



City of
Fort Worth, Texas

Citizen's Guide to the FY2016 Budget



7th Street Bridge, November 2013

Dear Fort Worth Resident:

The FY2016 budget is the product of a long, thoughtful and arduous process. FY2011 was a recession driven budget with significant cuts in staff and services. FY2012 was characterized as a recovery budget, which strategically restored some positions and services; FY2013 was characterized as a maintenance budget focusing on community needs and desires. FY2014 and FY2015 were alignment budgets, with the City making attentive efforts to align expenditures and revenues. The FY2016 adopted budget is a continuation of the FY2015 progress budget. The FY2016 budget is the product of many difficult choices made through a dynamic process of looking at the City's financial health not only for the coming year, but well into the future. Therefore, the FY2016 budget is an alignment budget. It is exciting to see the shift in the City's economic outlook—from improvements in unemployment levels and sales tax collections to upticks in residential and commercial development activity. Along with this growth have come increased demands on City services and infrastructure, and ultimately City dollars. While our financial future is optimistic, paramount to developing the FY2016 budget was building upon previous years' efforts to make the City leaner and more efficient and ensure the long-term protection of our quality of life. The goal is to make sustainable changes to our budget that will allow us to invest in the City's infrastructure, the right services, and in our employees going forward. Understanding the City's budget process, and the decisions that lead to its adoption, is essential to realizing how these issues affect the community now and for years to come.

Fort Worth enjoys a reasonably healthy economy in the midst of challenging financial times, both nationally and internationally. However, similar to many families and businesses right here in our own community, the City must also make difficult choices with limited financial resources. That is why creating this guide is so important to us. Our goal is to help you understand how the budget is developed by City staff with input from residents and the City Council, which approves the final document.

I hope you will use this guide to become familiar with the budget process, and to participate in the decisions on how your tax dollars and other revenues are used. These funds allow us to provide police and fire protection services, to support roads and public infrastructure, to provide safe drinking water and beautiful parks, and to keep Fort Worth the All-America City that it is.

Your interest in your municipal government is greatly appreciated.

Sincerely,
David Cooke



**City of Fort Worth
Citizen's Guide to the FY2016
Annual Budget**

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FORT WORTH CITY COUNCIL

Incorporated in 1873, Fort Worth adopted the council-manager form of government – the most popular form of government in the United States – in 1924, when it received a charter from the Texas Legislature.

In the Fort Worth City Council, council members represent the people in their geographic districts. Six members constitute a quorum. Council appoints a professional city manager to administer and coordinate municipal operations and programs. The City Council also appoints a city secretary, city attorney, city auditor, municipal court judges, and the citizens who serve on various City of Fort Worth boards and commissions.

Council members are elected from the district in which they reside, with the exception of the Mayor – who is elected at large. The Mayor is the official head of the municipal government and represents Fort Worth on ceremonial occasions, is a voting member of Council, presides over meetings, and represents the Council to the public. The Mayor may respond to citizen concerns by appointing special committees to address particular issues.

Elected officials serve two-year terms, but are eligible for reelection with no term limits. Duties of the Council include setting the tax rate; approving the budget; adopting all City ordinances; approving major land transactions, purchases, and contracts; and planning for capital improvements.

Council meetings, which are open to the public, are conducted at 7 p.m. on Tuesdays in the Council Chamber at City Hall, 1000 Throckmorton Street for calendar year 2015 and 2016, unless otherwise posted.

Pre-Council sessions begin at 3 p.m. on the day of Council meetings in the Pre-Council Chamber at City Hall, 1000 Throckmorton Street, unless otherwise posted.

For a detailed list of public meetings and the agenda schedule, you can find the calendar of public meetings and agendas at the City's

web site: <http://fortworthtexas.gov/>.

The agendas for both Pre-Council and City Council Meetings are posted on the Friday afternoon prior to each regularly scheduled Tuesday meeting.

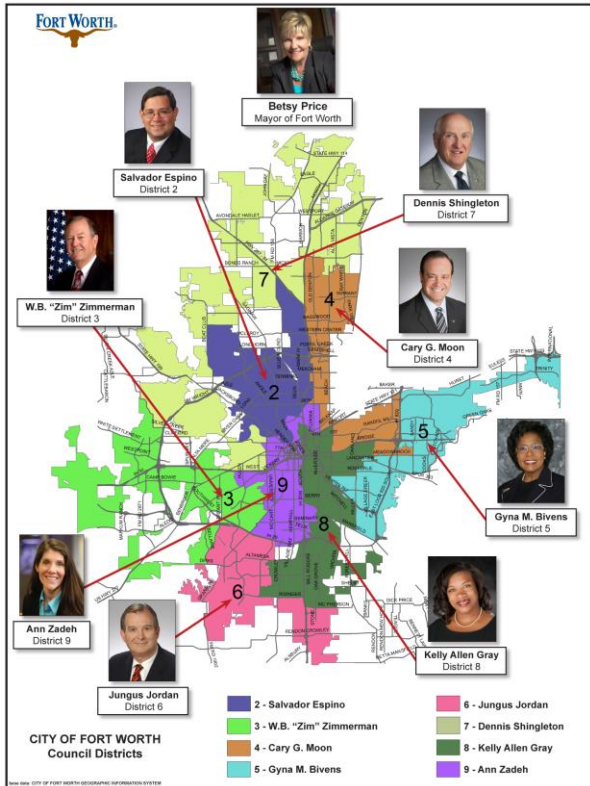
<p>FY2016 Budget Development Schedule</p> <p>Aug 11: City Manager's proposed budget presented to City Council</p> <p>Aug 20-21: City Council Budget Workshops</p> <p>End of August and Early September: Budget Study Sessions held on an as-needed basis</p> <p>Sept 15: Budget adopted by the City Council; tax rate set.</p> <p>Sept 30: Fiscal Year 2015 ended</p> <p>Oct 1: Fiscal Year 2016 began</p>

CITY COUNCIL'S STRATEGIC GOALS

The City's budget incorporates both program budgeting and line item budgeting; however, all proposed programs are aligned with one or more of the City Council's strategic goals. The strategic goals 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. Promote orderly and sustainable development.

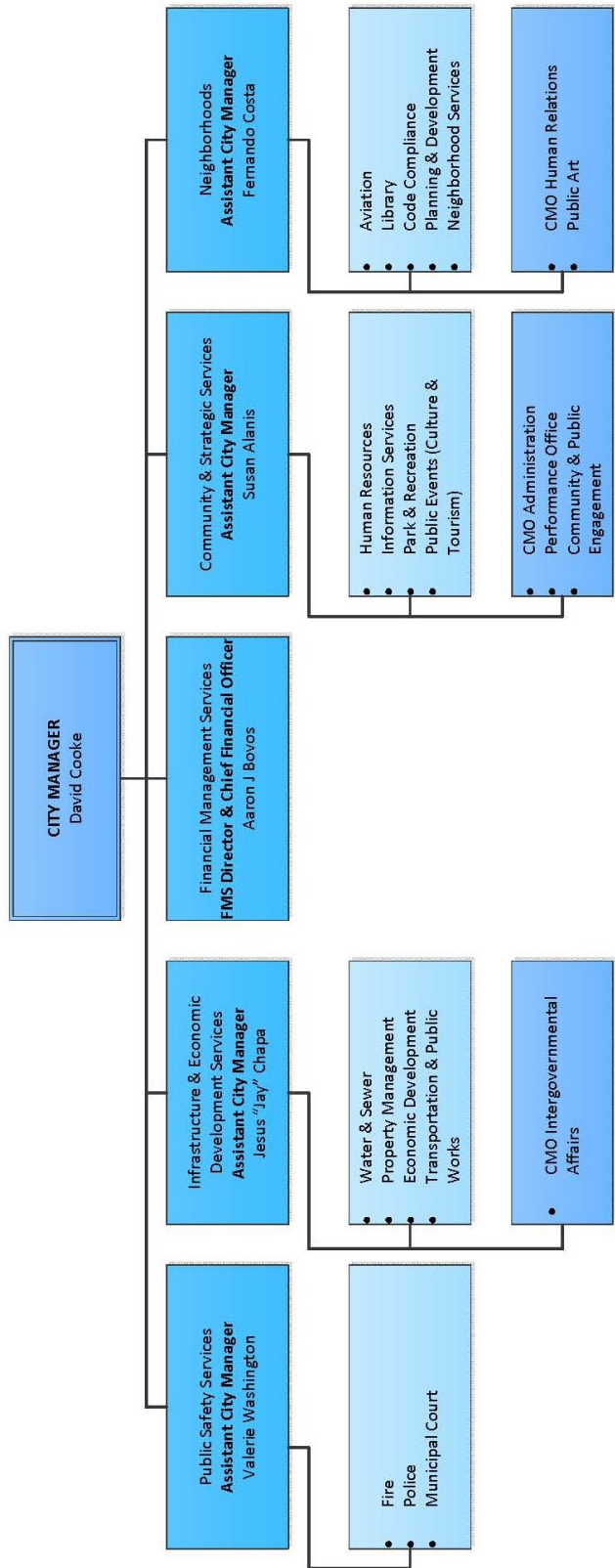
FORT WORTH CITY COUNCIL DISTRICTS



CITY MANAGER'S ORGANIZATIONAL STRUCTURE

Though the City Manager is appointed by City Council, the City Manager's Office is made up of non-political employees, much like any other office. The employees in the City Manager's Office oversee City operations and processes, while acting as a clearinghouse for information both requested by and submitted to the City Council. The City Manager's Office exists to keep the City running, regardless of who wins an election.

