Central City Economic Feasibility Study to determine the costs and benefits of moving forward with the urban lake concept. The study estimates that \$320 million in capital expenditures would be required over a 25-year period, with \$250 million required in the first 15 years to build the bypass channel, dam, initial waterfront, and for certain bridge, railroad and clean up costs. The study considers various financing options, such as 50% of the funds coming from federal sources and 50% from a combination of local sources including bond funds.

Street and Bridge Maintenance and Reconstruction [Transportation/Public Works]

Of the city's 6,402 lane miles, 785 lane miles are rated as "poor" streets. Without additional resources, the condition of the city's streets will continue to deteriorate. During the past 10 years, the City of Fort Worth has experienced tremendous growth. New residential and commercial

areas have increased the size of the transportation infrastructure. At the same time, the existing infrastructure continues to age.

Moreover, the City has 277 major bridges, of which 86 are more than 40 years old. Many are showing the effects of age, particularly in the form of deteriorating bridge decks. Currently there are 10 bridges in very poor condition, 2 in poor condition and 31 are in fair condition, which will require major deck repair or replacement in the near future. A large deck-sealing program is needed to slow the aging process and extend the useful life of deteriorating bridge decks. The Adopted Budget includes \$154,451 for the Transportation and Public Works Department bridge maintenance program. These funds will provide for a contract for routine bridge maintenance services and consulting on the condition of the City's bridges. However, additional funding sources must be found.

Development of a New Arena at Will Rogers [Public Events]

The existing arena at the Will Rogers Memorial Complex (WRMC) was opened in 1936. Due to its age, it no longer offers facility users sufficient seating capacity or modern amenities. Construction of a new arena, along with the necessary support facilities including an equestrian center, meeting space, offices and additional parking facilities, would better meet the needs of current facility users. In addition, a new arena would attract new equestrian and other businesses to WRMC. The construction costs are estimated to be approximately \$150 million. Development and construction may involve both private capital and a City financial contribution.

Growth and Annexation [Parks & Community Services]

As the City of Fort Worth expands its corporate limits, a need exists to provide services to those individuals living in those areas and in support of future growth. In addition to the parks provided in accordance with the parkland dedication policy, the turf and plant materials including trees contained within medians will need to be maintained on an established schedule. Trees within the City's rights-of-way and traffic intersections will need to be maintained. Funding will need to be identified for this maintenance and new field operation sites; in addition, funding will be needed for construction and operating costs of providing other facilities and services such as regional parks, community park development, and recreation program delivery.

As the City grows in population there are needs identified in the Park, Recreation and Open Space Master Plan to add basic recreation facilities. Service delivery programs will also need to be addressed as the changes in the diversity of the population create a need for new and varied programs and services. The demand will put a strain on existing facilities, resources and services. Steps to address growth will include planning, adding facilities in outlying areas, and increasing resource levels to provide requested services.

Persistent Disparities In Health Among Different Populations [Public Health]

Research by the Public Health Department indicates that mortality and morbidity rates have been consistently higher among minority groups. Infant mortality rates are generally considered to be the most important index of community health.

Disparities among racial groups remain with respect to infant mortality rates. During 2002, the rate for Black infants in Fort Worth was 13.8%, more than twice the rate reported for White infants (5.9%) and over twice the rate for Hispanics (6.2%). To mobilize available resources, the department will need to expand its outreach capabilities. This involves cultivating partnerships with a broad array of community agencies, faith-based organizations and non-traditional partners. Accordingly, expanded funding to implement community-driven, evidence-based programs that address health disparities at the community level will be necessary. This would include continuing to build on the progress made by the Mobilizing through Partnerships and Planning (MAPP) process. As the Tarrant County Infant Mortality Task Force continues to grow, increased financial support will conceivably be sought within the next five years from Task Force Partners. It is anticipated that the City will be asked to take a greater role in the acquisition and financing of initiatives to confront this serious public health problem.

Obesity Problems in Fort Worth [Public Health]

Preliminary data from the 2003 Community Needs Assessment shows more residents adopting healthier habits such as eating less high cholesterol or high fat foods; and the beginnings of more exercise. An opportunity exists to further impact these numbers by expanding efforts to bring physical activity and healthy eating programs to adult audiences. With research supporting the issue of rising obesity rates in Fort Worth, and the negative impact being overweight has on health, the City has been an active partner with community agencies to address this

issue. Funding options may include state and federal grants that become available.

Zoo Parking And Management Plan [Parks & Community Services]

The Fort Worth Zoo has become one of the premier zoological facilities in the state of Texas. With increasing visitation the Fort Worth Zoo hosts more than one million visitors annually with visitation peaking during second quarter of each fiscal year. However, the success of the Fort Worth Zoo has caused many issues in the neighboring community due to traffic congestion and parking concerns. In an effort to mitigate these problems, a strategy is being developed to address parking and traffic concerns. Once a strategy is approved, the success of this plan will depend on the sufficient allocation of resources.

Dedicated Vehicle Replacement Funding Source [Multiple Departments]

Current funding levels have not been sufficient to fund all vehicle and equipment replacements within the City, particularly for General Fund departments. If these vehicles are not replaced in a timely manner, the City incurs increasing maintenance charges as the equipment ages. One option to fund the needed replacements is a dedicated equipment replacement fund. Such a fund would allow for vehicle replacements based on need rather than competing funding priorities.

DEPARTMENTS AND PROGRAMS

DEPARTMENTS

The City of Fort Worth government is divided into separate departments based on the different types of programs and services provided.

A complete alphabetical listing of City departments and their functions is provided later on in this booklet.

The budget also includes a Non-Departmental section to allocate funding for activities that are not directly related to a specific department. Examples of these types of expenditures include:

- Audit costs
- City insurance
- Litigation costs
- Debt service
- City professional memberships

STRATEGIC PLANNING AND BUDGETING

For several years the City utilized program budgeting, focusing on goals and objectives and incorporating line item budgeting that focuses on expenditures by account. However, in June 2001, the Fort Worth City Council began priority planning and adopted initiatives or strategic goals for the City.

In the summer of 2005 the City Council reaffirmed the City's six strategic goals previously established in 2001. Additionally, they added a seventh goal focusing on improving mobility and air quality. The City's strategic goals for 2003-2007 are:

1. Make Fort Worth the nation's safest major city.
2. Improve mobility and air quality.
3. Create and maintain a clean, attractive city.
4. Strengthen the economic base, develop the future workforce, and create quality job opportunities.
5. Revitalize and redevelop the central city and other older areas.
6. Promote orderly development in growing areas.
7. Promote efficient, user-friendly government.

The City's budget still incorporates both program budgeting and line item budgeting, but now all proposed programs are aligned with one or more of the City Council's strategic goals.

Each department's expenditures are presented in the budget. However, departments are also responsible for identifying and including performance measures. The standards established by those performance measures tie back to the departments' adopted budget expenditures. For example, the budget includes both the total planned expenditures for the Police Department, as well as the projected impact the budget will have on the number of crimes that are likely to be committed in the next year.

Beginning in FY2001-02, departments began producing annual Business Plans. The performance measures included in the adopted budget correspond to the goals and objectives contained in those plans for the appropriate fiscal year and each business plan is currently aligned with achieving the goals set forth by the Council. The processing of strategic

planning and budgeting is important because it not only emphasizes quality and efficiency in City services, but also gives a clear statement about the direction each department is moving.

THE BUDGET PROCESS

Development of the City's budget begins in the spring of each year. For the past few years, budget development has begun with a City Council retreat at which the Council determines its initial budget priorities for the up-coming fiscal year, based at least in part on the results from the annual survey of Fort Worth residents. Taking into account those initial Council priorities, departments compile their budget requests for the upcoming fiscal year, which begins on October 1. The departments' requested budgets are then submitted in draft form to the City's Budget and Management Services Department (B/MS).

At that point, the B/MS staff analyzes each department's budget request, giving careful consideration to program impact. Based on that analysis, the B/MS Department then makes its recommendations to the City Manager, incorporating any changes made to departments' requests.

On the basis of these recommendations, discussions with department heads and senior staff, and further City Council input and direction, the City Manager makes any necessary expenditure and revenue adjustments to balance the budget. B/MS then compiles the *Annual Budget and Program Objectives as Proposed by the City Manager* for presentation to the City Council in mid-August.

