

City Manager's FY2015 Proposed Budget



Presented to the City Council

**David Cooke, City Manager
August 12, 2014**

Proposed Budget Overview

- Where Have We Been?
- Economic Outlook and FY2015
Recommended Budget
- Next Steps

Where Have We Been?

FY2010 – FY2011

Recession Driven Budgets

- Reduced **mowing** frequency
- Closed **Day Labor Center**
- Reduced hours at **animal shelter**
- Closed all City **swimming pools**
- Eight unpaid **furlough days**
- Reduced **funding for non-profits**
- Eliminated two **City departments**
- Significant **layoffs** (over 200 positions)

FY2012 Recovery Budget

- Restored/added critical positions
 - **Code Compliance Officers**
 - Filled vacant **Police Officer** Positions
 - Added **accounting** resources
- Infrastructure
 - Added a **Municipal Court** location
 - Shifted a penny to **Debt Service** (\$4.1 million)
 - Installed **signal light improvements** at intersections
- Employees
 - **3% Salary Increase** offset by a 10% increase in employee healthcare

FY2013 Maintenance Budget

- Minimized **elimination of positions (17)**
- Funded priority enhancements such as **animal control shelter and swimming pool operations**
- Transferred **\$0.015 to Debt Service** for capital projects (\$6.2 million)
 - Cumulative Total as of FY2013 - \$10.3 million

FY2014 Progress Budget

- **Eliminated positions (119.5)**
- Funded priority enhancements such as **Economic Development Agreements and Bond Election**
- Transferred **\$0.01 to Debt Service** for capital projects. (\$4.2 million)
 - *Cumulative total of transfers: \$14.5 million*

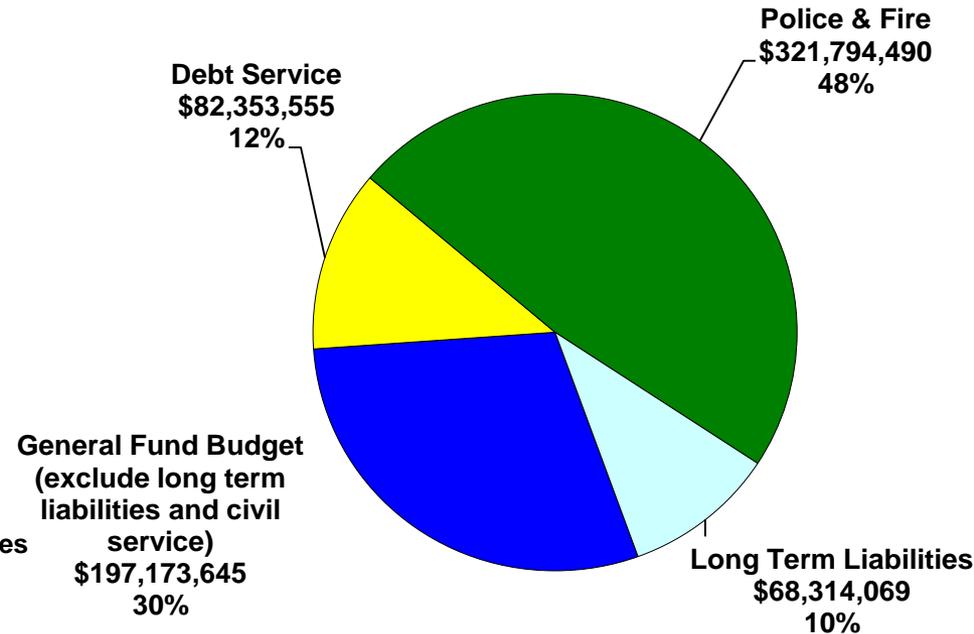
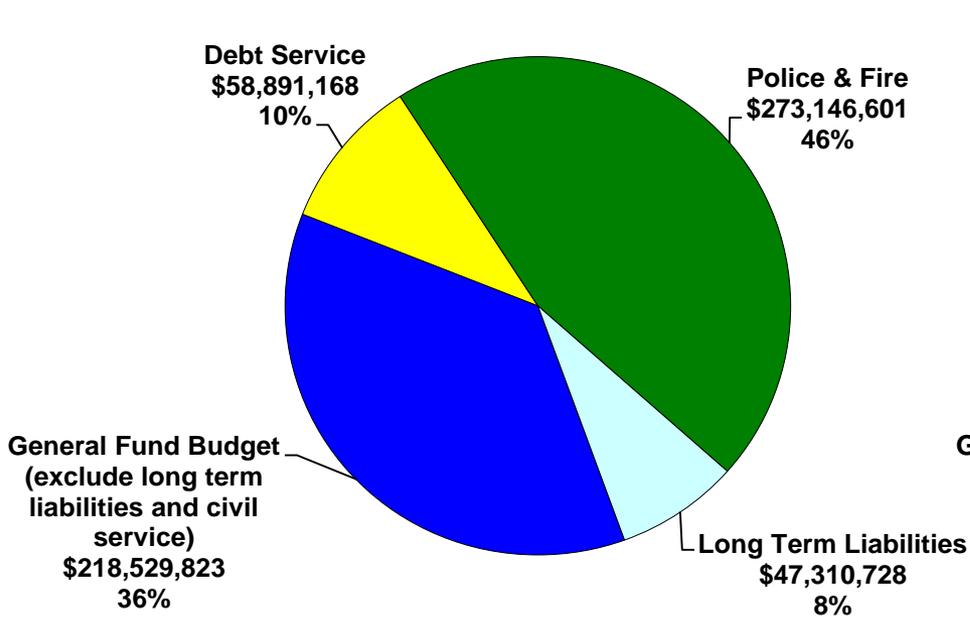
Resource Reallocation

	FY2007	FY2015	Increase
	(millions)		
Pension Contribution (all funds)	\$39.8	\$80.1	\$40.3
Shift of % for Debt Service	0	14.5	14.5
OPEB Trust (all funds)	0	14.0	14.0
Civil Service Contractual Salary Increases since	137.0	164.0	27.0
Total	\$176.8	\$272.6	\$95.8

Budget Comparison

FY2009 Adopted Budget

FY2015 Proposed Budget



Results From Budget Strategies

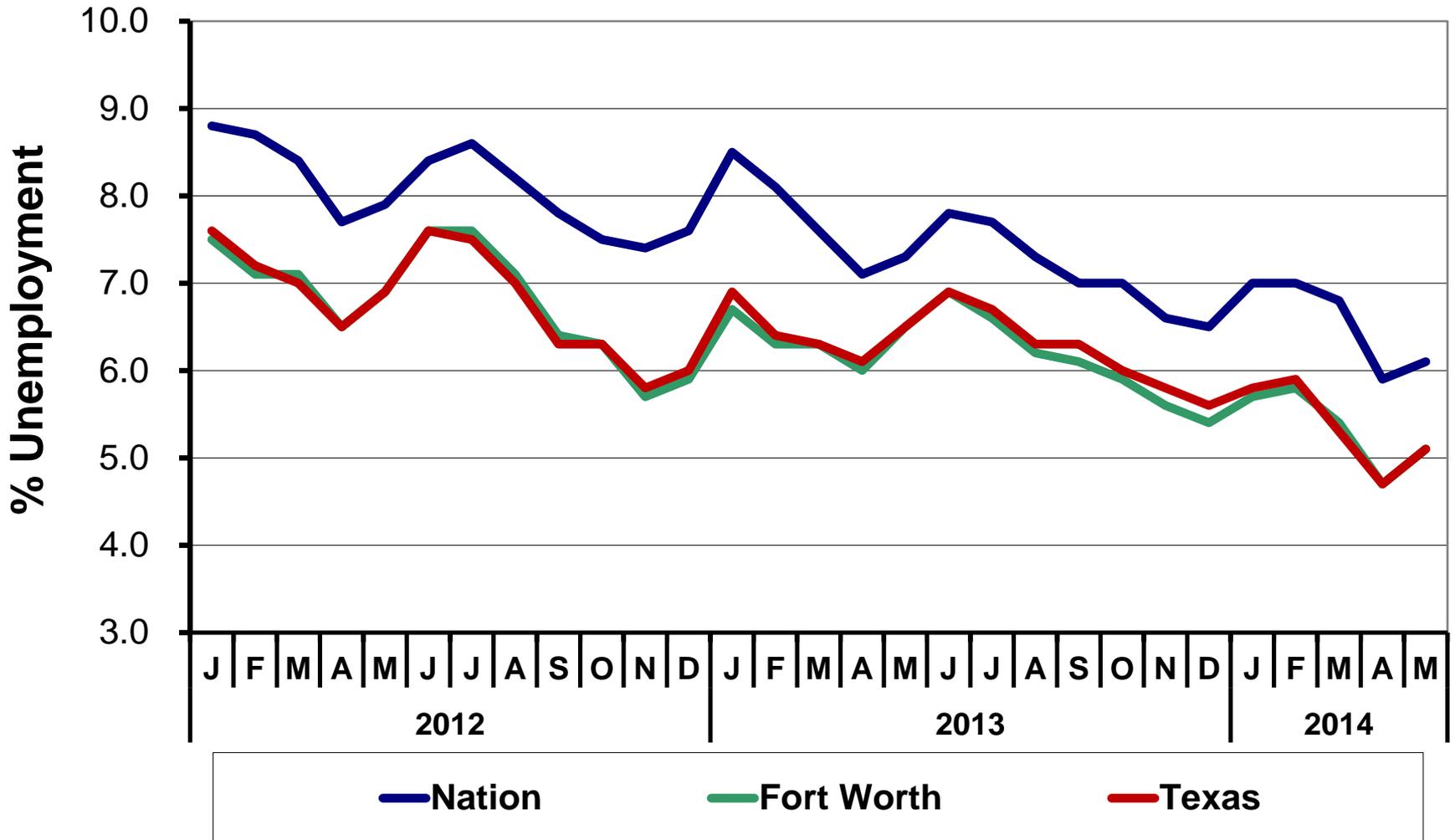
- More funding for debt service
 - \$292 million capital program
 - Police and Fire Training Facility
- Better sustainable outlook for pensions and retiree health benefits
- Reallocation of resources while maintaining priorities
 - Public safety
 - Capital infrastructure