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



THE BUDGET PROCESS

Staff began the FY2016 budget process by presenting the City Council with critical forecasting analyses as early as December 2014. Although departments technically work on budget development year-round, the formal process began in February with an organization-wide update of the salary and benefits forecast in February, followed by an official budget kick-off later that month, at which time departments received expenditure targets and other guidance. Based on the principles as outlined by the City Manager and the core objectives of the Management Plan, both of which are discussed in detail in the General Fund Expenditures section of this document, the department budget requests were formally developed and submitted in March to the City's Budget and Research Division for further analysis and review.

In light of the anticipated financial challenges for FY2016, all departments scrutinized their spending in the first half of FY2015 and provided a series of potential reduction and improvement options in conjunction with their proposed budgets. The staff of the Budget and Research Division gave careful consideration to overall program impacts, as well as the balance of critical needs in relation to available resources, and then made its recommendations to the City Manager by incorporating enhancement and reduction options into the initial department requests.

On the basis of these recommendations, discussions with senior staff, and further City Council input and direction, the City Manager made necessary adjustments to balance the budget. Budget staff then compiled the Annual Budget and Program Objectives (proposed budget) for presentation by the City Manager to the City Council in August.

The content of the budget was reviewed with the City Council at length in a two-day August workshop and time was reserved for a series of Budget Study Sessions, as needed, during the course of approximately one month. During this period, the Council also held public hearings at its regular City Council meetings for citizen comment on the proposed budget. After sufficient input from

the community, the City Council approved the budget by adopting an appropriation ordinance along with any rate changes, also adopted by ordinance. The official property tax rate for the year was also set at this time, through adoption of the property tax ordinance.

FY2016 BUDGET OVERVIEW

As welcome as the uptick in revenue has been, in reality the cost of providing the same city services this year as last year has increased. The City of Fort Worth's FY2016 budget includes \$1.6 billion of expenditures from 95 unique funds. City operations are further divided into 20 different operating departments, which provide specific services. Each fund represents a dedicated revenue stream and meets a distinct community need. The largest funds are the General Fund, at \$610.9 million; the Water and Sewer Fund, at \$419.5 million; the Group Health Fund, at \$102.1 million; the Crime Control and Prevention District (CCPD) Fund, at \$86 million; the Debt Service Fund, at \$83.6 million; and the Solid Waste Fund, at \$58.5 million. The budget increased by a total of 45.85 positions from the FY2015 budget in all funds.

The FY2016 General Fund budget was balanced by initiating discussions with a 5% across-the-board budget reduction. The budget increased expenditures by 7.1% over FY2015 expenditures totaling \$106.7 million. However, the FY2016 adopted budget, for the first time since FY2010, did not use excess reserve fund balance. Due to improvements in revenue forecasts, tough reduction cuts, and cost savings, the City has a balanced budget.

REDUCED SPENDING

Of the more than \$23.9 million initially identified in potential reductions, \$2.3 million in General Fund reductions have been included in the FY2016 adopted budget. Key reductions this year include a partial reduction in the civil service longevity supplemental pay, a reduction of funding for the contracted Comin' Up Gang Intervention Program by 50%, reduced personnel costs from vacancy management throughout the organization, a reduction in funding for Tech Fort Worth, and less funding for consultants and banking fees.

SERVICE ENHANCEMENTS

In FY2016, the City will invest \$16.6 million in program improvements for the General Fund. Each improvement supports one or more of the Management Plan's five core objectives and performance measures, which are further discussed in the General Fund Expenditures section of this document.

Key service enhancements in the FY2016 budget include additional funding for operation of the Public Safety Training Center, the Mayor's Security Detail, for the addition of one Senior Land Agent Position to manage the Alliance Airport Lease, three positions for the maintenance of the Thomas Windham Building, and one conservation specialist position. In addition, the budget includes funding for expenses such as the construction of a police patrol facility in north Fort Worth; the purchase of body cameras, police vehicles, and motorcycles; and the renovation of the Tactical Command Center. The FY2016 budget also includes additional funding for Chapter 380 economic development agreement programs, which offer incentives designed to help fund commercial and retail development projects that promote positive economic development.

FINANCIAL STRUCTURE OVERVIEW

The City of Fort Worth collects various types of revenues, fees and taxes, assigns the revenue to various funds and expends the revenues on services for the community. There are five fund types.

GENERAL FUND

The General Fund finances core city services and receives the largest share of revenue in the overall City budget. Major revenues that contribute to this fund include property tax, sales tax, license & permit fees, service charges, and fines & forfeitures.

Services supported by the General Fund include police and fire protection, code compliance, street maintenance, libraries, parks, administration and neighborhood services.

SPECIAL REVENUE FUNDS

Money collected by the City for very specific

purposes is segregated and managed in Special Funds. These include Culture and Tourism tax revenue for hotel/motel occupancy taxes and rental car fees and Crime Control Prevention District (CCPD) tax revenue.

Other Special Funds include: Environmental Protection, Municipal Golf, Red Light Enforcement, Asset Forfeiture, Library Automation Systems, and Special Donations.

SPECIAL TRUST FUNDS

Special Trust Funds include those revenues that the City retains, and acts as a fiduciary for another group or entity. There are several trust funds maintained by the City including: Municipal Court Technology Fund, Municipal Court Building Security Fund, Juvenile Case Management Fund, Community Programs Funds, Public Improvement District Funds, Tax Increment Reinvestment Zone Funds, Police Law Enforcement Officer Standards & Education Fund, and the Cable Office Fund.

ENTERPRISE FUNDS

Enterprise Funds finance direct deliverables to customers who receive goods or services in exchange for payment. Residents and businesses pay for solid waste disposal, recycling, stormwater control, and water and sewer services. The City charges rates for these services, and deposits the revenue in separate operating funds. This revenue pays for the delivery of each service or product. Each service is intended to be a self-supporting business, and thus operates as an Enterprise Fund.

Enterprise Funds include the Water & Sewer Fund, the Solid Waste Fund, the Municipal Airports Fund, the Municipal Parking Fund, and the Stormwater Utility Fund.

INTERNAL SERVICE FUNDS

Internal Service Funds account for costs associated with department to department services within the organization. The City has established Internal Service Funds for reasons similar to those for Enterprise Funds; however, Internal Service Funds do not provide services directly to the community. Instead, these departments provide services internally to support the mission of other departments. The City maintains separate funds to ensure

accuracy and accountability for the delivery of internal services.

Examples of the Internal Service Funds include the Capital Projects Service Fund, which provides comprehensive engineering design, project management, surveying, quality control testing and construction inspection for municipal infrastructure improvements; the Equipment Services Fund, which procures, maintains and repairs City- owned vehicles and equipment; and the Information Systems Fund, which maintains the City's information and telecom systems.

Other Internal Service Funds include the Risk Financing Fund and the Group Health and Life Insurance Fund.

CAPITAL FUNDS

Capital Funds represent amounts for the City's purchase of construction of major capital facilities which are not financed by other funds.

Due to the long term nature of capital projects, funds are usually obtained from issuance of General Obligation Bonds, Certificates of Obligation and Tax Notes or Revenue Bonds.

Capital Funds include but not limited to various bond issuances, water and sewer, street improvements, culture and tourism, new equipment purchases and parks improvement funds.

NOTE: More detail about each major fund in all categories provided later in this guide.

GENERAL FUND REVENUES

The City has several revenue streams that support the General Fund. These include, but are not limited to, property tax, sales tax, and licenses & permit fees.

PROPERTY TAX

The property tax is the primary source of General Fund representing 52% of all General Fund revenue. 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, Denton, Wise and Parker County Appraisal Districts. For FY2016, property tax will contribute almost \$319 million in revenue to the General Fund. Based on prior years' collections history, staff anticipates the collection rate assumption to remain at 98.5% for FY2015.

Three factors affect a property owner's tax bill:

- the assessed valuation of the property;
- any tax exemptions for which the owner qualifies; and
- the property tax rate as adopted by the City Council.

Assessed Valuation of the Property

In general, property values have been in decline nationwide. Fort Worth has been fortunate, as total appraised values increased by \$2 billion in 2015. Overall, the adjusted net taxable value of property in Fort Worth increased by \$2.5 billion, or 5.4%, as of the July 2015 certified appraisal roll.

Historically, property values in Fort Worth have been substantially lower than in other major Texas cities. The average value of a single-family home in Fort Worth for 2015 was \$193,100, based on data provided by Texas A&M University, Real Estate Center. In contrast, the average home value for Dallas was \$276,200; Arlington was \$195,400 and Austin was \$318,300.

Tax Exemption Policies

Another factor affecting property tax collections is the City's exemption policy. An exemption allows a percentage or a fixed amount of a property valuation to be excluded from taxation. Examples of such exemptions include tax freezes for the elderly and the disabled. This year, Fort Worth saw exemptions for the year decrease by \$683.3 million or 4.0% over the prior year, related to significantly higher numbers of protested incomplete properties at the time the tax roll was certified.