After the proposed budget is presented to the City Council, the content of the budget is discussed in a series of Budget Study

Sessions, which in the past few years, have generally been held once a week, on Tuesday and/or Thursday, for approximately one month. During this period, the Council also holds public hearings, at its regular Tuesday City Council meetings, for citizen commentary on the proposed budget. Based on input from citizens and priorities established by Council Members, changes are made and the budget is finalized. The City Council then officially approves the budget by adopting an appropriation ordinance. The official property tax rate for the next year is also set at this time, through adoption of the property tax ordinance.

The calendar for development of the FY2005-06 operating budget was as follows:

- Aug 9th** The City Manager's proposed budget is presented to the City Council.
- Aug 11th** Budget Study Sessions begin, and are held on Tuesday and/or Thursday each week through budget adoption.
- Sep 13th** Budget is adopted by the City Council. Tax rate is set.
- Sep 30th** Fiscal Year 2004-05 ends.
- Oct 1st** Fiscal Year 2005-06 begins.

FISCAL YEAR 2005-06 ADOPTED BUDGET

GENERAL FUND REVENUES

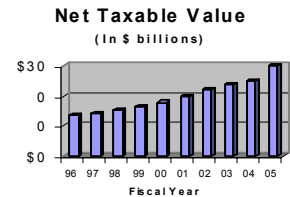
PROPERTY TAX

The property tax is the primary source of revenue for the General Fund. The property tax is also called the

"ad valorem" tax, which means "on value." The tax is paid by

property owners in Fort Worth based on the value of their houses, real estate, and personal property, as appraised by the Tarrant Appraisal District (TAD). Three factors affect a property owner's property tax bill:

- The assessed valuation of the property
- Any tax exemptions for which the owner qualifies
- The property tax rate adopted by the City Council



Between 1983 and 1990, the adjusted net taxable assessed valuation rose from \$7.1 billion to \$14.93 billion. Beginning in 1991, the assessed valuation began to decline, bottoming out at \$12.8 billion in 1994. However, since 1996, growth and expansion within the City of Fort Worth have caused the adjusted net taxable assessed valuation to increase to \$28.4 billion in 2005. Despite the slow recovering economy, City leaders were able to maintain the property tax rate at \$0.8650 per \$100 of assessed value for FY2005-06. This was done by implementing several innovative reductions and movement of personnel in key areas.

Another factor affecting property tax collections is the City's exemption policy. An exemption allows a percentage of a property owner's valuation to be excluded from taxation. Furthermore, the decrease in the value lost to exemptions resulted in an increase in property tax revenue for the City. As a result, city staff was able to present a balanced budget without having to make significant reductions in service level.

The City's current exemption policy allows for five discretionary exemptions:

- The general residence homestead exemption
- The senior citizen homestead exemption
- The disabled homestead exemption
- The historic sites exemption
- The transitional housing for indigent persons exemption.

The most significant of these discretionary exemptions is the general residence homestead exemption, which results in lost assessed value of more than \$2.5 billion.

The City Council does not exercise discretionary power over several other property tax exemptions due to state or federal law, or prior, irreversible City Council actions. Most of these non-discretionary exemptions apply to businesses rather than residences. The most significant of these exemptions is for freeport goods, which is a permanent exemption instituted by the City Council. Freeport goods are defined as property held by companies in Fort Worth for a period of fewer than 175 days for the purpose of assembly and/or transport to another state. Freeport goods are not

taxed. This exemption alone is projected to result in lost assessed value of \$1.81 billion in FY2005-06.

Another example of a non-discretionary exemption is that for Foreign Trade Zones, which is mandated by the federal government. Two local zones exist in Tarrant County, including the areas surrounding D/FW Airport and the Alliance corridor. Eligible inventory with either a foreign source or a foreign destination is non-taxable. This exemption is projected to result in lost assessed value of \$11.8 million in FY2005-06, but is also expected to foster foreign commerce.

The City Council has also established a tax abatement policy for businesses to stimulate economic development and create jobs for Fort Worth residents. Tax abatements provide a partial exemption from property taxes paid on the increased property value. This increase in value results from the owner's investment in the property. Total abated property projected for FY2005-06 is valued at \$147.4 million. Such tax abatements are audited periodically and adjusted if businesses are not complying with the terms of the abatement.

In FY2005-06, the total assessed value lost due to exemptions and abatements in Fort Worth is projected to be in excess of \$6.2 billion, which could result in a loss of nearly \$53.9 million in potential revenue. However, the City Council remains committed to the exemptions outlined above.

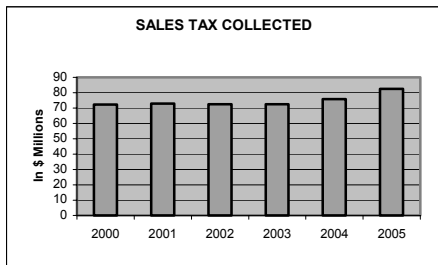
The final factor affecting a property owner's tax bill is the property tax rate set by the City Council. Over the past ten years, the City's tax rate has changed frequently in conjunction with changes in the economy.

In fact, the City of Fort Worth's property tax rate increased by 22.7% between FY1986-87 and FY1994-95. However, as the tax base expanded, the tax rate was reduced from \$0.9735 per \$100 valuation in FY1994-95 to an adopted \$0.8650 for FY2001-02. Due to the continued slow economic recovery, the FY2004-05 tax rate will be maintained in FY2005-06.

The average value of a single-family home in 2005 is \$102,648. For a homeowner with a \$100,000 house who faced a full 10 percent increase in the assessed value of his/her home in 2005 (the maximum one-year increase allowed under state law), the tax increase would be only \$87 per year. For the average homeowner, the increase is only \$84.

SALES TAX

The second largest source of revenue to the General Fund is from sales tax. State law sets the base sales tax rate. Municipalities can establish an additional local sales tax rate for limited purposes through local referenda. The combined local purpose sales tax rate cannot exceed two percent.



The State's base rate combined with the local tax rate equals the total tax that individuals pay on goods and services within a particular city. Sales of foods and drugs are exempt from the tax, as are purchases by governmental agencies, non-profit organizations, and churches.

Currently, a total sales tax rate of 8.25 percent is charged in the City of Fort

Worth. The following list identifies which entities benefit from the sales tax:

- 6.25% State of Texas**
- 1.00% City of Fort Worth**
- 0.50% Crime Control & Prevention District**
- 0.50% The T (Fort Worth Transportation Authority)**

Sales tax revenue depends on retail sales. Consumer spending, retail development, and inflation directly effect retail sales. The above chart depicts five years' worth of actual sales tax revenue in the General Fund.

In May 2000, Fort Worth residents reauthorized the half-cent portion of the sales tax dedicated to the Crime Control and Prevention District, which was initially established by popular vote in March 1995. Funds from the half-cent tax are being used to pay for additional police personnel and equipment, as well as various crime prevention programs. This revenue is not being added to the General Fund. Instead, the revenue is being placed in a separate fund called the Crime Control and Prevention District Fund. The half-cent portion of the sales tax was placed before the voter again during the 2004-2005 fiscal year, and was approved.

LICENSES AND PERMITS

Licenses and permits income constitutes approximately \$47.5 million, or 10.3 percent, of the City's General Fund revenue budget for FY2005-06. Some of the fees that are included in this source of revenue are:

- Franchise fees on utility companies
- Electrical permits
- Plumbing permits
- Parking permits
- Building permits
- Public health fees
- Occupational license charges

Revenue from this source has grown significantly over the past six years, due primarily to franchise agreements with Southwestern Bell and TXU Electric. Water Department street rental fees and cable television street rental fees have also realized significant increases and this is expected to continue in the upcoming fiscal year. Revenues in this category are projected to be one percent lower during FY2005-06.

OTHER REVENUES

Other sources of revenue make up approximately 15.73 percent of the City's total General Fund revenue. These revenues come from:

- Fines for traffic and parking violations
- Revenue from other cities and agencies
- Rental income from the use of City facilities
- Interest income from the investment of reserve funds
- Fees for public health, recreation, and library services

Revenue in these other areas is expected to experience only slight growth in FY2005-06 from the FY2004-05 Adopted Budget.

EMPLOYEE COMPENSATION

Employees are the City's major resource, providing the services desired and required by citizens. They are the ones who fill the potholes, protect homes and lives, repair traffic signals, and perform other functions necessary for the provision and effective operation of City services.