2015 Financial Plan

Economic Outlook is Positive

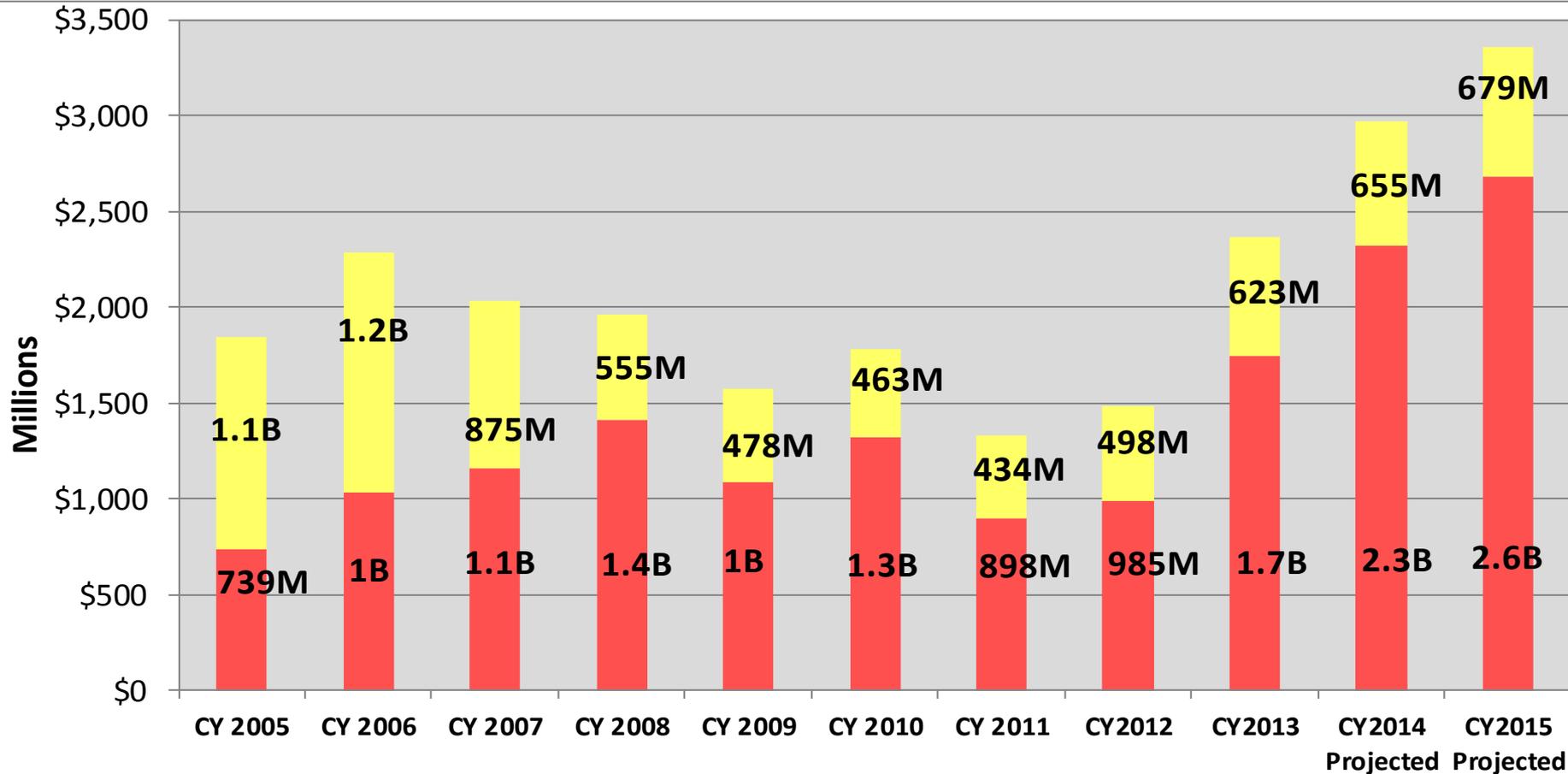


24-Month Unemployment Trend



Issued Building Permit Valuations

Annual Value of Total Construction

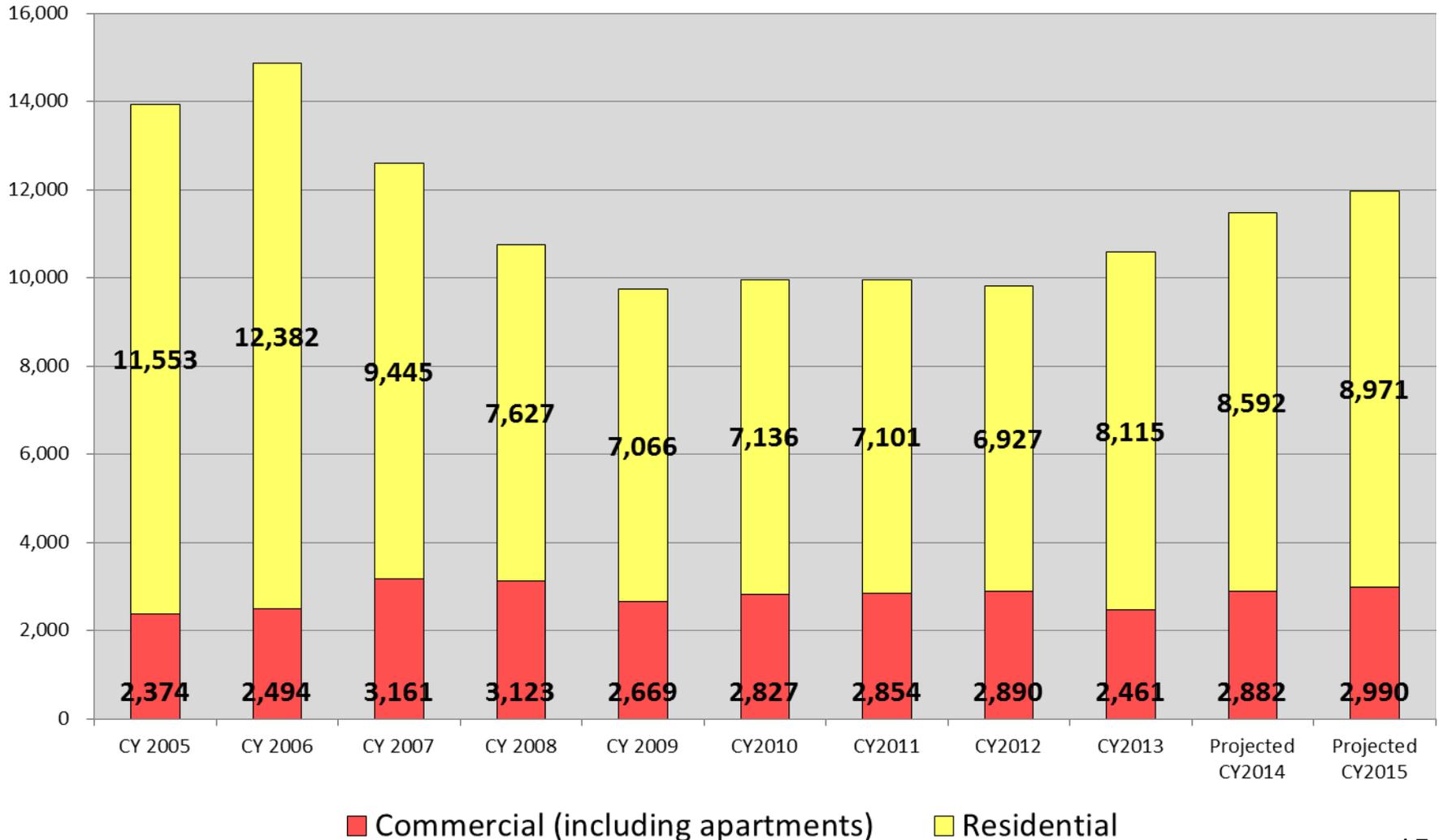


■ Annual Values of Total Construction by Calendar Year Residential

■ Annual Values of Total Construction by Calendar Year Commercial (including apartments)

