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CITY OF FORT WORTH, TEXAS

# FY2024

## ADOPTED ANNUAL BUDGET & PROGRAM OBJECTIVE





**CITY OF FORT WORTH, TEXAS  
FISCAL YEAR 2023-2024  
ANNUAL BUDGET**

This budget will raise more revenue from property taxes than last year’s budget by an amount of \$65,264,597, which is a 9.2% increase from last year’s budget. The property tax revenue to be raised from new property added to the tax roll this year is \$21,759,142

**CITY COUNCIL RECORD VOTE**

The members of the governing body voted on the adoption of the budget as follows:

FOR: Mayor Mattie Parker, Council Members Carlos Flores, Michael D. Crain, Gyna M. Bivens, Jared Williams, Macy Hill, Chris Nettles and Elizabeth M. Beck and Jeanette Martinez

AGAINST: Council members Charlie Lauersdorf and Alan Blaylock

PRESENT but abstained from voting: None

ABSENT: None

**MUNICIPAL PROPERTY TAX RATES**

The municipal property tax rates for the preceding fiscal year, and each municipal property tax rate that has been adopted or calculated for the current fiscal year, include:

<b>Tax Rate</b>	<b>Adopted FY2022-23</b>	<b>Adopted FY2023-24</b>
Property Tax Rate	\$ 0.712500	\$ 0.672500
No-New-Revenue Tax Rate	0.666876	0.635374
No-New-Revenue Maintenance and Operations Tax Rate	0.540200	0.513571
Voter-Approval Tax Rate	0.793356	0.766391
Debt Rate	0.147500	0.147500

**MUNICIPAL DEBT OBLIGATIONS**

The total amount of outstanding municipal debt obligations (including principal and interest) secured by property taxes is \$1,335,366,771.

This cover page and the information it contains are included with the adopted budget as required by Section 102.007 of the Texas Local Government Code.







GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Fort Worth  
Texas**

For the Fiscal Year Beginning

**October 01, 2022**

*Christopher P. Morill*

Executive Director

# Table of Contents

Truth in Taxation .....	3
GFOA Distinguished Budget Presentation Award .....	5
Readers' Guide to the Budget .....	10
<b>EXECUTIVE SECTION</b> .....	11
<b>ORGANIZATIONAL INFORMATION</b> .....	19
Budget Development Staff .....	20
City Council District Map .....	21
City Organization Chart .....	22
Fort Worth Boards & Commissions .....	23
Total City Operating Budget Organizational Chart .....	24
Department & Fund Relationship .....	27
<b>EXECUTIVE MESSAGE</b> .....	28
City Strategic Vision .....	29
Budget Message .....	31
Schedule of Changes .....	35
<b>PROCESSES AND POLICIES</b> .....	36
Budget Process .....	37
Budget Calendar .....	38
Fund Structure .....	25
Budgeting Philosophy and Basis of Budgeting .....	41
Financial Policies .....	42
<b>BUDGET HIGHLIGHTS</b> .....	45
Operating Funds: Financial Summary .....	46
Total Revenue by Fund .....	47
Total Revenue by Source .....	48
Expenditures by Fund .....	49
Expenditures by Type .....	50
General Fund: Financial Summary .....	51
Debt Service Funds: Financial Summary .....	52
Special Revenue Funds: Financial Summary .....	53
Special Revenue Funds: PIDS Financial Summary .....	54
Special Revenue Funds: TIRZ Financial Summary .....	55
Special Revenue Projects: Financial Summary .....	56
Enterprise Funds: Financial Summary .....	57
Internal Service Funds: Financial Summary .....	58
Fiduciary Funds: Financial Summary .....	59
User Fee Authorization and Overview .....	60
Revenue Highlights .....	66
Expenditure Highlights .....	74

Personnel Summary .....	77
Citywide Fund Balance Summary .....	80
<b>GOVERNMENTAL FUNDS</b> .....	<b>81</b>
<b>GENERAL FUND</b> .....	<b>82</b>
General Fund Statement .....	83
General Fund Revenue Summary .....	84
Ad Valorem Property Tax Comparison .....	85
General Fund Revenue and Expenditures .....	86
City Attorney .....	87
City Auditor .....	90
City Manager's Office .....	92
City Secretary .....	94
Code Compliance .....	96
Communication and Public Engagement .....	99
Development Services .....	101
Diversity and Inclusion .....	104
Economic Development .....	108
Environmental Services .....	110
Financial Management Services .....	113
Fire .....	117
FWLab .....	120
Human Resources .....	123
Information Technology Solutions .....	126
Library .....	128
Municipal Court .....	131
Neighborhood Services .....	134
Non Departmental .....	138
Park and Recreation .....	139
Police .....	142
Property Management .....	146
Transportation and Public Works .....	151
<b>DEBT SERVICE FUNDS</b> .....	<b>151</b>
Debt Service Fund Statement .....	156
General Debt Service .....	158
Culture and Tourism Debt Service .....	160
Venue Debt Service .....	161
Municipal Parking Debt Service .....	162
Solid Waste Debt Service .....	163
Stormwater Debt Service .....	164
Water Prior Lien Debt Service .....	165
Water Sub Lien Debt Service .....	166

<b>SPECIAL REVENUE FUNDS</b> .....	167
Alliance Maintenance Facility .....	168
Community Tree Planting .....	170
Crime Control and Prevention District .....	172
CCPD – Neighborhood Services .....	174
CCPD – Park and Recreation .....	175
CCPD – Police .....	177
CCPD – Transportation & Public Works .....	180
CCPD – Public Events .....	182
CCPD – Municipal Courts .....	183
Culture and Tourism .....	184
Culture and Tourism 2% CY Tax .....	188
DFW Revenue Sharing .....	190
Culture and Tourism Project Finance Zone .....	192
Arena Operating .....	194
Economic Incentives .....	196
Environmental Protection .....	198
Municipal Golf .....	201
Special Donation .....	203
<b>PUBLIC IMPROVEMENT DISTRICT FUNDS</b> .....	204
PID #1 – Downtown .....	205
PID #6 – Park Glen .....	206
PID #7 – Heritage .....	207
PID #11 – Stockyards .....	208
PID #12 – Chapel Hill .....	209
PID #14 – Trinity Bluff .....	210
PID #15 – Sun Valley .....	211
PID #16 – Walsh Ranch/Quail Valley .....	212
PID #17 – Rock Creek Ranch .....	213
PID #18 – Tourism .....	214
PID #19 – Historic Camp Bowie .....	215
PID #20 – East Lancaster Avenue .....	216
PID #21 – Las Vegas Trail .....	217
<b>SPECIAL PROJECT FUNDS</b> .....	218
Library Special Revenue Fund Statement .....	219
Municipal Court Special Revenue Fund Statement .....	220
CCPD Community Based Fund .....	222
Special Purpose Fund Statement .....	223
Specially Funded Projects List .....	224
<b>PROPRIETARY FUNDS</b> .....	225
<b>ENTERPRISE FUNDS</b> .....	226

Enterprise Fund Statement .....	227
Municipal Airports .....	229
Municipal Parking .....	233
Solid Waste .....	235
Stormwater Utility .....	238
Water and Sewer .....	240
<b>INTERNAL SERVICE FUNDS</b> .....	<b>245</b>
Internal Service Fund Statement .....	246
Capital Projects Service .....	247
Capital Projects Service- City Attorney .....	248
Capital Projects Service- Transportation and Public Works .....	249
Fleet and Equipment Services .....	252
Group Health and Life Insurance .....	255
Risk Financing .....	257
Information Technology Services .....	259
<b>FIDUCIARY FUNDS</b> .....	<b>265</b>
Retiree Healthcare Trust .....	266
Rock Creek Trust .....	268
<b>ORDINANCES</b> .....	<b>270</b>
<b>SUPPLEMENTAL INFORMATION</b> .....	<b>315</b>
Long Range Projections .....	316
Horizon Issues .....	320
Financial Management Policies .....	343
City Profile .....	509
Glossary and Acronyms .....	522
Tax Calculation .....	538

**Purpose**

The budget summarizes all public service programs provided by the City of Fort Worth. The operating budget represents the annual plan for the allocation of resources for the period of October 1, 2023, to September 30, 2024 (Fiscal Year 2024). Amounts are shown to the whole dollar, so there may be slight variances.

**Organizational Information**

This section explains the organizational structure of the City of Fort Worth and gives details on the funds used by the FWLab to create the budget. This section also contains the City Manager's letter, explanation of how the budget was developed and information on the general fund revenues and expenditures.

**Process and Policies**

In this section, the budget process is explained along with the budget calendar and financial policies.

**Budget Highlights**

This section takes the reader through major funds by showing the revenues and expenditures of each fund group. The section also breaks down revenues and expenditures for the entire budget and groups it by fund and type.

**Revenue Highlights**

This section discusses the City's property tax revenues along with other main types of revenue, including sales tax and fines and forfeitures.

**Department and Fund Pages**

**Operating Department and Fund Summaries**

Each department and fund displays summary information for the related revenues, expenditures, and staffing. The summary compares FY2022 actual results, the FY2023 adopted budget and adjusted budget, and the FY2024 recommended budget.

**Authorized Positions**

Authorized positions (AP) are positions that are formally approved by the City Council and will always have a count of one (1). If a position is funded partially from the General Fund (or a department's operating fund) and partially from another funding source, the AP is accounted for in the General Fund (or the department's operating fund), regardless of the portion of funding.

**Full-time Equivalent Positions**

Each department summary includes the number of full-time equivalent positions (FTE) that are budgeted to the department and fund. One FTE represents 2,080 hours of work on an annual basis. The number of FTEs will differ from the number of approved positions and can range from a fraction of a position to a whole number based on how the position is funded. A reduced number of FTEs in a department and fund will also represent a part-time position or indicate that a portion of the position is budgeted in another fund.

**FY2024 Discussion**

This section highlights the major changes from the prior year's budget to the FY2024 budget. This ranges from organizational changes to service enhancements to drivers of major changes from the prior year. This section is intended to let the reader know what has significantly changed from the prior year.

**Department/Fund Purpose and Goals**

This section provides an overview of the fund and/or department by identifying the purpose and goals. This section may also explain how the fund and/or department is structured to provide its services.



# **Executive Section**

# City of Fort Worth Budget Process

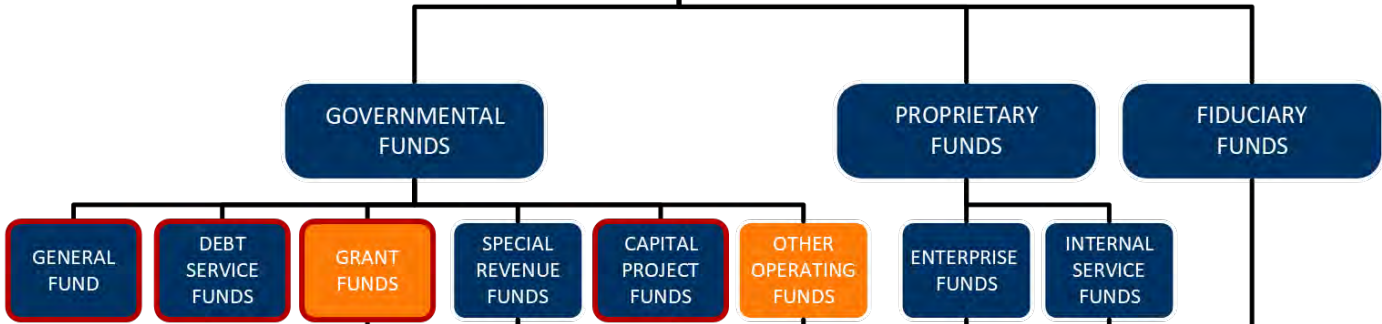


The annual budget process commences in the winter of the preceding year with the City Council retreat. The City Council establishes city goals and provides information to executive staff. The executive staff then creates the city budget calendar. The calendar establishes the timeline for the process, including the date of submission of departmental requests, budget work sessions, and public hearings that lead to the final adoption of the budget.

## City Council Priorities

- **Economic Development and Community Investment**
- **Community Safety**
- **Infrastructure, Responsible Growth and Fiscal Responsibility**

# CITY OPERATING FUND STRUCTURE



**Operating Departments**

- Aviation
- City Attorney's Office
- City Auditor's Office
- City Manager's Office
- City Secretary's Office
- Code Compliance
- Communications & Public Engagement
- Development Services
- Diversity & Inclusion
- Economic Development
- Environmental Services
- Fire
- FWLab
- Financial Management Services
- Human Resources
- Information Technology
- Library
- Municipal Court
- Neighborhood Services
- Non-Departmental
- Parks & Recreation
- Police
- Property Management
- Public Events
- Transportation & Public Works
- Water

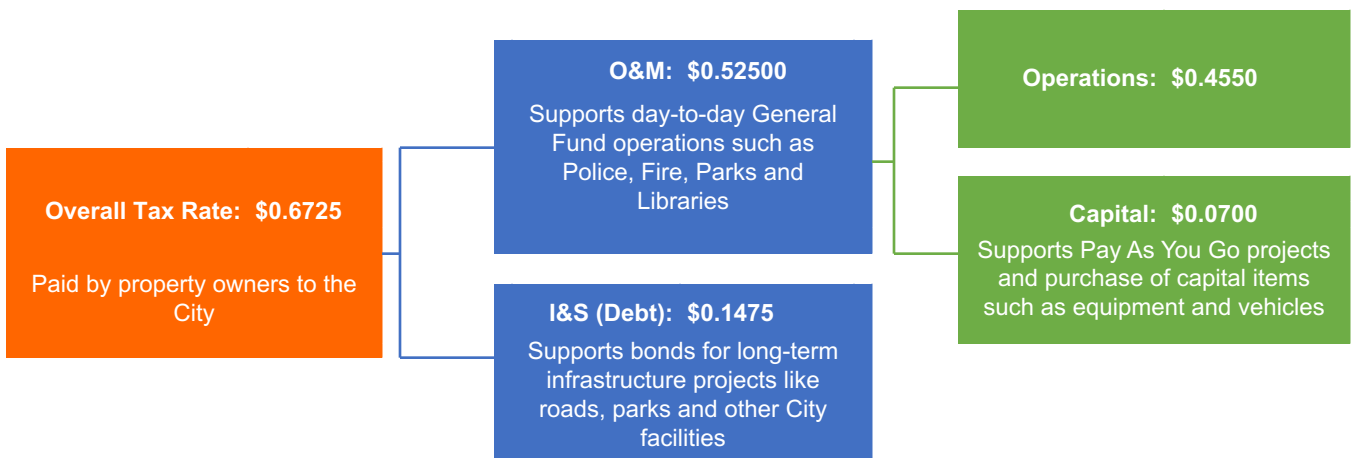


	= Appropriated as part of the FY2024 Budget
	= Appropriated through separate supplemental ordinance via M&C approval
	= Major Fund

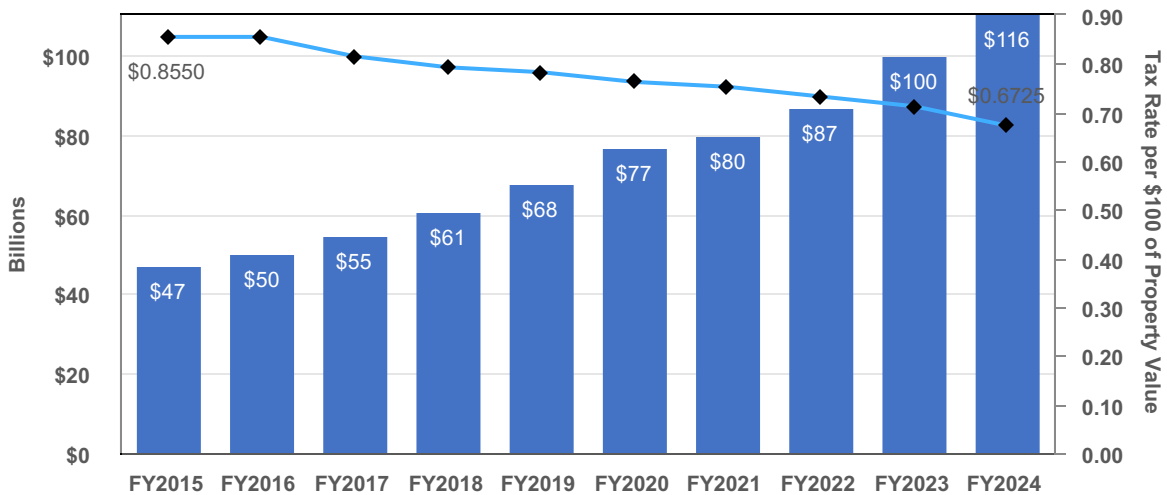
# Property Taxes

In keeping with City Management goals to maintain/lower the property tax rate, the FY2024 Adopted Budget lowers the city's property tax rate from \$0.7175 per \$100 net taxable valuation to \$0.6725 per \$100 net taxable valuation. Comparisons are shown below for the Tax Rate, Appraised Value, and Adjusted Net Taxable Value.