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

- 1) The general residence homestead exemption;

- 2) The senior citizen homestead exemption;
- 3) The disabled homestead exemption;
- 4) The historic sites exemption; and
- 5) The transitional housing for indigent persons exemption.

The most significant of these discretionary exemptions is the general residence homestead, which resulted in \$4.1 billion in exempted assessed value.

Non-discretionary exemptions, applying to businesses, rather than residences include:

Freeport Goods:

A permanent exemption instituted by the City Council, this is the most significant non-discretionary exemption. 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. These goods are not taxed. This exemption is projected to reduce assessed value by \$2.7 billion in FY2016.

Foreign Trade Zones:

These are mandated by the federal government. Two local zones exist in Tarrant County, one surrounding D/FW Airport and the other in the Alliance Corridor. Eligible inventory with either a foreign source or a foreign destination is non-taxable. This exemption is projected to reduce assessed values by \$370 million in FY2016, but is also expected to foster foreign commerce.

In FY2016, the total assessed value excluded due to exemptions and abatements in Fort Worth is projected to be in excess of \$16.3 billion, which totals \$110 million in lost revenue to the General Fund. However, because such exemptions and abatements attract business Council remains committed to existing exemptions.

City Council Adopted Property Tax Rate

The tax rate is the final factor affecting an owner's tax bill. Over the past nine years, the City's tax rate has remained unchanged, and has actually decreased over the last eighteen years. The most significant rate changes took place beginning in the late 1980's, when a 31.7% increase in the rate

occurred between FY1988 and FY1995. As the tax base expanded, the tax rate was reduced from a peak of \$0.9735 per \$100 valuation in FY1995 to the current rate of \$0.855, first adopted for FY2007. The City's total levy amount for FY2016 is \$0.6759 for O&M and \$0.1791 for I&S per \$100 of assessed valuation.

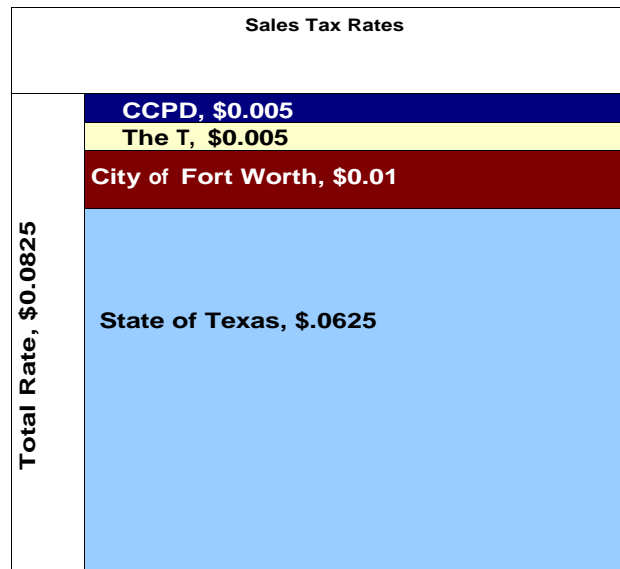
Based on the average value of a single-family home with a homestead exemption, this equates to \$1,321 in annual City taxes. That value is calculated as follows:

Property Tax Calculation

Home value	\$193,100
<u>20% homestead exemption</u>	<u>(\$38,620)</u>
Taxable value	\$154,480
<u>Tax rate (per \$100)</u>	<u>\$0.8550</u>
Tax bill	\$1,321

SALES TAX

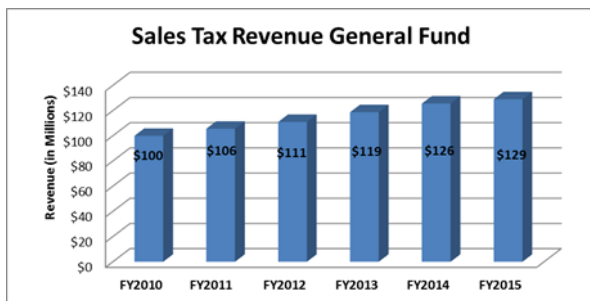
Sales tax is the second largest source of revenue to the General Fund, at 22.1%. The current sales tax rate in Fort Worth is 8.25%. The chart depicts the distribution of the 8.25¢ paid by consumers for every one dollar of taxable purchase in Fort Worth.



State law sets the base sales tax rate and municipalities can then establish additional local sales taxes through a local election for specific purposes. The combined local purpose sales tax rate cannot exceed two percent. The City of Fort Worth's 1¢ portion of

sales tax is projected to total \$135 million for FY2016. An additional 1/2¢ of sales tax is dedicated to the Crime Control and Prevention District (CCPD), which was initially established by popular vote in March 1995. Funds from this CCPD local purpose tax are used to pay for additional police personnel and equipment, as well as various crime prevention programs. This revenue is not added to the General Fund but placed in a separate special revenue fund called the CCPD Fund. Finally, 1/2¢ of local purpose sales tax is used to support the Fort Worth Transportation Authority, also known as “The T.”

Sales tax revenue depends on retail sales. Consumer spending, retail development, and inflation directly affect retail sales. The chart below depicts six years of actual sales tax revenue in the General Fund.



FY2016 anticipates the continued growth in sales tax revenues that began during FY2011. Collections for retail and wholesale trade, hotels/food service, information/media, manufacturing, and utilities sectors showed strong growth throughout FY2015. Other sectors showed slight positive growth as Fort Worth’s economy continued broad-based growth last year.

CHARGES FOR SERVICES

Other sources of revenue make up 5% or almost \$28.6 million of the City’s General Fund revenue budget. This amount is mainly made up of administrative service charges, gas well annual fees, site reservations, auto pound fees, mowing fees, athletic fees, library charges, and other fees.

LICENSES AND PERMITS

Licenses and permits income constitutes 2% at \$13.4 million of the City’s General Fund revenue budget for FY2016. Some of the fees

that are included in this revenue source are:

- Franchise fees on utility companies;
- Electrical, Plumbing, and Building permits;
- Public health fees; and
- Occupational license changes

OTHER REVENUES

Other sources of revenue make up 10% or almost \$59.1 million of the City’s total General Fund revenue. This amount is mainly made up of reimbursement of labor costs and miscellaneous revenues.

REVENUE BREAKDOWN

The following graph depicts the relative value of these General Fund revenue streams:

General Fund Revenues

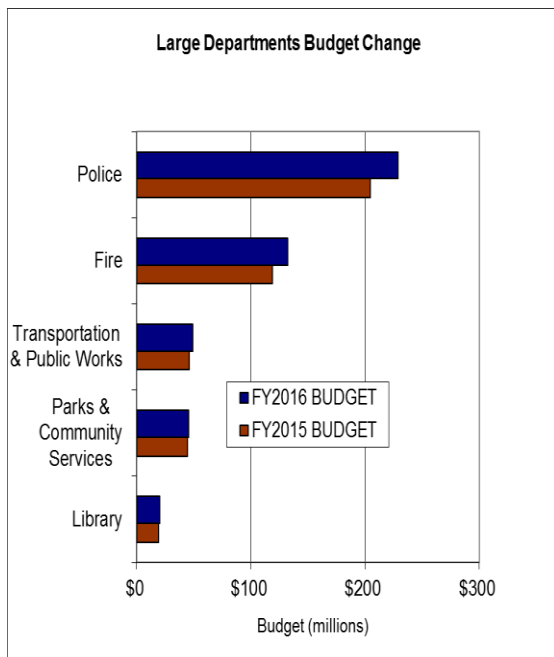


GENERAL FUND EXPENDITURES

In FY2012, the City restored staffing and City services reduced during prior year budget reductions. The FY2013 budget was characterized as a “maintenance budget,” focusing on priority community needs and desires. The FY2014 and FY2015 budgets represented the City making attentive efforts to align expenditures and revenues. The FY2016 adopted budget is a product of prioritizing revenue sources with expenditures by looking at the City’s financial health well into the future. The following charts show a comparison from the FY2015 budget to the FY2016 budget for the largest departments to the smallest departments.