Annual Permit Activity

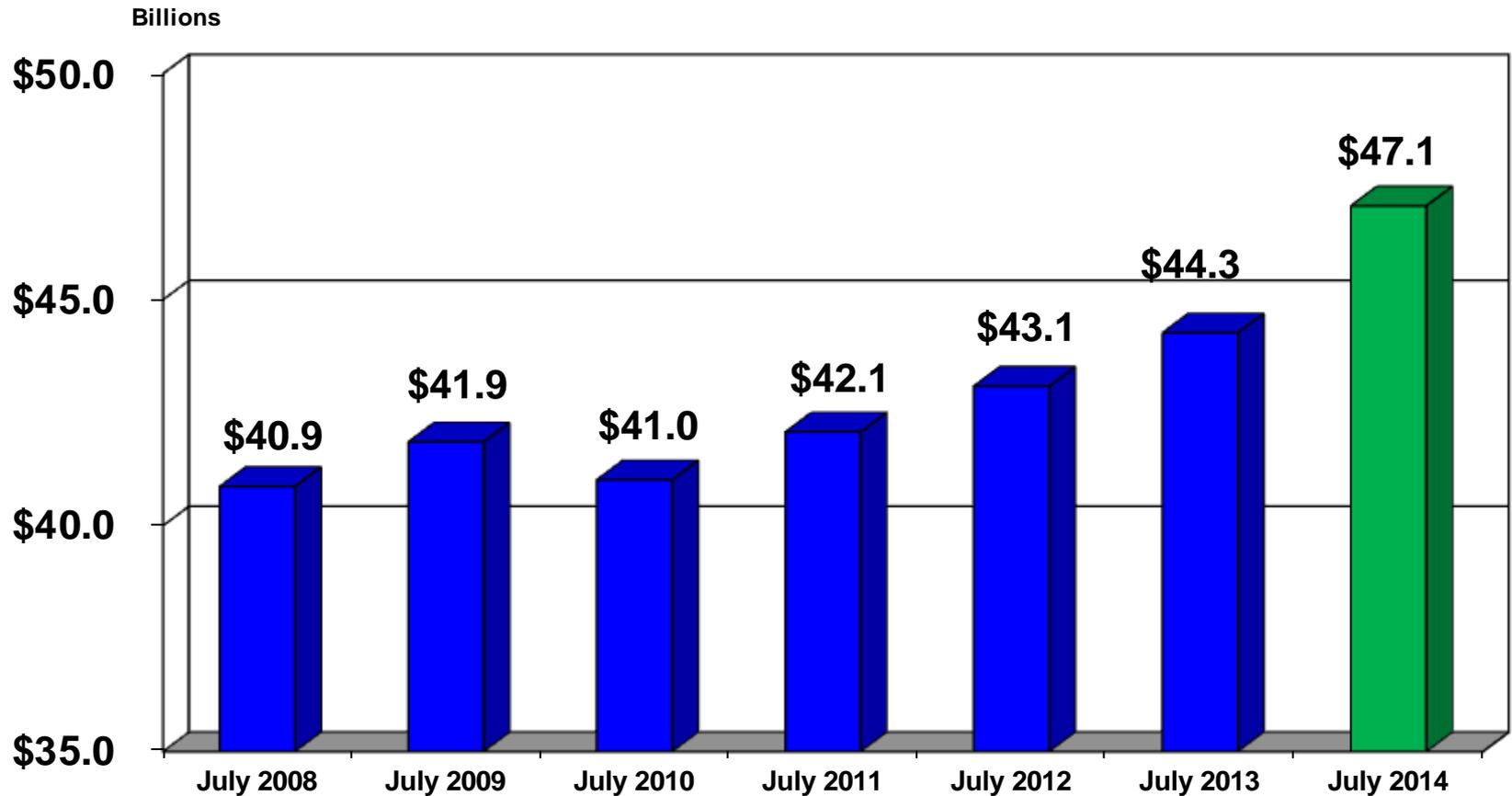
Number of Permits



Source: Planning and Development

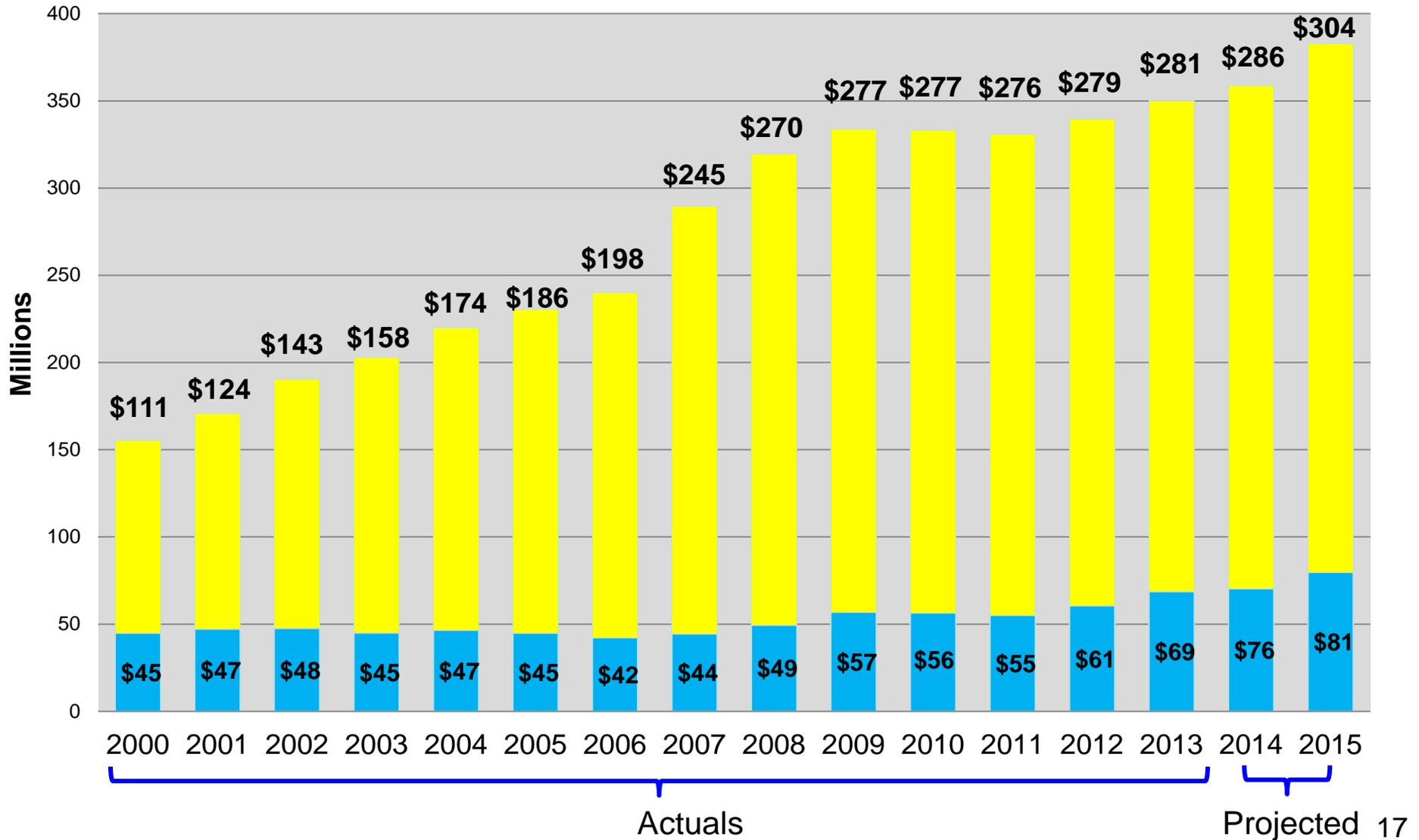
Net Taxable Property Values

Appraised Taxable Value

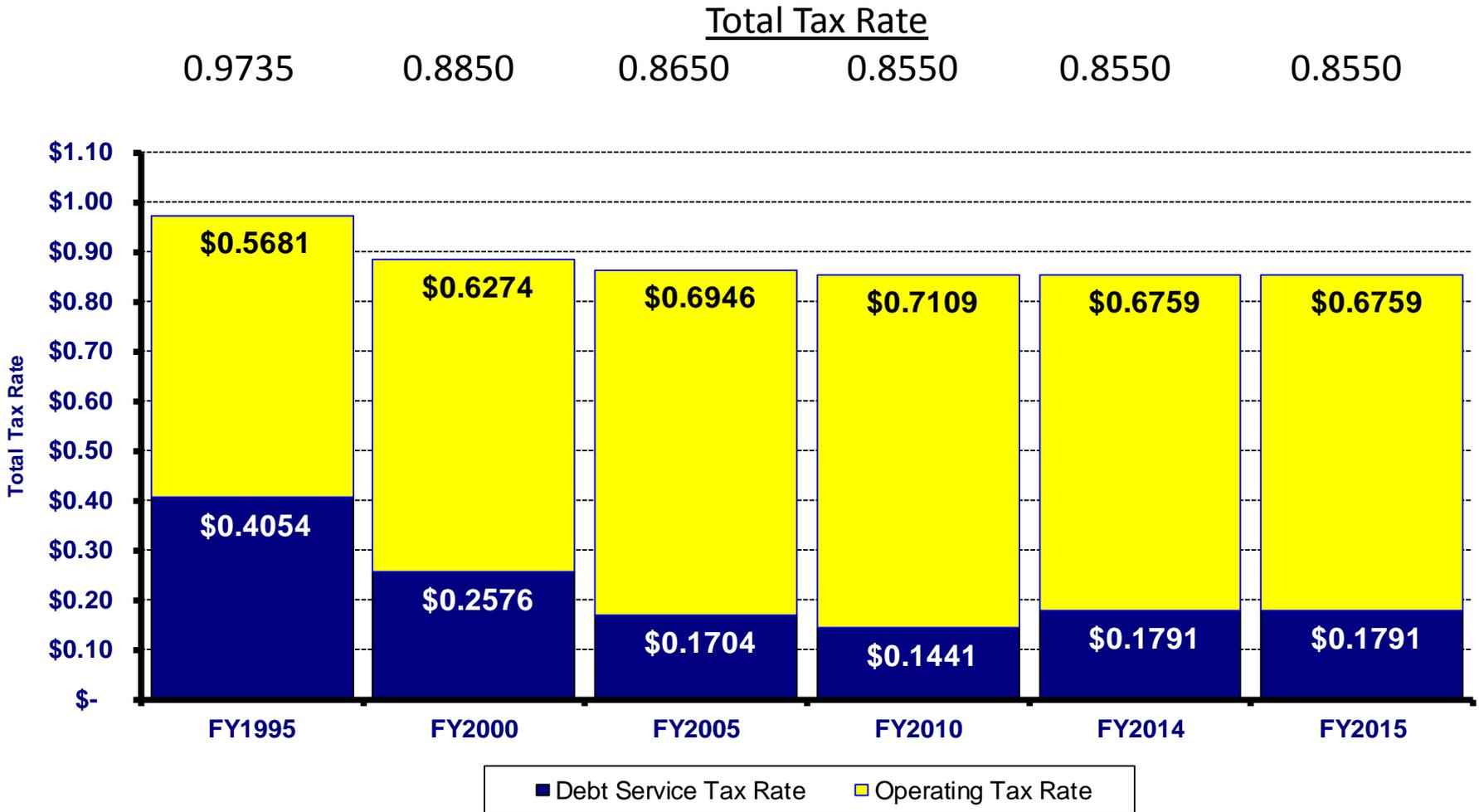


Property Tax Revenue Trends

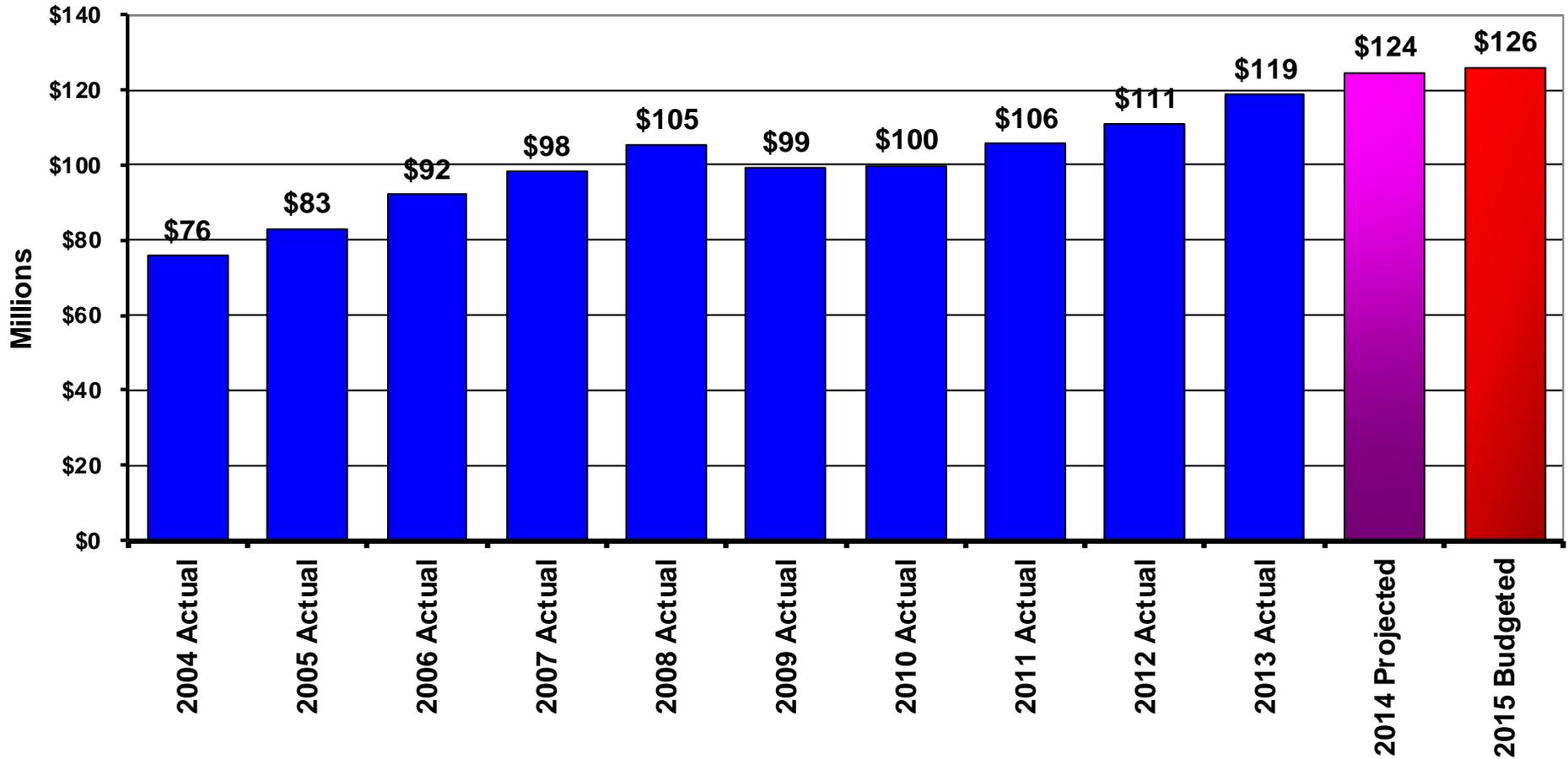