Comparison	FY2023	FY2024	Variance	
			\$	%
Tax rate per \$100 of value	\$ 0.7125	\$ 0.6725	\$(0.0400)	-5.6%
Appraised Value	133,177,031,015	155,936,572,617	\$22.8B	17.1%
Adjusted Net Taxable Value	100,073,539,805	115,730,642,125	\$15.7B	15.7%

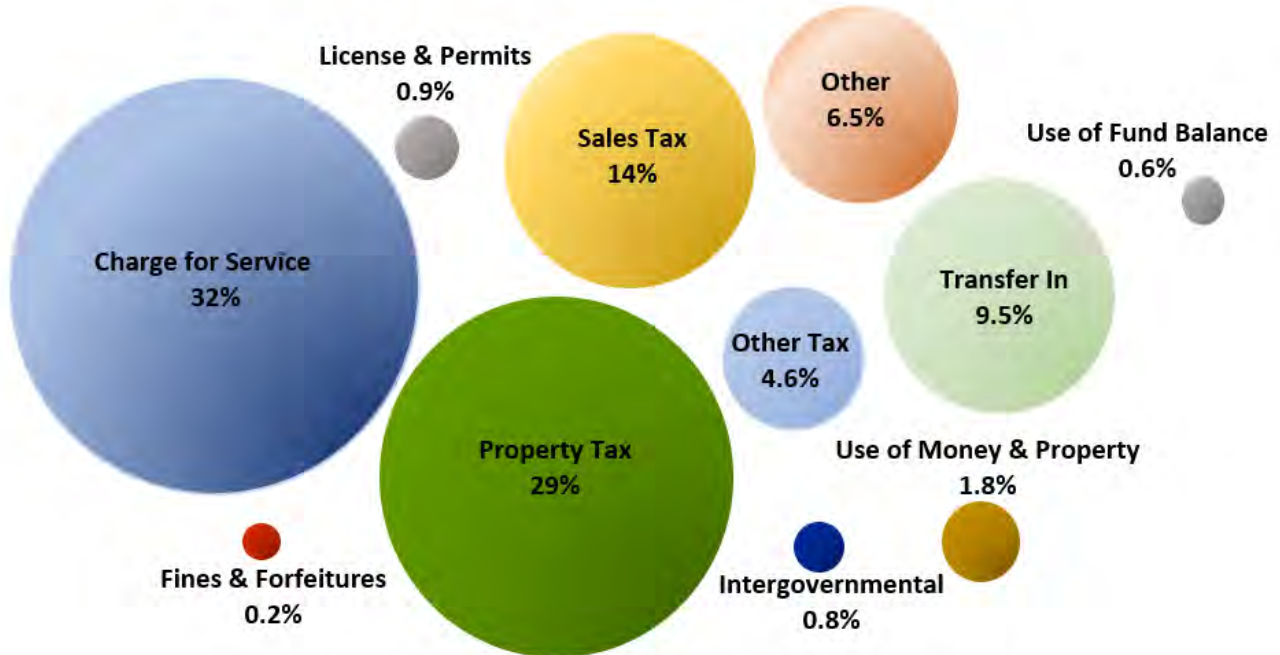


Adjusted Net Taxable Value and Tax Rate



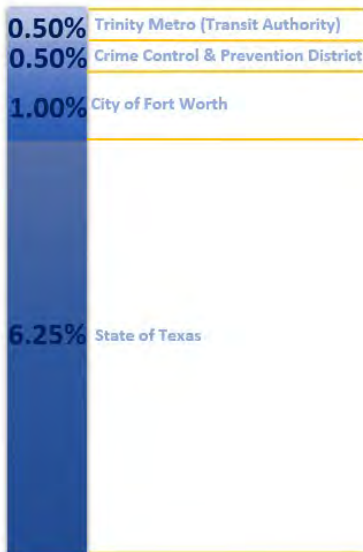
# Other Sources of Revenue

## What are all the Sources of Revenue for the City?



Charges for Service, Property Tax, Sales Tax and Transfer In make up 84.50% of all revenues.

## You pay 8.25% Sales Tax, but the City doesn't get all of that

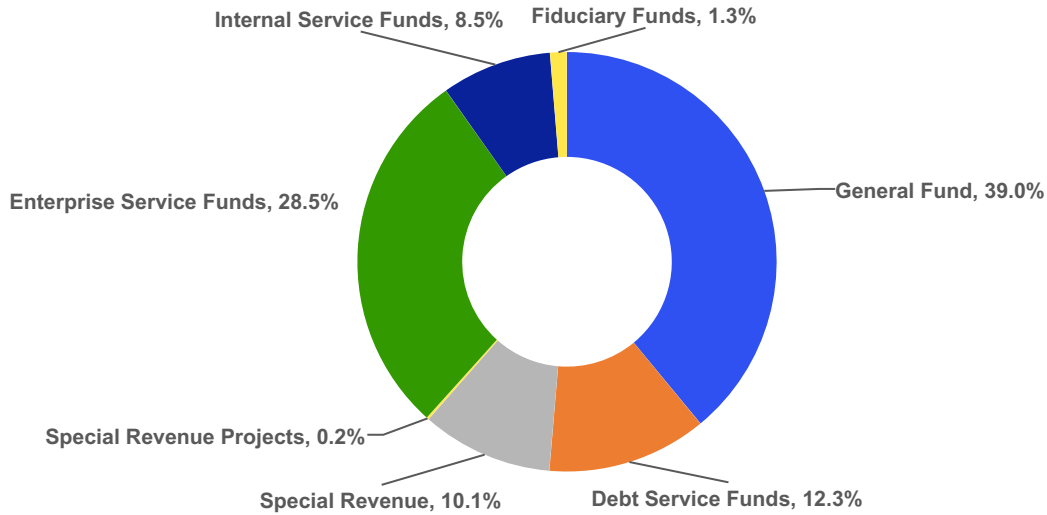


Charges for Service include the following:

- Administrative Service Charges
- Allocations for Technology Services
- Deferred and Penalty Fees for Court
- Plan Review Fees
- Gas Well Annual Fees
- Planning Commission Fees
- Mowing Fees
- Fire Inspection Fees

## Where is Revenue Allocated?

The graph below shows what percentage of Revenue is allocated to each fund.



## Expenditures

The following are the major funds in the City:

- **General Fund** - The largest fund in the City comprised of departments like Police, Fire, Transportation and Public Works, Parks and Recreation, and Economic Development.
- **Debt Service Fund** - This fund is used to pay down the principal and interest on the City’s debt
- **Grant Funds** - These funds are what is used for the administration of grants
- **Capital Project Funds** - These funds are used for capital project funding
- **Stormwater Fund** - This fund is responsible for drainage and flooding issues within the City
- **Water and Sewer Funds** - These funds are responsible for the water and wastewater of the City and 33 municipalities around the Fort Worth area.

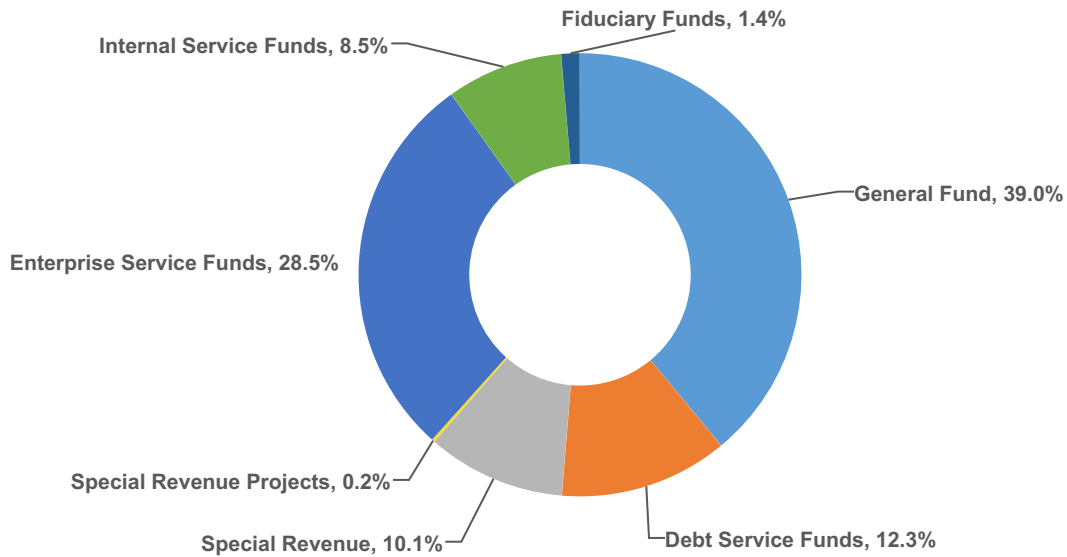
The FY2024 General Fund expenditures are held in line with revenues to create a balanced budget. In the table below, you can see the difference between the FY2023 and FY2024 General Fund Budgets.

General Fund Expenditure Budget				
	FY2023 Adopted	FY2024 Adopted	Percent Change	Dollar Change
\$	915,340,881	\$ 1,013,812,390	10.8 %	\$ 98,471,509

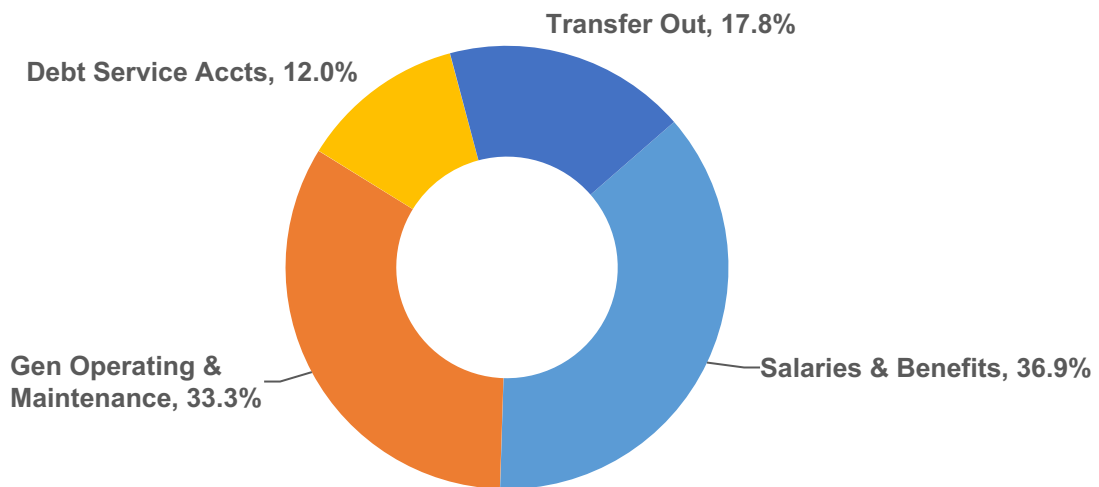


## Percentage of Expenditures by Fund

The chart below shows the percentage that other funds use of the \$2.59 billion in expenditures for the entire city. As you can see the General Fund is followed by the Enterprise Service Funds for the largest funds in the city.



## Percentage of Expenditures by Type



Salaries and Benefits is the largest expenditure type and an investment made in the people that work for the City. General Operating and Maintenance accounts for all other expenditures outside of Salary & Benefit. Debt Service Accounts are accounts used to pay the principal and interest on City bonds. Transfers are used for the internal movement of funds.

# Capital Projects

The City of Fort Worth recognizes capital facilities and adequate infrastructure are critical for the City's continued growth. The City of Fort Worth (CFW) Capital Improvement Program (CIP) describes the capital projects and the associated funding sources the City intends to undertake in the current fiscal year, plus four successive fiscal years, including the acquisition or construction of capital facilities and assets, and the maintenance of those facilities and assets.

## Capital Project Planning

The City of Fort Worth has a continual capital improvement planning process. This process identifies the City's capital and infrastructure needs through the City's Comprehensive Plan, department strategic plans, various planning documents, public input, and asset assessments. Estimates for these needs are developed based on known conditions, experience with similar projects, and equitable investment throughout the community.

CIP Plans	FY2024	FY2025	FY2026	FY2027	FY2028	Total
<b>Aviation</b>	14,995,668	31,846,197	47,697,540	35,145,256	23,324,372	153,009,033
<b>General</b>	142,049,095	148,678,792	135,967,278	134,199,608	135,308,808	696,203,581
<b>Public Events</b>	80,007,783	2,675,000	608,500,000	2,500,000	2,000,000	695,682,783
<b>Solid Waste</b>	1,010,858	2,720,000	3,090,000	2,175,000	2,075,000	11,070,858
<b>Stormwater</b>	18,653,846	14,310,710	54,553,686	16,095,284	17,064,511	120,678,037
<b>Water</b>	377,314,111	385,781,825	289,489,975	211,130,347	283,948,491	1,547,664,749
<b>Total Plans</b>	634,031,361	586,012,524	1,139,298,479	401,245,495	463,721,182	3,224,309,041

## CIP Highlights

### Aviation CIP

- Multi-year project to extend multiple runways and taxiways at Alliance Airport
- Design and Construction of a parallel taxiway for Meacham Airport

### Public Events CIP

- A priority is the rebuilding of the Sheep and Swine Barn at the Will Rogers Memorial Center

### General CIP

- This includes 10 departments' CIP
- Investment reflects a sustained commitment to the upkeep of City facilities, transportation infrastructure, technological improvements, vehicles and equipment replacement.

### Solid Waste CIP

- Funds will be used for fleet upgrades, environmental hazard removal, and environmental assessments

### Stormwater CIP

- Requires continuous improvement in both above and below ground infrastructure
- Works to mitigate flood risk, replacing aging infrastructure, facilitate economic revitalization in areas where development is hampered by chronic flooding

### Water CIP

- The department's mission is to enable the community to thrive with clean water done right every time
- Plan includes strategies to address system growth, rehabilitation, and operational enhancements

# **Organizational Information**

**City of Fort Worth, Texas  
Adopted Annual Operating Budget  
Fiscal Year 2024**

**Mattie Parker**

Mayor

**David Cooke**

City Manager

**Dana Burghdoff**

Assistant City Manager

**Fernando Costa**

Assistant City Manager

**Valerie Washington**

Assistant City Manager

**William Johnson**

Assistant City Manager

**Jesica McEachern**

Assistant City Manager

**FWLab Staff**

**Mark McDaniel**, Interim Chief Transformation Officer

**Ashley Clement**, Assistant Director

**Christianne Simmons**, Assistant Director

**Brady Kirk**, Budget Manager

**May Ma**, Budget Manager

**Pam Kacmarynski**, Business Process Manager

**Oliver Ismayilov**, Data Analytics Manager

**Amethyst Sloane**, Strategy & Performance Manager

**Juanita Jimenez**, Sr. Budget Analyst

**Tatiana Caterov**, Sr. Budget Analyst

**Zoe Gao**, Sr. Budget Analyst

**Sydney Sexton**, Sr. Budget Analyst

**Steven Hole**, Performance Analyst

**Danielle Pickle**, Sr. Business Process Analyst

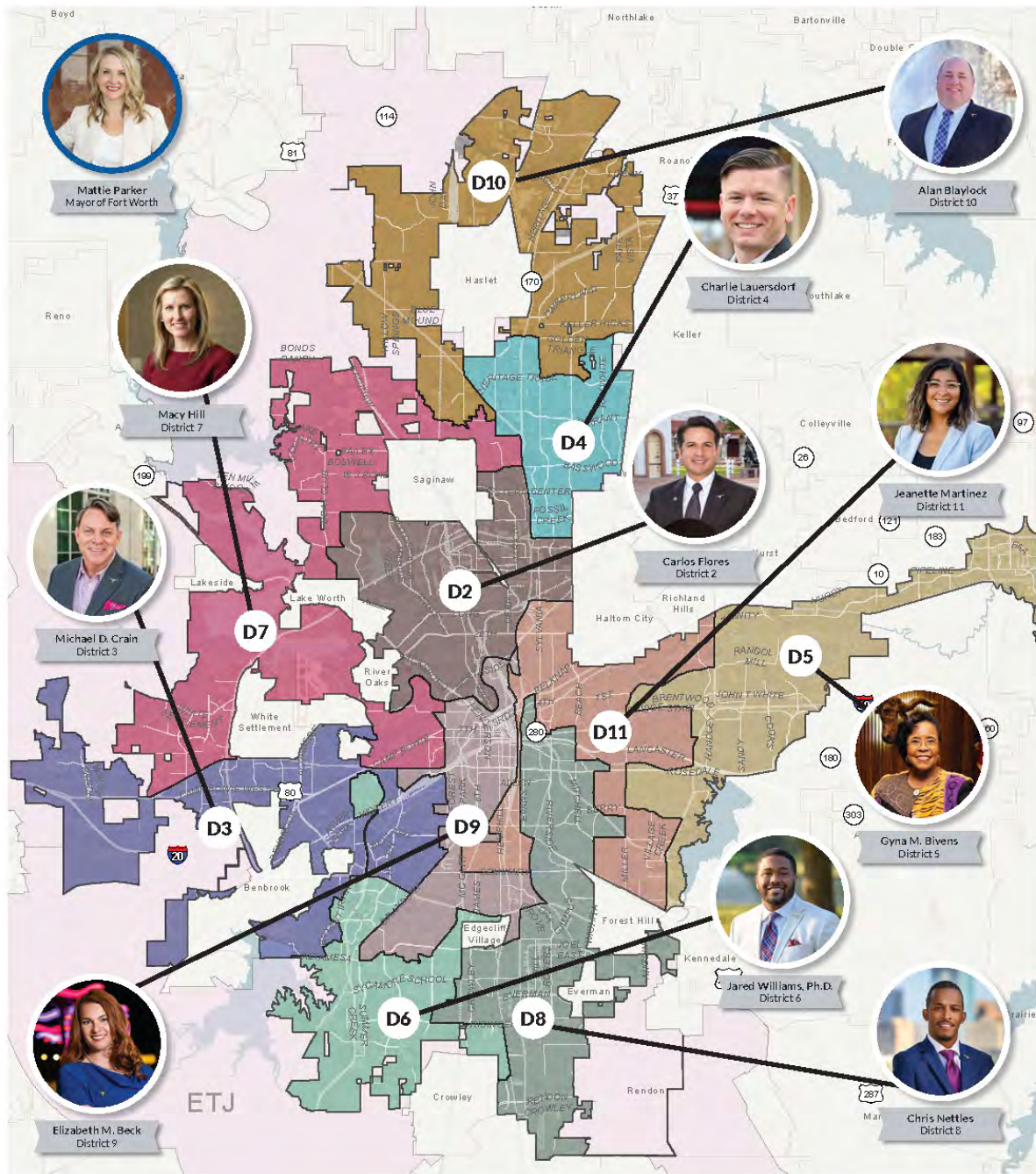
**Rodney Arnold**, Business Process Analyst II