In acknowledgement of the value of that resource, the City of Fort Worth has demonstrated a commitment to improving its compensation and classification system. At the same time, City leaders have recognized the importance of a competitive salary schedule to improving the City's ability to compete with other public and private sector entities for quality employees. Therefore, in FY1997-98 the City commissioned the first comprehensive compensation study in 20 years, to determine how the City of Fort Worth compared to other municipalities and large organizations in terms of compensation and classification of employees.

The study resulted in the 1999 implementation of a new, "step" compensation plan for non-exempt employee classifications. Per that approved plan, non-exempt employees receive annual salary adjustments (assuming their performance is rated as "competent" or better), or "step" increases. The implemented plan also includes market adjustments so that City employee salaries remain competitive with other area employers.

The City's 2005-06 adopted budget allows for compensation adjustments for all employees. The cost of this year's compensation plan was approximately \$12.9 million for the General Fund.

This funding is sufficient to provide across-the-board (ATB) forecasting adjustments; various market adjustments; and step/performance pay increases for employees that are rated at least competent in their performance appraisals. The compensation amount will be capped so that no general employee will get more than a 6 percent total increase. All police and fire employees will be capped at 10%. All police, fire and general employees will be eligible for a 1 percent ATB, with the exception of employees in disciplinary situations. All eligible police and fire employees may receive step increases up to 5 percent in addition to a 4 percent market. Non-exempt general employees receiving a market increase will not be eligible for step increases. General employee salaries that are significantly behind market will receive a 5 percent market increase. However, employees in these positions can only receive a maximum of 6 percent, consistent with the 6 percent salary cap.

GROUP HEALTH INSURANCE

Employee benefits are another important component of the total compensation package. In particular, the cost of group health insurance, the most significant benefit for most employees, continues to rise.

In FY2001-02, the City became self-insured for its medical benefits. The Adopted Budget for FY2005-06 reflects a \$2,258,078 decrease in City Contributions from the FY2004-05 Adopted Budget. The total budget for employee health care benefits and life insurance is \$52.9 million, with the City paying 70 percent of the health care cost and employees and retirees paying a combined total of 30 percent. As in the past, this budget is

sufficient to fund reserves and cover the cost of health care for active employees and retirees. The City currently offers three plan options for its employees: they are the Basic, Basic Plus, and the Select plans.

Approximately 83% of the employees and retirees are enrolled in the Basic Plan. Due to the strong performance of the plan and adequate reserve levels, the premium contributions for employees and retirees will remain the same. Retirees hired prior to October 5, 1988, and those with 25 years or more of services will continue to get the Basic Plan coverage at no cost. However, a different rate structure is provided for retirees who are eligible for Medicare. The separate rate structure, which provides lower premiums for retirees eligible for Medicare in recognition that they are less costly to the plan than the retirees that do not have coverage under Medicare.

VEHICLE REPLACEMENT PLAN

The adopted budget increases the funding level for replacement of general fund vehicles. The total amount funded is \$2.0 million, which is a \$933,000 increase over the \$1.67 million allocation in the FY2004-05. Although not at the desired level, it is improved over the current year. This funding will allow the replacement of 58 vehicles in General Fund departments, including Public Events, Transportation and Public Works, Fire, Parks and Community Services, and Municipal Court.

CAPITAL IMPROVEMENTS

In order to study, acquire, replace, design, and construct various capital improvements, the City of Fort Worth

utilizes proceeds from the following sources:

- General obligation bonds
- Revenue bonds
- Commercial paper
- The Capital Projects Reserve Fund
- The State Revolving Loan Fund
- Gas Well Lease Revenue
- Federal and State grants
- Private contributions/assessments
- Certificates of obligation

These improvements may include new construction; an expansion, upgrade, replacement; or other addition designed to improve, conserve, or maintain the value of City assets or enhance service capacity and visual environment. Capital improvements are expected to have an ordinary useful life of at least 15-20 years, which is the approximate time required to repay the bonds issued to fund a specific improvement. In fiscal year 2005-06, the City has literally hundreds of capital projects in various stages that include: project planning, site exploration, analyses, and selection, right-of-way acquisition, public hearing, utility relocation, site preparation, project agreement preparation, design, construction, and inspection.

Fort Worth residents approved a \$120 million bond program in February 1998 to address capital needs in the following areas:

- Street and Storm Sewer Improvements (\$80 million)
- Convention Center and Public Event Facilities Renovations (\$20.7 million)
- Parks and Community Services Improvements (\$11.8 million)

- Fire Services Improvements (\$4.8 million)
- Library Services Improvements (\$2.7 million)

Many 1998 bond projects have been completed since inception and the Program is 95% completion as of Summer 2005.

In February of 2004, the citizens of Fort Worth voted to approve a \$273.5 million bond program to address capital needs and priorities in the following six areas:

- Street and Storm Sewer Improvements (\$232.9 million)
- Parks, Recreation, and Community Services Improvements (\$21.6 million)
- Library System Improvements (\$4.49 million)
- Fire Safety Improvements (\$12.6 million)
- Telecommunications Systems/Project Improvements (\$1.19 million)
- Public Health Facility Improvements (\$665 thousand)

Visit the City's website at www.fortworthgov.org/cmo/bondupdate/index.asp for more information regarding: a) the 1998 Capital Improvement Program that is nearing completion, b) the 2004 Capital Improvement program has been initiated and is in progress, and c) the six-year implementation schedule developed for initiation or completion of each of the projects in the 2004 CIP approved by City Council.

Debt financing allows the City to provide costly improvements to public facilities without excessively burdening current Fort Worth taxpayers. No property tax

increases will be necessary to finance these improvements.

FY2005-06 INITIATIVES AND MAJOR ALLOCATION ADJUSTMENTS FOR CITY DEPARTMENTS

The following departments draw the majority of their annual operating funds from the General Fund. FY2005-06 initiatives and major allocation adjustments are described in the following section, which is organized alphabetically by department.

For comparison purposes a table is included at the end of this section. To get further information regarding the budget, please visit the City's website at www.fortworthgov.org.

BUDGET AND MANAGEMENT SERVICES

The Budget and Management Services Department is responsible for coordinating, establishing and monitoring the City's budgetary expenses and revenues, performing management studies, tracking and reporting of capital improvement programs (CIP) and other capital projects, policy development, and grant writing and research. In addition it also monitors, audits and ensures compliance with the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with Aids (HOPWA) Grant. Furthermore the department makes recommendations to the City Council on the City's franchised utilities and reconciles the City's electric billing for accuracy and performing utility studies/research.

The adopted Budget and Management Services budget is \$1,113,744. This is a BMS's second year as a new department and was formerly part of the City Manager's Office.

CITY MANAGER'S OFFICE

The City Manager's Office is responsible for administering the programs and policies established by the City Council. The City Manager is hired by the City Council. This office directs and coordinates the operations of City departments and informs and advises the City Council regarding City transactions and issues, including existing conditions and future requirements. The department oversees a number of functions critical to the City's operations.

The adopted City Manager's Office budget is \$4,652,027, representing a 14.78 percent increase from the FY2004-05 adopted budget. This increase is primarily due to the transfer of the Emergency Management Office, along with 6 authorized positions to this department from the Fire Department. The transfer will enhance communication and ensure a better working relationship with all city departments, neighboring jurisdictions, and private and non-profit organizations.

CITY SECRETARY

The office is responsible for the administration of all elections and the establishment and maintenance of the minutes of City Council meetings and other official City records.

The adopted City Secretary budget is \$590,214, representing an 11.63 percent increase from the FY2004-05 adopted budget. The increase is primarily due to an

increase in other contractual services to include funding for the restoration of ten City Council Minute Books and increase in the number of ordinances that must be codified.

CODE COMPLIANCE

The Code Compliance Department encourages and enforces compliance with the City's environmental codes through inspection of private property, including buildings. Educational programs are important components of reducing the need for enforcement; however, legal action to enforce the City Code is taken when necessary.

In FY2003-04, the City Council approved the creations of the Code Rangers. This program consists of trained Code Ranger volunteers who provide reports of suspected code violations to the City. Then the City sends courtesy letters to property owners and residents regarding possible code violations in an effort to improve the appearance and safety of the neighborhood.

The Code Compliance Department's adopted budget of \$7,740,837 represents a 1.53 percent increase over the FY2004-05 adopted budget. This net increase includes the conversion of four Code Officer overages, and the transfer of the Right of Way Mowing Program, along with 14 authorized positions to the Parks and Community Services Department. This transfer will allow the Parks and Community Services Department to continue to maintain the City's right of ways.