The City Manager outlined six budget development strategies, which included:

- 1) Move from a departmental to corporate-focused decision-making process;
- 2) Address more comprehensive, defined long-term financial plans;
- 3) Develop a plan-based capital funding program;
- 4) Provide a comprehensive financial picture through combined operations and maintenance and capital budgeting; and
- 5) Increase investment in infrastructure.
- 6) Increase integration of external stakeholders in the budget process



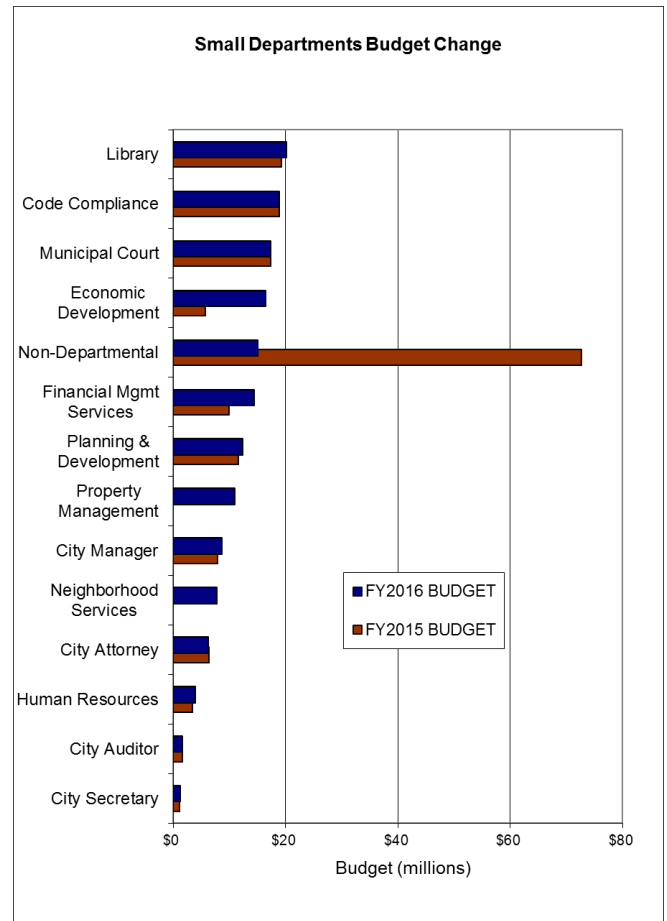
- Five Large Departments over \$20M

The Management Plan, developed by City staff, was designed to help guide Fort Worth in fulfilling its vision to be the most livable and best managed city in the country by providing key guidance in weighing critical decisions throughout the budget development process.

To meet this goal, four core objectives and performance measures were identified as a measure for allocating limited resources among competing needs. The core objectives are:

- 1) Serve the customer;
- 2) Run the business;
- 3) Manage resources; and
- 4) Develop employees.

Several changes were made to the budget that impacted all City departments, including providing services for the City’s growing population, increasing maintenance needs, and the City’s growing contribution to employee healthcare costs and retiree healthcare benefits.



- Small Departments under \$20M

The General Fund is comprised of eighteen operational departments, the largest of which, in terms of expense is Police, followed by Fire and Transportation & Public Works. Park and Community Services is the fourth largest department by expenditures, followed by Library. These five groups represent a combined total of 78% of General Fund spending.

The following graph shows how much of each General Fund dollar is spent per department or area.



City Attorney's Office

\$6,263,916

The City Attorney serves as chief legal advisor to the City Council, City Manager and all City departments, offices, agencies, boards and commissions. The City Attorney and the assistant city attorneys represent the City in all legal proceedings, as well as draft and approve ordinances, documents, contracts and legal instruments on behalf of the City. The office is also responsible for representing the City in judicial and administrative hearings and prosecuting misdemeanor violations of ordinances and state statute Class C misdemeanors. The City Attorney's Office does not provide legal advice to members of the public.

The primary change to the FY2016 budget is a decrease in expenditures related to costs associated with an organizational change as part of the creation of the Property Management Department, which included the transfer of the Utilities division and one authorized position for a Utilities Manager from the City attorney's Office to the Property Management Department. The FY2016 General Fund budget also includes the elimination of outside counsel funding.

City Auditor's Office

\$1,626,860

The City Auditor's Office is charged with conducting financial, compliance, operational, and performance audits of City functions and activities to help ensure proper risk management and good governance. The department also undertakes special projects, analyses, and investigations as requested by the City council and/or City Manager. Internal audit activity is conducted under the direction and control of the City Auditor, who is appointed by the Mayor and City Council.

The City Auditor's Office budget closely maintains fiscal year 2015's spending levels. The primary increases in retiree health benefits, claims and legal payments, and electric utility costs were offset by reductions in Information Technology allocations related to computing, radio and telephone services.

City Manager's Office

\$8,594,176

The City Manager's Office (CMO), which

oversees City operations and processes; is composed of six divisions: Administration and Clerical Support, Mayor and Council Office, Human Relations, Governmental Relations, the Office of Communications and Public Engagement and the Performance and Learning Services Office.

The primary changes to the department's budget are due to the transfer of four authorized positions, which included a Communications Specialist position from the Capital Projects Services Fund to the City Manager's Office, a Management Analyst from the Information Systems Fund, and two Graphic Artists from the Office Services Fund. Also, there was an addition of one new authorized position for a Communications Officer.

City Secretary's Office

\$1,233,982

The City Secretary's Office records all official formal actions of the City Council; coordinates meeting dates, times, and places; maintains ordinances, contracts, deeds, and other official City documents; coordinates the Council's boards and commissions appointment process; serves as the Election Administrator for all city-held elections; coordinates the Public Official Ethics Ordinance and serves as the official repository for associated documents and campaign filings. The Department is also responsible for the publication of official legal notice requirements; for posting all official meeting notices; and for the update and distribution of the City's Code of Ordinances.

The primary change to the department's budget is the increase for costs associated with computing, radio and telephone services, retiree health benefits, and electric utility costs.

Code Compliance

\$18,822,358

The Code Compliance Department's mission is to preserve and enhance public health, welfare and safety through services that focus on education, violation prevention, maintaining compliance and community partnerships. This mission is accomplished through six divisions: Administration, Code Enforcement, Environmental and Health

Services, Animal Welfare, Solid Waste Services and Environmental Protection.

The Code Enforcement Division includes the following sections: Neighborhood Investigations, Building Standards and Special Projects. Neighborhood Investigations provides neighborhood code enforcement including investigating citizen complaints specific to trash and debris, junk and abandoned vehicles, zoning violations, environmental investigations and high grass and weeds. Special Projects includes the Environmental Investigation Section charged with investigating illegal dumping and the Neighborhood Stability Section charged with facilitating the Code Ranger Program and commercial waste activities. Building Standards investigates sub-standard housing issues, facilitates the activities of the Building Standards Commission, performs multifamily housing inspections and coordinates structural demolitions.

The Environmental and Health Services Division includes Consumer Health, Administration as well as Air and Water Quality monitoring. . Consumer Health issues permits, performs health inspections, and complaint investigations of food establishments, public swimming pools/spas, day care centers and hotel/motels. Additional responsibilities include plan reviews, food handler and pool operator training and mosquito disease surveillance. Environmental provides 24 hour air quality monitoring across the Metroplex and surrounding area. They also monitor storm water quality and investigate possible violations. Administration provides department management, fiscal and human resources administration, billing, collection and dispute resolution services.

Animal Welfare provides field responses for stray animals, wildlife, animal



cruelty complaints and bite investigations. It also provides care and a safe environment for sheltered animals, as well as facilitating animal adoptions at the Shelter or at two satellite adoption centers located at local PetSmart stores. Additionally, the

Department's spay/neuter clinic is administered through this division.

In FY2011, oversight of the Solid Waste Fund was transferred to the Code Compliance Department. Residential contract management, drop-off stations, city call center/customer service, illegal dumping and dead animal collection are all included in solid waste services. Additional information on the Solid Waste Fund can be found in the Enterprise Section.

In FY2016, oversight of the Environmental Protection Fund was transferred to the Code Compliance Department. The Environmental Protection Fund supports environmental programs and services implemented to maintain compliance with these federal and state regulations. More information about this Fund can be found in the Special Revenue section.

The primary changes to the Department's budget include the transfer of 14 authorized positions to the Solid Waste Fund for the consolidation of the Litter Abatement Program. Prior to the transfer the cost of these positions was reimbursed by a transfer from the Solid Waste Fund. Twelve positions were added in Animal Welfare including two positions to staff the new Medical Ward and ten positions to staff the Silcox Animal Shelter expansion in 2016 Two positions were transferred from Transportation and Public Works for the administration of the Air Quality Program, Other personnel changes include the transfer of three code officers to the new Neighborhood Services Department for a new neighborhood outreach program for FY2016. Other adjustments to the budget are the reallocation of costs from Non-Departmental and the addition of funds to capture the salary and benefits cost adjustments for the class and compensation study effective in January 2016.

Economic Development

\$16,477,358

The Economic Development Department oversees economic development programs throughout Fort Worth by focusing on improving the



economic well-being of the City through business growth, job creation/retention, development of the future workforce and enhancing the overall tax base. The Department's three major divisions are Economic Development, Business Development, and Property Development. The department provides programs for business recruitment, retention, international economic development as well as partners with developers and investors on the development/redevelopment of land within the City. The department oversees the City's Tax Increment Financing Districts, and the Business Diversity program which serves to enhance minority and women-owned procurement opportunities.

The primary changes to Economic Development include reorganization of the former Housing and Economic Development Department into two separate departments. The primary changes to the department's budget include a reduction of funds for Tech Fort Worth.

Financial Management Services

\$14,373,837

The budgeted amount listed above reflects a transfer of the mailroom from property management to Financial Management Services.

The Financial Management Services Department has responsibility for the financial administration of the City. These duties are performed by the Administration, Accounting, Financial Reporting, Purchasing, Treasury, Financial Systems Administration, and Budget and Research Divisions. The above budgeted amount reflects a transfer of the mailroom from property management to Financial Management Services.