**Amanda Dossey**, Budget Analyst II

**Pierce Jackson**, Budget Analyst II

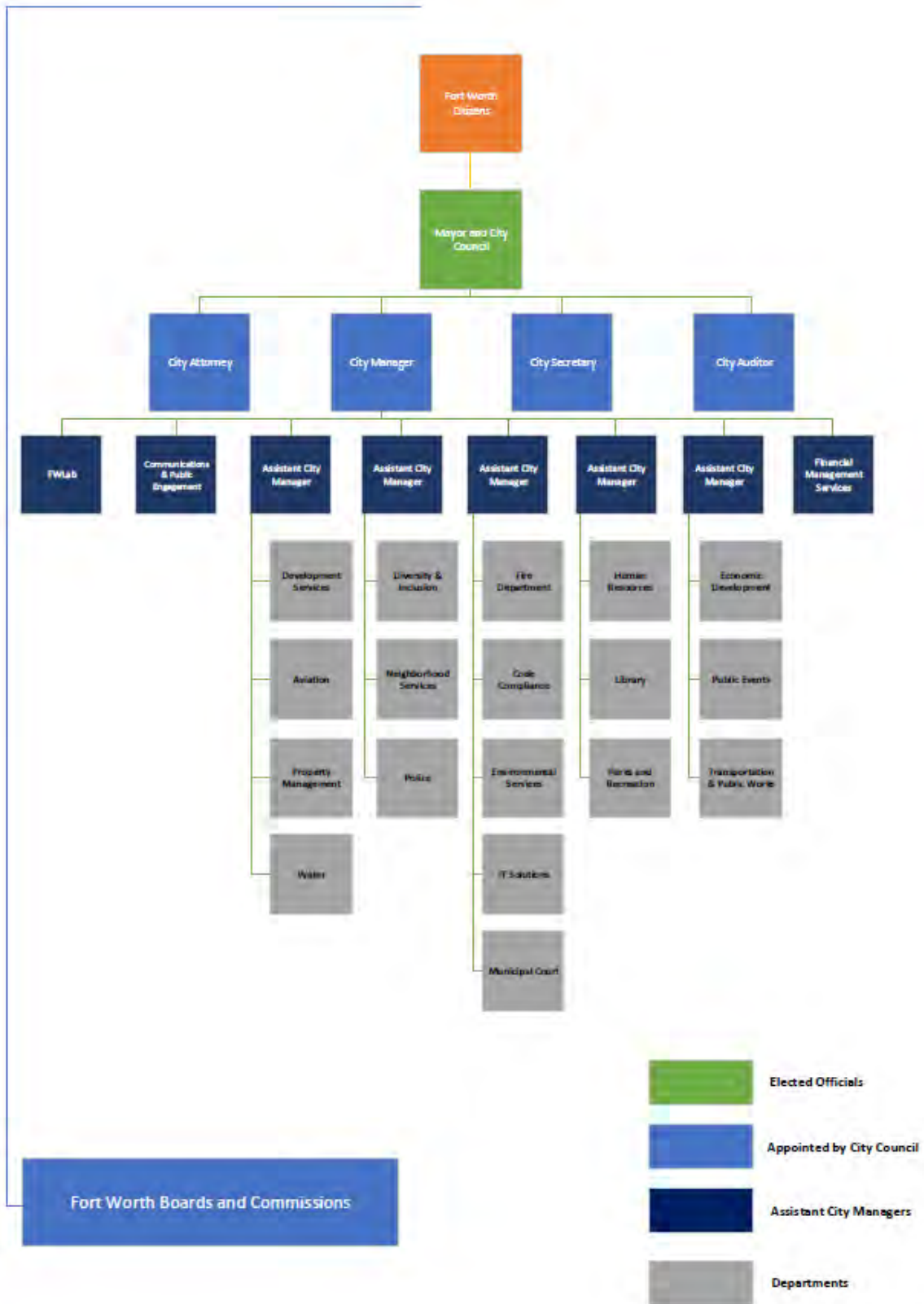
**Monica Brun**, Administrative Services Coordinator

**Mitzy Shannon**, Sr. Administrative Assistant



CITY OF FORT WORTH  
Council Districts

- |                           |                        |
|---------------------------|------------------------|
| 2 - Carlos Flores         | 7 - Macy Hill          |
| 3 - Michael D. Crain      | 8 - Chris Nettles      |
| 4 - Charlie Lauersdorf    | 9 - Elizabeth M. Beck  |
| 5 - Gyna M. Bivens        | 10 - Alan Blaylock     |
| 6 - Jared Williams, Ph.D. | 11 - Jeanette Martinez |



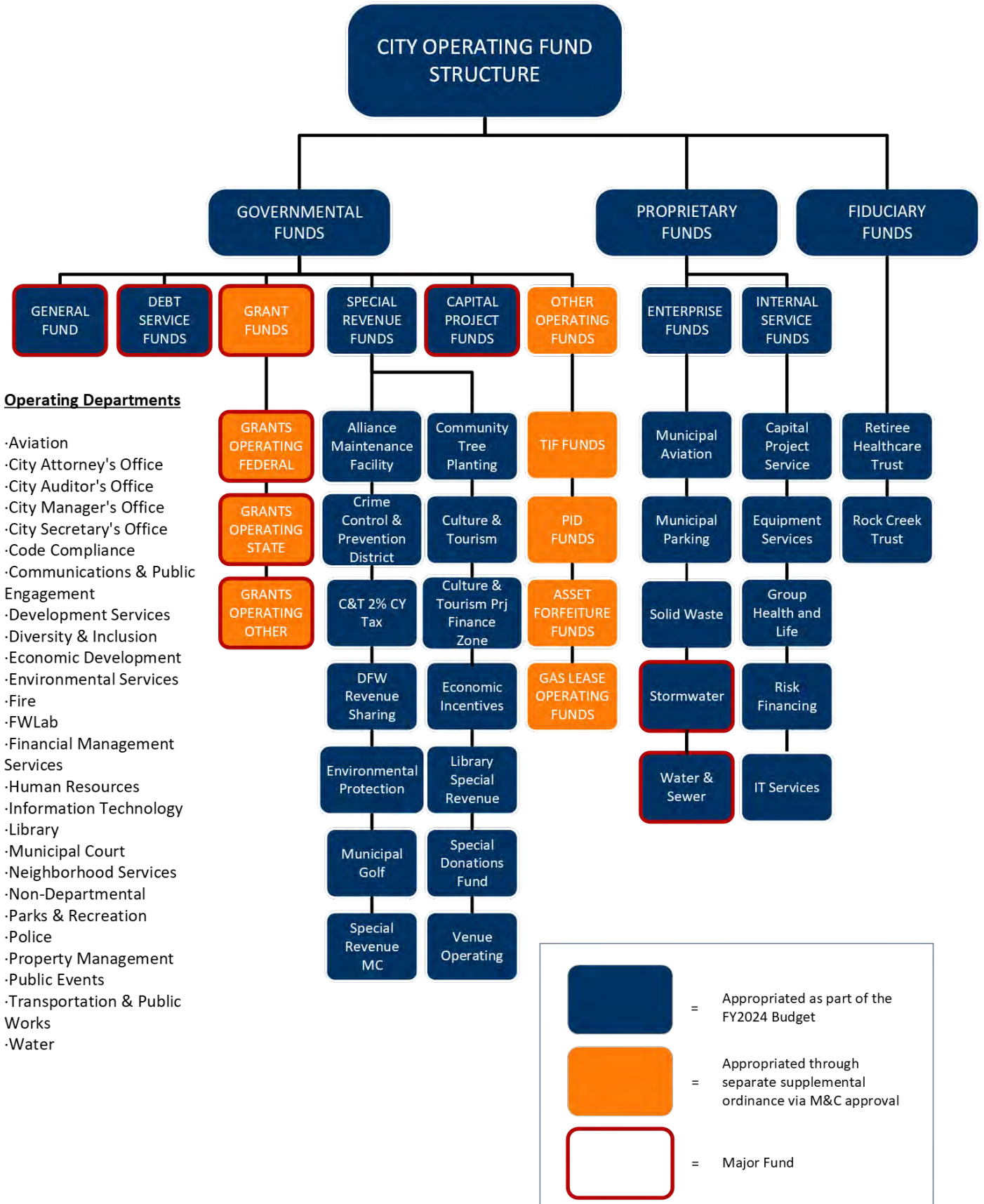


## Organizational Information

## Boards & Commissions

- Art Commission
- Audit Committee
- Aviation Advisory Board
- Board of Adjustment - Commercial
- Board of Adjustment - Residential
- Building Standards Commission
- Business Equity Advisory Board (Formerly Minority and Women Business Enterprise Advisory Committee)
- Capital Improvements Advisory Committee for Transportation Impact Fees
- Capital Improvements Plan Advisory Committee - Water/Wastewater
- City Plan Commission
- Civil Service Commission
- Community Action Partners Council
- Community Development Council
- Construction and Fire Prevention Board of Appeals
- Crime Control and Prevention District
- Dallas-Fort Worth International Airport Board
- Diversity & Inclusion Committee
- Downtown Design Review Board
- Employee's Retirement Fund - Board of Trustees Pension
- Entrepreneurship & Innovation Committee
- Ethics Review Commission
- Fort Worth Alliance Airport Board of Adjustment
- Fort Worth Alliance Airport Zoning Commission
- Fort Worth Housing Solutions
- Fort Worth Human Relations Commission
- Fort Worth Pedestrian and Bicycling Advisory Commission
- Human Relations Commission- Mayor's Committee on Persons with Disabilities
- Historic and Cultural Landmarks Commission
- Lake Worth Regional Coordination Committee
- Legislative Affairs Committee
- Library Advisory Board
- Metropolitan Area EMS Authority
- Mobility; Infrastructure & Transportation Committee
- Neighborhood Quality and Revitalization Committee
- Park and Recreation Advisory Board
- Tarrant County 911 Emergency Assistance District Board
- Trinity Metro Board of Directors (Formally Fort Worth Transportation Authority)
- Urban Design Commission
- Zoning Commission

Organizational Information



## **Purpose**

The City's accounts are organized based on funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate.

## **Governmental Fund Types**

Governmental funds are used to account for the majority of the City's activities and are comprised of the general, general debt, and special revenue funds.

### **General Fund:**

The General Fund is the primary operating fund of the City. It is used to account for all financial resources except for those required to be accounted for in another fund. The primary revenue sources are non-exchange revenues such as taxes for which the City accounts on a modified accrual basis.

The General Fund is first subdivided into individual departments to account for functional and program activities. The departments may be further divided into divisions to account for greater detail. For example: the Police Department is the parent department to the Police Traffic Division.

### **General Debt Service Fund:**

The Debt Service Fund is used to account for principal and interest payments for the city's long-term, tax-supported debt.

### **Special Revenue Funds:**

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

## **Proprietary Fund Types**

Proprietary funds are used when the city charges customers for services it provides to recover the costs of providing the services. This group includes both enterprise and internal service funds.

### **Enterprise Funds:**

Enterprise funds are used to account for operations that are financed and operated as private businesses. The goal of the city is that the costs (expenses, including depreciation) of providing the service are recovered through user charges. The primary customers are outside entities. For example: a homeowner who receives water service. The City of Fort Worth has five enterprise funds, two of which are considered major funds.

The **Water Fund** contains three departments, water, sewer and reclamation water. This fund is responsible for all the water and sewer services to the City and to 33 surrounding communities. These departments also repair and replace water and sewer lines that have broken or are old and in need of replacing.

The **Stormwater Utility Fund** plans and executes the City's response to flood conditions and how to mitigate flooding in the City. This department maintains the existing system of pipes and channels and improves drainage and reduces erosion through construction projects. It also warns the public about flooding and erosion hazards and reviews developments for compliance with City stormwater standards.

### **Internal Service Funds:**

Internal service funds are used to account for operations that are operated as private businesses, but the primary customers are internal departments. The City of Fort Worth has five internal service funds.

**Fiduciary Fund Types**

Fiduciary funds are used to account for resources held by the City as a trustee or agent. Fiduciary funds account for assets held by the city in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The city currently only budgets for the Retiree Healthcare Trust.

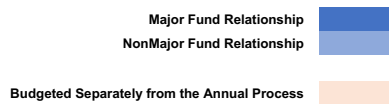
**Capital Project Funds**

Capital project funds are used to account for financial resources dedicated to the acquisition of major capital facilities and the implementation of capital-oriented city initiatives.

**Grant Funds**

The City uses these funds to assist with compliance of state and federal grants. These funds are where grant funded costs are charged and where the reimbursement from the granting agency is deposited.

The following provides the relationship of each department with the funds of the city.



DEPARTMENTS	FUNDS											
	Governmental Funds							Proprietary Funds				Fiduciary Funds
	General Fund	Debt Service Fund	Capital Funds	Grants Funds	Special Revenue Funds	PIDS	TIFS	Water and Sewer	Stormwater	Enterprise Funds	Internal Service Funds	Trust Funds
	(Major)	(Major)	(Major)	(Major)	(Nonmajor)	(Nonmajor)	(Nonmajor)	(Major)	(Major)	(Nonmajor)	(Nonmajor)	(Nonmajor)
Aviation												
City Attorney's Office												
City Auditor's Office												
City Manager's Office												
City Secretary's Office												
Code Compliance												
Communication and Public Engagement												
Development Services												
Diversity and Inclusion												
Economic Development												
Environmental Services												
Financial Management Services												
Fire												
Human Resources												
Information Technology Solutions												
Library												
Municipal Court												
Neighborhood Services												
Park & Recreation												
FWLab												
Police												
Property Management												
Public Events												
Transportation and Public Works												
Water Sewer & Reclaimed												

For budgeting purposes, all funds are budgeted individually, regardless of major or nonmajor fund status and for the funds that are adopted annually, are reported as such in the adopted annual budget and program document. At fiscal year end, you may find that nonmajor funds will be reported in aggregate in the annual financial report. Debt service funds qualify to be reported in aggregate but are calculated as a major fund for financial reporting purposes. You will find the debt funds to be reported separately later in this document.

The annual financial report reports on all funds of the City, while the annual budget adoption omits certain funds due to the type of activity each holds. This is true of certain capital funds, grant funds, and some special revenue funds. Capital funds are appropriated during the annual process and are included in our 5 Year Capital Improvement Program. However, due to the timing and nature of funding sources, some capital appropriations are made during the fiscal year as amendments to our annual ordinance. Grant funds are adopted under separate ordinances throughout the fiscal year as the activity is contingent upon receiving awards. PIDS and TIFS are also adopted under separate ordinances, however for budgeting needs, you will find these are included in our adopted annual budget and program document.

Funds identified as major funds meet the criteria of having more than 10% of the revenues or expenditures of the appropriated budget of the governmental or enterprise funds type. Additional funds considered important by the City but not meeting the criteria of a major fund are budgeted and reported as a major fund (i.e., Stormwater Utility Fund).

# **Executive Message**



## **Mission**

**Working together to build a strong community.**

*Building a strong community means building strong neighborhoods, developing a sound economy, providing a safe community and fostering a healthy environment.*

## **Vision**

**Fort Worth will be the most livable and best managed city in the country.**

*The city's vision statement sets forth our aspiration to become even better than we are today as a community and as an organization.*

## **Values**

**There are six values that guide our employees as they go about this work.**

- **Exceptional Customer Experience**
- **Accountability**
- **Ethical Behavior**
- **Diversity**
- **Mutual Respect**
- **Continuous Improvement**

## **Our Priorities**

- **Economic Development and Community Investment**
- **Community Safety**
- **Infrastructure, Responsible Growth and Fiscal Responsibility**

October 1, 2023

Honorable Mayor and Members of the City Council  
City of Fort Worth, Texas

I am pleased to present to you the Fiscal Year 2024 (FY2024) Adopted Budget. This budget addresses the strategic initiatives of the City Council, including the City’s ongoing efforts to invest in a safer, cleaner and greener community while proactively managing rapid growth and providing exceptional service.

I am presenting you with a balanced \$1.0 billion General Fund budget that achieves the following:

- Reflects our consistent growth in population and development
- Continues to emphasize the importance of public safety
- Continues programs to ensure equitable investment and maintenance throughout the city
- Continues the cash funding dedicated to capital projects, including additional funds for street maintenance and repair, neighborhood improvement, park maintenance and improvements, and information technology
- Lowers the property tax rate to 67.25 cents per \$100 of assessed taxable value, which continues the effort to keep taxes low and competitive
- Reflects a growing investment in green space initiatives and preservation

Addressing the growing demands on our city’s resources, the citywide FY2024 Adopted Budget—which includes the Debt Service Fund and most operating funds—totals slightly over \$2.6 billion, which is a 17.4% increase from the FY2023 Budget. Also, the citywide budget includes a total of 8,165 authorized positions (APs).

We remain one of the fastest-growing cities in the nation, as well as one of the most livable communities. During FY2023, two new districts were added to the governing body as a reflection of the enormous growth that has marked Fort Worth as the thirteenth largest city in the country. We continue to believe the future is bright in Fort Worth. We anticipate job and population growth to continue as more companies and people move to Fort Worth. The FY2024 Adopted Budget is our plan to meet our responsibilities, address our challenges, improve our services, and ensure appropriate equitable investments toward infrastructure while maintaining quality services and addressing the demands of a growing city.

Respectfully submitted,



David Cooke  
City Manager

The FY2024 Adopted Budget is the product of prioritizing expenditures with available revenues while balancing the burden to the taxpayers. The budget process is centered on a broader, organizationally-focused decision-making process that supports its financial health, not only for the upcoming year but well into the future. In addition to the annual operating budget development, the City adopts a five-year Capital Improvement Program that addresses the growth and infrastructure needs. These philosophies and processes ensure our focus is not a narrow operational view but rather a forward-looking strategic view.

The local Fort Worth economy has shown strong growth over the last several years, along with the greater Dallas-Fort Worth metropolitan area; however, the growing demands on the city's limited financial resources while minimizing taxpayer burden continue to set the stage in which the City must operate.

## **OVERVIEW**

The FY2024 Adopted Budget totals nearly \$2.60 billion, which includes 8,165 authorized positions (AP) and consists of 25 different operating departments (excluding Non-Departmental) plus four appointed officials' offices, across multiple funds, including the General Fund, Special Revenue Funds, Debt Service Funds, Enterprise Funds, and Internal Service Funds. Of the total budget, 39.0 percent, or \$1.01 billion, reflects the cost of General Fund activities such as public safety, parks, neighborhood services, economic development, property management, transportation and public works, planning, development, public libraries, and general management of the city. The remaining 61.0 percent, or \$1.59 billion, will fund the operations of the other funds noted above.

## **BUDGET DEVELOPMENT PROCESS**

The FY2024 budget process began in January of 2023 when City executive staff reviewed the upcoming seven-year projection. February of 2023 brought the City Council retreat and an effort to align City Council goals with executive staff guiding principles. Before the City Council retreat, each individual Council member was able to give their thoughts on overarching City goals. After much deliberation, the City Council chose one overarching principle of Quality of Life and three underlying principles of Economic Development, Public Safety and Infrastructure.