COMMUNITY RELATIONS

The Community Relations Department is responsible for resolving charges filed under the City's anti-discrimination ordinance, and providing fair housing opportunity services and community relations programs. Additionally, the department conducts multi-cultural events, provides community outreach programs, promotes youth empowerment and provides information and referrals regarding City services. The department also assists neighborhoods in building their capacity and conducts neighborhood information sessions.

The Community Relations Department's adopted budget of \$877,466 represents a .61 percent decrease from the FY2004-05 adopted budget.

DEVELOPMENT

The Development Department performs inspections, approves plans, and issues permits for new construction and building renovation projects throughout the City. Additionally, the department is responsible for any updates to zoning lots and the preparation of Community Facilities Agreements. This department is the central contact for any new development within Fort Worth.

The adopted Development budget is \$8,265,856, a 10.64 percent increase over the FY2004-05 adopted budget. The department's budget includes an addition of \$336,897 for upgrading the commercial plans review process. This upgrade will enable the Development Department to reduce the current backlog of providing commercial plan review service from up to 26 days to no more than 10 days. Additional funding was added for Central

City Redevelopment. This improvement enables the Department to better serve the particular needs of the development community throughout the central city areas by assisting projects with an in-depth study of regulations relating to each project and tailoring code strategies to facilitate redevelopment.

ECONOMIC AND COMMUNITY DEVELOPMENT

The department is charged with sustaining a healthy and diverse economy, supported by business development, emerging technologies, and a world-class workforce.

The adopted Economic and Community Development budget is \$1,914,959, representing a 20.09 percent increase over the FY2004-05 adopted budget. This increase is primarily due to additional funding for the Women's and Business Assistance Center (BAC) due to a loss of federal funding during FY2004-05.

ENVIRONMENTAL MANAGEMENT

The department is responsible for ensuring that the City is in compliance, or developing means to achieve compliance, with all federal (EPA) and state environmental regulations.

The adopted Environmental Management budget is \$1,222,988, representing a 3.51 percent increase from the FY2004-05 adopted budget. The increase is primarily due to the FY2005-06 Compensation Plan and the addition of a Senior Customer Service Representative.

FINANCE

The department has general responsibility for the financial administration of the City.

The adopted budget for the Finance Department is \$4,428,623, which represents an increase of 3.39 percent from the FY2004-05 adopted budget. The net change is primarily due to implementation of the compensation plan and a reduction of one Purchasing Supervisor position, and an increase in IT Solutions accounts due to the increased cost of providing communications and technology services across the City.

FIRE

Under the direction of the Fire Chief, the department provides protection of life and property from fire, first response for emergency medical service, programs for fire safety and prevention, arson and fire cause investigations, and the dispatching of fire fighting apparatus and personnel to fire scenes and other emergencies.

The adopted budget for the Fire Department is \$84,143,297, which is a 13.09 percent increase from the FY2004-05 adopted budget. This increase is primarily due to civil service salary increases for the implementation of the FY2005-06 compensation plan and salary cost for three months for fire stations 41 and one month for fire station 38. Additional funding was also added for the establishment of three- firefighter-training classes. Also, additional funding was added in overtime to convert sixteen three-person companies at double company fire stations to four-person staffing.

HOUSING

The department is responsible for the administration of housing services primarily for low-income persons. Federal, state, and local sources fund these activities. Services include acquisition, rehabilitation,

emergency repair, weatherization, closing costs assistance, and street reconstruction.

The adopted General Fund budget for the Housing Department is \$135,160 a 27.10 percent increase from the FY2004-05 adopted budget. This increase is primarily due to the addition of nine month funding for Senior Planner and Administrative Assistant positions to implement a new Homelessness Program. Contributions from the Community Development Block Grant program will help to fund the Homelessness Program. This program will consist of staff for the Mayor's permanent Committee on Homelessness and oversee the implementation of a 10-year plan to end chronic homelessness in the City of Fort Worth. This department primarily uses federal funding to sustain its activities.

HUMAN RESOURCES

The department's services include administering the City's compensation and fringe benefit program; preparing and revising job classifications; and maintaining employee records. Functions also include recruiting qualified applicants for all City positions with emphasis on workforce diversity; developing and administering valid employment selection instruments; evaluating and referring qualified applicants to departments; assessing training needs; providing management and employee development opportunities; monitoring the affirmative action/equal employment opportunity program and grievance appeal process; interpreting and counseling employees on the City's human resources rules and regulations; recommending human resources policy revisions to the City Manager; providing counseling and referrals to employees with

substance abuse problems or other personal problems.

The adopted Human Resources budget is \$3,688,187, which represents a .08 percent increase from the department's FY2004-05 adopted budget. This increase is primarily due to increases for the implementation of the FY2005-06 compensation plan.

INTERNAL AUDIT

The department is charged with conducting fiscal compliance and financial procedure audits of all City departments, offices, agencies, and programs. The department also performs other activities as directed by the City Council.

The adopted Internal Audit budget is \$1,030,993, which is a 4.74 percent increase from the FY2004-05 adopted budget. The increase is primarily due to employee salary increases for the implementation of the FY2005-06 compensation plan.

LAW

The department is responsible for administration of all legal affairs of the City; representation in suits, litigation, and hearings; preparation of documents needed for the sale and issuance of bonds; preparation of ordinances, contracts, and all other legal documents; supervision and regulation of all public utilities; and the rendering of legal advice and opinions for the City Council, City Manager, and City departments.

The adopted Law budget is \$4,081,611 which is a 7.51 percent increase from its FY2004-05 adopted budget. The increase is largely the result of the conversion of a

Legal Secretary overage position to assist the attorneys with the administrative activities in the department, and alleviate the current workload on the administrative staff.

LIBRARY

The department is responsible for delivering library services to meet the educational, informational, cultural, and recreational needs of Fort Worth citizens of all ages.

The adopted Library budget is \$15,607,205, a 6.73 percent increase from the FY2004-05 adopted budget. The adopted budget primarily increased due to employee salary increases for the implementation of the FY2005-06 compensation plan, and additional funding for library books and materials. The City also received a \$250,000 grant from the Library Foundation for library materials, which was matched by the City. The total increase in funding for library books and materials is \$450,000.

MAYOR AND COUNCIL

The Mayor and eight Councilmembers form the legislative and policy-making body in Fort Worth's council-manager form of government.

The adopted Mayor and Council budget is \$993,933, which is a 22.63 percent increase from the FY2004-05 adopted budget. The increase is primarily attributable to the addition of two Administrative Secretary positions that will improve customer service, and assist Council Members in responding to citizen concerns.

MUNICIPAL COURT

Municipal Court is a court of record comprised of eight municipal courts, which have jurisdiction within the City of Fort Worth's territorial limits over all Class C misdemeanor criminal cases brought under City ordinances and the Texas Penal Code.

The Municipal Court adopted budget is \$11,004,177, which is a 13.11 percent increase from the FY2004-05 adopted budget. This increase is primarily due to the addition of six Deputy City Marshals to provide enhanced security and screening in City Hall, one Systems Administrator to support the new Case Management and Documenting System, and one Customer Service Representative to support the Teen Court Operations. Teen Court operation is a community service option for teenagers 10-18 years old, granted by a Municipal Court Judge. Teen Court requirements include community service hours, assessed by a teen jury, ranging from no less than 8 hours to no more than 64 hours for each offense, jury duty, class, an essay and court costs. Successful completion of all the Teen Court requirements will result in dismissal of the citation.

NON-DEPARTMENTAL

The Non-Departmental area records all costs involved for expenditure items that are not exclusively within the programmatic responsibilities of any one General Fund department.

The Non-Departmental adopted budget is \$85,093,809, which is a 5.55 percent increase from the FY 2004-05 adopted budget. The adopted budget increase is due primarily transfer of funds primarily for

the Harley lease payments, electricity costs and IT allocation costs. The increase is also attributed for other contractual costs primarily for economic development incentives (380 agreements) and additional funds for the Comin' Up Gang Prevention program. This program's responsibility is to deter at risk youth from becoming involved with gang-relating activities, thereby reducing citywide criminal activities.

PARKS AND COMMUNITY SERVICES

The department is responsible for the planning, design, development, and maintenance of parks, as well as for the planning and administration of the various recreation and human services programs that the City offers.