■ Debt Tax Rev ■ Operating Tax Rev



Tax Rate Trends

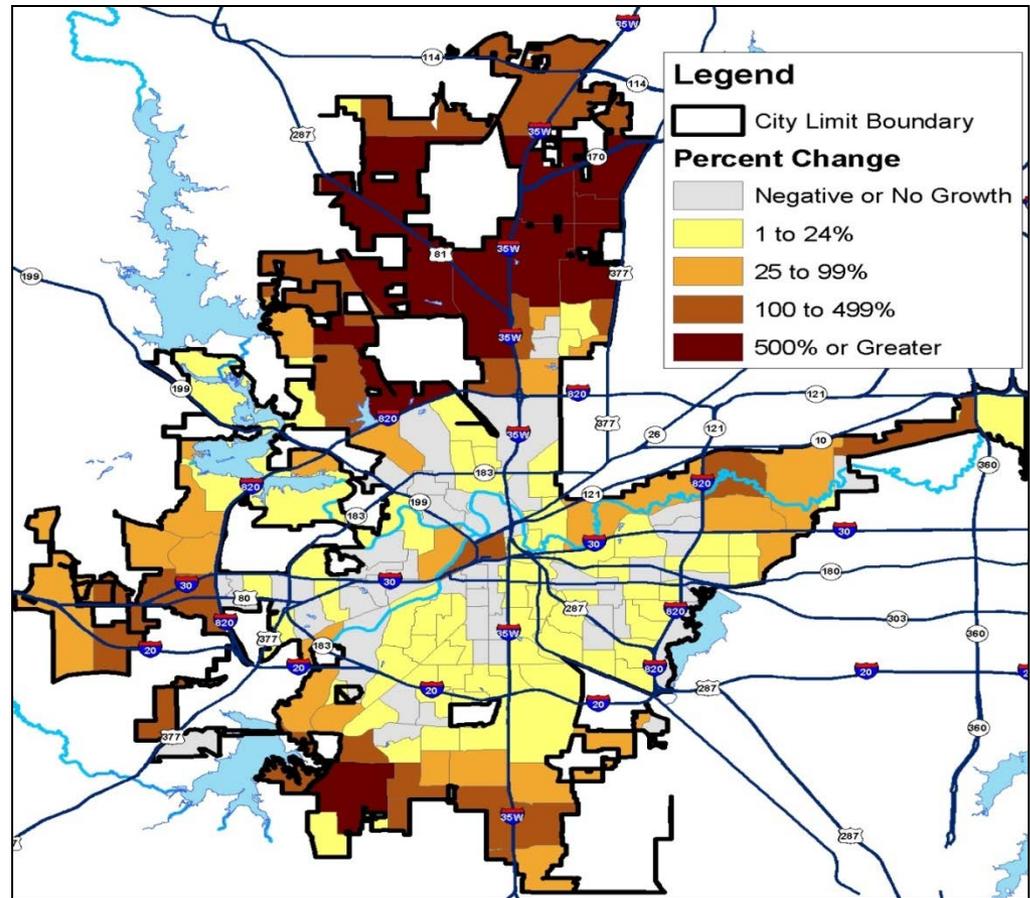


Sales Tax Trends



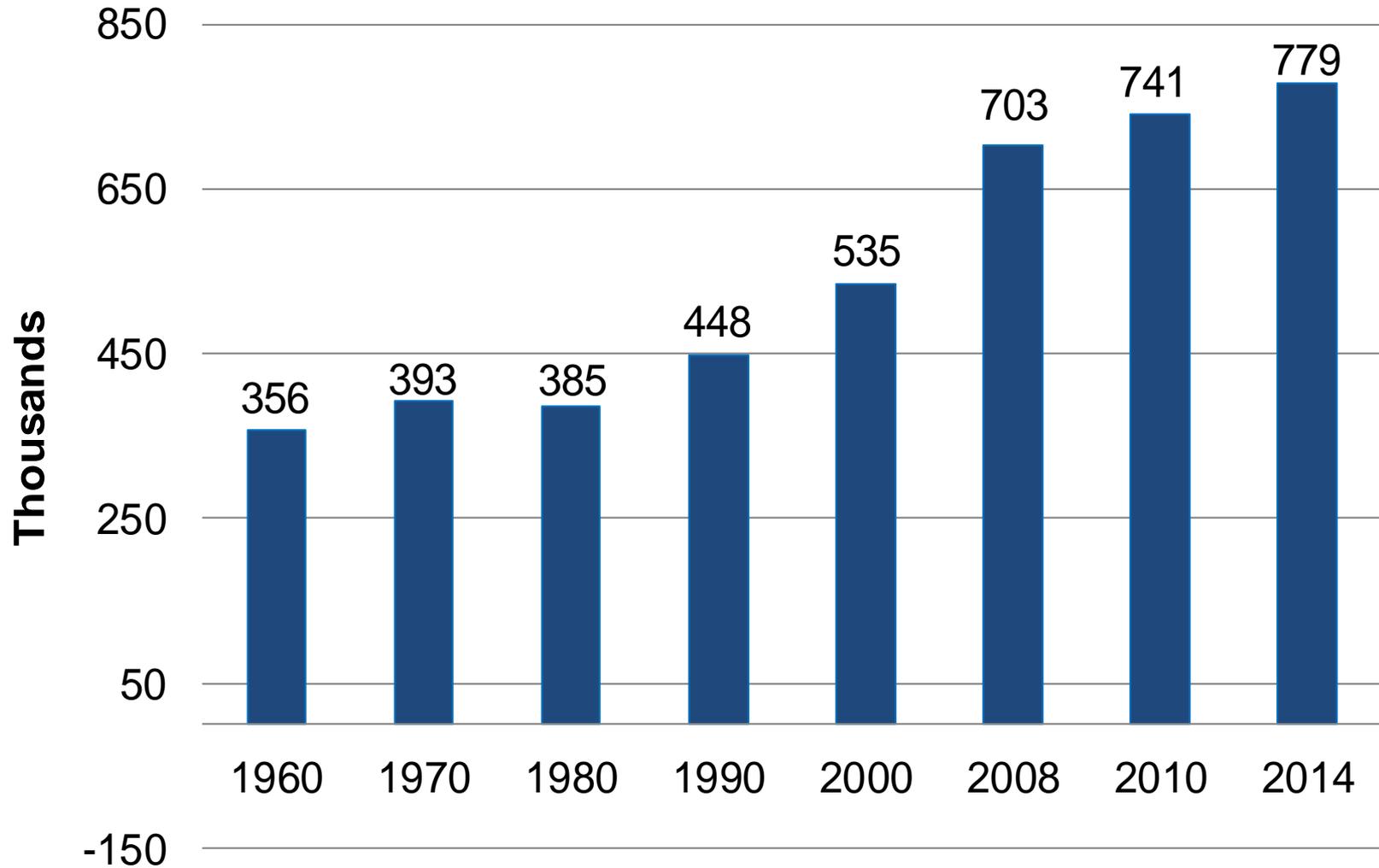
Cost Drivers - Growth

- Added over **200,000 people** between 2000 and 2010
- Growing **infrastructure demand**
- Maintenance of **expanding City assets**