On March 9, the FWLab Department hosted a citywide Budget Kickoff to mark the formal beginning of the budget development process. The meeting brought together the executive team, department heads, operational planning division staff, and departmental fiscal coordinators to discuss the overall strategy for developing the FY2024 budget.

Moving into the development of the FY2024 budget, programs and services were reviewed for prioritization and cost savings as Fort Worth continues to grow by attracting new residents and businesses, and the desire to minimize the financial burden to taxpayers. City staff set out to prepare the FY2024 Budget by relying on the following budget development strategies:

- Maintain or lower the property tax rate in the General Fund
- Increase funding for capital investment and maintenance
- Meet infrastructure and service growth needs – 2018 & 2022 Bond Programs
- No use of fund balance/reserves for operations
- Improve equity of city services
- Enhance public safety
- Prepare for slower growth of resources, both near-term and into the future

As staff worked to allocate limited resources, the inclusion or exclusion of various citywide expenditures, revenue opportunities, individual programs, and existing service levels were all evaluated against these strategies.

As the City navigated through the budget development process, staff updated city executive leadership on the performance of the FY2023 budget. To facilitate this process, the City conducted comprehensive citywide forecasts for months five and eight of the fiscal year to monitor current performance and to assist in the development of the upcoming budget.

### **SIGNIFICANT ISSUES**

Before highlighting specifics of the FY2024 budget, included below are topics that received significant attention during the budget development process.

#### **Fort Worth City Council Priorities and Budget Theme: Safe, Clean, and Green**

In the development of the City's new fiscal year budget, the Fort Worth City Council committed to three strategic priorities: Economic Development & Community Investment, Community Safety, and Infrastructure, Responsible Growth & Fiscal Responsibility. In addition to these overarching priorities, the City Manager's Recommended Budget was presented to the Mayor and Council in August with an FY24 slogan of "So Safe, So Clean, So Green." This slogan reflected the City Management and City Council commitments in the FY24 budget to public safety, enhanced support of open space, and effective removal of litter, among other priorities. Along with the adopted budget and new investments in a safe, clean, and green city, a new department was created (described in proceeding section) as well as a new senior position to serve as the City of Fort Worth Greenspace Champion.

#### **Creation of Environmental Services Department**

As a major supporting element of the 'So Safe, So Clean, So Green' theme of the FY2024 budget, the Environmental Services department was created with the FY2024 budget. The Environmental Services Department has a specific focus on outdoor spaces and City cleanliness. Having split from the Code Compliance department, the Environmental Services department is responsible for the Solid Waste fund and City trash collection, the Environmental Protection Fund, and Consumer Health in the General Fund.

#### **Civil Service Staffing**

Safety is an annual priority during budget development, with civil service personnel in the City of Fort Worth Police Department and Fire Department conducting some of the most meaningful work in the area. Civil service staffing received extra attention during the FY2024 budget development process, as each department was the subject of a significant staffing study. For the Police Department, staffing studies are conducted on a periodic basis to assess needs and establish an approximate plan for where positions will be added for the next several years. The Fort Worth Fire Department staffing study was initiated after the department experienced high overtime costs throughout FY2022 and FY2023; the object of the study was to assess the use of overtime resulting from constant staffing needs and the potential for a significant increase in Fire Department staffing which would be cost-neutral as a result of overtime savings. Following both staffing studies, the Police Department and Fire Department increased by 106 and 76 approved positions, respectively.

#### **Capital Planning**

The City is presenting, in conjunction with the FY2024 Recommended Budget, a 5-Year Capital Improvement Program (CIP) which includes the planned capital projects and associated funding sources for the next five years. The FY2024 Recommended Budget includes transfers to fund some of the projects in the first year of the CIP. Annually, a review process is performed to identify capital needs before developing the annual operating budget. This allows management to plan capital and operations long-term, ensuring capital funding is available to support the increasing needs of our growing city. Capital funding is secured from various sources including, but not limited to, debt issuance, special revenues, and transfers from operating (pay as you go cash.) Pay as you go capital includes a long-range projection to guarantee a healthy allocation of funding each year from the operating budget. This annual capital support, flowing from operating funds, is included in Transfer Out & Other categories in the appropriate department and fund summary tables in this document.

**GENERAL FUND REVENUES**

In FY2024, Fort Worth is expecting a positive economic outlook with property and sales tax revenue, along with fee income, continuing to grow.

<b>General Fund Revenue Budget</b>			
<b>FY2023 Adopted</b>	<b>FY2024 Adopted</b>	<b>Percent Change</b>	<b>Dollar Change</b>
\$ 915,340,881	\$ 1,013,812,390	10.8 %	\$ 98,471,509

**Property Tax**

The City receives the majority of its revenues from property taxes assessed on real and personal property. City staff works with appraisal districts from Tarrant, Denton, Wise, and Parker Counties to prepare property tax revenue projections. By State law, each appraisal district is responsible for the valuation of all property within its jurisdiction. The certified property tax rolls received from all four districts in July 2023 showed an increase in the City’s property tax base. In comparison to the July 2022 certified property tax roll, the July 2023 certified property tax roll reflected a 15.6 percent growth in adjusted net taxable property value, mostly due to increases in taxable value.

When updating the seven-year financial forecast and preparing the budget for City Council consideration, staff analyzed many of the factors impacting property tax revenue, including anticipated population growth, historical change in values for residential and commercial properties, current and projected permitting data, the impact of foreclosures, as well as exemptions and protests. Staff also evaluated the allocation of the levy amount, and resulting availability of revenue for operations and maintenance (O&M), as compared to the amount available to repay the city’s debt.

For FY2024, the city’s combined property tax rate is recommended to be lowered to \$0.6725 per \$100 of assessed valuation, with the collection rate remaining at 98.5 percent. Based on the O&M levy rate of \$0.5250 per \$100 of assessed valuation, the General Fund portion of the property tax rate is expected to yield approximately \$574 million in revenue for FY2024. The debt service levy rate of \$0.1475 per \$100 of assessed valuation is expected to yield approximately \$161 million, which will allow the repayment of all current and proposed debt obligations.

Going forward, long-range planning includes expectations of an eventual downturn in property tax revenues, despite rising property values, due to the legislative revenue caps and the governing body’s desire to minimize the financial burden on taxpayers. The City was fortunate to see an increase in certified values during the pandemic and its economic outlook reflects the growth as new residents and businesses continue to move to Fort Worth.

**Sales Tax**

Sales tax collections are the second major revenue component. In developing the FY2023 budget last year, the City took a cautious approach to formulating sales tax projections. Fort Worth has continued to show resiliency where consumers have sustained spending which generate sales tax receipts. This consumer behavior pushed sales and use tax collections to exceed the original assumptions for last fiscal year. The FY2024 budgeted sales tax is shown with a fairly significant increase as compared to last year. In addition to the rise in recent collections over the original expectations, Fort Worth is leading the way in population growth as the 13th largest city in the United States and one of the fastest growing among large cities. Sales tax collections were evaluated using recent activity, historical trends, and many other economic indicators for the local economy to determine tax revenue. Based on this evaluation and FY2023 year-end budget projections of \$235.3M, tax revenue is expected to increase in FY2024 by 17.9%, or \$37.9M, from budgeted FY2023 sales tax and is budgeted at \$250,000,000.

**GENERAL FUND EXPENDITURES**

General Fund Expenditure Budget			
FY2023 Adopted	FY2024 Adopted	Percent Change	Dollar Change
\$ 915,340,881	\$ 1,013,812,390	10.8 %	\$ 98,471,509

For FY2024 General Fund expenditures are held in line with revenues. The City strategized to streamline spending, assessing priorities across the organization, and identifying cost savings while also positioning Fort Worth as a leading destination living, doing business, and recreation. Variances or fluctuations in budgeted categories may be greater than in prior years due to this strategic implementation. However, despite identified savings, some costs continue to increase due to a variety of factors, including rising costs of supplies and contractual services, additional facilities becoming operational, improving equity of city services, and enhancing public safety.

**Salary and Benefits Changes.** The following salary and benefits changes are included in the FY2024 Budget:

- Police Civil Service employees will receive salary increases in accordance with the Meet and Confer Bargaining Contract
- Fire Civil Service employees will receive salary increases in accordance with the Collective Bargaining Agreement between the City and the Fort Worth Professional Firefighters Association
- Pay for performance for general employees is budgeted at four percent (Ranges 0-7% with anticipated average cost of 4%)
- Select City employees holding positions identified by Human Resources as “hard-to-fill” were granted a 2.5% salary increase to assist with recruitment and retention efforts
- Pay structure adjustment of 3% for general employees and implementation of Benchmark Salary Survey recommendations; both adjustments are distinct from pay for performance

**BUDGET HIGHLIGHTS**

The City continues to work towards a lower property tax rate to encourage commercial development and decrease the tax burden to residents and businesses. To that end the City of Fort Worth property tax rate is being lowered 4 cents, or 5.6 percent, to \$0.6725 per \$100 of assessed value. There is still a slight increase in levy of 9.2% based on the increase in property values, with 33% of that increase attributable to new construction growth.

The City maintains and purchases capital items through the use of PAYGo capital funding. While the property tax rate committed to PAYGo remains the same for FY2024, the rise in new construction and property values allows the City to increase the funding dedicated to capital while limiting the funding available for operations. PAYGo capital funding increases by an additional appropriation of \$12.3 million in FY2024

A City reorganization will create the new Environmental Services Department in FY2024. The new Environmental Services Department will operate through the Solid Waste Fund, the Environmental Protection Fund, and the portion of the General Fund budget used to date for Code Compliance Consumer Health; thus, in FY2024, the entire Solid Waste Fund budget will be under the direction of the Environmental Services Department. The Neighborhood Stability division of Code Compliance within the Solid Waste Fund will be retained in the General Fund under Code Compliance, and is funded with a transfer of \$996,515 to the General Fund.

**Schedule of Changes**

The following changes were made to the FY2024 operating budget subsequent to the recommended budget that was presented to City Council on August 08, 2023.

**General Fund**

- Environmental Services has taken over responsibilities from the Code Compliance department and with this transition has increased their budget by \$103M across General Fund, Environmental Protection Fund and the Solid Waste Fund.
- The Environmental Services department has reorganized and taken over the allocation of the General Fund budget for the Consumer Health Division.
- Solid Waste Fund has funded a transfer of \$996,515 to the General Fund for the Neighborhood Stability division.
- Increases in projected revenues by increasing health permit fees by \$100 and will be effective October 1, 2023 in accordance with fee schedule.

**Solid Waste Fund**

- Environmental Services in FY2024 has taken over full responsibility for operating responsibility associated with the Solid Waste Fund.
- The Neighborhood Stability Division of Code Compliance within the Solid Waste Fund will be retained in the General Fund under Code Compliance.
- Solid Waste Fund has funded a transfer of \$996,515 to the General Fund for the Neighborhood Stability division.

**Environmental Protection Fund**

- Environmental Services in FY2024 has taken over full responsibility for operating responsibility associated with the Environmental Protection Fund.

**Rock Creek Trust**

- The Rock Creek Trust Fund revenue and expense budgets increased by \$202,332 from what was presented in the recommended budget. The extra amount will be held as an early payment reserve.



# **Processes and Policies**

**Creation of the Budget**

The annual budget process commences in the winter of the preceding year with the City Council retreat. The City Council establishes city goals and provides information to executive staff. The executive staff then creates the city budget calendar. The calendar establishes the timeline for the process, including the date of submission of departmental requests, budget work sessions, and public hearings that lead to the final adoption of the budget.

Department requests are based on the organization’s budget assumptions. Before considering budget increases or savings, the base budget is developed. The base budget is generally defined as the cost of providing the same service, at the same service level, in the next fiscal year. The FWLab creates a target base budget for each department. The target is based on numerous factors, including salary projections, annualizing prior-year commitments, removal of one-time costs from the prior fiscal year, and other factors. After the target is established, department staff may modify the amounts within the target total but are to submit an operating budget delivering the same service level or greater at or below the budget target.

Departments may submit proposed increases or decreases to service levels and budget requests along with supporting documentation. The requests are reviewed and subsequently approved, denied, or modified for inclusion in the adopted budget.

The FWLab, the City Manager’s office and the communication office all worked to put together Budget Community Meetings to better educate the public about the City’s budget. There were 18 total meetings with 217 residents attending the meetings. There were also online tools that the citizens used for their responses to the budget.

**City Council Authorization / Appropriation**

In compliance with the Fort Worth City Charter, the City Manager must submit to the City Council a recommended balanced budget that provides a complete financial plan for all city funds and activities for the ensuing fiscal year, on or before August 15th of each year. The budget is required to be adopted by the City Council before September 30th, before the start of the next fiscal year. The City of Fort Worth traditionally adopts the budget in the middle of September.

**Budget Implementation & Monitoring**

Once the budget is adopted in September, it becomes the legal basis for the programs of each department of the City during the upcoming fiscal year. No department or other agency of the city may spend more than the appropriated amounts. Financial and programmatic monitoring of departmental activities throughout the year ensure conformity to the adopted budget. Unencumbered appropriations lapse at the end of the fiscal year and are returned to fund balance; in rare circumstances, these funds may be re-appropriated in the subsequent fiscal year for the same purpose by City Council. The City Manager is responsible for maintaining a balanced budget at all times. If there is an excess of expenditures over revenues or appropriations, the City Manager will take necessary actions to rebalance the budget. Any midyear budget amendments are approved by Mayor and Council action. Amendments may take place in response to material unforeseen needs or forecasted expenditures in excess of budget.

The city conducts comprehensive forecasts of revenues and expenditures throughout the fiscal year. These forecasts are used to assist in budget development, budget monitoring, and performance management. Based on the results of these forecasts, the City Manager may direct the necessary actions to maintain a balanced budget in the current fiscal year or adjust recommendations in the subsequent budget.

The budget is published online at the city’s website [www.fortworthtexas.gov](http://www.fortworthtexas.gov).

**January 1 – February 28, 2023: City Manager’s Office Budget Preparation**

- Review of forward looking assumptions and financial models
- Allocation review and approval
- Prior Year Commitment review and approval
- Review Programmable Spend and available Capital Fund Balances
- City Council Retreat

**March 9: FY2024 Budget Kickoff**

- Provide guidance and goals for the FY2024 Budget
- Discuss assumptions/specifications for budget development
- Communicate budget development process to departments

**March 9 – April 20: Develop FY2023 Month 5 Forecast**

- Departments develop Month 5 Forecast and implications for FY2024 Operating Budget
- FWLab reviews forecasts with departments and adjusts as necessary
- Executive level review Month 5 Forecast

**April 3 – June 2: 5-Year CIP Development, Entry, and Review (2024-2028)**

- Review current 5-Year CIP to update/change existing years and add 2028
- Executive level review and feedback for CIP development

**April 3 – June 2: Business Performance Plan Development**

- Departments review and update BPP for FY2024
- Departments review and update Key Performance Indicators (KPI)
- Executive level review and provide feedback on KPIs

**April 3 – June 2: FY2024 Budget Development**

- Enter Department Requested Budget – matching adjusted budget
- Executive level review and approval for 2024 Budget Development

**April 5 – July 30: FY2024 Revenue Manual**

- Provide data for improvements to the new Manual
- Review fee schedules and data
- Complete and compile final changes

**June 7 – August 9: Develop FY2023 Month 8 Forecast**

- Departments develop Month 8 Forecast FY2024 Operating Budget
- FWLab reviews forecasts with departments and adjusts as necessary
- Departments submit plans to cover any budget shortfall for FY2023
- Executive level review Month 8 Forecast and finalize FY2023 budget changes due to forecast
- Create Wind-up M&C based on Month 8 Forecast

**June 14 – June 16: Budget Blitz – FY2024 CMO Budget Review**

- Departments present FY2024 decision packages to the Executive level to review

**June 27 – July 31: CMO Budget Review – Decision Package Consideration**

- Review FY2024 Proposed Budget
- Review and approve Decision Package requests

**July 25 – 31: Certified Tax Roll Received**

- Receive Certified Appraisal Values
- Determine impact on budget development

**August 8: City Manager Delivers Recommended Annual Budget and 5-Year Capital Improvement Program**

- Presentation of the City Manager’s Recommended FY2024 Annual Budget to the City Council (includes a presentation of CCPD funding application)
- Presentation of the City Manager’s Recommended FY2024-2028 Capital Improvement Program to the City Council

**August 10: City Council Work Session on the Budget and Taxes**

**Budget Community Meeting Dates:**

- August 16
- August 17
- August 22
- August 23
- August 24
- August 26
- August 28
- August 31
- September 5
- September 6
- September 7
- September 9
- September 11
- September 13

**August 24: City Council Work Session on Budget and Taxes**

**September 7: City Council Work Session on Budget and Taxes**

**September 19: Public Hearing**

- Public hearing on the City Budget; Public hearing on the Tax Rate; and approve proposed Fee Changes

**September 19: FY2024 Operating and CIP Budget and Tax Rate Adoption**

- City Council considers FY2024 Budget for adoption
- City Council adopts tax rate for FY2024
- Action establishes split between Operating/Debt Service tax rates

**October 2023 – January 2024: Year-end Finalization of FY2023**

- Verify all transactions were completed for FY2023 Operating and Capital Budgets
- Confirm all M&C's have been completed and processed for FY2023
- Executive level Year-End Financial review and address any concerns/provide feedback

**November 2023 – December 2023: Adopted Operating Budget & 5-Year Capital Improvement Program Published**

- Fiscal Year 2024 Adopted Operating Budget Book is published
- Fiscal Year 2024-2028 5-Year CIP is published

## **Budgeting Philosophy**

The City Council is responsible for legislation, policy formulation, and the overall direction of the government. This includes the approval of financial policies that establish and direct the operations of the City of Fort Worth. 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.

The City's framework for fiscal decision-making is a comprehensive set of Financial Management Policy Statements. As required by charter, the City adopts an annual balanced budget for which the level of expenditures for each department or fund may not legally exceed the appropriations for that department or fund. The budget is prepared in a manner that reflects the full cost of providing services. Estimated beginning fund balance/net position, estimated revenue and receipts, appropriations and the estimated year-end fund balance/net position for key operating funds can be found in the Citywide Fund Balance Summary in the Budget Highlights section of this document.