The adopted budget for the Parks and Community Services Department (PACS) is \$24,152,307, which represents an 14.98 percent increase from the department's FY2004-05 adopted budget. This increase is primarily due to the transfer in of the Right of Way Mowing program from Code Compliance. Additional funding was also approved for a four positions to complete the Water Garden feature maintenance, horticulture planting bed maintenance, mechanical maintenance, and preparation for special events at the Fort Worth Water Garden. Other increases were for three Skilled Trades Technician positions to complete in-house projects that require limited design and engineering, and one Maintenance Worker position at the Log Cabin Village. A Landscape Architect was added to administer the Neighborhood Park Development Grant Program.

PLANNING

The Planning Department advises the City Manager, the Planning Commission, the Zoning Commission, and the City Council on short and long-range planning matters.

The Planning Department's adopted budget is \$1,647,102, which is a 10.13 percent increase from the department's FY2004-05 adopted budget. This increase is primarily due to an increase in employees' salaries for the implementation of the FY2005-06 compensation plan, additional funding for an Office Assistant I, and an increase in IT Solutions accounts.

POLICE

Under the direction of the Chief of Police, the department develops and implements programs to deter crime and enforce traffic laws in order to protect life and property.

The adopted budget for the Police Department is \$134,120,914 an 8.01 percent increase above the FY2004-05 adopted budget. This increase is primarily the addition of one Mounted Officer, one Vice Officer and funding for 19 Police Patrol Officers, and two Sergeants based on the Justex Police Allocation Model the was conducted in FY01-02 to analyze the Police Department operations. Six Detectives were added to respond to growing caseloads.

PUBLIC EVENTS

The Public Events Department promotes and schedules events to be held in the City's facilities.

The adopted Public Events budget is \$9,275,042, which is a 4.83 percent increase over the FY2004-05 adopted

budget. The increase is primarily attributable to salary increases for the implementation of the FY2005-06 compensation plan, additional funding for the conversion of two overage positions, Sales Manager and Administrative Assistant, to permanent authorized positions, and an increase in Information Technology charges.

PUBLIC HEALTH

The department is responsible for safeguarding and improving the general public health of the City. The adopted Public Health budget is \$7,506,912, which is a 2.19 percent increase above the FY2004-05 adopted budget. This increase is primarily attributed to additional funding for the FY2005-06 compensation plan, and an Animal Cruelty Investigator to investigate animal-related offenses.

TRANSPORTATION AND PUBLIC WORKS

The department seeks to improve the physical condition of the City by maintaining current transportation and public works facilities and by aiding in the coordination of the most convenient and efficient public transportation system possible for all citizens.

The Transportation and Public Works Department's adopted budget is \$44,478,294, which is a 9.59 percent increase from the department's FY2004-05 adopted budget. This increase is attributed primarily to additional staffing. The following authorized positions were added: a Traffic Services Worker to comply all traffic control devices in the City with the Manual of Uniform Traffic Control Devices (MUTCD) guidelines, a Risk Management Analyst to promote workplace safety, a Graduate Engineer, Engineering

Technician, and an IT Analyst to manage the Intelligent Transportation System and railroad projects in established grants and CIP projects. Funding was also added to retain a multidisciplinary consulting team to develop a Roadway Impact Fee Policy, and increases for residential and arterial streetlight service level improvements.

Zoo

The City of Fort Worth contracts with the Fort Worth Zoological Association to manage the City's zoological park.

The adopted budget for the Zoo is \$4,794,900, a 1.40 percent increase over its FY2004-05 adopted budget. Per the City's contractual obligation to the Fort Worth Zoological Association, the Zoo's budget increased by \$66,202 for the required Consumer Price Index adjustment to the annual payment to the Fort Worth Zoological Association, which was calculated at 1.40 percent for the FY2005-06 budget.

ENTERPRISE FUNDS

WATER AND SEWER FUND

The Water and Sewer Fund is an Enterprise fund responsible for providing water and wastewater services to residential, commercial, industrial, and wholesale customers. The Fund serves approximately 800,000 people in Fort Worth and 29 surrounding communities by providing more than 220 million gallons of water for use everyday. Operations are completely financed through fees for services. In addition, debt is issued for large capital projects. This fund encompasses both the Water and Wastewater Departments. They are separate departments, but they share an

administrative staff and many of the employees are partially expensed from both departments.

The combined Water and Wastewater departments adopted budget is \$269,521,018, a 6.93 percent increase over the FY 2004-05 adopted budget. This budget also reflects a 5.11 percent rate increase for Water fees and a 2.85 percent rate increase for Wastewater fees. The need for these fee increases is driven by several factors: debt service needs, increased expenditures for raw water, information technology services and employee benefits.

MUNICIPAL AIRPORTS FUND

The Municipal Airports Fund is an Enterprise Fund supported by several revenue sources, including, but not limited to: aircraft landing fees, terminal building and hangar lease agreements, lease fees for both improved and unimproved land at the airports, fuel purchases through the City's Fixed Base Operation (FBO) at Spinks Airport, which is a profit-sharing arrangement with Alliance Airport, and proceeds from possession fees for the Greater Southwest International Airport. The Aviation Department, which manages the Municipal Airports Fund, relies on that Fund to finance the promotion, development, maintenance, and protection of all City aviation assets, as well as the maintenance of optimal facilities and services.

Department's goals include reducing infrastructure deficiencies and promoting the establishment of air carrier service at Meacham Airport, improving customer support at Spinks Airport with a new air traffic control tower and a privatized Fixed Base Operator, and continuing the

aggressive Capital Improvement program to provide additional capacity and promoting development and growth throughout the airport system.

The Municipal Airport Fund adopted budget is \$2,959,821, a 2.06 percent decrease from the FY 2004-05 adopted budget. The decrease is primarily due to the privatization of the Spinks FBO. With this budget, the department is attempting to best position Fort Worth's airport system for sustained growth in service and capacity and operational levels while aggressively cutting administrative and overhead costs.

GOLF FUND

The Municipal Golf Fund is an Enterprise fund established to offer residents a safe and enjoyable comprehensive golf program. In 1981-82, the City Council decided that the golf program should be operated as an Enterprise fund. This action represented a significant policy commitment to the concept of a self-supporting golf program.

The Fund is managed by the Golf Division of the Parks and Community Services Department. Each Golf Course is divided into four sections – Golf Management, Pro Shop Operations, Snack Shop Operations, Golf Course Maintenance.

The City operates five regulation-length golf courses that promote golf as a lifetime sport – Pecan Valley, Z Boaz, Meadowbrook, Rockwood, Sycamore Creek.

The Municipal Golf Fund adopted budget is \$4,624,565, a .06 percent increase over the FY 2004-05 adopted budget. As an Enterprise Fund, the Municipal Golf Fund

is meant to be financially self-supporting. Furthermore, the City Council approved staff's recommendations for the new management structure of this fund effective, FY2005-06. As a result, the expectation is that this management structuring will enable the Municipal Golf Fund return to fulfilling that charge.

SOLID WASTE FUND

The Solid Waste Fund is an Enterprise Fund supported by revenues from solid waste collections and disposal services rendered. Solid Waste Management was previously a division of the City Services Department. However, in 2001, in a City-wide effort to realign certain departments along more functionally similar lines, the division became part of the Environmental Management Department. Four major service areas are covered by this fund – Contract Management, Field Operations, Customer Service and Community Education.

The City's residential customers pay for comprehensive solid waste collection services through a monthly fee added to their water bill. Customers can choose from one of three fee tiers, based on their disposal needs.

The Solid Waste Fund adopted budget is \$39,240,201, a 6.82 percent increase over the FY 2004-05 adopted budget. Significant changes in this budget include additional funds for cost increases in residential collection contracts, disposal and recycling processing contracts, and growth in the number of accounts in the City.

MUNICIPAL PARKING FUND

The Municipal Parking Fund is an Enterprise fund that generates revenues from fees charged for the use of parking spaces and the lease of office space. The City Traffic Engineering division of the Transportation and Public Works Department oversees this Fund. The municipal parking program maintains and manages two parking garages and twelve surface lot locations. Of the twelve surface lots one is entirely designated for citizens conducting business at City Hall and two lots are used to park City vehicles. The remaining locations provide parking spaces for City employees. The parking fees are designated to serve as incentives to decrease traffic and pollution by providing special reduced rates to employees who carpool to work.