Population Growth by Census Tract from 2000-2010

Population Growth



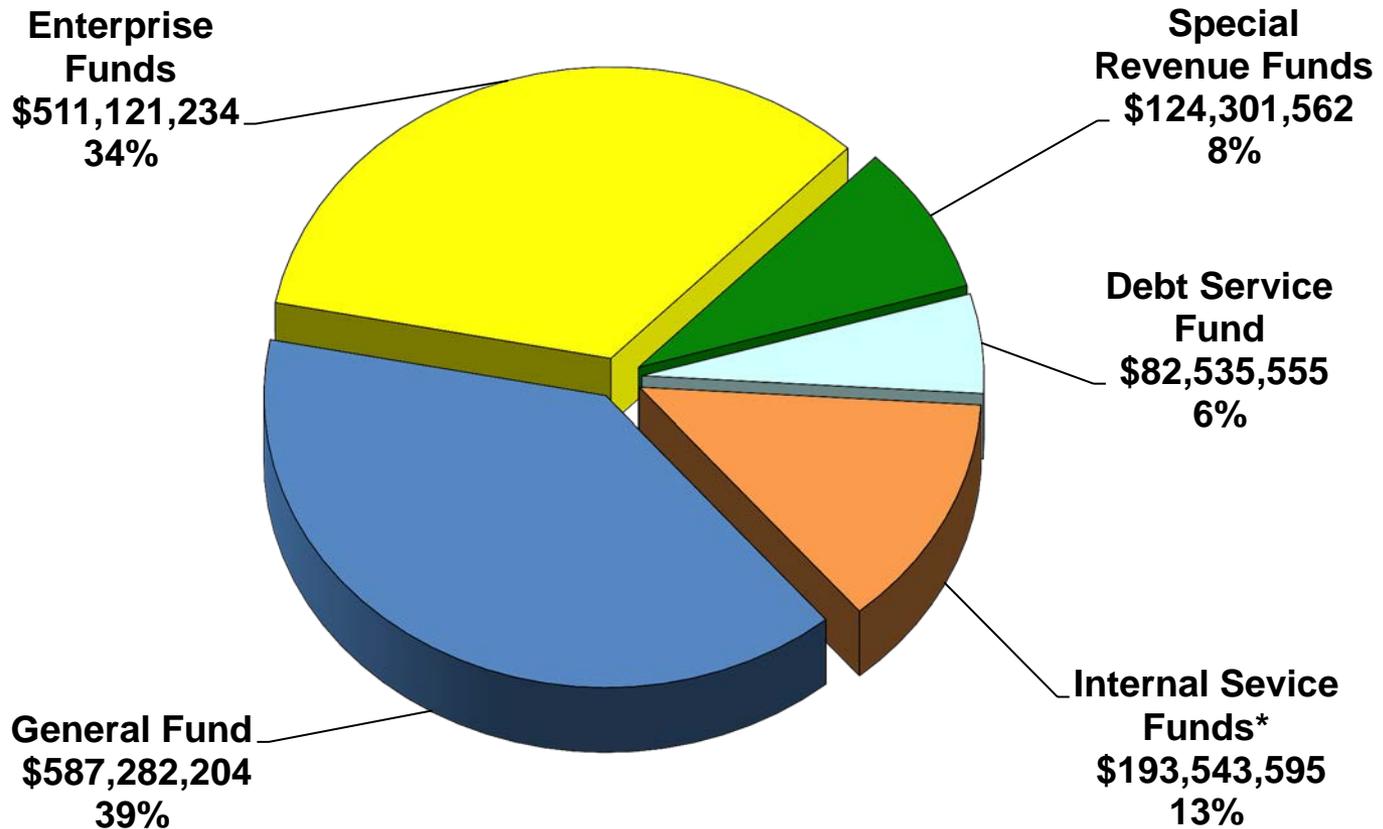
FY2015 BUDGET PROPOSAL

Budget Development Strategies

1. Align business resources with needs
2. Improve efficiency and effectiveness
3. Address service levels in areas of concern
4. Maintain infrastructure and investments
5. Invest in employees
6. Fund contractual and mandated expenses
7. Maintain funds at required reserve amounts

Recommended Total Operating Budget

FY2015 Citywide Proposed Budget - \$1.5B



*Internal Service Funds include Insurance Funds

FY2015 Recommended Operating Budget (All Funds)

	Expenditures (000's)			
	FY2014	FY2015	Variance	% Change
General Fund	\$572,935	\$587,282	\$14,347	2.5%
Enterprise Funds	\$494,538	\$511,121	\$16,583	3.4%
Insurance Funds	\$123,816	\$124,879	\$1,063	0.9%
Internal Service Funds	\$70,242	\$68,665	(\$1,577)	-2.2%
Debt Service Fund	\$79,838	\$82,535	\$2,697	3.4%
Crime Control Prev. Dist.	\$62,320	\$62,125	(\$195)	-0.3%
Culture & Tourism Fund	\$35,437	\$37,853	\$2,416	6.8%
Other City Funds	\$22,333	\$24,322	\$1,989	8.9%
Total Funds	\$1,461,459	\$1,498,782	\$37,323	2.6%

Other City Funds include Environmental, Red Light, Donations, Asset Forfeiture, Special Trust Funds, Fiduciary Funds.

FY2015 Recommended Operating Budget (All Funds)

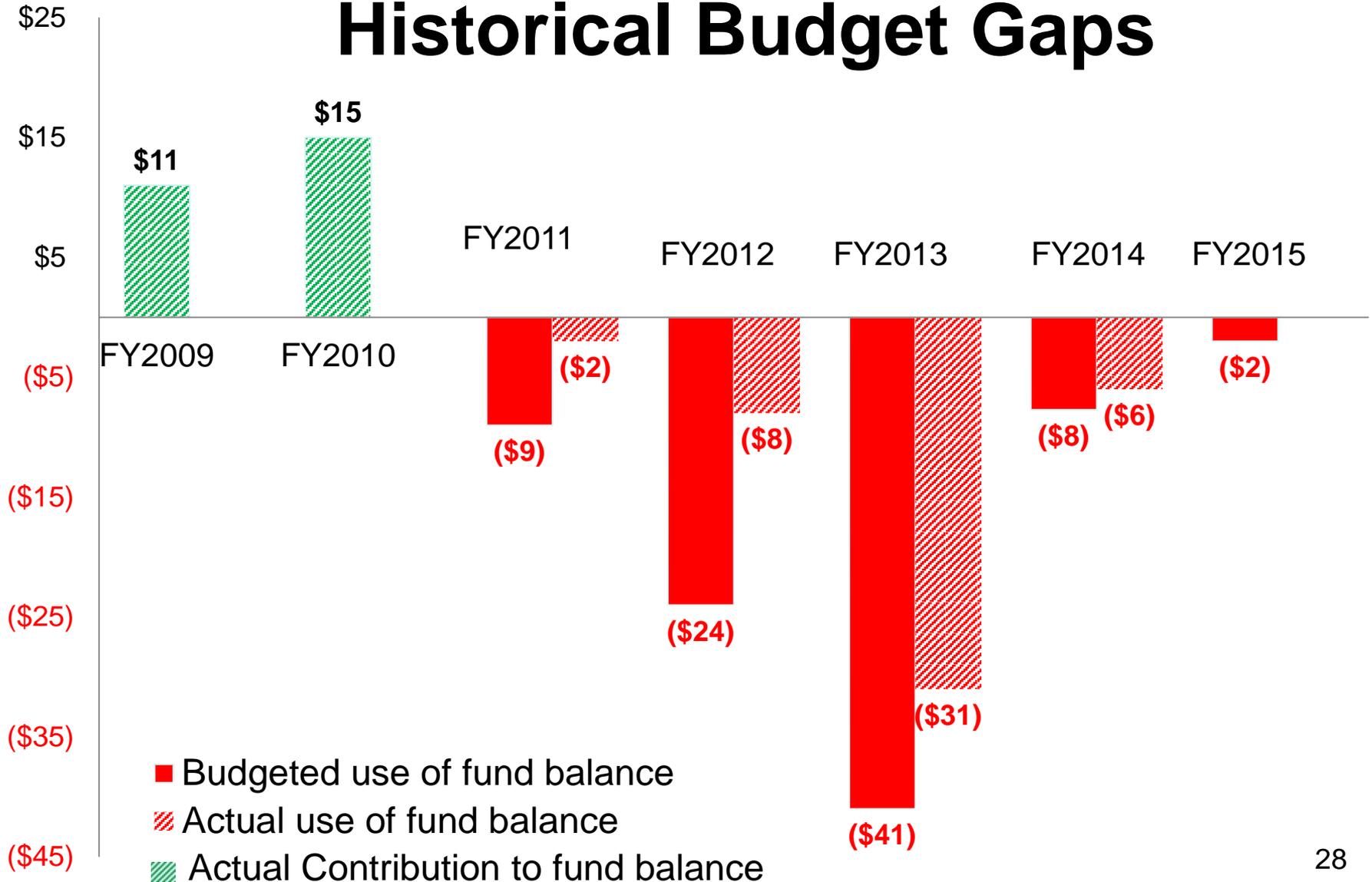
	Authorized Positions					Net Change
	Adopted FY2014	Recommended Additions	Recommended Reductions	Reorganization	Proposed FY2015	
General Fund	4,328.60	22.00	(13.50)	3.55	4,340.65	12.05
Enterprise Funds	1,211.00	7.00	(3.00)	1.00	1,216.00	5.00
Insurance Funds	24.85	0.00	0.00	(0.25)	24.60	(0.25)
Internal Service Funds	384.50	0.00	0.00	3.50	388.00	3.50
Debt Service Fund	0.00	0.00	0.00	0.00	0.00	0.00
Crime Control Prev. Dist.	211.00	1.00	0.00	13.00	225.00	14.00
Culture & Tourism Fund	133.00	0.00	0.00	0.00	133.00	0.00
Other City Funds	66.30	0.00	0.00	1.00	67.30	1.00
Total Funds	6,359.25	30.00	(16.50)	21.80	6,394.55	35.30

Other City Funds include Environmental, Red Light, Donations, Asset Forfeiture, Special Trust Funds, Fiduciary Funds.