The City shall take an objective and analytical approach to forecast revenues, expenditures, and expenses as accurately as possible. While absolute certainty is impossible, should revenues or expenditures be inaccurate, necessary corrections will be completed to bring the budget into balance. The overall budget appropriation may be increased via a supplemental appropriation ordinance that allocates funds that are certified as being more than those included in the budget but unencumbered. Amendments shall be considered and adopted by the City Council. Upon request by the City Manager, the City Council may transfer part or all of any unencumbered appropriation balance from one department to another through an appropriation ordinance.

## **Basis of Budgeting**

The City's budgets for governmental funds, which include the General Fund, capital project funds, special revenue funds, and debt service funds, are prepared using the modified accrual basis of accounting, with the exception of a change in the fair value of investments that are not treated as adjustments to revenue in the annual operating budget.

The budgets for all proprietary funds, which include enterprise funds and internal service funds, are prepared using the full accrual basis of accounting. Internal service funds are maintained to account for services provided primarily to departments within the city. Under this method, with limited exceptions, revenues are recorded when they become measurable and available to pay expenses, and expenses are recorded at the time liabilities are incurred. Exceptions to the foregoing general principles for the operating budget are:

- Changes in the fair value of investments are not treated as adjustments to revenue
- Debt service and capital lease principal payments are treated as expenses
- Depreciation expense is not recognized
- Capital purchases are recognized as expenses

The finance department uses similar accounting procedures related to their development of the ACFR.

*Note: This section addresses the City of Fort Worth’s major financial policies governing the budget process and budget implementation. For more detailed information on city financial policies, please contact the City Finance Department or see the Financial Management Policy Statements in the Supplemental Information section.*

*The City of Fort Worth’s financial policies establish a foundation for the financial strength of the city government. These policies guide the City Council and the City Manager as they make decisions regarding resource allocations.*

*The financial condition of the city must be maintained at the highest level to ensure that resources are available to meet the city’s ever-changing priorities. The following policies are related to the adoption and implementation of the annual budget. They are designed to ensure that the city maintains the highest credit rating possible from all rating agencies.*

**Operating Budget**

Per city charter, the city shall operate under an annual balanced budget whereby the sum of net revenues and appropriated fund balance equals the expenditure appropriations. Revenue projections shall be set at realistic and attainable levels, sufficiently conservative to avoid shortfalls, yet accurate enough to avoid a regular pattern of setting tax rates that produce more revenue than is necessary. The city shall not develop budgets that include operating deficits that require the use of one-time resources to cover recurring expenses. The city’s annual budget was adopted on September 19, 2023 and shall be effective for a fiscal period beginning October 1, 2023 and ending September 30, 2024.

**Fund Balances**

The city shall maintain a fund balance position that rating agencies deem adequate to meet the city’s needs and challenges. Therefore, the city has adopted a policy that requires management to maintain fund balances/working capital at the following levels:

General Fund: (Fund Balance)	
General Fund	16.7 %
Special Revenue Funds: (Fund Balance)	
Alliance Maintenance Facility	16.7 %
Community Tree Planting	16.7 %
Crime Control and Prevention District	16.7 %
Culture/Tourism	16.7 %
Culture and Tourism 2% CY Tax	16.7 %
DFW Revenue Sharing	16.7 %
Culture and Tourism Proj Fin Zone	16.7 %
Arena Operating	16.7 %
Economic Incentives	16.7 %
Environmental Protection	16.7 %
Municipal Golf	16.7 %
Special Donation	16.7 %



Enterprise Funds: (Working Capital)	
Municipal Airport	25.0 %
Municipal Parking	25.0 %
Solid Waste	25.0 %
Stormwater	25.0 %
Water and Sewer	25.0 %

Enterprise Funds: (Days Cash on Hand)	
Municipal Airport	100 Days
Municipal Parking	100 Days
Solid Waste	100 Days
Stormwater	100 Days
Water and Sewer	100 Days

Internal Service Funds: (Working Capital)	
Capital Projects Service	10.0 %
Fleet and Equipment Service	10.0 %
Group Health Insurance	25.0 %
Information Technology Services	10.0 %
Risk Financing	25.0 %

When it is appropriate for fund balance to be assigned, the City Council delegates authority to the City Manager.

**Revenue**

The city shall diversify its revenue sources to the extent possible to reduce reliance on property tax. Periodically, the city will review specific programs and services that are identified to be potential areas for funding through user fees. The City Council will determine the level of cost recovery for the program or service. For example, fire inspection fees will be set at a level sufficient to recover the full cost of services and solid waste fees shall be set at a level sufficient to recover the full cost of solid waste enterprise operations. Sound cash management practices shall augment revenues available to the city.

**Capital Improvements**

The city adopts a five-year Capital Improvement Program (CIP) to be revised and approved annually. Currently, the city appropriates all funds for capital projects with a capital budget ordinance per the City charter.

**Debt Policies**

The city debt policy establishes guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current revenues.

As a municipal government, the city issues both tax-exempt and taxable securities in the form of general obligation and revenue bonds as part of our ongoing goal to create the most livable and best-managed city in the country. The proceeds from these debit transactions are utilized to fund the city’s comprehensive Capital Improvement Program for multiple sectors of our operation. It is considered best practice for the city, as part of the issuance of tax-exempt obligations, to adopt written procedures outlining how the city will maintain compliance with federal guidelines.

**Debt Planning Guidelines**

Debt financing, to include general obligation bonds, revenue bonds, certificates of obligation, certificates of participation, commercial paper, tax notes, lease/purchase agreements, and other obligations permitted to be issued or incurred under Texas law, shall only be used to purchase capital assets and equipment that cannot be prudently acquired from either current revenues, assigned fund balance, or net position, and to fund infrastructure improvements and additions. The useful life of the asset or project shall exceed the payout schedule of any debt the city assumes.

The city shall not assume more tax-supported general purpose debt than it retires each year without conducting an objective analysis as to the city’s ability to assume and support additional debt service payments. When appropriate, self- supporting revenue bonds shall be considered before general obligation bonds.

**Debt Service Guidelines**

Generally, the city shall issue bonds with an average life of approximately 10.5 years for general obligation bonds and approximately 17-18 years for revenue bonds. The structure should approximate level principal on general obligation bonds and level debt service for revenue bonds. Concerning the issuance of revenue bonds for a stand- alone or self- supporting project, the term of the debt and debt service structure shall be consistent with the useful life of the project and the revenue-generating capability of the project.

There shall be no debt structures, which include increasing debt service levels in subsequent years, except for the first and second year of a payment schedule. There shall be no "balloon" bond repayment schedules, which consist of low annual payments and one large payment of the balance due at the end of the term. There shall always be at least interest paid in the first fiscal year after a bond sale and principal starting generally no later than the second fiscal year after the bond issue. In the case of a revenue-generating project, principal repayment should begin no later than the first full year after the project has been placed in service. Normally, there shall be no capitalized interest included in the debt structure unless there are no historical reserves upon which to draw.

**User Fee Policy**

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

It is the intention of the city that all utilities and enterprise funds be self-supporting. As a result, utility rates and enterprise user fees shall be set at levels sufficient to cover operating expenditures, 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 utility/enterprise funds from the General Fund.

# Budget Highlights

## Budget Highlights

## Operating Funds: Financial Summary

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ 600,739,745	\$ 670,294,478	\$ 670,294,478	\$ 742,349,544	\$ 72,055,066	10.7 %
Sales Tax	322,666,853	314,221,254	314,221,254	369,391,511	55,170,257	17.6 %
Other Tax	106,224,430	95,905,602	102,269,589	119,975,496	24,069,894	25.1 %
License & Permits	25,159,281	22,217,201	22,233,301	24,156,588	1,939,387	8.7 %
Intergovernmental	17,124,383	14,976,398	16,139,336	20,702,664	5,726,266	38.2 %
Charge for Service	785,033,427	763,380,147	849,955,027	834,836,225	71,456,078	9.4 %
Fines & Forfeitures	5,832,206	7,311,062	7,311,062	6,327,394	(983,668)	(13.5)%
Use of Money & Property	48,502,286	37,232,935	63,515,119	44,019,098	6,786,163	18.2 %
Special Assessments	—	—	—	—	—	0.0 %
Other	153,828,829	157,803,787	163,724,093	169,976,971	12,173,184	7.7 %
Transfer In	278,750,981	220,780,629	242,644,570	253,524,447	32,743,818	14.8 %
<b>Total Revenues</b>	<b>2,343,862,421</b>	<b>2,304,123,493</b>	<b>2,452,307,829</b>	<b>2,585,259,938</b>	<b>281,136,445</b>	<b>12.2 %</b>
<b>Use of Fund Balance</b>	<b>—</b>	<b>25,732,492</b>	<b>58,396,348</b>	<b>14,254,877</b>	<b>(11,477,615)</b>	<b>(44.6)%</b>
<b>Expenses</b>						
Salaries & Benefits	783,446,761	872,196,891	869,153,669	945,312,368	73,115,477	8.4 %
Gen Operating & Maintenance	686,625,747	754,959,813	808,088,747	853,274,686	98,314,873	13.0 %
Capital Accts	63,480	—	—	—	—	0.0 %
Debt Service Accts	345,386,603	280,283,544	293,458,826	308,266,235	27,982,691	10.0 %
Transfer Out	448,982,741	403,101,777	521,587,257	454,900,673	51,798,896	12.9 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>2,264,505,332</b>	<b>2,310,542,025</b>	<b>2,492,288,499</b>	<b>2,561,753,962</b>	<b>251,211,937</b>	<b>10.9 %</b>
Appropriations Clearing Acct	—	—	—	—	—	0.0 %
<b>Contr To Fund Bal/Net Position</b>	<b>—</b>	<b>19,313,960</b>	<b>18,415,678</b>	<b>37,760,853</b>	<b>18,446,893</b>	<b>95.5 %</b>
<b>Revenues Over(Under) Expenses</b>						
	\$ 79,357,089	\$ —	\$ —	\$ —	\$ —	0.0 %

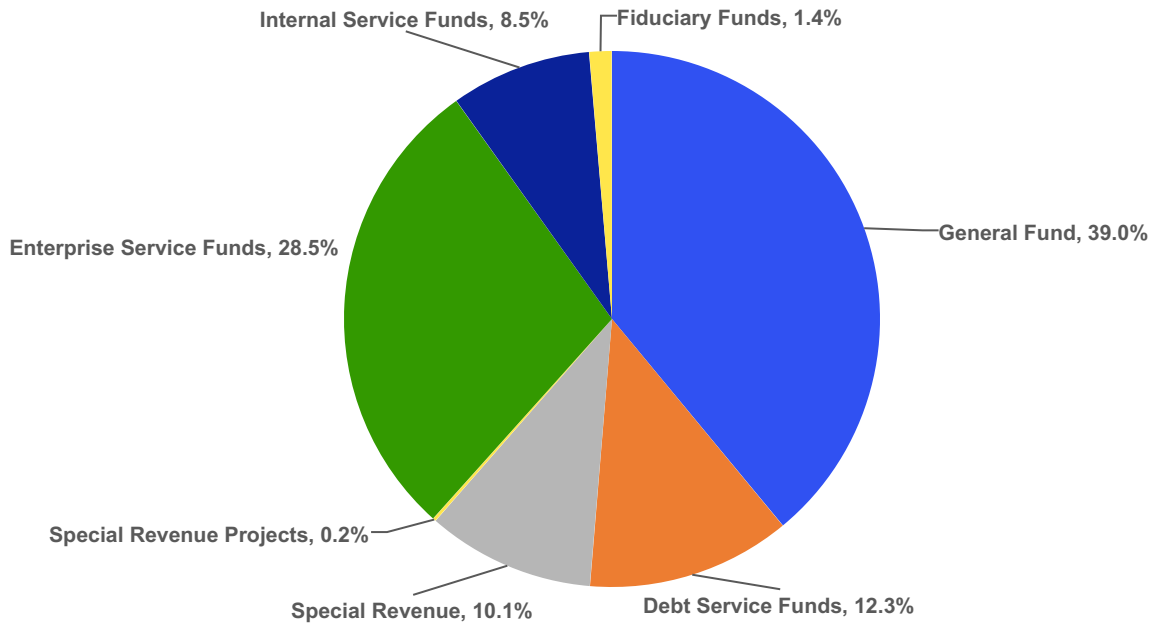
Note: Contra accounts are used to reduce expenditures between departments of the General Fund. Asset Forfeiture Funds, Public Improvement District and Taxing Increment Reinvestment Zone Funds are not included in the table above. Special Revenue Project Funds are included - these project funds are life to date; therefore appropriation adjustments may carry over fiscal years.

## Budget Highlights

## Total Revenue by Fund

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Operating Funds</b>						
General Fund	\$ 887,584,310	\$ 915,340,881	\$ 952,254,194	\$ 1,013,812,390	\$ 98,471,509	10.8%
Debt Service Funds	342,259,542	278,396,435	290,459,477	320,255,259	41,858,824	15.0%
Special Revenue	209,744,394	228,371,970	246,864,022	263,406,949	35,034,979	15.3%
Special Revenue Projects	2,033,425	4,582,403	6,473,307	4,674,491	92,088	2.0%
Enterprise Service Funds	732,347,643	667,592,443	766,531,876	741,088,137	73,495,694	11.0%
Internal Service Funds	140,370,524	201,875,653	214,425,101	220,781,889	18,906,236	9.4%
Fiduciary Funds	29,522,584	33,696,200	33,696,200	35,495,700	1,799,500	5.3%
<b>Total Operating Funds</b>	<b>\$2,343,862,422</b>	<b>\$2,329,855,985</b>	<b>\$2,510,704,177</b>	<b>\$2,599,514,815</b>	<b>\$ 269,658,830</b>	<b>11.6%</b>

Note: Debt Service Funds include the appropriation of Special Revenue Fund and Enterprise Fund related debt service payments. The revenue source for these debt funds are transfers from the respective Special Revenue or Enterprise Fund. Asset Forfeiture Funds, Public Improvement District and Taxing Increment Reinvestment Zone Funds are not included in the table above.

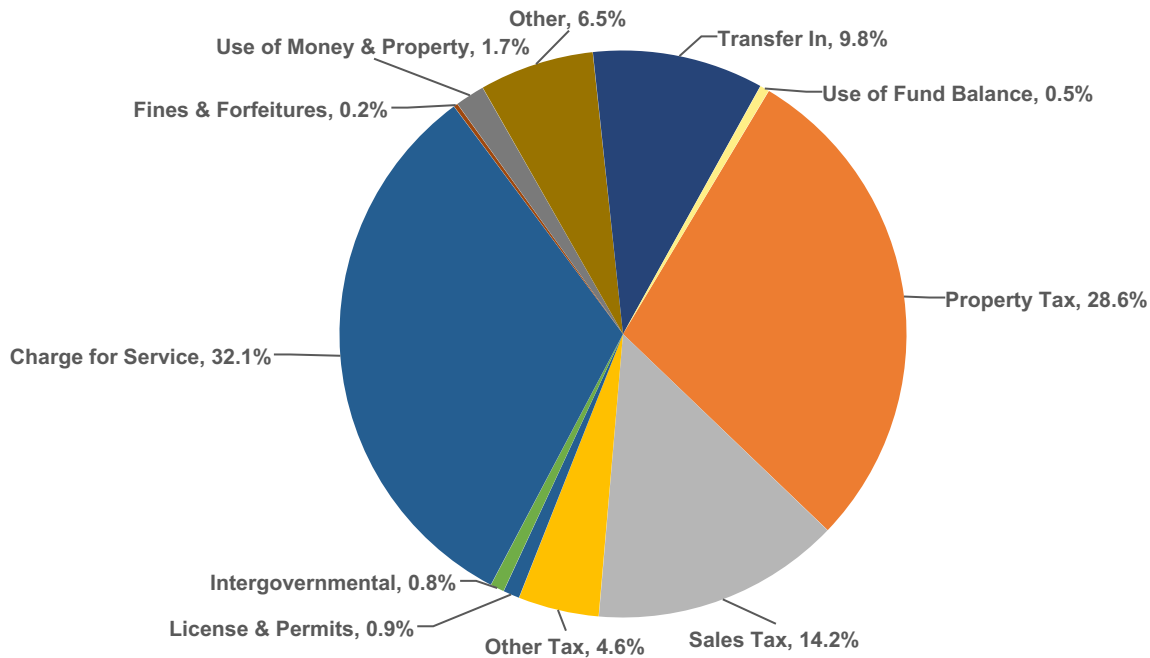


## Budget Highlights

## Total Revenue by Source

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Property Tax	\$ 600,739,745	\$ 670,294,478	\$ 670,294,478	\$ 742,349,544	\$ 72,055,066	10.7%
Sales Tax	322,666,853	314,221,254	314,221,254	369,391,511	55,170,257	17.6%
Other Tax	106,224,430	95,905,602	102,269,589	119,975,496	24,069,894	25.1%
License & Permits	25,159,281	22,217,201	22,233,301	24,156,588	1,939,387	8.7%
Intergovernmental	17,124,383	14,976,398	16,139,336	20,702,664	5,726,266	38.2%
Charge for Service	785,033,427	763,380,147	849,955,027	834,836,225	71,456,078	9.4%
Fines & Forfeitures	5,832,206	7,311,062	7,311,062	6,327,394	(983,668)	-13.5%
Use of Money & Property	48,502,286	37,232,935	63,515,119	44,019,098	6,786,163	18.2%
Other	153,828,829	157,803,787	163,724,093	169,976,971	12,173,184	7.7%
Transfer In	278,750,981	220,780,629	242,644,570	253,524,447	32,743,818	14.8%
Use of Fund Balance	—	25,732,492	58,396,348	14,254,877	(11,477,615)	-44.6%
<b>Total Revenues</b>	<b>\$2,343,862,421</b>	<b>\$2,329,855,985</b>	<b>\$2,510,704,177</b>	<b>\$2,599,514,815</b>	<b>\$ 269,658,830</b>	<b>11.6%</b>

Note: Debt Service Funds include the appropriation of Special Revenue Fund and Enterprise Fund related debt service payments. The revenue source for these funds are transfers from the respective Special Revenue or Enterprise Fund. Asset Forfeiture Funds, Public Improvement District Funds and Taxing Increment Reinvestment Zone Funds are not included in the table above.