Significant changes to the FY2016 personnel include the transfer of the Capital Projects Division and six positions from Capital Projects Service Fund to the Budget and Research Division, the transfer of one position from IT Solutions to support the payroll function, one position from Neighborhood Services for the administration of the Public Improvement Districts and the conversion of an overage position to a permanent position to support Human Capital

Management. Additional significant changes to the budget include the reallocation of costs from Non-Departmental and the addition of funds to capture the salary and benefits cost adjustments for the class and compensation study effective in January 2016.

Fire
\$132,415,791

The Fire Department, under direction of the Fire Chief, provides protection of life and property from fires and other emergencies, first response emergency medical service, fire safety and prevention programs, arson and fire cause investigations and dispatching of fire apparatus and personnel to fire scenes and other emergencies. The Department is also responsible for the development and implementation of plans for the protection of life and property, thereby minimizing the effects of a potential disaster. The Department's four major divisions are Administration, Executive Services, Operations and Educational and Support Services.



The FY2016 budget changes include an increase mainly due to costs associated with the Collective Bargaining Agreement (CBA) approved in October 2014. Other increases include funding for the Public Safety Training Complex operating costs and funding for the reinstatement for 14 firefighter positions currently funded by the SAFER (Staffing for Adequate Fire and Emergency Response) grant which expires in FY2016. In addition, the budget increased funds for operating costs associated with Public Safety Training Complex. The budget increases due to the reallocation of costs from Non-Departmental and the addition of funds to capture the salary and benefits cost adjustments for the class and compensation study effective in January 2016. The primary reductions to the Department's budget is due to the reductions for overtime associated with constant staffing and increased salary savings based on full funding for fire trainees and historic staff turnover rates.

Human Resources
\$3,862,985

The Human Resources Department administers the City's compensation and fringe benefits programs, establishes job classifications, maintains employee records, facilitates the recruitment and hiring process, oversees personnel transactions and employee compensation data, monitors employee relations, labor relations and grievance appeal processes and administers the Group Health and Life Insurance and Risk Financing Fund functions. The Risk Financing Fund is a merger of the former Risk Management and Workers' Compensation Funds. The department also provides temporary employees to meet the City's short-term administrative and clerical needs. Additionally, the department oversees employee guidance regarding the City's personnel rules and regulations; providing personnel policy revision recommendations to the City Manager; referral of employees with substance abuse or other personal problems; development and implementation of the City's Wellness Program, Return to Work and disability hiring programs; and Civil Service recruiting, testing and disciplinary administration.

The primary changes to the Department's budget are the addition of 2.0 authorized positions from IT Solutions and increase in reallocation costs from Non-departmental. The primary reduction is due to the transfer of 1.85 positions to the insurance funds and the elimination of the Unemployment Fund

Library
\$20,111,091

The Fort Worth Library system consists of a Central Library, 13 branch libraries and 2 satellite libraries that are located in public housing developments. Additionally, the City has interlocal agreements with six neighboring cities to share library resources and services. The Central Library is open 52 hours, 7 days a week, and is the flagship of the system. Branches operate 40 hours a week including Saturdays.

In December 2011, the City Council adopted the 20/20 Vision Master Plan for the Library, which charts future facility and service needs. Service priorities for FY2016 are educational

support in the form of early literacy/youth/teen services, workforce development, genealogy and local history and technological enhancements. The Library's five year vision is to be recognized as the best place for materials to support pleasure/ recreation, learning and information and to showcase the diversity and history of Fort Worth through materials, classes, programs and exhibits. The library system circulates more than 4 million materials annually. The libraries provide computers at all facilities with informational databases and internet; answers questions; supports a website with downloadable audios, videos, e-books and other online services; offers educational, cultural and early literacy programming and serves as a gathering place and destination for the local neighborhoods.

The primary change to the Department's budget is the reduction of three authorized positions based on City-wide reductions in the FY2016 budget and the transfer of one database administrator position and the Integrated Library System maintenance and hosting costs to the Library Systems Automation Systems Sharing Fund. The budget increases due to increased funding for the acquisition of library materials.

Municipal Court
\$17,390,360



Municipal Court is a court of record comprised of seven courtrooms, one arraignment jail, one Truancy Court and two satellite payment locations that 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. These cases are punishable by fine only. The Department also processes civil parking cases filed within the territorial limits of the City of Fort Worth. Court operations are divided into four divisions: Administration, Judicial, Court Clerk and Marshals.

The primary changes to the Department's budget are the transfer of seven positions, to the Special Trust Fund, four to the Building Security project and three to the Juvenile Case Manager project. The budget also

reflects a decrease in collection expenses, consistent with a lower revenue projection.

Neighborhood Services
\$7,701,177

The Neighborhood Services Department develops and administers programs that promote a strong economy and enhance the quality of life by providing sustainable housing and educational programs throughout the City of Fort Worth. The department's five major divisions are: Community Development, Administration and Loan Services, Directions Home, Community Services, and Neighborhood Code Outreach. The Community Development Division coordinates redevelopment projects/plans and administers the Neighborhood Empowerment Zone (NEZ) program, grant-funded and non-grant-funded economic and community development projects. The division also coordinates the Priority Repair and Lead Safe programs. The Administration and Loan Services Division oversees the Department's budget, payroll and human resources functions, administers homebuyer assistance programs (HAP), and performs loan intake/servicing functions for homebuyer down-payment assistance/rehabilitation programs. The Directions Home Division (the homelessness program) is the City's 10-year plan to end homelessness and works toward making chronic and persistent homelessness non-existent in the City of Fort Worth. The Community Services Division oversees the maintenance of the City's network of community centers as well as administering of the City's recreational and human services. This division also delivers more than \$12 million in state and federal grant-funded social services to eligible households in Fort Worth and Tarrant County through the Community Action Partners program. The Neighborhood Code Outreach Division is a division dedicated to helping the citizens of Fort Worth keeping up to code and handling issues from environmental health codes, ordinances and regulations, responding to complaints, issue notices of violation as required and finding solutions to help the elderly citizens should it be required. This division will also work with the volunteer programs throughout the City and Tarrant County.

The primary changes to the Department

include splitting organizational operation of Neighborhood Services from Economic Development. This included the addition of 1.00 authorized position for a Neighborhood Services Director. The primary changes to the budget are an addition of funds for the HOME Match obligation requirement.

Non-Departmental

\$15,078,463

Non-Departmental records all General Fund expenditure items not exclusively within the programmatic responsibilities of a specific General Fund department. Major Non-Departmental accounts include, but are not limited to, electric utility costs, the City's contribution to the group health plan, terminal leave costs for General Fund employees, election costs, commercial insurance premium costs, appraisal district fees, other post-employment benefits (OPEB), programs for the homeless, retiree health costs, the Tuition Reimbursement Program and subsidies for community partner agencies.

The primary changes to the Department's budget are the result of the reallocation of expenditures from Non-Departmental to the General Fund departments and the suspension of the previously proposed funding strategy for the OPEB Trust. The transfers out of the Department include allocations for Chapter 380 Economic Development Agreements, electric utility costs, commercial insurance premium costs, claims and lawsuit expenditures, appraisal district fees, retiree insurance, stormwater utility fees, death benefits and debt service for the Energy Savings Program. Other reductions include the elimination of one time expenditures for Fire and Police relocation, funds for homelessness programs, and election costs. These decreases are offset by the addition of funds for transfers out to fund pay-as-you-go-capital projects, subsidies to Public Events for Energy Savings debt services, and funds for a special charter amendment election.

Park and Recreation

\$45,735,040

The Park and Community Services Department is responsible for the planning, designing, developing, and maintaining of the City's network of parks, as well as for the

planning and administering of the City's recreational programs. Department operations include maintenance of approximately 263 parks and public spaces citywide encompassing 11,730 acres as well as the provision of recreational, cultural and educational activities that make Fort Worth a great place to live, work and play. The Department has four divisions: Administration, Park Operations, Recreation, and Planning and Resource Management.

The FY2016 budget changes include an increase of five authorized positions. The positions include one authorized position, Community Center Supervisor and funds for the preparation of the Victory Forest Community Center and two authorized positions which include an Assistant Director and a Management Analyst II to support the re-establishment of a Recreation Division. In addition, the budget increases due to maintenance and operations of improvements to Chisholm Trail Community Park, annual CPI adjustment for the Fort Worth Zoo management fee, Fort Woof West dog park, maintenance of historic Handley Urban Village and new parkland maintenance in north district. The budget also increases for costs from Non-Departmental and the addition of funds to capture the salary and benefits cost adjustments for the class and compensation study effective in January 2016.

The primary reduction to the Department's budget is due to the partial reallocation of the Community Services Division to Neighborhood Services Department, which includes 33.60 authorized positions and related operating costs. In addition, 20.00 authorized positions and related operating costs were transferred to Special Trust Funds. In addition, to a decrease in line items that did not have significant service level impacts funding for the contracted Comin' up Gang Intervention Program, hazardous tree contract, median mowing, athletic and youth athletics maintenance, funding for pools, agriculture and botanical funding, as well as the interior plant contract.

Planning and Development

\$12,289,904

The mission of the Planning and Development Department is to build the

most livable city in Texas by helping people make sound decisions about the City's growth and development and to develop property in ways that benefit the community. The Department has three divisions: Administration, Development, and Planning.