GENERAL FUND

General Fund

Historical Budget Gaps



FY2015 Proposed General Fund Budget

**\$587.3 million
(2.5% over FY2014)**

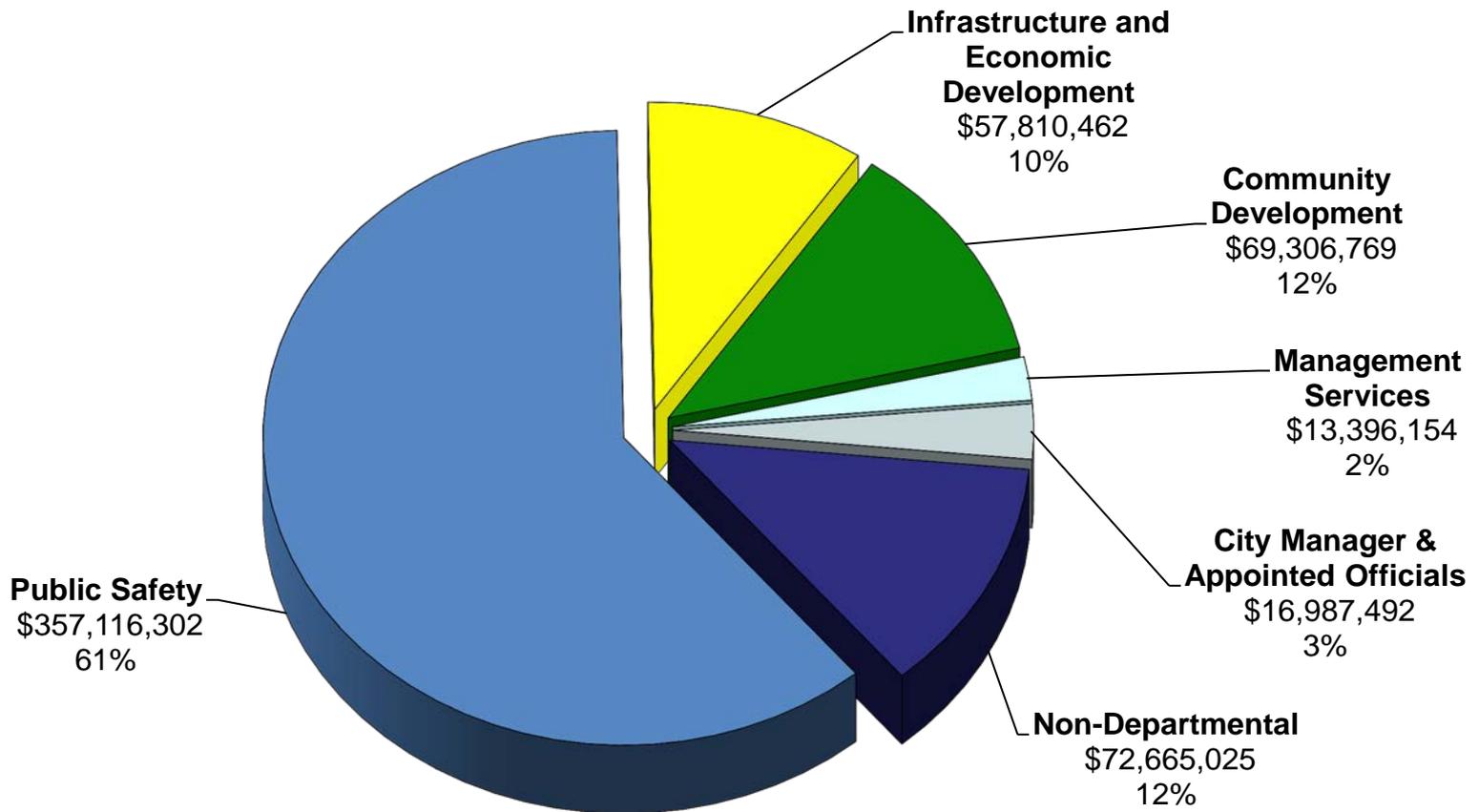
- Maintains property tax rate
- Minimizes use of fund balance (\$1.9 million)
- Opening of new Police/Fire training facility
- Implementation of 2014 Bond Program

FY2015 Proposed General Fund Budget

- Annualizes pay increase for general employees and police pay
- Adds positions to address increase in development activity / service level issues
 - Planning and Development;
 - Code Compliance;
 - Parks and Community Services;
 - Transportation and Public Works;
 - Housing and Economic Development