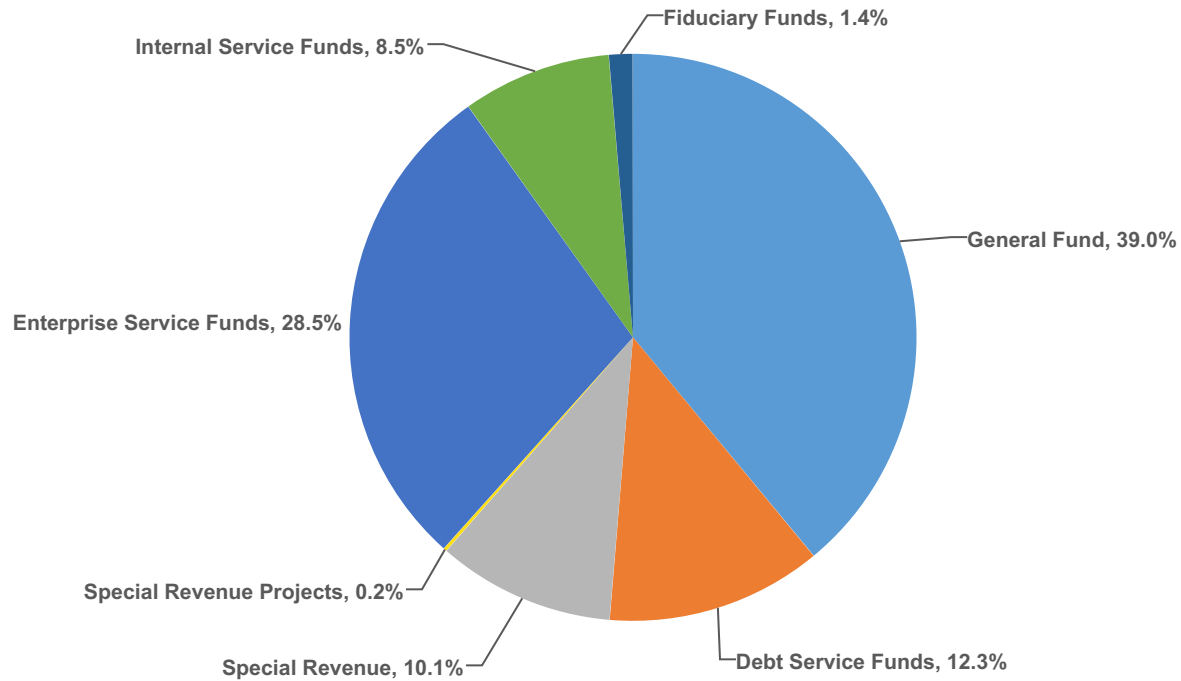


## Budget Highlights

## Expenditures by Fund

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Operating Funds</b>						
General Fund	\$ 844,094,793	\$ 915,340,881	\$ 952,254,194	\$ 1,013,812,390	\$ 98,471,509	10.8%
Debt Service Funds	342,697,531	278,396,435	290,459,477	320,255,259	41,858,824	15.0%
Special Revenue	196,679,986	228,371,970	246,864,023	263,406,949	35,034,979	15.3%
Special Revenue Projects	828,498	4,582,403	6,473,307	4,674,491	92,088	2.0%
Enterprise Service Funds	697,661,370	667,592,443	766,531,876	741,088,137	73,495,694	11.0%
Internal Service Funds	152,796,895	201,875,653	214,425,101	220,781,889	18,906,236	9.4%
Fiduciary Funds	29,746,259	33,696,200	33,696,200	35,495,700	1,799,500	5.3%
<b>Total Operating Funds</b>	<b>\$2,264,505,332</b>	<b>\$2,329,855,985</b>	<b>\$2,510,704,178</b>	<b>\$2,599,514,815</b>	<b>\$ 269,658,830</b>	<b>11.6%</b>

Note: Debt Service Funds include the appropriation of Special Revenue Fund and Enterprise Fund related debt service payments. The respective Special Revenue or Enterprise Fund transfer revenue to the Debt Service Funds. Asset Forfeiture Funds, Public Improvement District Funds and Taxing Increment Reinvestment Zone Funds are not included in the table above.



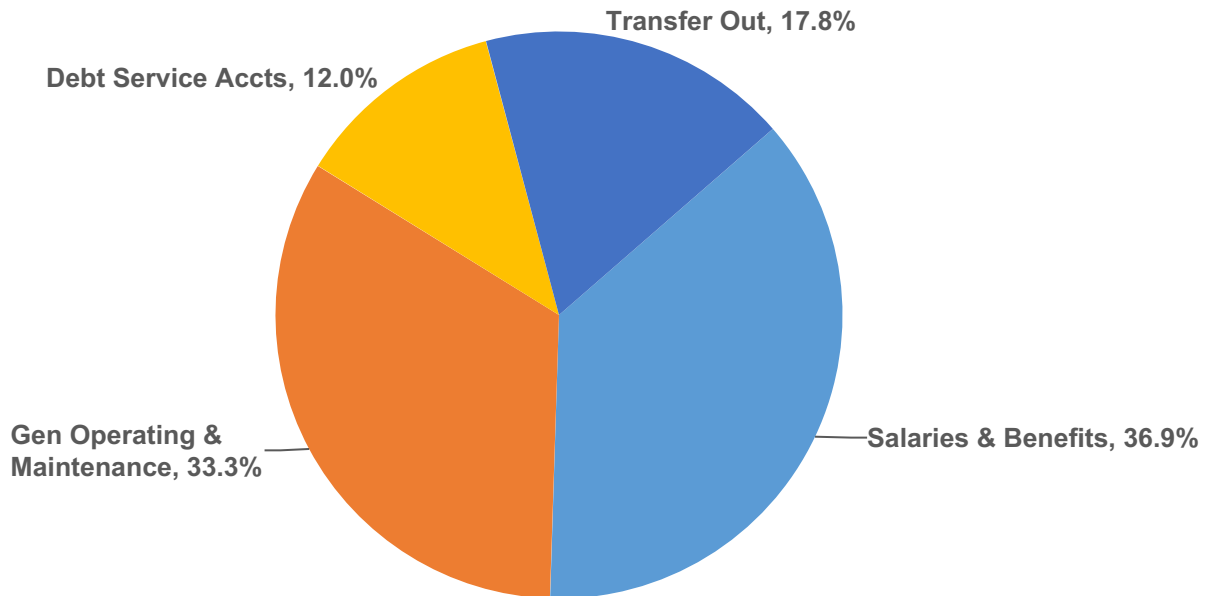


## Budget Highlights

## Expenditures by Type

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Expenses</b>						
Salaries & Benefits	\$ 783,446,761	\$ 872,196,891	\$ 869,153,669	\$ 945,312,368	\$ 73,115,477	8.4%
Gen Operating & Maintenance	686,625,747	754,959,813	808,088,747	853,274,686	98,314,873	13.0%
Capital Accts	63,480	—	—	—	—	—%
Debt Service Accts	345,386,603	280,283,544	293,458,826	308,266,235	27,982,691	10.0%
Transfer Out	448,982,741	403,101,777	521,587,257	454,900,673	51,798,896	12.9%
Contra Accounts	—	—	—	—	—	—%
Contribution to Fund Balance	—	19,313,960	18,415,679	37,760,853	18,446,893	95.5%
Project Budget Account	—	—	—	—	—	—%
<b>Total Expenses</b>	<b>\$2,264,505,332</b>	<b>\$2,329,855,985</b>	<b>\$2,510,704,178</b>	<b>\$2,599,514,815</b>	<b>\$ 269,658,830</b>	<b>11.6%</b>

Note: Debt Service Funds include the appropriation of Special Revenue Fund and Enterprise Fund related debt service payments. The respective Special Revenue or Enterprise Fund transfers funding to the Debt Service Fund. Asset Forfeiture Funds, Public Improvement District and Taxing Increment Reinvestment Zone Funds are not included in the table above. Contra accounts are used to reduce expenditures between departments in the General Fund.



## Budget Highlights

## General Fund: Financial Summary

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ 479,886,470	\$ 531,785,972	\$ 531,785,972	\$ 579,970,842	\$ 48,184,870	9.1%
Sales Tax	218,292,232	212,147,461	212,147,461	250,000,000	37,852,539	17.8%
Other Tax	61,240,849	54,146,726	54,146,726	64,458,496	10,311,770	19.0%
License & Permits	23,561,661	20,686,694	20,686,694	22,238,763	1,552,069	7.5%
Intergovernmental	1,535,578	505,442	505,442	520,641	15,199	3.0%
Charge for Service	43,934,571	33,886,591	33,886,591	34,395,212	508,621	1.5%
Fines & Forfeitures	5,832,206	7,311,062	7,311,062	6,327,394	(983,668)	-13.5%
Use of Money & Property	2,854,794	2,931,561	22,061,561	2,746,728	(184,833)	-6.3%
Other	4,569,587	3,972,207	5,505,397	3,741,440	(230,767)	-5.8%
Transfer In	45,876,362	47,967,165	47,967,165	49,412,874	1,445,709	3.0%
<b>Total Revenues</b>	<b>887,584,310</b>	<b>915,340,881</b>	<b>936,004,071</b>	<b>1,013,812,390</b>	<b>98,471,509</b>	<b>10.8%</b>
<b>Use of Fund Balance</b>	—	—	<b>16,250,123</b>	—	—	<b>0.0%</b>
<b>Expenses</b>						
Salaries & Benefits	588,842,782	632,735,418	627,723,642	683,738,712	51,003,294	8.1%
Gen Operating & Maintenance	195,255,964	200,634,040	213,414,550	224,754,311	24,120,271	12.0%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	2,256,259	2,265,207	2,265,207	2,274,423	9,216	0.4%
Transfer Out	57,739,788	79,706,216	108,850,795	103,044,944	23,338,728	29.3%
Contra Accounts	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>844,094,793</b>	<b>915,340,881</b>	<b>952,254,194</b>	<b>1,013,812,390</b>	<b>98,471,509</b>	<b>10.8%</b>
<b>Contribution to Fund Balance</b>	—	—	—	—	—	<b>0.0%</b>
<b>Revenues Over(Under) Expenses</b>						
	\$ 43,489,517	\$ —	\$ —	\$ —	\$ —	0.0%

Note: Contra accounts are used to reduce expenditures between departments in the General Fund.

## Budget Highlights

## Debt Service Funds: Financial Summary

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ 120,853,275	\$ 138,508,506	\$ 138,508,506	\$ 162,378,702	\$ 23,870,196	17.2%
Charge for Service	96,285	—	—	—	—	0.0%
Use of Money & Property	13,653,471	3,450,000	3,450,000	3,450,000	—	0.0%
Transfer In	207,656,511	136,437,929	148,272,929	154,426,557	17,988,628	13.2%
<b>Total Revenues</b>	<b>342,259,542</b>	<b>278,396,435</b>	<b>290,231,435</b>	<b>320,255,259</b>	<b>41,858,824</b>	<b>15.0%</b>
<b>Use of Fund Balance</b>	<b>—</b>	<b>—</b>	<b>228,042</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>
<b>Expenses</b>						
Capital Accts	—	—	—	—	—	—
Debt Service Accts	339,721,881	275,411,715	288,256,997	304,059,020	28,647,305	10.4%
Transfer Out	2,975,650	—	—	2,980,400	2,980,400	0.0%
<b>Total Expenses</b>	<b>342,697,531</b>	<b>275,411,715</b>	<b>288,256,997</b>	<b>307,039,420</b>	<b>31,627,705</b>	<b>11.5%</b>
<b>Contribution to Fund Balance</b>	<b>—</b>	<b>2,984,720</b>	<b>2,202,480</b>	<b>13,215,839</b>	<b>10,231,119</b>	<b>342.8%</b>
<b>Revenues Over(Under) Expenses</b>						
	\$ (437,989)	\$ —	\$ —	\$ —	\$ —	0.0%

Note: Debt Service Funds include the appropriation of Special Revenue Fund and Enterprise Fund related debt service payments. The revenue source for these debt funds are transfers from the respective Special Revenue or Enterprise Fund.

## Budget Highlights

## Special Revenue Funds: Financial Summary

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Sales Tax	\$ 104,374,621	\$ 102,073,793	\$ 102,073,793	\$ 119,391,511	\$ 17,317,718	17.0%
Other Tax	43,233,581	41,758,876	48,122,863	53,753,225	11,994,349	28.7%
License & Permits	14,559	6,000	22,100	21,000	15,000	250.0%
Intergovernmental	15,578,391	14,470,956	15,633,894	20,182,023	5,711,067	39.5%
Charge for Service	17,569,122	26,566,520	28,447,885	26,964,058	397,538	1.5%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	10,180,000	10,657,942	11,282,737	12,489,656	1,831,714	17.2%
Special Assessments	—	—	—	—	—	0.0%
Other	13,660,886	11,774,001	12,955,117	16,707,978	4,933,977	41.9%
Transfer In	5,133,234	6,836,366	7,146,367	9,735,777	2,899,411	42.4%
<b>Total Revenues</b>	<b>209,744,394</b>	<b>214,144,454</b>	<b>225,684,756</b>	<b>259,245,228</b>	<b>45,100,774</b>	<b>21.1%</b>
<b>Use of Fund Balance</b>	<b>—</b>	<b>14,227,516</b>	<b>21,179,266</b>	<b>4,161,721</b>	<b>(10,065,795)</b>	<b>-70.7%</b>
<b>Expenses</b>						
Salaries & Benefits	65,692,640	81,039,761	83,680,239	92,995,050	11,955,289	14.8%
Gen Operating & Maintenance	54,368,717	76,177,974	84,081,948	92,068,856	15,890,882	20.9%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	68,746	123,891	123,891	123,891	—	0.0%
Transfer Out	76,549,883	63,500,280	70,793,019	57,187,976	(6,312,304)	-9.9%
<b>Total Expenses</b>	<b>196,679,986</b>	<b>220,841,906</b>	<b>238,679,097</b>	<b>242,375,773</b>	<b>21,533,867</b>	<b>9.8%</b>
<b>Contribution to Fund Balance</b>	<b>—</b>	<b>7,530,064</b>	<b>8,184,926</b>	<b>21,031,176</b>	<b>13,501,112</b>	<b>179.3%</b>
<b>Revenues Over(Under)</b>						
Expenses	\$ 13,064,408	\$ —	\$ —	\$ —	\$ —	0.0%

Note: While Asset Forfeiture Funds, Public Improvement District Funds (PID) and Tax Increment Reinvestment Zone Funds (TIRZ) are special revenue funds, they are appropriated under a separate process and are not included in these totals. Also, Special Revenue Project Funds are not included in these totals. Funds exclusive of the table above are shown in separate summary tables that follow.

## Budget Highlights

## Special Revenue Funds: PIDS Financial Summary

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Other Tax	\$ 14,113,155	\$ 16,489,135	\$ 19,384,135	\$ 19,932,641	\$ 3,443,506	20.9 %
Use of Money & Property	49,599	—	—	—	—	0.0 %
Other	147,231	150,000	150,000	150,000	—	0.0 %
Transfer In	865,593	891,201	1,044,000	891,241	40	0.0 %
<b>Total Revenues</b>	<b>15,175,580</b>	<b>17,530,336</b>	<b>20,578,135</b>	<b>20,973,882</b>	<b>3,443,506</b>	<b>19.6 %</b>
<b>Use of Fund Balance</b>	<b>—</b>	<b>469,764</b>	<b>1,048,244</b>	<b>165,176</b>	<b>(304,588)</b>	<b>(64.8)%</b>
<b>Expenses</b>						
Gen Operating & Maintenance	14,022,679	17,722,169	19,248,448	20,619,010	2,896,841	16.3 %
Transfer Out	227,421	245,182	245,182	267,385	(1,474)	(0.6)%
<b>Total Expenses</b>	<b>14,250,100</b>	<b>17,967,351</b>	<b>19,493,630</b>	<b>20,886,395</b>	<b>2,895,367</b>	<b>16.1 %</b>
<b>Contribution to Fund Balance</b>	<b>—</b>	<b>32,749</b>	<b>2,132,749</b>	<b>252,663</b>	<b>219,914</b>	<b>671.5 %</b>
<b>Revenues Over(Under) Expenses</b>	<b>\$ 925,480</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

Note: While Public Improvement District Funds (PIDS) are special revenue funds, they are appropriated under a separate process.

## Budget Highlights

## Special Revenue Funds: TIRZ Financial Summary

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	21,331,722	—	26,754,531	—	—	0.0 %
Intergovernmental	10,627,844	—	11,232,992	—	—	0.0 %
Use of Money & Property	736,138	—	664,136	—	—	0.0 %
Other	75,758	—	381,818	—	—	0.0 %
Transfer In	559,028	—	206,956	—	—	0.0 %
<b>Total Revenues</b>	<b>33,330,490</b>	<b>—</b>	<b>39,240,433</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Use of Fund Balance</b>	<b>—</b>	<b>—</b>	<b>76,935,571</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Expenses</b>						
Gen Operating & Maintenance	17,521,108	—	108,667,135	—	—	0.0 %
Transfer Out	9,350,168	—	7,508,869	—	—	0.0 %
<b>Total Expenses</b>	<b>26,871,276</b>	<b>—</b>	<b>116,176,004</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Contribution to Fund Balance</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Revenues Over(Under) Expenses</b>						
	\$ 6,459,214	\$ —	\$ —	\$ —	\$ —	—%

Note: While Tax Increment Reinvestment Zone Funds (TIRZ) are special revenue funds, they are appropriated under a separate process. Due to a delay of the FY2024 appropriation adoption for these funds; the FY2024 Adopted figures were not ready to be published at the time of this document's publication

## Budget Highlights

## Special Revenue Projects: Financial Summary

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Other Tax	\$ —	\$ —	\$ —	\$ —	—	0.0%
Intergovernmental	10,414	—	—	—	—	0.0%
Charge for Service	1,677,290	1,847,095	3,210,610	74,802	(1,772,293)	-96.0%
Use of Money & Property	93,576	—	527,389	—	—	0.0%
Other	252,145	—	—	—	—	0.0%
Transfer In	—	2,735,308	2,735,308	4,599,689	1,864,381	68.2%
<b>Total Revenues</b>	<b>2,033,425</b>	<b>4,582,403</b>	<b>6,473,307</b>	<b>4,674,491</b>	<b>92,088</b>	<b>2.0%</b>
<b>Use of Fund Balance</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>
<b>Expenses</b>						
Salaries & Benefits	20,661	—	—	—	—	0.0%
Gen Operating & Maintenance	694,415	4,582,403	6,473,307	4,674,491	92,088	2.0%
Capital Accts	63,480	—	—	—	—	0.0%
Transfer Out	49,942	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>828,498</b>	<b>4,582,403</b>	<b>6,473,307</b>	<b>4,674,491</b>	<b>92,088</b>	<b>2.0%</b>
<b>Contribution to Fund Balance</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>
<b>Revenues Over(Under) Expenses</b>						
	\$ 1,204,927	\$ —	\$ —	\$ —	—	0.0%

Note: Special Revenue Projects includes the Library Special Revenue Fund, Municipal Court Special Revenue, and the Special Purpose Fund. These project funds are life to date; therefore appropriation adjustments may carry over fiscal years.