The primary changes to the Department's budget include the transfer of six positions to the new Property Management Department for the Gas Well Lease program and the transfer of three positions in from the Capital Project Services Fund. Increases to the budget include the reallocation of costs from Non-Departmental and the addition of funds to capture the salary and benefits cost adjustments for the class and compensation study effective in January 2016.

Police
\$229,073,957

Under the direction of the Chief of Police, the Fort Worth Police Department develops and implements programs to deter crime enforce traffic laws and protect life and property within the City of Fort Worth. Specific departmental responsibilities include crime prevention, the apprehension of persons suspected of committing crimes, recovery of stolen property and regulation of non-criminal activities such as traffic enforcement.

The primary changes to the Department's budget are the increase in funding for civil service personnel costs primarily as a result of compensation increases mandated by the Meet and Confer Agreement and the addition of 39 positions, 25 officers to staff the Sixth Patrol Division, nine positions for the weapons range, one technician for the new Public Safety Training Complex and the conversion of temporary employees into four permanent positions. The budget also increases due to the addition of funds for operation of the Public Safety Training Complex, regular employee overtime and contractual services. The budget reflects the reduction of two authorized positions and the transfer of one position to the newly created Property Management Department.

Property Management
\$10,945,204

The budgeted amount listed above reflects a transfer of the mailroom from property management to Financial Management Services.

In February of 2015 (M&C G-18416), City Council approved the establishment of the Property Management Department. This department centralizes the location for functions such as fleet and fuel, facilities maintenance and planning, land and property acquisition and sales. The General Fund portion of the Property Management Department consists of the Facilities Division, responsible for managing building maintenance and repair, facility planning, architectural and construction management services for City facilities, and managing the City's conservation initiatives; the Utility Management Division negotiates the electricity contract for all City departments, negotiates and oversees the City's franchise agreements with utility companies that utilize City rights-of-way (gas, long-distance telephone, and electric) and addresses issues with non-franchised utilities that utilize City rights-of-way (local telephone and cable). Finally, the Real Property Division negotiates lease terms and rates for City use of private property, coordinates space planning with the Facilities Division as relates to leasing of City-owned property, and drafts and processes lease agreements and renewals. This division also includes the Mineral Management Section which is reimbursed via gas lease royalty revenues and manages the City's natural gas leases and performs other services related to the City's natural gas assets.

The Real Property Division also includes the Real Property section which is responsible for land and property acquisitions as well as sales and right-of-way and easement acquisitions and is funded by the Capital Projects Service Fund.

The Property Management Department also has a Fleet Division, which is funded by the Equipment Services Fund and is responsible for maintaining the City's fleet.

Transportation and Public Works

\$48,906,180

The Transportation and Public Works Department strives to improve the condition of the City's infrastructure by effectively maintaining City roadways, drainage structures, street lights, street signs, pavement markings, and traffic signals. The Department is organized into five divisions which include: Business Support and Administration, Infrastructure Management, Transportation Programming, Traffic Management, and Street Services.

The FY2016 budget changes include a reduction in funding for the transfer of the Facilities Maintenance division, which includes 64 positions, to the Property Management Department. The budget also includes additions in funding for the transfer of 14 positions from the Capital Projects Service fund and seven positions from the Red Light Enforcement fund. In addition, the budget increases for vehicle replacement and for the Pay as You Go (PAYG) portion for capital items. The budget decreased for the transfer of the Air Quality Program to the Code Compliance Department.

SPECIAL REVENUE FUNDS

Crime Control and Prevention District

\$86,002,513

The Crime Control & Prevention District (CCPD) was formed and approved by voters in 1995. The District has been renewed by voters in 2000, 2005, 2009, and 2014 for subsequent five-year periods. CCPD revenue is derived from a half-cent of the city sales tax. The mission of CCPD is to enhance the Fort Worth Police Department's ability to provide quality service and to work in partnership with the community to reduce crime and to create a safe environment for all. CCPD aims to accomplish this goal by funding five key categories: enhanced enforcement; neighborhood crime prevention; partners with a shared mission; recruitment and training; and, equipment, technology, and infrastructure.



The CCPD budget must be approved by both the CCPD Board of Directors and the City Council. Each approval requires a public hearing and a vote.

The adopted CCPD budget includes funding for capital expenses that include the construction of a facility in north Fort Worth to house the Sixth Patrol Division, renovation of the Tactical Command Center and other facility expansions, funding for body cameras, vehicles, and motorcycles. The budget also increases due to the addition of one trainee class to graduate 34 officers, 25 to staff the Sixth Division and nine to staff the weapons range; one civil service position for the School Security Program and increased civil service personnel costs primarily as the result of compensation increases mandated by the Meet and Confer Agreement. The budget also includes a significant decrease for the radio tower debt service payments, partially offset by an increase in the jail contract with the City of Mansfield.

Additional information on CCPD can be found on the Police Department Website at <http://www.fortworthpd.com/ccpd>.

Culture and Tourism Fund

\$43,678,831

The Culture and Tourism Fund, which is managed by the Public Events Department, was established in 1989 to provide funding for operations 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 cultural activities and the remaining two percent is used to fund debt associated with the expansion of the Fort Worth Convention Center. The Fund is also supported by a revenue sharing program with DFW airport. The FY2016 adopted Culture & Tourism Fund budget was separated into three funds based on revenue source so as not to comingle restricted funds.

The Department operates and maintains both the Will Rogers Memorial Center and the Fort Worth Convention Center, including promotion and scheduling of events in these facilities. The venues host national, regional and state conventions, conferences, world-class equestrian events, concerts, sporting events, theatrical performances, community events and the Southwestern Exposition and Livestock Show.

The FY2016 Adopted Budget includes the addition of two new funds to allow for the tracking of the 2% HOT tax for debt service and the DFW revenue sharing as these funds are restricted in use to the payment of debt and facility improvements. The overall budget increased mainly for the addition of funds for the new arena debt service, facility repair and maintenance, citywide allocations and contractual increases for the Convention and Visitor's Bureau and HERD contracts. Citywide budget adjustments represent increases for transfer of the Energy Savings Program debt service from Non-Departmental, as well as increases in commercial insurance premiums and retiree health insurance premiums.

Environmental Protection Fund

\$4,821,164

The City of Fort Worth collects environmental protection fees to fund federal and state mandated projects associated with environmental protection throughout the city. The Code Compliance Department's Environmental Division is responsible for the oversight of all personnel and projects implemented under the Fund. Currently, the areas receiving funding include Regulatory/Administration, Public Education, Construction/Industrial Inspection, Stormwater Monitoring, Emergency Spill Response, the Environmental Collection Center (ECC) and Household Hazardous Waste Program, Compliance, Air Quality Program and Special Projects.



The primary revenue source for the Fund is the Environmental Protection Fee, a monthly charge collected by the City of Fort Worth on residential and commercial water bills. Other revenue sources include interest earned on

investments, a transfer from the Solid Waste Fund for collection of household hazardous waste from Fort Worth residents, and fees collected from other cities to allow their residents to participate in the Household Hazardous Waste Program.

The adopted budget increases due to costs associated with environmental projects for asbestos abatement or underground storage tank removal, contractual costs for permits, lab fees and various other hazardous waste agreements, and for the disposal & processing of garbage, recycling and hazardous waste.

Municipal Golf Fund

\$4,470,482

The Municipal Golf Fund was established to offer citizens an enjoyable, safe, comprehensive and affordable golf program. The Fund is managed by the Golf Division of the Park and Recreation Department. Each golf course is divided into four sections including Golf Management, Pro Shop Operations, Snack Shop Operations and Golf Course Maintenance. The City operates four regulation-length courses that promote golf as a lifetime sport – Pecan Valley, Meadowbrook, Rockwood and Sycamore Creek.



The primary reduction to the Fund's budget is due to the renovation/construction at Rockwood Golf Course for the majority of the fiscal year which decreases the expenditures in merchandise and alcohol for resale, temporary employee, electricity, water and holiday pay. This year's budget also includes the elimination of the annual OPEB contribution. However, the budget increased for the reallocation costs from Non Departmental and the adopted class and compensation study effective in January 2016.

Red Light Enforcement Fund

\$9,461,369

The Red Light Enforcement Fund was formally established in FY2011 and is managed by the Transportation and Public Works Department. Revenues from citation fees cover the program's cost with half of the

annual revenue after expenses transferred to the State Trauma Fund by law and the remaining revenue being available for use by the City on traffic safety programs, intersection improvements and traffic enforcement. Revenue is restricted for traffic safety programs that include the markings, traffic signals and school safety.

The primary change to the Adopted Budget includes decreased payments to the State of Texas for 50% of revenue earned based on a projected decrease in citation revenue for FY2016. Other reductions include the elimination of six vacant positions and the transfer of seven positions to Transportation and Public Works to better align services.

Special Donations Fund

\$6,940,730

The Special Donation Fund was created in FY2016 to track and manage cash donations to various departments and programs within the City. Each year the City receives monetary donations from private entities on an occasional or regular basis. The budget is based on estimates provided by the departments that receive such donations and participating departments include the City Manager's Office, Economic Development, Neighborhood Services, Code Compliance, Police, Fire, Park and Recreation, and the Library Department.