The Municipal Parking Fund adopted budget is \$3,303,555, a significant increase over the FY 2004-05 adopted budget. During FY2004-05, staff proposed the consolidation of all parking functions into the existing Parking Enterprise Fund in order to provide a single source for future City parking enhancements. Data was collected to identify parking related revenues and liabilities, which include surface lots, garages, parking meters, and parking related fines. The proposal was approved and in the FY2005-06 adopted budget, revenue collection from parking meters, parking citations, and the use of parking facilities in the Public Events department will be deposited in the Parking Enterprise Fund. These funds were previously deposited in the General Fund. In order to restore the revenue loss in the General Fund due to this change, a transfer of the same amount will be transferred back to the General Fund during this budget year.

SPECIAL FUNDS

CULTURE AND TOURISM FUND

The Culture and Tourism Fund is a special fund that was established in 1989 to provide funding for organizations that enhance tourism or promote, develop, and maintain cultural activities in Fort Worth. The Fund is supported by the hotel/motel occupancy tax, which is levied at nine percent of the price of a hotel room. Seven percent of the tax is used to promote tourism and support art/cultural activities and the remaining two percent is used to fund debt associated with the expansion of the Fort Worth Convention Center.

The Culture and Tourism Fund adopted budget is \$9,099,974, a 7.84 percent increase as compared to the FY 2004-05 adopted budget. Significant changes in this budget reflect an increase due to the addition of Furniture Fixtures and Equipment funding in the Public Events Department, and increase in contractual payments based on the terms of the current contract with the Fort Worth Convention and Visitors Bureau.

ENVIRONMENTAL MANAGEMENT FUND

The City of Fort Worth charges environmental protection fees to fund federally mandated projects associated with ensuring storm water quality throughout the city. The Department of Environmental Management has eight major projects that are funded from the environmental protection fees – Compliance, Regulatory, Construction Inspection, Spill Response, Environmental Collection Center, Storm Water Monitoring, Education, Undesignated.

The Environmental Management Fund is supported by several revenue sources that include the Environmental Protection Fee charged on residential and commercial water bills, revenue from the Environmental Collection Center (which is collected from cities that participate in the Household Hazardous Waste Program), and interest on investments.

The Environmental Management Fund adopted budget is \$3,649,253, an 8.63 percent increase over the FY 2004-05 adopted budget. This increase is primarily due to the implementation of the FY2005-06 compensation plan, an increase in the Transfers out account based on anticipated projects, and an increase in IT service charge and telephone basic charges for allocated costs of these services throughout the City.

CABLE COMMUNICATIONS FUND

Community Cable Television (CCT) espouses the following mission statement: "CCT, in partnership with the community, will produce and provide diverse television programming for the Fort Worth cable subscribers." Therefore, the purpose of the Cable Communications Fund is to provide an information delivery system for the citizens of Fort Worth, as well as departments of the City of Fort Worth and their employees. Efficient and effective information delivery is vital to support the City's broader goal of strengthening our neighborhoods, developing our economy, and providing a safer community for residents of the City of Fort Worth. The Fund will assist in providing programming that will highlight the culture and interests of the residents of Fort Worth as well as in providing studio space and technical assistance to more local groups and organizations requesting to produce

programming. The Cable Communications Fund adopted budget is \$994,987, a 5.72 percent increase as compared to the FY2004-05 adopted.

The most significant concern in the Cable Communications Fund is the continued decrease in Program Income revenue, which is derived from the number of cable subscribers. This decrease is attributed to the growing shift of cable customers to satellite TV. Another challenge facing the cable office was the introduction of HB3179, which will not only affect revenue for the Cable Office but also the General Fund revenue derived from the 5% telecommunication franchise fee.

LAKE WORTH TRUST FUND

The Lake Worth Trust Fund manages more than 300 leased properties adjacent to Lake Worth. Upon expiration of the leases, the Fund purchases improvements located on the leased properties and markets the properties for sale to the public. The fund also provides funding for the maintenance of park grounds located along the lake, and six City Marshal positions. These six officers provided protection for the parks and neighborhoods adjacent to the lake.

The Lake Worth Trust Fund adopted budget is \$724,010, an 18.10 percent decrease as compared to the FY 2004-05 adopted budget. This change is primarily due to a decrease in engineering services costs based on the expected workload.

CRIME CONTROL AND PREVENTION DISTRICT

The Crime Control and Prevention District (CCPD) was implemented during FY1995-96. The CCPD was made possible through voters' authorization of a half-cent increase in sales tax, effective October 1,

1995. The district was initially authorized for five years. Revenue from this tax has been used to employ additional Police Officers, purchase replacement and new CCPD vehicles, increase security at schools, and expand other crime fighting programs. Through the use of this revenue, the City of Fort Worth planned to reduce crime by an average of 10 percent for each of the five years.

On May 6, 2000, a new election was held to re-authorize the district for an additional five-year period. Fort Worth residents voted in favor of re-authorization, which allowed the City of Fort Worth to continue the half-cent portion of the sales tax until the expiration of the five-year period. The new period began October 1, 2000, and ended on September 30, 2005. On February 5, 2005 voters again re-authorized the district for another five-year period, beginning October 1, 2005 until September 30, 2010.

A nine-member board of directors appointed by the City Council establishes the budget and policies of the Crime Control and Prevention District. By law, the City Manager proposes the annual district budget to the board, which then votes approval or disapproval after holding a mandatory public hearing. After the district board has approved the annual budget, it is forwarded to the City Council, which votes approval or disapproval after holding a mandatory public hearing of its own.

A substantial portion of the fund balance is set aside for a multiyear phase-out of the Crime Control and Prevention District. The phase-out plan goes into effect if voters do not re-authorize the district. The plan mainly provides funding for CCPD employees for a limited time so they can fill

openings that become available elsewhere in the City. However, the board of directors may also decide to use a portion of the fund balance for other purposes, such as upgrades to the public safety communication system and newly created programs.

The FY2005-06 Adopted Budget is \$40,461,976 a 7.31% increase over the FY2004-05 Adopted Budget. Significant changes in this budget reflect the addition of seven Neighborhood Police Officers and the replacement of vehicles and other equipment.

INTERNAL SERVICE FUNDS

EQUIPMENT SERVICES FUND

The Equipment Services Fund provides fleet maintenance and management services to all City departments. To allow for the needed attention to fleet maintenance and management issues, the City Manager transformed Equipment Services from a division in the City Services Department to a stand-alone department in FY2000-01.

The Equipment Services Department adopted budget is \$18,772,409, an 11.65 percent increase compared to FY2004-05 adopted budget. This increase is primarily due to additional funding for increase costs for fuel purchases based on projected price per gallon and consumption rate, motor vehicle repairs, and the implementation of the FY2005-06 compensation plan.

INFORMATION SYSTEMS FUND

The City's Information Technology Solutions Department (IT Solutions) is responsible for coordinating all information technology resources within the City in

support of the City of Fort Worth strategic vision and to provide quality services to the community. Specifically, the department, which is located in the Information Systems Fund, provides for management of the City's mainframe, network, and telecommunications equipment and services.

The Information Technology Solutions Department's adopted budget increases by a total of \$4,915,673. This increase is primarily due to implementation of the FY2005-06 compensation plan, increase mainframe lease/maintenance costs, additional funding to acquire computers for City use, and the renewal of software maintenance/warranty contracts. Funding was also added for Phase II of the E-Government Project. E-Government will allow the City to expand services and information to web-based technology that allows residents, visitors, businesses and employees to select from a range of communication and service delivery options.

ENGINEERING SERVICES FUND

The Engineering Department through the Engineering Services Fund is responsible for providing engineering design, project management, survey, quality control, material testing and construction inspection services for all water, sewer, storm drain, sidewalk, and other infrastructure improvement projects. The adopted Engineering Department budget has increased approximately \$1.5 million or 12.53 percent from the FY2004-05 budgeted levels.