## Budget Highlights

## Enterprise Funds: Financial Summary

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
License & Permits	\$ 1,583,061	1,524,507	1,524,507	1,896,825	\$ 372,318	24.4 %
Charge for Service	670,798,721	605,732,373	689,062,373	668,339,316	62,606,943	10.3 %
Use of Money & Property	16,929,424	15,535,230	21,535,230	18,883,157	3,347,927	21.6 %
Other	22,972,326	15,516,531	18,722,531	15,572,655	56,124	0.4 %
Transfer In	20,064,111	26,803,861	26,892,801	34,488,967	7,685,106	28.7 %
<b>Total Revenues</b>	<b>732,347,643</b>	<b>665,112,502</b>	<b>757,737,442</b>	<b>739,180,920</b>	<b>74,068,418</b>	<b>11.1 %</b>
<b>Use of Fund Balance</b>	<b>—</b>	<b>2,479,941</b>	<b>8,794,434</b>	<b>1,907,217</b>	<b>(572,724)</b>	<b>(23.1)%</b>
<b>Expenses</b>						
Salaries & Benefits	104,771,987	111,464,737	110,889,737	118,516,539	7,051,802	6.3 %
Gen Operating & Maintenance	284,636,083	290,975,634	314,089,368	328,663,863	37,688,229	13.0 %
Debt Service Accts	1,769,048	903,806	1,233,806	33,900	(869,906)	(96.2)%
Transfer Out	306,484,252	258,961,009	339,692,215	290,359,997	31,398,988	12.1 %
<b>Total Expenses</b>	<b>697,661,370</b>	<b>662,305,186</b>	<b>765,905,126</b>	<b>737,574,299</b>	<b>75,269,113</b>	<b>11.4 %</b>
<b>Contribution to Fund Balance</b>	<b>—</b>	<b>5,287,257</b>	<b>626,750</b>	<b>3,513,838</b>	<b>(1,773,419)</b>	<b>(33.5)%</b>
<b>Revenues Over(Under) Expenses</b>	<b>\$ 34,686,273</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

## Budget Highlights

## Internal Service Funds: Financial Summary

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Charge for Service	\$ 50,415,242	\$ 94,777,643	\$ 94,777,643	\$ 104,487,117	\$ 9,709,474	10.2%
Use of Money & Property	3,959,548	3,658,202	3,658,202	4,949,557	1,291,355	35.3%
Other	85,974,972	95,993,698	95,993,698	107,611,972	11,618,274	12.1%
Transfer In	20,763	—	9,630,000	860,583	860,583	0.0%
<b>Total Revenues</b>	<b>140,370,526</b>	<b>194,429,543</b>	<b>204,059,543</b>	<b>217,909,229</b>	<b>23,479,686</b>	<b>12.1%</b>
<b>Use of Fund Balance</b>	<b>—</b>	<b>7,446,110</b>	<b>10,365,558</b>	<b>2,872,660</b>	<b>(4,573,450)</b>	<b>-61.4%</b>
<b>Expenses</b>						
Salaries & Benefits	23,833,370	46,661,735	46,564,811	49,778,275	3,116,540	6.7%
Gen Operating & Maintenance	123,780,299	154,279,646	158,207,539	169,676,258	15,396,612	10.0%
Transfer Out	5,183,226	934,272	2,251,228	1,327,356	393,084	42.1%
<b>Total Expenses</b>	<b>152,796,895</b>	<b>201,875,653</b>	<b>207,023,578</b>	<b>220,781,889</b>	<b>18,906,236</b>	<b>9.4%</b>
<b>Contribution to Fund Balance</b>	<b>—</b>	<b>—</b>	<b>7,401,523</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>
Revenues Over(Under) Expenses	\$ (12,426,369)	\$ —	\$ —	\$ —	\$ —	0.0%

## Budget Highlights

## Fiduciary Funds: Financial Summary

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Other Tax	\$ 1,750,000	\$ —	\$ —	\$ 1,763,775	\$ —	0.0 %
Charge for Service	542,196	569,925	569,925	575,720	5,795	1.0 %
Use of Money & Property	831,473	1,000,000	1,000,000	1,500,000	500,000	50.0 %
Other	26,398,915	30,547,350	30,547,350	26,342,926	(4,204,424)	-13.8 %
<b>Total Revenues</b>	<b>29,522,584</b>	<b>32,117,275</b>	<b>32,117,275</b>	<b>30,182,421</b>	<b>(3,698,629)</b>	<b>(11.5)%</b>
<b>Use of Fund Balance</b>	<b>—</b>	<b>1,578,925</b>	<b>1,578,925</b>	<b>5,313,279</b>	<b>3,734,354</b>	<b>236.5 %</b>
<b>Expenses</b>						
Salaries & Benefits	285,321	295,240	295,240	283,792	(11,448)	(3.9)%
Gen Operating & Maintenance	27,890,269	28,310,116	31,822,035	33,436,907	5,126,791	18.1 %
Debt Service Accts	1,570,669	1,578,925	1,578,925	1,775,001	196,076	12.4 %
<b>Total Expenses</b>	<b>29,746,259</b>	<b>30,184,281</b>	<b>33,696,200</b>	<b>35,495,700</b>	<b>5,311,419</b>	<b>17.6 %</b>
<b>Contribution to Fund Balance</b>	<b>—</b>	<b>3,511,919</b>	<b>—</b>	<b>—</b>	<b>(3,511,919)</b>	<b>-100.0 %</b>
Revenues Over(Under) Expenses	\$ (223,675)	\$ —	\$ —	\$ —	\$ —	0.0 %

Texas Local Government Code authorizes municipalities to establish fees for “performing services and duties permitted or required by law.” For some services, the application of fees is not permitted or may be restricted to amounts prescribed in other Texas Local Government Code sections. For those service fees not restricted by code, the City has adopted financial policies specific to revenue to assist the City Manager in recommending fees. Fees are reviewed on an annual basis and updates are presented to the City Council during the budget process.

Fees may be defined by financial policy as regulatory or non-regulatory. Regulatory fees are those charged to individuals for participation in government regulated activities. Examples include building permits, code enforcement permits, and plan review fees. For regulatory fees, the financial policy serves to recover the full cost of the service unless restricted by code.

Non-regulatory fees are likely to be charged for a wide variety of services and require additional consideration in establishing non-regulatory fees, including “1) to influence the use of service and; 2) to increase equity.” As such, non-regulatory fees may not recover the total cost of service. For additional information on all fees, please refer to the Financial Management Policy Statements.

The following tables reflect expected fee changes for FY2024 effective October 1<sup>st</sup>, 2023. Fee changes are based on market comparisons and evaluation of cost to deliver services. Fee changes were approved by City Council along with adoption of the FY2024 budget on September 19, 2023.

<b>General Fund</b>		
<b>Code Compliance</b>		
<b>Fee Title</b>	<b>New Fee Amount</b>	<b>Description of Change</b>
Other Government Jurisdiction: Animal Impoundment	\$495.22	Increase of \$14.42
Diseased Animal Analysis Shipping	\$250.00	Increase of \$50
Other Government Jurisdiction: Respond to calls	\$12,380.50	Increase of \$360.50
Daycare	\$385.00	Increase of \$100
Hotel / Motel	\$385.00	Increase of \$100
Restaurant	\$385.00	Increase of \$100
Swimming Pool / Spa	\$385.00	Increase of \$100
Mobile Unit	\$385.00	Increase of \$100
Push Cart	\$385.00	Increase of \$100
<b>Library</b>		
<b>Fee Title</b>	<b>New Fee Amount</b>	<b>Description of Change</b>
Vivian J. Lincoln Library Meeting Rm Rental	\$35.00	New Fee
Vivian J. Lincoln Library Meeting Rm (Non-Profit) Rental	\$15.00	New Fee
<b>Park and Recreation Department</b>		
<b>Fee Title</b>	<b>New Fee Amount</b>	<b>Description of Change</b>
Food Truck Vendor	\$300/month	Change from daily to monthly rate. Net fee decrease
Push Cart Vendor	\$150/month	Change from daily to monthly rate. Net fee decrease
Game Prep	\$10.00	New Fee
Adult Volleyball	\$250.00	Increase of \$50
<b>Police</b>		

## Budget Highlights

## User Fee Authorization and Overview

Fee Title	New Fee Amount	Description of Change
Tow-Light Duty	\$180.00	Increase of \$30
Tow-Medium Duty	\$180.00	Increase of \$30
Tow-Heavy Duty	\$300.00	Increase of \$50
Extra Time-Light Duty	\$120.00	Increase of \$20
<b>Municipal Airports Fund</b>		
<b>Aviation Department</b>		
Fee Title	New Fee Amount	Description of Change
Yearly CPI adjustment	8.40 %	Increase of 0.90%
Signatory Landing Fees	\$1.85	Increase of \$0.06
Non-Signatory Landing Fees	\$2.18	Increase of \$0.07
Signatory Landing Fees (MINIMUM FEE)	\$79.03	Increase of \$2.45
Non-Signatory Landing Fees (MINIMUM FEE)	\$92.98	Increase of \$2.89
FTW and FWS Aircraft Parking (City Managed Space Only) - 6,500 lbs and under	\$55.00 per month/\$15.00 per day	New Fee
FTW and FWS Aircraft Parking (City Managed Space Only) - 6,501 lbs to 10,500 lbs	\$75.00 per month/\$20.00 per day	New Fee
FTW and FWS Aircraft Parking (City Managed Space Only) - 10,501 lbs to 12,500 lbs	\$110.00 per month/\$25.00 per day	New Fee
FTW and FWS Aircraft Parking (City Managed Space Only) - 12,501 lbs to 18,000 lbs	\$300.00 per month/\$30.00 per day	New Fee
FTW and FWS Aircraft Parking (City Managed Space Only) - 18,001 lbs to 60,000 lbs	\$600.00 per month/\$40.00 per day	New Fee
FTW and FWS Aircraft Parking (City Managed Space Only) - 60,001 lbs to 100,000 lbs	\$900.00 per month/\$60.00 per day	New Fee
FTW and FWS Aircraft Parking (City Managed Space Only) - 100,001 lbs to 300,000 lbs	\$1,800.00 per month/\$120.00 per day	New Fee
FTW and FWS Aircraft Parking (City Managed Space Only) - 300,001 lbs and above	\$2,250.00 per month/\$150.00 per day	New Fee
AFW Aircraft Parking - 12,501 lbs to and 18,000 lbs under	\$300.00 per month/\$20.00 per day	New Fee
AFW Aircraft Parking -- 18,001 lbs to 60,000 lbs	\$600.00 per month/\$40.00 per day	New Fee
AFW Aircraft Parking - 60,001 lbs to 100,000 lbs	\$900.00 per month/\$60.00 per day	New Fee
AFW Aircraft Parking - 100,001 lbs to 300,000 lbs	\$1,800.00 per month/\$120.00 per day	New Fee

## Budget Highlights

## User Fee Authorization and Overview

AFW Aircraft Parking - 300,001 lbs and above	\$2,250.00 per month/\$150.00 per day	New Fee
<b>Solid Waste Fund</b>		
<b>Environmental Services</b>		
<b>Fee Title</b>	<b>New Fee Amount</b>	<b>Description of Change</b>
Landfill Environmental Fee (non-city tons)	\$6	Increase of \$1
Landfill Environmental Fee (city tons)	\$6	New Fee
Disposal Fee	\$95	Increase of \$45
Residential Overloaded Cart Fee	\$6	New Fee
Residential Bags Outside Cart Fee	\$3	New Fee
<b>Stormwater Utility Fund</b>		
<b>Transportation and Public Works</b>		
<b>Fee Title</b>	<b>New Fee Amount</b>	<b>Description of Change</b>
Stormwater Utility Fee	\$6.61/billing unit/month	Increase of \$0.86
<b>Water and Sewer Fund</b>		
<b>Water Department</b>		
<b>Fee Title</b>	<b>New Fee Amount</b>	<b>Description of Change</b>
Water Study Review Fee	\$3,400.00	New Fee
Sewer Study Review Fee	\$3,200.00	New Fee
Water Loading Review Fee	\$1,750.00	New Fee
Sewer Loading Review Fee	\$1,750.00	New Fee
Fireflow Request Review Fee	\$125.00	New Fee
Fireflow Field Test Fee	\$300.00	New Fee
Back-Flow Inspection Fee	\$100.00	Increase of \$68.69
Back-Flow Customer Service Re-Inspection Fee - per hour	\$100.00	New Fee
Back-Flow Forced Test (Commercial Customers)	\$300.00	New Fee
Back-Flow Forced Test (Residential)	\$150.00	New Fee
Food Service Establishment/Grease Trap Permit Fee	\$175.00	Increase of \$39
Liquid Waste Hauler Permit - for vehicle	\$400.00	Increase of \$100
Sewer Tap Connection Fee Unpaved 4" short	\$2,600.00	Increase of \$600
Sewer Tap Connection Fee Unpaved 4" long	\$3,200.00	Increase of \$450
Sewer Tap Connection Fee Unpaved 6" short	\$3,100.00	Increase of \$600
Sewer Tap Connection Fee Unpaved 6" long	\$3,750.00	Increase of \$500
Sewer Tap Connection Fee Unpaved 8" short	\$3,600.00	Increase of \$600
Sewer Tap Connection Fee Unpaved 8" long	\$4,250.00	Increase of \$500
Sewer Tap Connection Fee Asphalt 4"short	\$4,200.00	Increase of \$1200
Sewer Tap Connection Fee Asphalt 4" long	\$5,300.00	Increase of \$1550
Sewer Tap Connection Fee Asphalt 6"short	\$7,000.00	Increase of \$2000
Sewer Tap Connection Fee Asphalt 6" long	\$8,000.00	Increase of \$2000
Sewer Tap Connection Fee Asphalt 8"short	\$8,600.00	Increase of \$1100
Sewer Tap Connection Fee Asphalt 8" long	\$9,600.00	Increase of \$1100
Sewer Tap Connection Fee Concrete 4" short	\$3,500.00	Decrease of \$2000
Sewer Tap Connection Fee Concrete 4" long	\$7,900.00	Decrease of \$100
Sewer Tap Connection Fee Concrete 6" short	\$7,500.00	Increase of \$1500

## Budget Highlights

## User Fee Authorization and Overview

Sewer Tap Connection Fee Concrete 6" long	\$10,200.00	Increase of \$1700
Sewer Tap Connection Fee Concrete 8" short	\$8,600.00	Decrease of \$400
Water Tap Connection Fee Unpaved 1" Short	\$2,500.00	Increase of \$700
Water Tap Connection Fee Unpaved 1" Long	\$3,000.00	Increase of \$500
Water Tap Connection Fee Unpaved 1.5" Short	\$2,700.00	Increase of \$700
Water Tap Connection Fee Unpaved 1.5" Long	\$3,200.00	Increase of \$500
Water Tap Connection Fee Unpaved 2" Short	\$2,900.00	Increase of \$700
Water Tap Connection Fee Unpaved 2" Long	\$3,300.00	Increase of \$400
Water Tap Connection Fee Asphalt 1" Short	\$3,000.00	Increase of \$1000
Water Tap Connection Fee Asphalt 1"Long	\$3,200.00	Increase of \$500
Water Tap Connection Fee Asphalt 1.5" Short	\$3,200.00	Increase of \$950
Water Tap Connection Fee Asphalt 1.5"Long	\$3,400.00	Increase of \$450
Water Tap Connection Fee Asphalt 2" Short	\$3,400.00	Increase of \$900
Water Tap Connection Fee Asphalt 2"Long	\$3,700.00	Increase of \$500
Water Tap Connection Fee Concrete 1" Short	\$3,000.00	Decrease of \$800
Water Tap Connection Fee Concrete 1" Long	\$3,700.00	Decrease of \$2800
Water Tap Connection Fee Concrete 1.5" Short	\$3,200.00	Decrease of \$800
Water Tap Connection Fee Concrete 1.5" Long	\$4,300.00	Decrease of \$2400
Water Tap Connection Fee Concrete 2" Short	\$3,400.00	Decrease of \$800
Water Tap Connection Fee Concrete 2" Long	\$4,600.00	Decrease of \$2300
<b>Culture and Tourism Fund</b>		
<b>Public Event</b>		
<b>Fee Title</b>	<b>New Fee Amount</b>	<b>Description of Change</b>
Arena Facilities Standard Rate	\$8,320.00	Increase of \$160
Ballroom Standard Rate	\$5,200.00	Increase of \$100
Ballroom A Standard Rate	\$2,290.00	Increase of \$40
Ballroom B Standard Rate	\$2,600.00	Increase of \$50
Ballroom C Standard Rate	\$2,290.00	Increase of \$40
Exhibit Hall Standard Rate	\$22,840.00	Increase of \$440
Exhibit Hall A Standard Rate	\$6,780.00	Increase of \$130
Exhibit Hall B Standard Rate	\$3,120.00	Increase of \$60
Exhibit Hall C Standard Rate	\$3,120.00	Increase of \$60
Exhibit Hall D Standard Rate	\$3,120.00	Increase of \$60
Exhibit Hall E Standard Rate	\$3,120.00	Increase of \$60
Exhibit Hall F Standard Rate	\$3,120.00	Increase of \$60
Exhibit Annex 1-4 Standard Rate	\$5,202.00	Increase of \$102
Exhibit Annex 1 Standard Rate	\$1,300.00	Increase of \$25
Exhibit Annex 2 Standard Rate	\$1,300.00	Increase of \$25
Exhibit Annex 3 Standard Rate	\$1,300.00	Increase of \$25
Exhibit Annex 4 Standard Rate	\$1,300.00	Increase of \$25
WG Events Plaza Standard Rate	\$1,050.00	Increase of \$25
Meeting Room 100 Standard Rate	\$310.00	Increase of \$5
Meeting Room 101 Standard Rate	\$310.00	Increase of \$5
Meeting Room 102 Standard Rate	\$310.00	Increase of \$5
Meeting Room 103AB Standard Rate	\$620.00	Increase of \$10