SPECIAL TRUST FUNDS

Community Programs

\$3,464,208

The City of Fort Worth Park and Recreation and Neighborhood Services Department receive revenue, for donations, trust funds, etc. the Special Trust Fund include 37 sub-funds. The funding is used to provide additional support services in different areas including: providing additional support to the Botanic Garden operation and facilities, providing additional support to the Nature Center and Refuge operation and programs, providing additional Community Center Program Support, providing other program support for Day Camp, Mobile Recreation Program and the Summer Swim Program, as well as Providing additional Operational Support for the Community Tree Planting

Program, Mayfest, Streams and Valley Program, Water Aid and Community Services Special Trust Fund.

Funding is provided by the various donors quarterly or twice a year; any funds remaining from the current year's donation is used to offset the following year's costs. Fees are collected prior to the programs being provided. The items shown are a portion of the Special Trust Fund sub-funds that will provide support for FY2016. Other sub-funds not shown are not anticipated to have activity in FY2016 and will be included in the annual budgets once activity is anticipated. Any remaining funds in any of the Special Trust Fund not used in FY2016 will be available for future years program uses.

Public Improvement Districts

\$6,940,730

A Public Improvement District (PID) is a defined geographical area established to provide specific types of improvements or area maintenance, and which is financed by assessments against the property owners within the area. The Financial Management Services Department is responsible for the oversight of the eight active PIDs: Downtown, Park Glen, Heritage Park, Camp Bowie, Stockyards, Chapel Hill, Trinity Bluff, and Sun Valley.

In accordance with the City's PID Policy, City staff shall administer all PIDs and the City may contract with a management company to manage the PID, subject to administrative oversight by City staff. The management company coordinates development of the Budget and Five Year Service Plan with the property owners. This budget is then submitted to the City Council for consideration following a public hearing conducted in accordance with State law. By ordinance, the City annually levies the assessments on the properties in the District. The PID assessment is billed on the property owner's annual ad valorem tax statement.

Tax Increment Reinvestment Zones

\$23,741,855

The budgeted amount listed above reflects a contribution to fund balance in the amount of \$3.8M.

The Economic Development Department is responsible for the oversight of the Tax Increment Financing Districts located within the City of Fort Worth limits which includes eleven active TIFs: Speedway, Downtown, Southside, Riverfront, North Tarrant Parkway, Lancaster, Trinity River Vision, Lone Star, East Berry Renaissance, Trinity Lakes and Woodhaven.

Tax Increment Financing Districts (TIFs) are an economic development tool authorized by Chapter 311 of the Texas Tax Code by which local governments can publicly finance needed structural and infrastructure improvements in order to promote new development or redevelopment within a defined area called a "reinvestment zone". A TIF may be established by municipalities or counties as long as an area meets certain conditions. Each TIF district is governed by a TIF board of directors made up of five to fifteen members, appointed by those taxing jurisdictions that participate in the TIF district and the county or municipality that created the zone. The TIF board of directors oversees improvements to the area and may choose to dedicate TIF district funds to reimburse developers for public improvements.

Lake Worth Trust Fund
\$186,000

The Lake Worth Trust Fund is overseen by the Water Department and manages approximately 100 leased properties adjacent to Lake Worth, provide funding for purchasing improvements on those properties upon expiration of existing leases and then markets the properties for sale to the public as they become available. The Fund provides protection for the parks and neighborhoods through patrolling the parks and neighborhoods adjacent to the lake by providing a portion of the funding for costs associated with three deputy city marshal positions.

ENTERPRISE FUNDS

Water and Sewer Fund
\$425,583,755

The budgeted amount listed above reflects a contribution to fund balance in the amount of \$6.1M.

The Water and Sewer Fund is responsible for providing water, wastewater and reclaimed services to residential, commercial, industrial, irrigation and wholesale customers. The Fund serves approximately 1.2 million people in Fort Worth and 30 surrounding communities. Operations are completely financed through fees for services, and debt is issued for large capital projects. This Fund encompasses the Water, Wastewater (Sewer) and Reclaimed Water Departments, which share an administrative staff and many employees whose salaries are paid proportionally by more than one of the departments.

The adopted budget changes include an increase for contractual costs mainly due to increased raw water purchases from the Tarrant Regional Water District, payments to the Trinity River Authority for wastewater treatment services, increased contracted volumes for biosolids treatment and odor control and increases in transfers to the General Fund for street rental, Payment in Lieu of Taxes (PILOT), and other services. The budget also reflects increases in the reallocation of costs from Non Departmental. These increases are offset by citywide budget reductions, including decreases for OPEB, group health insurance, claims and lawsuits, and IT Solutions allocations.

Solid Waste Fund
\$58,450,241

The Solid Waste Fund is supported by monthly residential refuse collection rates, service charges for special bulk/brush collection, residential recycling rates and other miscellaneous fees. These comprehensive solid waste service charges are collected from residents through a monthly fee added to their water bill. Customers can choose from one of three tiers, based upon the size of the garbage cart used: \$12.50 for a 32-gallon cart, \$17.50 for a 64-gallon cart and \$22.75 for a 96-gallon cart. Residential customers may also change tiers if they later decided the original choice was unsuitable for their waste disposal needs.

The primary changes to the Solid Waste Fund include an increase for the residential

collections contract, the addition of 14 positions for the transfer of the Litter Abatement Program from the General Fund Code Compliance Department, the addition of four positions to expand the litter abatement program, the conversion of a coverage supervisor to a permanent position to oversee the Litter Abatement and Environmental Investigation units, the addition of a safety and training specialist and the addition of a management analyst. Increases were offset somewhat by the elimination of the transfer to the General Fund for the Litter Abatement Program and reductions for the purchase of carts.

Municipal Airports Fund

\$5,157,422

The budgeted amount listed above reflects a contribution to fund balance in the amount of \$80k.

The Municipal Airports Fund supports the operations of Alliance, Meacham, and Spinks Airports through the collection of revenue primarily generated by land, terminal building, and hangar rental leases as well as landing fees and fuel flowage. The Municipal Airports Fund relies on the Fund to finance the promotion, development, maintenance, and protection of all City owned aviation facilities and assets.



The primary increases to the Fund's budget are for costs associated with funding of for contractual services regarding services for a property management company and a customs office at Meacham Airport.

Municipal Parking Fund

\$7,021,640

The Municipal Parking Fund is managed by the Transportation and Public Works Department. Fund revenue is generated from fees paid for use of metered parking, the lease of office space, fees charged for the use of surface lots, parking spaces at City parking garages, and designated street parking spaces for the mobility impaired for both City employees and non-City employees. The fund maintains five parking garages, 20 surface lots and 2,718 metered spaces.

Major changes to the Parking Fund for FY2016 included a restructure of operations so all revenue from parking meters, surface lots and all parking garages is retained by the Municipal Parking Fund. For parking fines, a revenue sharing structure has been established with the General Fund. Parking citation receipts deposited directly into the General Fund are capped at \$1.9 million; receipts above that amount are deposited in the Municipal Parking Fund.

The primary increase to the budget is for contractual services for parking meters, maintenance and upgrades to the Commerce Street Parking Garage and Western Heritage Parking Garage.

Stormwater Utility Fund

\$37,085,478

The Stormwater Utility Fund was created in FY2006 and has the responsibility of providing stormwater management to approximately 215,000 residential, commercial and industrial customers. Program operations are completely financed through utility fees for residents and commercial customers based on the measure of impervious surface area or equivalent residential units (ERU) of each property and its impact on stormwater management. For FY2016 the Stormwater fee will remain \$5.40 per ERU and homeowners will see no change to the stormwater fee on their water bill unless their impervious surface area has increased or decreased in the past year.

The Stormwater Capital Projects Program is heavily supported by revenue bond sales, with three sales totaling \$150 million to date. The Stormwater Utility rate will continue to fund the debt service that supports the Stormwater Capital Projects Program. Over \$1.5 billion of needed capital projects to address life safety issues, flooding and infrastructure damage have been identified.

The Fund's budget also includes an increase of 0.20 of an authorized position for a Senior Management Analyst. The major changes in the Fund's budget include an increase in the Street Rental Fee and Payment in Lieu of Taxes (PILOT) payment and IT Allocations. In addition the budget reflects a reduction in

OPEB contribution due to the elimination of the annual allocation.

INTERNAL SERVICE FUNDS

Equipment Services Fund

\$28,014,081

The budgeted amount listed above reflects a contribution to fund balance in the amount of \$1.2M.

The Equipment Services Fund is managed by the newly created Property Management Department to provide fleet maintenance and management services to all City departments through acquiring fuels and maintaining 2,766 on-road units and 725 off-road units at three maintenance facilities. The Equipment Services Fund has increased rates for the FY2016 budget in order to more accurately reflect costs associated with fleet maintenance and to begin to stabilize the current negative net position. The Equipment Services Fund is anticipated to fully recover from their negative position over the next two years

The budget increases mainly due to the addition of capital funding for fuel system upgrades of manual sites. However, the budget decreases due to the reduction of funds for vehicle replacement and for the elimination of the City's annual contribution to the PARS Trust fund for Other Post-Employment Benefits (OPEB) which includes the City's retiree healthcare and death related benefits.