**SUMMARY OF AUTHORIZED POSITIONS AND EXPENDITURES
GENERAL FUND BY DEPARTMENT**

	AUTHORIZED POSITIONS			EXPENDITURES		
	Actual 2003-04	Adopted 2004-05	Adopted 2005-06	Actual 2003-04	Adopted 2004-05	Adopted 2005-06
BUDGET & MANAGEMENT SERVICES	0.00	13.00	14.00	\$ -	\$ 1,006,891	\$ 1,113,744
CITY MANAGER	46.50	36.00	44.00	\$ 4,140,751	\$ 4,052,937	\$ 4,652,027
CITY SECRETARY	7.50	7.50	7.50	\$ 489,192	\$ 528,727	\$ 590,214
CODE COMPLIANCE	102.00	112.00	102.00	\$ 6,679,832	\$ 7,624,067	\$ 7,740,837
COMMUNITY RELATIONS	12.14	14.40	12.40	\$ 426,524	\$ 882,890	\$ 877,466
DEVELOPMENT	94.00	96.00	113.00	\$ 6,625,755	\$ 7,471,270	\$ 8,265,856
ECONOMIC AND COMMUNITY DEV	16.50	16.50	21.50	\$ 1,525,641	\$ 1,594,566	\$ 1,914,959
ENVIRONMENTAL MANAGEMENT	17.00	16.00	17.00	\$ 1,042,736	\$ 1,181,490	\$ 1,222,988
FINANCE	61.00	63.00	62.00	\$ 4,836,296	\$ 4,283,610	\$ 4,428,623
FIRE	817.00	851.00	845.00	\$ 69,493,943	\$ 74,400,559	\$ 84,143,287
HOUSING	0.40	1.40	2.40	\$ 50,520	\$ 106,340	\$ 135,160
HUMAN RESOURCES	44.00	42.35	42.20	\$ 3,410,640	\$ 3,685,329	\$ 3,688,187
INTERNAL AUDIT	14.50	16.00	16.00	\$ 814,849	\$ 984,380	\$ 1,030,993
LAW DEPARTMENT	41.00	41.00	42.00	\$ 3,395,603	\$ 3,796,436	\$ 4,081,611
LIBRARY	207.00	207.00	207.00	\$ 13,430,996	\$ 14,622,857	\$ 15,607,205
MAYOR AND COUNCIL	4.00	4.00	7.00	\$ 831,754	\$ 810,530	\$ 993,933
MUNICIPAL COURT	177.00	178.00	186.00	\$ 10,056,880	\$ 9,729,075	\$ 11,004,177
NON-DEPARTMENTAL	0.00	0.00	0.00	\$ 80,951,550	\$ 80,622,634	\$ 85,093,809
PARKS & COMMUNITY SERVICES	287.40	283.40	307.75	\$ 18,660,785	\$ 21,006,014	\$ 24,152,307
PLANNING	23.00	23.00	23.00	\$ 1,390,757	\$ 1,495,640	\$ 1,647,102
POLICE	1,446.00	1,481.00	1,510.00	\$ 100,982,237	\$ 124,172,778	\$ 134,120,914
PUBLIC EVENTS	116.00	116.00	118.00	\$ 8,673,200	\$ 8,847,850	\$ 9,275,042
PUBLIC HEALTH	126.00	129.00	128.00	\$ 6,918,544	\$ 7,346,106	\$ 7,506,912
TRANSPORTATION & PUBLIC WKS	399.00	406.00	408.00	\$ 38,399,273	\$ 40,585,947	\$ 44,478,294
ZOO	5.00	3.08	2.83	\$ 4,627,954	\$ 4,728,698	\$ 4,794,900
GENERAL FUND TOTAL	4,063.94	4,156.63	4,238.58	\$387,856,212	\$425,567,621	\$ 462,560,547

**SUMMARY OF AUTHORIZED POSITIONS AND EXPENDITURES
OTHER FUNDS**

	AUTHORIZED POSITIONS			EXPENDITURES		
	Actual 2003-04	Adopted 2004-05	Adopted 2005-06	Actual 2003-04	Adopted 2004-05	Adopted 2005-06
<u>Enterprise Funds</u>						
MUNICIPAL AIRPORTS FUND	27.00	26.00	27.00	\$ 3,197,049	\$ 3,022,199	\$ 2,959,821
MUNICIPAL GOLF FUND	40.00	40.00	40.00	\$ 4,601,693	\$ 4,621,644	\$ 4,624,565
MUNICIPAL PARKING FUND	1.00	1.00	1.00	\$ 217,996	\$ 210,718	\$ 3,303,555
SOLID WASTE FUND	71.00	62.00	62.00	\$ 34,470,713	\$ 36,734,412	\$ 39,240,201
WATER AND SEWER FUND	774.00	776.00	798.00	\$ 227,617,044	\$ 252,062,173	\$ 269,521,018
<u>Internal Service Funds</u>						
ENGINEERING SERVICES FUND	155.00	176.00	179.75	\$ 10,035,715	\$ 12,302,348	\$ 13,843,797
EQUIPMENT SERVICES FUND	126.00	126.00	126.00	\$ 16,419,844	\$ 16,813,336	\$ 18,772,409
INFORMATION SYSTEMS FUND	100.00	111.00	119.00	\$ 15,527,157	\$ 16,713,271	\$ 21,628,944
OFFICE SERVICES FUND	19.00	19.00	19.00	\$ 2,245,742	\$ 2,299,570	\$ 2,361,075
TEMPORARY LABOR FUND	2.00	2.00	2.00	\$ 1,200,547	\$ 1,002,378	\$ 1,010,219
<u>Special Funds</u>						
CABLE COMMUNICATIONS FUND	0.00	0.00	0.00	\$ 966,017	\$ 941,119	\$ 994,987
CRIME DISTRICT	197.00	199.00	209.00	\$ 31,775,253	\$ 38,459,904	\$ 41,354,699
CULTURE AND TOURISM FUND	8.00	8.00	8.00	\$ 8,884,394	\$ 8,438,246	\$ 9,099,974
ENVIRONMENTAL MANAGEMENT FUND	25.00	25.00	26.00	\$ 2,472,491	\$ 3,359,402	\$ 3,649,253
FEDERAL AWARDED ASSETS FUND	0.00	0.00	0.00	\$ 184,116	\$ 287,513	\$ 386,748
GROUP HEALTH FUND	3.00	7.65	7.80	\$ 44,904,425	\$ 54,390,130	\$ 52,947,047
LAKE WORTH TRUST FUND	0.00	0.00	0.00	\$ 1,033,174	\$ 884,588	\$ 724,010
RISK MANAGEMENT FUND	0.00	1.00	1.00	\$ 5,159,997	\$ 6,881,070	\$ 7,421,979
STATE AWARDED ASSETS FUND	0.00	0.00	0.00	\$ 3,176	\$ 59,693	\$ 179,881
UNEMPLOYMENT COMP FUND	0.00	0.00	0.00	\$ 365,957	\$ 396,500	\$ 368,679
WORKERS COMP FUND	0.00	0.00	0.00	\$ 10,323,434	\$ 11,295,572	\$ 11,530,479
TOTAL ALL FUNDS	5,611.94	5,736.28	5,864.13	\$ 809,462,146	\$ 896,743,407	\$ 968,483,887

GLOSSARY

In discussions of the City's budget, many technical terms are often used. Here are simple definitions that may be helpful in understanding financial matters.

Account: A code made up of numbers used to classify how specific dollar amounts come into the City or how they are being spent.

Accrual Accounting: A bookkeeping system that records income when it is earned rather than when it is actually received. For example, in accrual accounting, revenue that was earned between April 1 and June 30, but for which payment was not received until July 10, is recorded as being received on June 30 rather than on July 10.

Appropriation: A legal authorization made by the City Council that permits the City to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited to a certain amount and period of time in which it may be expended.

Assessed Valuation: The dollar value established for real or personal property for use as a basis for levying property taxes. (Note: the Tarrant Appraisal District establishes City of Fort Worth property values.)

Audit: A comprehensive examination as to the manner in which the government's resources were actually utilized, concluding in a written report. A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the legislative body's appropriations. A performance audit consists of a review of how well the government met its stated goals.

Balance Sheet: A financial statement that discloses the assets, liabilities, and equity of a specific governmental fund as of a specific date.

Bond: An interest-bearing certificate of debt; a written contract by an issuer to pay to the lender a fixed principal amount on a stated future date, and a series of interest payments on the principal amount until it is paid in full.

Budget: A financial plan for a specified period of time (fiscal year) that includes all planned expenditures for various municipal services and the proposed methods of financing them.

Budget Calendar: The schedule of key dates or milestones, which the City departments follow in preparation, adoption, and administration of the budget.

Budget Document: The official plan showing how the City finances all of its services.