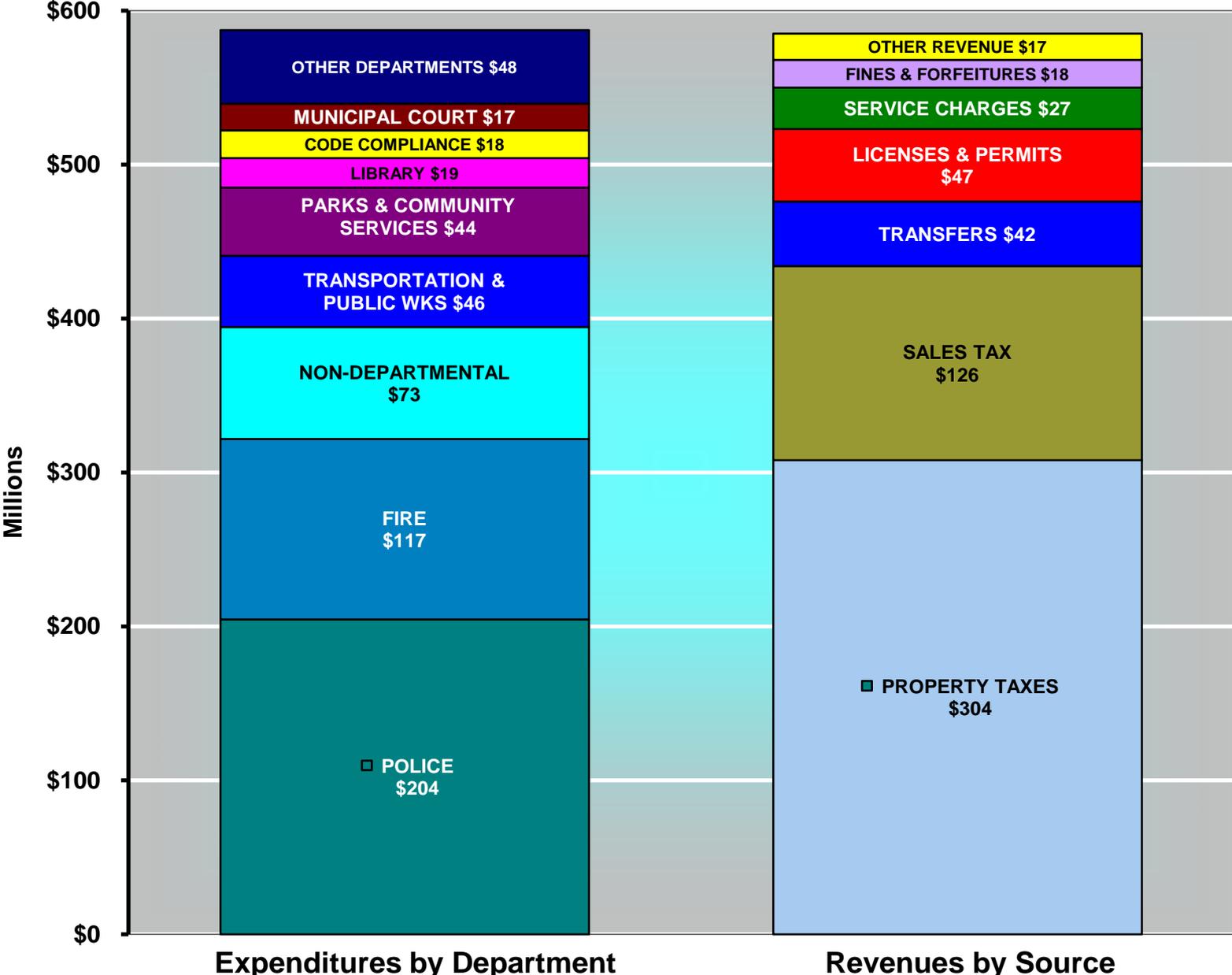
FY2015 Budget Outlook

General Fund



FY2015 Proposed - \$587M

Expenditures v. Revenues

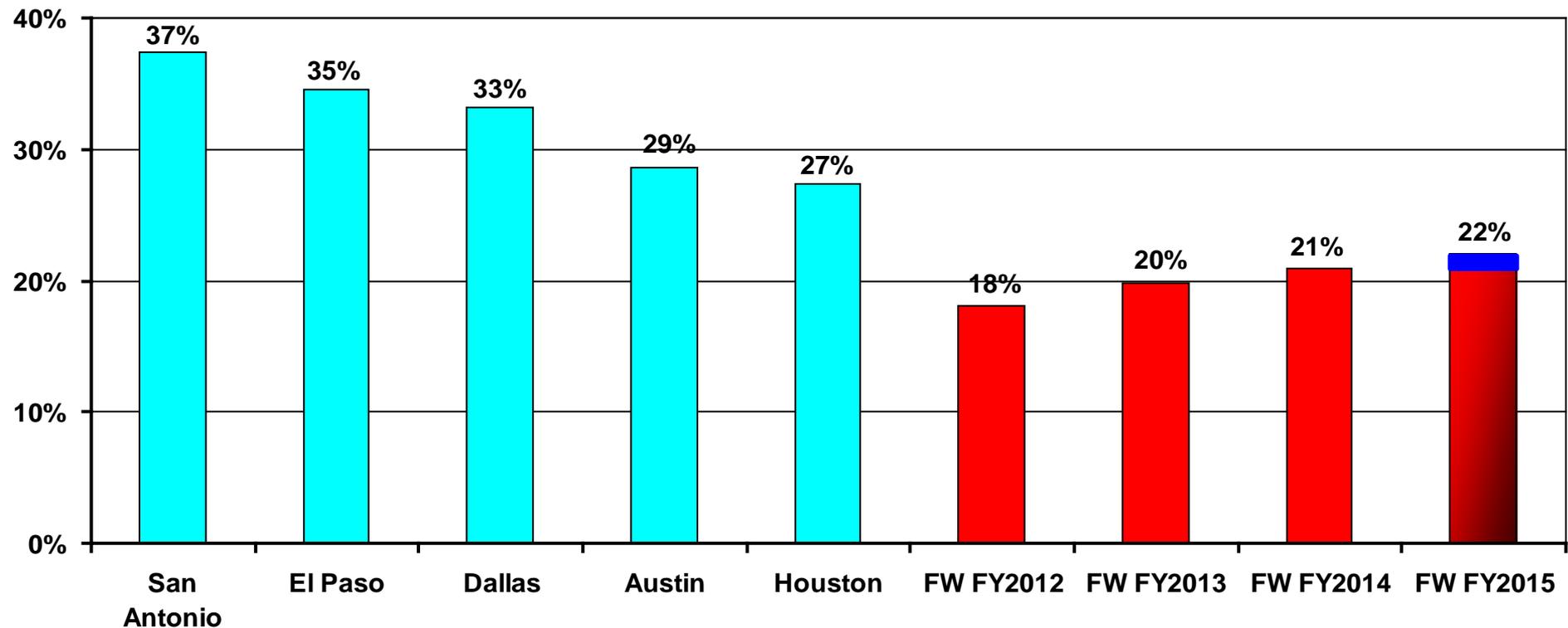


Proposed Revenues

Categories (000's)	FY2014 Adopted Budget	FY2015 Proposed Budget	Net Revenue Change
Property Tax	\$293,301	\$308,874	\$15,573
Sales Tax	120,934	126,013	5,079
Other Local Taxes	8,666	8,735	69
Licenses and Permits	45,557	47,401	1,844
Fines and Forfeitures	18,630	17,931	(699)
Use of Money and Property	4,380	4,548	168
Revenue from Other Agencies	1,128	903	(225)
Service Charge	25,158	27,466	2,308
Transfers	47,011	41,558	(5,453)
Other Revenue	430	1,923	1,493
Total	\$565,195	\$585,352	\$20,157
Use of Fund Balance	\$7,738	\$1,928	(\$5,810)
Total Budget	\$572,933	\$587,280	\$14,347

Property Tax Allocation

Fast growing cities have allocated 27% to 37% of the property tax rate to fund infrastructure.



Proposed Fee Increases

<u>Department</u>	<u>Increased Revenue</u>
Planning and Development	\$902,862*
Code Compliance Department	\$169,582
Police Department	\$169,720*
Parks & Community Services	\$654,305
Total	\$1,896,469

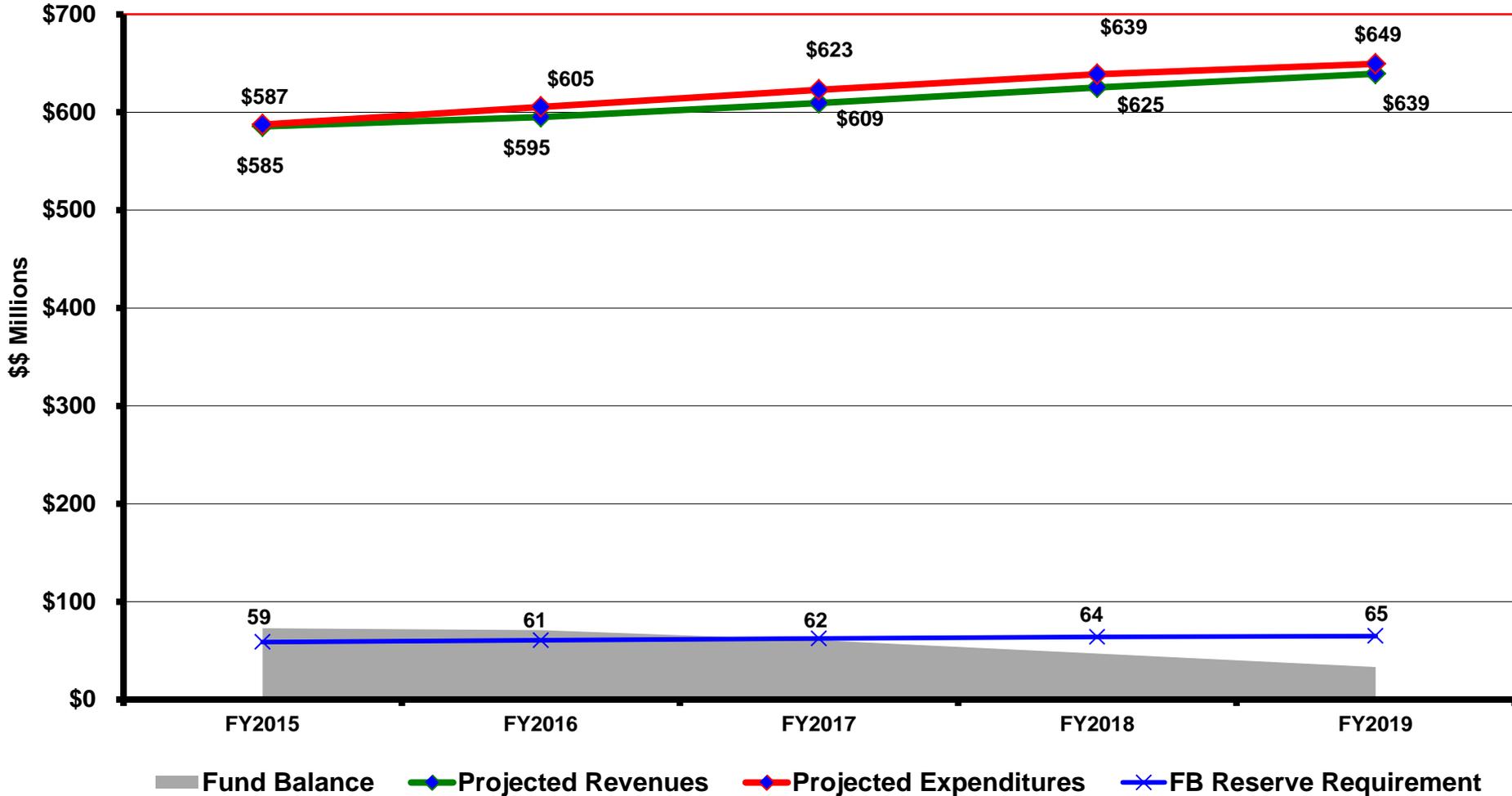
* Fee increases implemented in FY2014

General Fund

Recommended Changes

DEPARTMENT	FY2014 Adopted Budget	Recommended Changes	Recommended FY2015 Budget	% Change from FY2014 Budget
City Attorney's Office	\$6,012,150	\$355,637	\$ 6,367,787	5.9%
City Auditor's Office	\$2,526,279	(\$898,167)	\$1,628,112	-35.6%
City Manager's Office	\$5,896,726	\$2,001,599	\$7,898,325	33.9%
City Secretary's Office	\$1,109,842	(\$16,574)	\$1,093,268	-1.5%
Code Compliance	\$17,013,264	\$928,919	\$17,942,183	5.5%
Financial Management Services	\$8,231,317	\$1,704,338	\$9,935,655	20.7%
Fire	\$119,744,262	(\$2,555,772)	\$ 117,188,490	-2.1%
Housing and Economic Development	\$4,956,592	\$805,151	\$5,761,743	16.2%
Human Resources	\$3,489,331	(\$28,832)	\$3,460,499	-0.8%
Library	\$19,012,018	\$174,921	\$19,186,939	0.9%
Municipal Court	\$16,909,218	\$470,411	\$17,379,629	2.8%
Non-Departmental	\$65,937,993	\$6,727,032	\$72,665,025	10.2%
Parks and Community Services	\$41,985,341	\$2,372,746	\$44,358,087	5.7%
Planning and Development	\$11,392,166	\$160,852	\$11,553,018	1.4%
Police	\$204,225,440	\$380,560	\$204,606,000	0.2%
Transportation and Public Works	\$44,493,472	\$1,763,972	\$46,257,444	4.0%
GENERAL FUND TOTAL	\$572,935,411	\$14,346,793	\$587,282,204	2.50%

General Fund Budget Performance



FY2015 Recommended General Fund Operating Budget

What Goes Up		What Goes Down	
\$5.9M	General employee salary increases	(\$2.8M)	Radio communication system tower and CPMS debt service
\$4.2M	Risk Management transfer	(\$434K)	Proposed transfer of Crime Prevention Unit to CCPD
\$4.1M	Civil service contractual increases	(\$429K)	Comin' Up Gang intervention program
\$3.5M	Chapter 380 economic development agreements	(\$372K)	Reduction of Library staff
\$1.4M	Annual fire training class	(\$288K)	Reduction of Municipal Court Staff
\$1.2M	Election expenses (City Council / Special Election)	(\$175K)	Reduction of City Attorney's Office Staff
\$1.1M	Fort Worth Zoo contract increases	(\$152K)	CAFR preparation consulting fees
\$850K	Municipal Golf Fund subsidy		
\$496K	Homelessness Program		