Information Systems Fund

\$28,282,200

The Information Technology Solutions (IT Solutions) Department is responsible for coordinating all information technology resources to support the strategic vision of the City of Fort Worth to provide quality service to the community. This coordination of information technology resources is accomplished through such services as planning and project management, administrative support, technical and administrative services, software applications development and acquisition, and telecommunications.

The primary increases to the Fund's budget

are due to consulting services regarding the human capital management/payroll financial systems upgrade to PeopleSoft 9.2 and for vehicle and equipment replacement. The budget includes an increase of three and a half authorized positions for the conversion of overages to permanent status with no budget impact for hardware and administrative support. Also, the adopted budget decreased by five authorized positions for the transfer of two Business Planners to Human Resources, one Business Planner to Financial Management Services department, one Management Analyst II to the City Manager's Office, Performance Learning Services Office, and one IT Programmer transferred to the City Manager's Office, Communications Office.

Capital Projects Service Fund

\$8,705,232

The Capital Projects Service Fund is managed by The Transportation and Public Works Department and is responsible for providing program management, engineering design, project management, surveying, right-of-way acquisition, quality control, and construction inspection services for most water, sewer, street, storm drainage, sidewalk and other infrastructure improvement projects.

The primary reductions to the Fund's budget are due to a decrease of 24 authorized positions from the transfer out of the Infrastructure Plan Review division, an IT programmer analyst II, a senior human resources analyst, a senior engineering tech, engineering tech II, a senior professional engineer to the TPW Department (General Fund), transfer out of the Capital Project division to the Finance Department (General Fund), transfer out of a senior engineering tech, senior capital projects officer and administrative assistant to the Planning and Development Department (General Fund) and the transfer out of a communication specialist to City Manager's Office (General Fund). In addition 36 positions were eliminated and various functions were outsourced. The fund's budget also includes increases in various other costs including contractual services and citywide allocations.

Risk Financing Fund

\$20,210,822

The budgeted amount listed above reflects a contribution to fund balance in the amount of \$1M.

The Risk Management Division manages the City's commercial and self-insured programs, claims and litigation management and subrogation programs. Risk Management focuses on controlling losses and costs incurred by the City and providing an integrated program responsible for the protection and preservation of the City's resources and assets through loss prevention, loss control and loss financing.

The Workers' Compensation Division manages the statutorily-mandated workers' compensation benefits to City employees who are injured in the course and scope of employment for which compensation is payable under the Texas Workers' Compensation Act. Workers' Compensation expenditures are experience-rated, based on actual workers' compensation claims for the previous three years of claims experience, as well as administrative costs for the upcoming year.

Effective FY2016, the Risk Management Fund and the Worker's Compensation Fund, which both focus on risk exposure and financing, were combined into a single new fund, the Risk Financing Fund. The primary changes to the FY2016 budget include a slight decrease in legal costs in the Risk Management Division of the Fund. The Workers' Compensation Division increased revenues as part of a planned contribution to the negative net position of the Fund - as part of a plan to bring the Fund into compliance with the established Financial Management Policy Statement Reserve Policies. The new Fund has 15.8 total authorized positions.

Group Health and Life Insurance Fund

\$102,100,234

Funds for the health insurance for employees, retirees, and their dependents, plus basic life insurance for employees, are budgeted in the Group Health and Life Insurance Fund. Since FY2002, the Group Health and Life Insurance Fund budget has included funds for the Employees' Wellness Program. Fund

revenues come from active employee and retiree contributions, contributions from City funds, interest on investments, and rebates on prescription drugs claims.

Changes to the FY2016 budget include an increase for the transfer of 0.93 of authorized positions from the General Fund and Workers' Compensation Fund. The primary changes to this budget include a decrease for claim payments/settlements, administrative costs, Medicare advantage premiums and the elimination of the City's OPEB annual contribution. The increases include the addition of funds for the study for the employee medical and pharmacy clinic/wellness center and for salary adjustments for the Adopted class and compensation study.

CITY-WIDE ISSUES

EMPLOYMENT COMPENSATION, GROUP HEALTH INSURANCE, VEHICLE REPLACEMENT PLAN

EMPLOYEE COMPENSATION

Employees are the City's biggest asset. They fill the potholes, protect homes and lives, repair traffic signals and perform other necessary services as a function of city government. The salary structures for non-exempt and exempt employees (non-civil service) have been updated to reflect current labor market salaries and conditions based on recommendations from the Pay Plan Study and approved for the FY2016 budget. As part of the Pay Plan Study recommendations, non-exempt and exempt employees (non-civil service) will receive salary increases ranging from 2.5% to 6% based on years in their position as of August 22, 2015, effective December 26, 2015 or pay period 1. Police Civil Service employees will receive increases in accordance with the Police Meet and Confer Agreement. Fire Civil Service employees will receive increases in accordance with the Fire Collective Bargaining Contract.

GROUP HEALTH INSURANCE

Employee benefits are another important component of the total compensation

package. In particular, the cost of group health insurance, a significant benefit for most employees, continues to rise. In FY2002, the City became self-insured for its medical benefits. The Adopted Budget reflects the City's contribution for group health insurance at \$102 million for all funds. Although premiums for both the City contribution and that of active and retired employees continue to increase, decreases in claims, administrative costs and the elimination of the City's OPEB annual contribution contributed to an overall 2.3% budget decrease. The City will continue to subsidize employees' health insurance costs at 70%, including domestic partners.

VEHICLE /HEAVY EQUIPMENT REPLACEMENT PLAN

The FY2016 General Fund's adopted budget for fleet needs is \$3 million, equivalent to the allocated funding in the FY2015 budget. This funding will allow the replacement of approximately 79 vehicles and heavy equipment in seven General Fund departments. Other funds determine their level of vehicle/equipment replacement based on departmental needs, in consultation with the Fleet Services division of the Property Management Department. Approximately \$2.4 million has been adopted in FY2016 for non-general funds in fleet replacements and additions.

In FY2014 the Vehicle and Equipment Replacement Fund (VERF) was created as a capital project fund to be used in managing revenues and expenditures associated with acquisition of the City's rolling stock, which includes automobiles, motorcycles, specialized mobile equipment and other motor driven capital assets. Participating funds in the VERF include all General Fund departments, the Environmental Protection Fund, the Red Light Enforcement Fund and the Culture and Tourism Fund.

CAPITAL IMPROVEMENTS

Many capital projects are constructed annually by the City of Fort Worth and include improvements for streets, parks, aviation, libraries, fire stations, water and wastewater lines and other City facilities. These

improvements may entail new construction or expansion designed to maintain City assets or enhance service capacity. In order to deliver these improvements, the City utilizes proceeds from a variety of funding sources.

Capital improvements generally are expected to have an ordinary useful life of at least 20-25 years, which is the approximate time required to repay the bonds issued to fund a specific improvement. In 2015, the City had hundreds of capital projects in various stages from project planning and property acquisition through design, construction and inspection.

Debt financing allows the City to provide necessary improvements to public facilities by borrowing money. Some capital debt is financed by revenues from user fees, such as utilities like water or Stormwater. Some funds for capital projects are received from the Federal government in the form of grants, for Aviation projects for example. Other capital improvements are funded by a portion of the property tax rate. Below is a list of recently approved bond programs.

2004 Bond Program

In 2004, the citizens of Fort Worth voted to approve six propositions in a \$273.5 million bond program to address capital needs in six program areas: street and storm sewer improvements; park improvements; library improvements; fire safety improvements; telecommunications system improvements; and public health facility improvements.

2007 Critical Capital Needs Program

In 2006, \$150 million of crucial and time sensitive infrastructure needs were identified and the City Council approved the planned multi-year sale of Certificates of Obligation to address these needs. Improvements included: neighborhood and arterial streets; transportation grant matches; land acquisitions for the 121 Tollway project; and a new fire station, among other projects.

2008 Bond Program

In 2008, the citizens of Fort Worth voted to approve a \$150 million bond program for streets and related improvements only. Improvements included: neighborhood streets, arterials, bridges, traffic signals,

intersection improvements and transportation grant matches.

2014 Bond Program

In 2014 the citizens of Fort Worth voted to approve seven propositions in a \$292 million bond program to include street and transportation improvements, parks and community center improvements, library improvements, fire improvements, municipal court improvements, city service facility improvements, and animal care and control facility improvements.

Funds for Public Art associated with projects were included to support public art components in some of the projects for each program aforementioned. Visit the City's website at <http://fortworthtexas.gov/> for more information regarding capital projects in the City of Fort Worth. Be sure to click on the icon that says "Capital Projects" with the Fort Worth logo.



BUDGET SUMMARY

Development of the FY2016 budget has been a challenging process. Thanks to leadership from the City Council, and hard work by City staff, the FY2016 adopted budget is balanced. Investment decisions were made to reflect Council's dedication to completing existing capital improvement programs, creating more available resources to meet future infrastructure needs, and incorporating enhancements to new and existing programs – where critical needs were identified and resources were available. As a result, the City is on a sound financial footing for FY2016, and is prepared to meet the needs of the community for many years to come.

