

Revenue Policy

I. Authority

The Fort Worth City Council is responsible for legislation, policy formulation, and setting the overall direction of government. This includes the approval of financial policies which establish and direct the operations of the City of Fort Worth (“City”). The City Manager is responsible for carrying out the policy directives of the City Council and managing the day- to-day operations of the executive departments, including the Financial Management Services Department (“FMS”). This policy shall be administered on behalf of the City Manager by the Chief Financial Officer/Director of FMS (“CFO”).

II. Purpose

This policy is intended to establish guidelines for the management of certain City of Fort Worth revenues in order to design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.

III. Applicability and Scope

This policy shall apply to all funds under the budgetary and fiscal control of the City Manager and the Mayor and City Council.

IV. Glossary

See definitions related to this policy provided in the Glossary for Financial Management Policy Statements.

V. Balance and Diversification in Revenue Sources

The City shall strive to maintain a balanced and diversified revenue system to protect the City from fluctuations in any one revenue source due to changes in national or local economic conditions which adversely impact that source.

VI. User Fees

For services that benefit specific users, the City shall establish and collect fees to recover the costs of those services. The City Council shall determine the appropriate cost recovery level and establish the fees. Where feasible and desirable, the City shall seek to recover full direct and

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indirect costs. User fees shall be reviewed on a regular basis to calculate their full cost recovery levels, to compare them to the current fee structure, and to recommend adjustments where necessary.

VII. Property Tax Revenues/Tax Burden

The City shall endeavor to reduce its reliance on property tax revenues by revenue diversification, implementation of user fees, and economic development. The City shall also strive to minimize the property tax burden on Fort Worth citizens.

VIII. Enterprise Funds User Fees

It is the intention of the City that all utilities and enterprise funds be self-supporting. As a result, utility rates and user fees shall be set at levels sufficient to cover operating expenses, meet debt obligations, provide additional funding for capital improvements, and provide adequate levels of working capital. The City shall seek to eliminate all forms of subsidization to enterprise funds from the General Fund.

IX. Administrative Services Charge

The City shall establish a method to annually determine the administrative services charges due the General Fund from other funds for overhead and staff support. Where appropriate, governmental and proprietary funds shall reimburse the General Fund for direct services rendered.

X. Revenue Estimates for Budgeting

In order to maintain a stable level of services, the City shall use a conservative, objective, and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates, and trends in revenues. This approach should reduce the likelihood of actual revenue falling short of budget estimates during the year and should avoid mid-year service reductions.

XI. Revenue Collection and Administration

The City shall maintain high collection rates for all revenues by keeping the revenue system as simple as possible in order to facilitate payment. In addition, since revenue should exceed the cost

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of producing it, the City shall strive to control and reduce administrative costs. The City shall pursue, to the full extent allowed by state law, all delinquent taxpayers and others overdue in payments to the City.

XII. Write-Off of Uncollectible Accounts

The City shall monitor payments due to the City (accounts receivable) and periodically write-off accounts where collection efforts have been exhausted and/or collection efforts are not feasible or cost-effective.

XIII. DFW Airport Revenue Sharing

All revenues derived from the DFW Airport revenue sharing shall be dedicated to facility improvements of the Fort Worth Convention Center and the Will Rogers Memorial Center Complex, including but not limited to capital expenditures, renovation costs, and debt service associated with bonds issued to fund improvements at those facilities.

XIV. Use of One-time Revenues

The City shall discourage using one-time revenues to fund ongoing expenditures.

XV. Use of Unpredictable Revenues

The City shall exercise caution when using unpredictable revenues to fund ongoing expenditures.

XVI. Governmental Funds Investment Income Allocation

Absent an applicable provision of law or contractual agreement, the allocation of pooled investment income for all governmental funds where the General Fund is the “home fund” shall be recorded as investment income in the City’s General Debt Service Fund to offset interest costs associated with outstanding debt issuances and to accumulate cash which can be used to pay off debt prior to maturity to achieve debt service savings.

- A.** Investment income derived from the investment of bond or debt proceeds shall be allocated to the applicable debt service fund.

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B. Surplus Governmental Funds' investment income derived from resources other than bond or debt proceeds can remain in the General Debt Service Fund or may be allocated to the following uses, as recommended by the City Manager:

1. One-time initiatives;
2. Capital projects; or
3. Move to the General Fund for the purpose of contributing to Unassigned Fund Balance

XVII. Investment Income to Offset Debt, Cash, and Investments Administration Costs

A portion of Governmental Funds' investment income other than that which is derived from the investment of bond or debt proceeds will be credited to the General Fund to offset General Fund expenditures associated with the administration of debt, cash, and investments. These expenditures include but are not limited to:

- A.** Personnel costs (salaries and benefits) associated with the portion of time applicable to the execution of debt administrative and related compliance activities.
- B.** Supplies
- C.** Printing
- D.** Training and Professional Development
- E.** Professional and Consulting Services
- F.** Technology (one-time or subscription)
- G.** Other directly related expenditures

The amount of General Government Funds' investment income to be credited to the General Fund to offset General Fund expenditures associated with the administration of debt, cash, and investments will be determined annually in conjunction with the annual budget development process.

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XVIII. Revision History

Responsible Party – Assistant Finance Director, Treasury

Standard Statement: Revisions are detailed in the table. The revision number reflects the sequential order of updates and is archived under the corresponding fiscal year. The “Revision Date” refers to the date the change was made, which may differ from the “Effective Date” which is the first day of the subsequent Fiscal Year, as formal enactment is determined by Mayor and Council (M&C) action. The “Revision Summary” field specifies the nature of the change and may include a rationale.

Revision Number	Revision Date	Revision Summary	M&C
1	9/15/2020	Adopt FMPS Revenue Policy	M&C 20-0645
2	8/24/2021	Adopt FMPS Revenue Policy	M&C 21-0591
3	9/13/2022	Adopt FMPS Revenue Policy	M&C 22-0660
4	9/26/2023	Adopt FMPS Revenue Policy	M&C 23-0842
5	9/17/2024	Section XVI Subsection B: Updated language clarifies that surplus investment income (non-debt related) may: Remain in the General Debt Service Fund, or Be allocated to one-time initiatives, capital projects, or transferred to the General Fund to support Unassigned Fund Balance, as recommended by the City Manager.	M&C 24-0805
6	9/16/2025	Applied standardized FMP template Section XVII: Added cash and investments to administrative areas offset by governmental fund investment income	M&C 25-0837
7	9/15/2026	Adopt FMPS Revenue Policy	M&C 26-1055