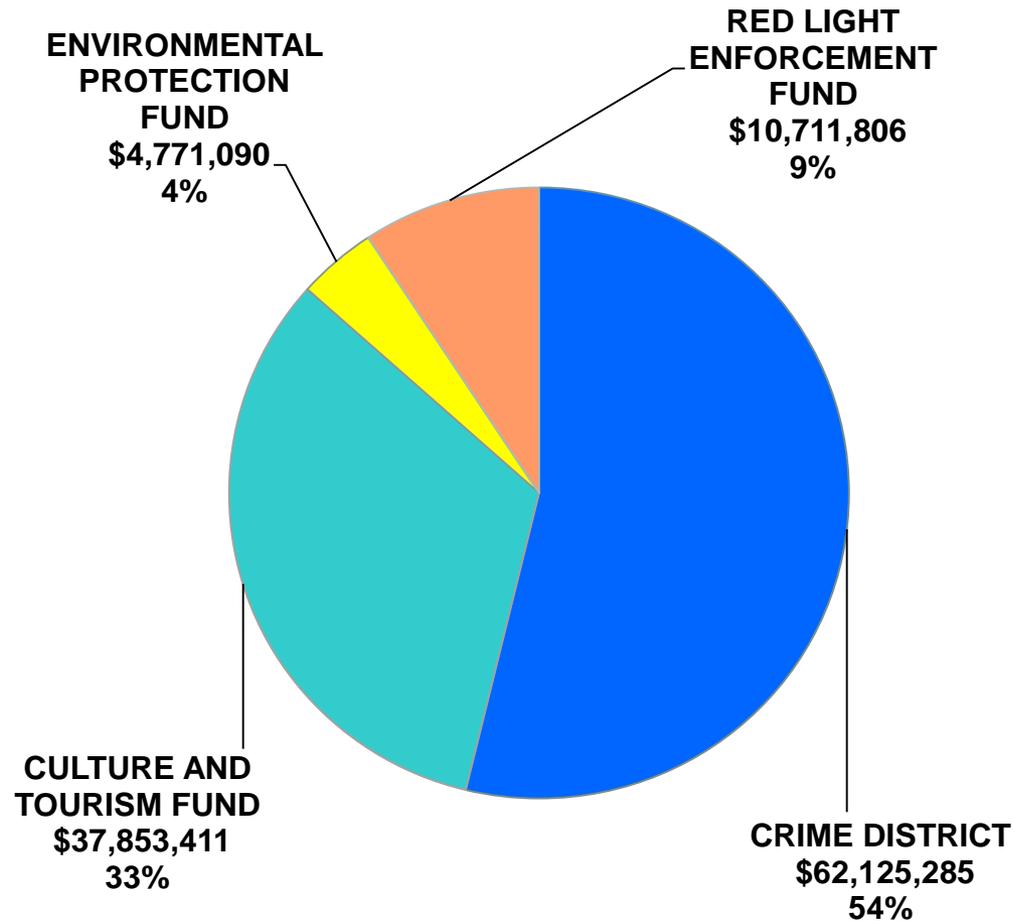
Special Revenue Funds

Special Revenue Funds

Fund	Adopted FY2014	Proposed FY2015	Variance	% Change
Crime Control and Prevention District	\$62,320,362	\$62,125,285	(\$195,077)	(0.3%)
Culture and Tourism	\$35,437,069	\$37,853,411	\$2,416,342	6.8%
Red Light Enforcement	\$9,843,330	\$10,711,806	\$868,476	8.8%
Environmental Protection	\$4,742,916	\$4,771,090	\$28,174	0.6%

FY2015 Budget Outlook

Special Revenue Funds



FY2015=\$115,461,592

Significant Budget Highlights

Special Revenue Funds

Crime Control and Prevention District

- Contractual pay increases for personnel
- Proposed transfer in of six Crime Prevention Specialists
- Comprehensive performance impact evaluation and analysis of the Comin' Up Gang Intervention Program

Culture and Tourism Fund

- Increase funding for capital improvements and repair costs for aging facilities

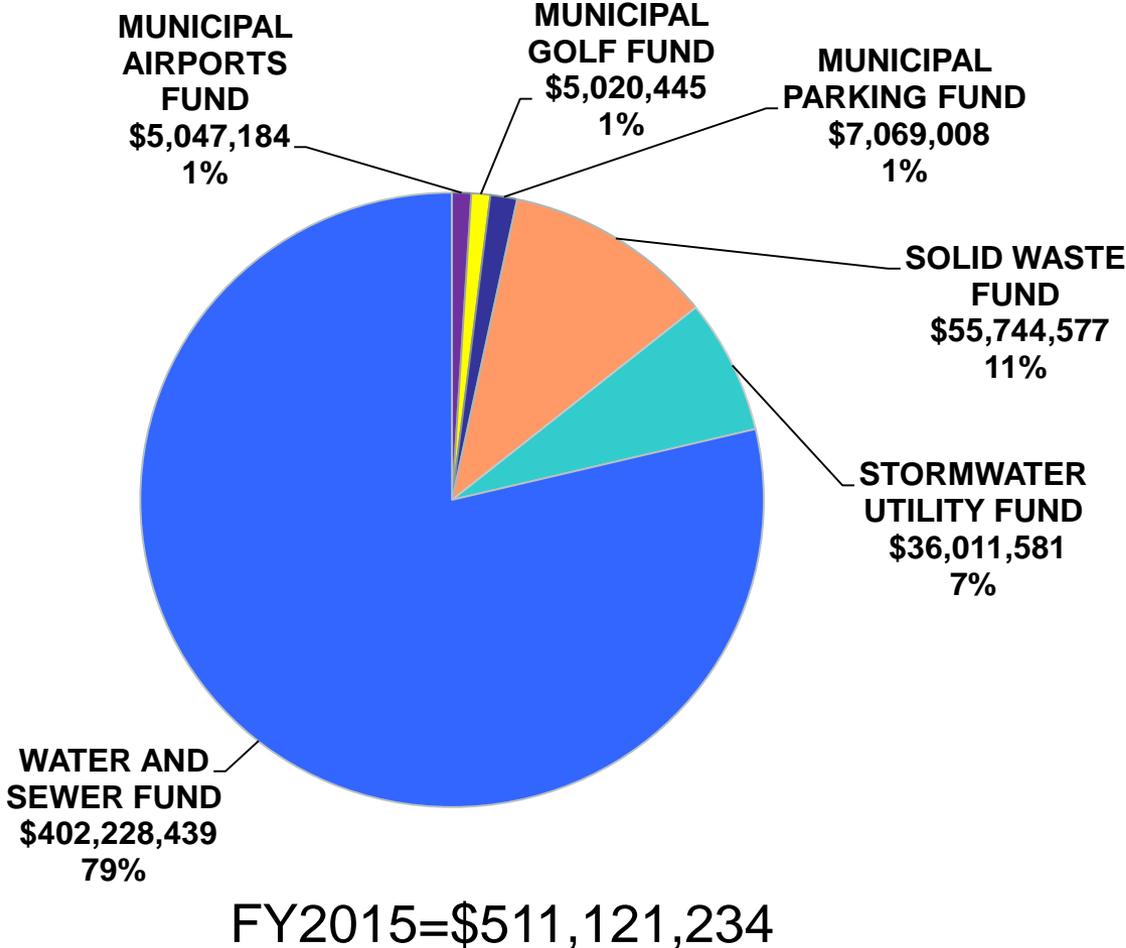
Enterprise Funds

Enterprise Funds

Fund	Adopted FY2014	Proposed FY2015	Variance	% Change
Water and Sewer	\$386,443,275	\$402,228,439	\$15,785,164	4.1%
Solid Waste	\$56,060,962	\$55,744,577	(\$316,385)	(0.6%)
Stormwater Utility	\$35,278,001	\$36,011,581	\$733,580	2.1%
Municipal Parking	\$6,714,705	\$7,069,008	\$134,730	1.9%
Municipal Golf	\$4,988,364	\$5,020,445	\$32,081	0.6%
Municipal Airports	\$4,833,553	\$5,047,184	\$213,631	4.4%

FY2015 Budget Outlook

Enterprise Funds



Significant Budget Highlights

Enterprise Funds

- Proposed Water and Wastewater rate increases
- No increase in:
 - Stormwater Fees
 - Solid Waste Fees
 - Golf Green Fees

In Summary

- Keeps tax rate constant at .8550 / \$100
- Increases investment in employees by providing for implementation of raises and training
- Implementation of FY2014 Bond Program
- Opening of new Police/Fire Training Facility
- Maintains General Fund fund balance at a minimum of 10%

Just a Point in Time

- Need for continued evaluation of services and allocation of resources
- Resource needs...what competes for revenues:
 - Resolution of Fire Collective Bargaining negotiations
 - Infrastructure maintenance and investment (move an additional one cent to debt and capital)
 - Public safety service levels (response times) in a growing City
 - Future salary and benefits funding

FY2015 Budget Calendar

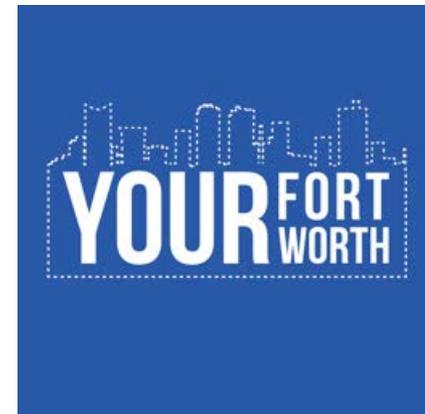
CITY OF FORT WORTH NOTICE OF PUBLIC HEARINGS

Notice is hereby given that the Fort Worth City Council will begin the FY2015 Budget process on Tuesday, August 12, 2014, with the receipt of the proposed budget. Public Hearings on the proposed budget will be held in the Council Chamber, Fort Worth City Hall, 1000 Throckmorton Street, Fort Worth, Texas, 76102, on the following dates and times:

- | | |
|--|-------------------|
| 1st Public Hearing - Tuesday, August 19, 2014 | 7:00 p.m. |
| 2nd Public Hearing - Tuesday, August 26, 2014 | 10:00 a.m. |
| 3rd Public Hearing - Tuesday, September 9, 2014 | 7:00 p.m. |
| 4th Public Hearing - Tuesday, September 16, 2014 | 7:00 p.m. |

Public Engagement Opportunities

- Twitter Town Hall on August 14
- Video on website and social media
- Budget app on yourfortworth.org



FY2015 Budget Calendar

- Tuesday – August 12, 2014:
 - Presentation of City Manager’s Proposed Budget
- Thursday – August 21st Budget Workshop (Day 1)
- Friday – August 22nd Budget Workshop (Day 2)

Budget Study Sessions:

- Thursday – August 28 (2:00 p.m. – 5:00 p.m.)
- Thursday – September 4 (2:00 p.m. – 5:00 p.m.)

Proposed Budget Adoption:

- Tuesday – September 16

FORT WORTH



Questions