Budget Message: The opening section of the budget that provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the

previous fiscal year, and recommendations of the City Manager. This section is also referred to as the City Manager's transmittal letter.

Budgetary Control: The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Capital Equipment Budget: The portion of the annual budget that appropriates money for the purchase of capital equipment. This is different from expenditures for salaries, utilities and office supplies. Examples include vehicles, furniture, machinery, building improvements, microcomputers, and special tools. The definition of capital varies according to the policy established by each jurisdiction. For the City of Fort Worth, capital is defined as items with a value of at least \$5,000 and a useful life of three years.

Capital Improvement Program: A plan for capital expenditures to provide long-lasting physical improvements to be incurred over a fixed period of several future years. This is the way major streets and bridges are repaired and municipal buildings, including libraries and jails, are built. In addition, debt financing distributes the burden of the cost of items with long life spans over more generations of users.

Capital Improvement Program Budget: A Capital Improvement Program (CIP) Budget is a separate budget from the operating budget that identifies planned capital improvement projects for the upcoming year.

Cash Accounting: A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services. See "accrual accounting" for the definition of an alternative to cash accounting.

Cash Management: The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

Center: A numerical code that shows which department or section is responsible for specific revenues and expenditures.

Character: The method of classifying expenditures. The five major characters used by the City are personal services-01, supplies-02, contractual services-03, capital outlays-04, and debt service-05.

Current Taxes: Taxes that are levied and due within one year.

Debt Service: The City's obligation to pay the principal and interest on all bonds and other debt instruments according to a payment schedule.

Delinquent Taxes: Taxes that remain unpaid after the date on which a penalty for nonpayment is attached.

Department: A major administrative division of the City that indicates overall management responsibility for an operation or group of related operations within a functional area.

Depreciation: The process of estimating and recording the loss of usefulness/value of equipment over a period of time. Depreciation is shown as an expense and is reflected in the reduced overall value of the City's existing assets each year.

Disbursement: The release of funds as payment for goods and services.

Encumbrance: The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Enterprise Fund: A fund used to account for operations that are financed and operated like a private company, where the goal is to recover the cost of providing goods by charging user fees. Enterprise funds are established in the City of Fort Worth for services such as water, sewer, parking facilities, airports, solid waste management, and golf courses.

Estimated Revenue: The amount of revenue expected to be collected during the year.

Expenditure: A decrease in available financial resources other than from transfers from one City fund to another. Expenditures are made in order to purchase goods and to pay for services.

Expenses: The obligation of funds during a specific period of time for the delivery or production of goods, rendering of services, or carrying out of other municipal activities.

Fiscal Year: The twelve-month period to which the annual operating budget applies. The fiscal year for the City of Fort Worth coincides with the federal fiscal year, which begins on October 1 and ends on September 30.

Fixed Asset: Assets that are intended to be held or used over an extended period of time, such as land, buildings, machinery, furniture, and other equipment.

Fund: A fiscal and accounting entity with a balancing set of accounts that records all financial transactions for specific activities of government functions. Seven major fund types and two account groups are commonly used: general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, trust and agency funds, internal service funds, general fixed asset account group, and general long-term debt account group.

Fund Balance: Fund balance is the difference between a fund's assets and liabilities.

Full Faith and Credit: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

General Fund: The largest fund within the City that accounts for a large portion of financial resources. General Fund revenues include property taxes, licenses and permits, local taxes, service charges, and other types of revenue. Most of the basic operating services, such as fire and police protection, finance, data processing, park and recreation, libraries, public works, and general administration, are supported by this fund.

General Ledger: A file that contains a listing of the various accounts necessary to show the financial position and results of City operations.

General Obligation Bonds: Bonds that finance a variety of public projects such as streets, buildings, and capital improvements. The repayment of these bonds is usually made from the General Fund. The full faith and credit of the City back such bonds.

Grant: A contribution by a government or other organization to support a particular function. Grants may be classified as either *categorical* or *block*, depending upon the instructions of the grantor.

Interfund Transfers: Amounts transferred from one fund to another.

Intergovernmental Revenue: Revenue received from another government for a specified purpose. The City of Fort Worth receives intergovernmental revenue from county, state, and federal sources.

Internal Service Fund: A fund used to account for the financing of goods or services provided by one department to another department on a cost reimbursement basis. Examples in the City Fort Worth include the Office Services Fund, the Equipment Services Fund, the Temporary Labor Fund, the Information Systems Fund, and the Engineering Fund.

Inventory: A detailed listing of property currently held by the government showing quantities, descriptions, and values of the property, including units of measure and unit prices.

Levy: To impose taxes, special assessments, or service charges for the support of City activities.

Line-Item Budget: A budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately along with the dollar amount budgeted for each specified category.

Long-Term Debt: Any unmatured debt with a maturity of more than one year that is not a fund liability in the current fiscal year.

Modified Accrual Accounting: A bookkeeping system in which revenues are recognized in the accounting period in which they become available, while expenditures are recorded in the

accounting period that they are incurred. Because this is a conservative financial approach, it is recommended as the standard for most governmental funds. The City of Fort Worth employs this system.

Operating Budget: The portion of the budget that relates to daily operations that provide basic City services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, fuel, and the proposed means of financing each expenditure.

Performance Budget: A budget that focuses upon activities rather than line items. Workload and unit cost data are involved to gauge the efficiency of services. Typical data that is analyzed includes miles of streets paved per year, costs of paved streets per mile, tons of garbage collected per employee hour, and cost per employee hour of garbage collection.

Performance Measures: Specific quantitative and qualitative measures of work performed as an objective of a City department.

Program Budget: A budget that focuses upon the goals and objectives of the City rather than how it is organized and how it spends its money.

Property Tax: A legislated payment to be paid by property owners of real estate and personal property, as determined by the property's assessed valuation and the current tax rate.

Reconciliation: A detailed analysis of changes in actual revenue or expenditure balances within a fund.

Requisition: A written request from a department to the Purchasing Division for specific goods or services. This action precedes the authorization of a purchase order.

Reserve: An account used to indicate the portion of a fund's balance that is legally restricted for a specific purpose and is, therefore, not available for general appropriations.

Revenue: An increase in the assets of any of the City's funds resulting from tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income. Refunds, equity transfers, and contributions of capital such as equipment and buildings are not considered revenue.

Revenue Bonds: Bonds usually sold for constructing a project that produces revenue for the City. All or part of the revenue is used to pay the principal and interest of the bond. These bonds are backed by the ability of the enterprise fund to generate income. Revenue bonds are commonly issued by the Water Department, for example, to make infrastructure improvements in the City's water delivery system.

Risk Management: An organized effort to protect the City's assets against loss, utilizing the most economical methods of prevention and insurance protection.

Source of Revenue: An identification of the place from which revenues originate. Common examples include sales tax, property tax, and interest income.

Unencumbered Balance: The amount of an appropriation that is neither spent nor set aside for a specific use. It is essentially the amount of money still available for future purchases.

Voucher: A document showing that a transaction has occurred or is intended to occur.

Who Should I Call?

When there's a problem and you want a phone number - fast. Here are numbers for the City of Fort Worth and agencies that can help. For emergencies that threaten life or property and require immediate attention, call 911.

Suspected Arson
817-392-6850

**Broken/Burnt-out
Street Light**
817-392-8100

**Overgrown
Weeds**
817-392-6320

**Dangerous
Animals**
817-392-3737

**Missing/Damaged
Manhole Cover**
817-392-8100

**Downed Power
Lines or Power Outages**
1-800-233-2133

**Sink Hole/
Street
Repair**
817-392-8100

**Flooded Streets,
Clogged Storm
Drains**
817-392-7857

Pot Holes
817-392-8100

**Fallen
Trees** 817-392-5738

Uncollected Trash
817-392-3279

**Belligerent
Person**
817-335-4222

Littered Area 817-392-6320
Illegal Dumping 817-392-5150

Graffiti
817-392-8834

**Abandoned
Dangerous
Buildings**
817-392-6320

**Abandoned/Inoperative
Car in Street** 817-392-7110
Car in Yard 817-392-6320

**Loud Noise
Complaints**
817-335-4222

**Non-Functioning
Traffic Light**
817-392-8100

**Nuisance Bar/
Underage
Drinking**
817-335-4222

**Car/Building
Alarms** 817-335-4222

Dead Animal
817-392-3737

**Overflowing
Dumpsters** 817-392-5150

Gangs
817-392-8830