## Budget Highlights

## User Fee Authorization and Overview

Meeting Room 104 Standard Rate	\$310.00	Increase of \$5
Meeting Room 105 Standard Rate	\$310.00	Increase of \$5
Meeting Room 106 Standard Rate	\$310.00	Increase of \$5
Meeting Room 107 Standard Rate	\$310.00	Increase of \$5
Meeting Room 108 Standard Rate	\$310.00	Increase of \$5
Meeting Room 109 Standard Rate	\$310.00	Increase of \$5
Meeting Room 110AB Standard Rate	\$620.00	Increase of \$10
Meeting Room 111 Standard Rate	\$310.00	Increase of \$5
Meeting Room 112 Standard Rate	\$310.00	Increase of \$5
Meeting Room 113 Standard Rate	\$310.00	Increase of \$5
Meeting Room 114 Standard Rate	\$310.00	Increase of \$5
Meeting Room 120 Standard Rate	\$310.00	Increase of \$5
Meeting Room 121ABCDEF Standard Rate	\$1,860.00	Increase of \$30
Meeting Room 122 Standard Rate	\$310.00	Increase of \$5
Meeting Room 200 Standard Rate	\$310.00	Increase of \$5
Meeting Room 201ABC Standard Rate	\$930.00	Increase of \$15
Meeting Room 202ABCD Standard Rate	\$1,240.00	Increase of \$20
Meeting Room 203ABC Standard Rate	\$930.00	Increase of \$15
Meeting Room 204AB Standard Rate	\$620.00	Increase of \$10
Meeting Room 103A Standard Rate	\$310.00	Increase of \$5
Meeting Room 103B Standard Rate	\$310.00	Increase of \$5
Meeting Room 110A Standard Rate	\$310.00	Increase of \$5
Meeting Room 110B Standard Rate	\$310.00	Increase of \$5
Meeting Room 201A Standard Rate	\$310.00	Increase of \$5
Meeting Room 201B Standard Rate	\$310.00	Increase of \$5
Meeting Room 202A Standard Rate	\$310.00	Increase of \$5
Meeting Room 202B Standard Rate	\$310.00	Increase of \$5
Meeting Room 202C Standard Rate	\$310.00	Increase of \$5
Meeting Room 202D Standard Rate	\$310.00	Increase of \$5
Meeting Room 203A Standard Rate	\$310.00	Increase of \$5
Meeting Room 203B Standard Rate	\$310.00	Increase of \$5
Meeting Room 203C Standard Rate	\$310.00	Increase of \$5
Meeting Room 204A Standard Rate	\$310.00	Increase of \$5
Meeting Room 204B Standard Rate	\$310.00	Increase of \$5
Meeting Room 121A Standard Rate	\$310.00	Increase of \$5
Meeting Room 121B Standard Rate	\$310.00	Increase of \$5
Meeting Room 121C Standard Rate	\$310.00	Increase of \$5
Meeting Room 121D Standard Rate	\$310.00	Increase of \$5
Meeting Room 121E Standard Rate	\$310.00	Increase of \$5
Meeting Room 121F Standard Rate	\$310.00	Increase of \$5
Arena Facilities Move In/Move Out Rate	\$4,160.00	Increase of \$80
Ballroom Move In/Move Out Rate	\$2,600.00	Increase of \$100
Ballroom A Move In/Move Out Rate	\$1,145.00	Increase of \$45
Ballroom B Move In/Move Out	\$1,300.00	Increase of \$50
Ballroom C Move In/Move Out Rate	\$1,145.00	Increase of \$45



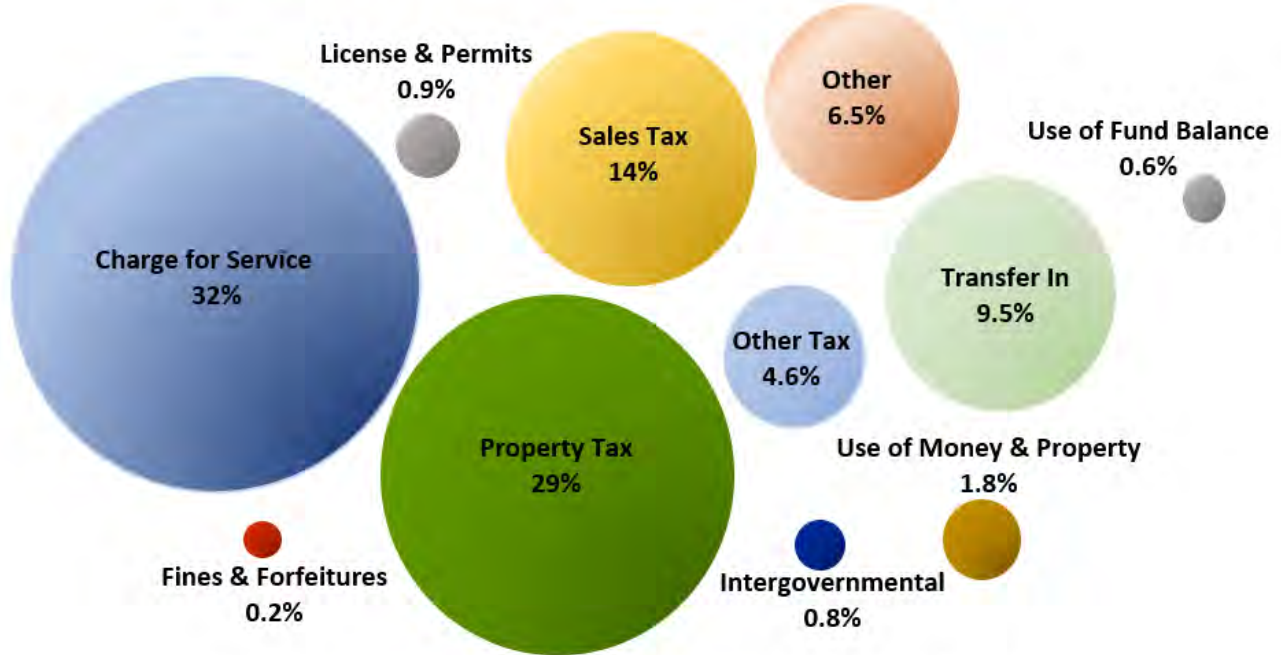
## Budget Highlights

## User Fee Authorization and Overview

Exhibit Hall Move In/Move Out Rate	\$11,420.00	Increase of \$220
Exhibit Hall A Move In/Move Out Rate	\$3,390.00	Increase of \$140
Exhibit Hall B Move In/Move Out Rate	\$1,560.00	Increase of \$60
Exhibit Hall C Move In/ Move Out Rate	\$1,560.00	Increase of \$60
Exhibit Hall D Move In/Move Out Rate	\$1,560.00	Increase of \$60
Exhibit Hall E Move In/Move Out Rate	\$1,560.00	Increase of \$60
Exhibit Hall F Move In/Move Out Rate	\$1,560.00	Increase of \$60
Exhibit Annex 1-4 Move In/Move Out Rate	\$2,601.00	Increase of \$101
Exhibit Annex 1 Move In/Move Out Rate	\$650.00	Increase of \$50
Exhibit Annex 2 Move In/Move Out Rate	\$650.00	Increase of \$50
Exhibit Annex 3 Move In/Move Out Rate	\$650.00	Increase of \$50
Exhibit Annex 4 Move In/Move Out Rate	\$650.00	Increase of \$50
<b>Municipal Golf Fund</b>		
<b>PARD</b>		
<b>Fee Title</b>	<b>New Fee Amount</b>	<b>Description of Change</b>
Junior Annual Pass	\$200	Increase of \$50
Senior Annual Pass	\$725	Increase of \$75
Individual Annual Pass	\$1,100	Increase of \$150
Platinum Annual Pass	\$2,500	Increase of \$300
Family Annual Pass	\$1,400	Increase of \$200
9 Hole Greens Fee Rate Range	\$11-\$40	New Fee Range
18 Hole Greens Fee Rate Range	\$11-\$75	New Fee Range
Junior Green Fee Rate Range	\$10-\$40	New Fee Range
Senior Green Fee Rate Range	\$12-\$40	New Fee Range
Half Cart Fee	\$7.85-\$11.09	New Fee Range
Full Cart Fee	\$15.70-\$22.17	New Fee Range

This section covers the City’s revenues presented by source for all of the city’s operating funds. The total sources of revenue for the city are as follows:

**What are all the Sources of Revenue for the City?**



Charges for Service, Property Tax, Sales Tax and Transfer In make up 84.50% of all revenues.

Charge for Service, Property Tax, and Sales Tax make up 75% of all city operating revenues. Charge for service is received by multiple city funds, including the General Fund and enterprise funds; property tax is received by the General Fund, debt service, and applicable tax increment reinvestment zone funds; and sales tax is only received by the General Fund and the Crime Control and Prevention District fund. The following provides information on each source of revenue with emphasis on the General Fund.

**GENERAL FUND**

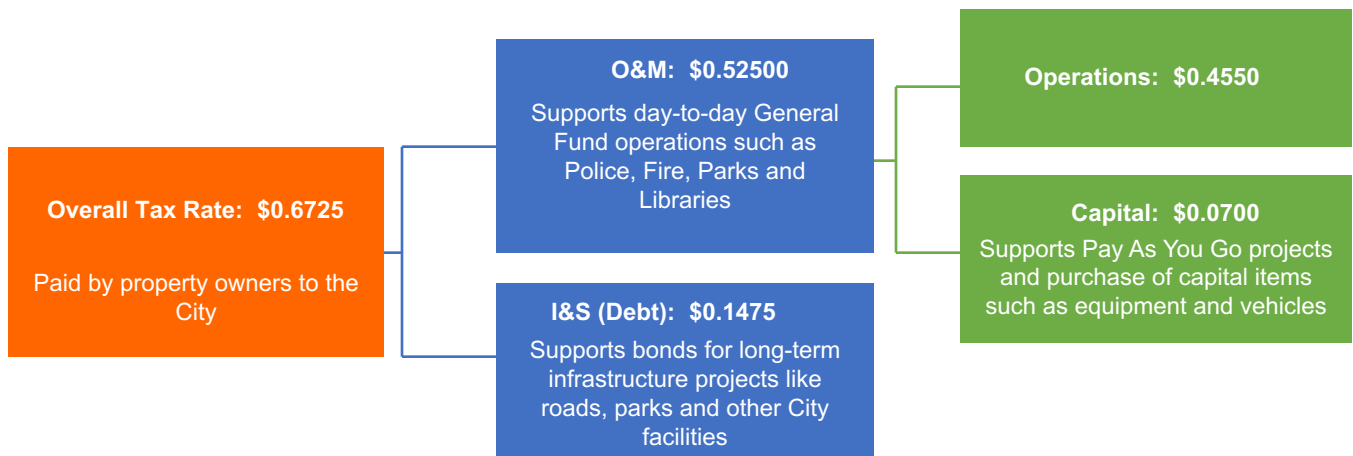
**Property Taxes**

In keeping with City Management goals to maintain/lower the property tax rate, the FY2024 Recommended Budget lowers the city’s property tax rate from \$0.7175 per \$100 net taxable valuation to \$0.6725 per \$100 net taxable valuation. Comparisons are shown below for the Tax Rate, Appraised Value, and Adjusted Net Taxable Value.

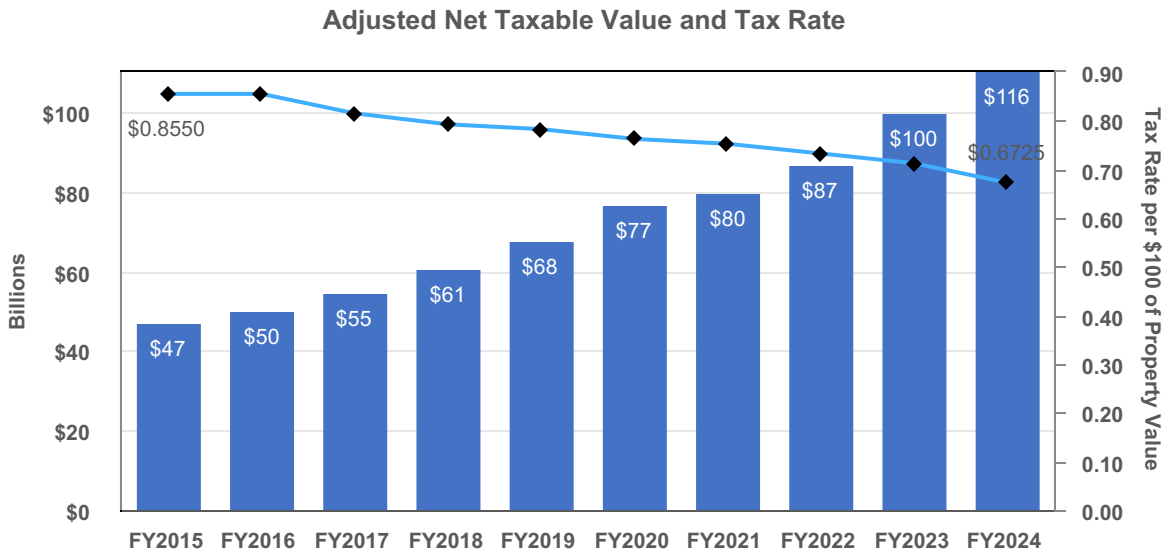
Comparison	FY2023	FY2024	Variance	
			\$	%
Tax rate per \$100 of value	\$ 0.7125	\$ 0.6725	\$(0.0400)	-5.6%
Appraised Value	133,177,031,015	155,936,572,617	\$22.8B	17.1%
Adjusted Net Taxable Value	100,073,539,805	115,730,642,125	\$15.7B	15.7%

Adjusted Net Taxable Value is the basis for the city’s property tax revenue calculation.

The tax rate is further delineated between operating and debt rates. The operating and maintenance (O&M) rate of \$0.5250 cents and the interest and sinking (I&S) rate at \$0.1475 cents. The allocation and use of the O&M rate versus the I&S rate is depicted in the diagram that follows.



As a result of both new construction and increases in existing values, the city is projected to collect \$47 million more in General Fund property tax revenue compared to FY2023. The next graph shows the ten-year property tax trend with tax rates.



According to the certified data from the Tarrant Appraisal District, the average appraised value of a single family home in the City of Fort Worth is \$280,949 in 2023.

The estimate of the FY2024 tax revenue is based on the certified data provided by the central appraisal districts of Tarrant, Denton, Wise and Parker Counties in July 2023. The assumed collection rate is 98.50% for the purpose of estimating revenue. Other factors affecting current property tax revenue are the exemptions to assessed valuation authorized by the State and additional exemptions and freezes granted on a local option and approved by City Council.

The most significant exemptions approved by the City Council are:

- The general homestead exemption of 20 percent available to all residential homestead properties,
- An increase from \$40,000 to \$60,000 in FY2024 provides additional homestead exemption granted to citizens who are age 65 and older, and/or Disabled residence homestead owners; and
- The freeport exemption for commercial goods to be exported from the state.

The table on the next page indicates the loss of taxable value for various exemptions from the certified roll, as well as calculations for budgeted revenue:

## Budget Highlights

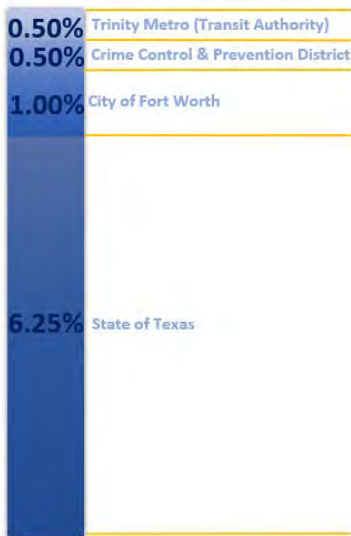
## Revenue Highlights

<b>Total Appraised Value</b>	<b>\$ 155,936,572,617</b>
<b>Less</b>	
Disabled Veteran	942,893,749
Over 65	2,542,873,304
Disabled/Over 65	91,344,250
Homestead	8,968,619,639
Disabled Person	143,701,216
Inventory	6,730,590,364
Solar / Wind Power	466,261
Pollution Control	11,843,300
Foreign Trade Zone	1,230,744,753
Historic Sites	19,554,856
Community Housing Development	138,693,709
Abatement Value Loss	289,515,879
Nominal Value Accounts	11,165,898
Freeze Taxable (Denton/Parker)	12,583,720
Homestead Cap	0
Transfer Adjustment TAD	2,074,319
Misc Personal Property	588,160,956
Absolute Exemptions	16,284,701,135
Property Damaged by Disaster	4,275,132
<b>Sub-Total Exemptions</b>	<b>38,014,112,003</b>
<b>Net Taxable Value</b>	<b>\$ 117,922,460,614</b>
<b>Less</b>	
Total Appraised Value of Properties Under Protest	\$ 5,733,709,358
Total Appraised Value of Incomplete Properties	\$ 1,148,902,061
<b>Net Taxable Value (Certified)</b>	<b>\$ 111,039,849,195</b>
<b>Plus</b>	
Est. Minimum value of protest properties	\$ 3,868,359,038
Est. Minimum Taxable Value of Incomplete Properties	\$ 822,433,892
<b>Adjusted Net Taxable Value</b>	<b>\$ 115,730,642,125</b>
Tax Rate per \$100 of Value	\$ 0.67250
<b>Total Tax Levy</b>	<b>\$ 778,288,568</b>
<b>Less</b>	
Collection Rate	98.5 %
<b>Estimated Collection of Levy</b>	<b>\$ 766,614,240</b>
<b>Less</b>	
Less Levy Lost due to Frozen	\$ (9,771,708)
Less Estimated TIF Contribution	\$ (21,292,977)
<b>Budgeted Revenues</b>	<b>\$ 735,549,555</b>

**Sales Tax**

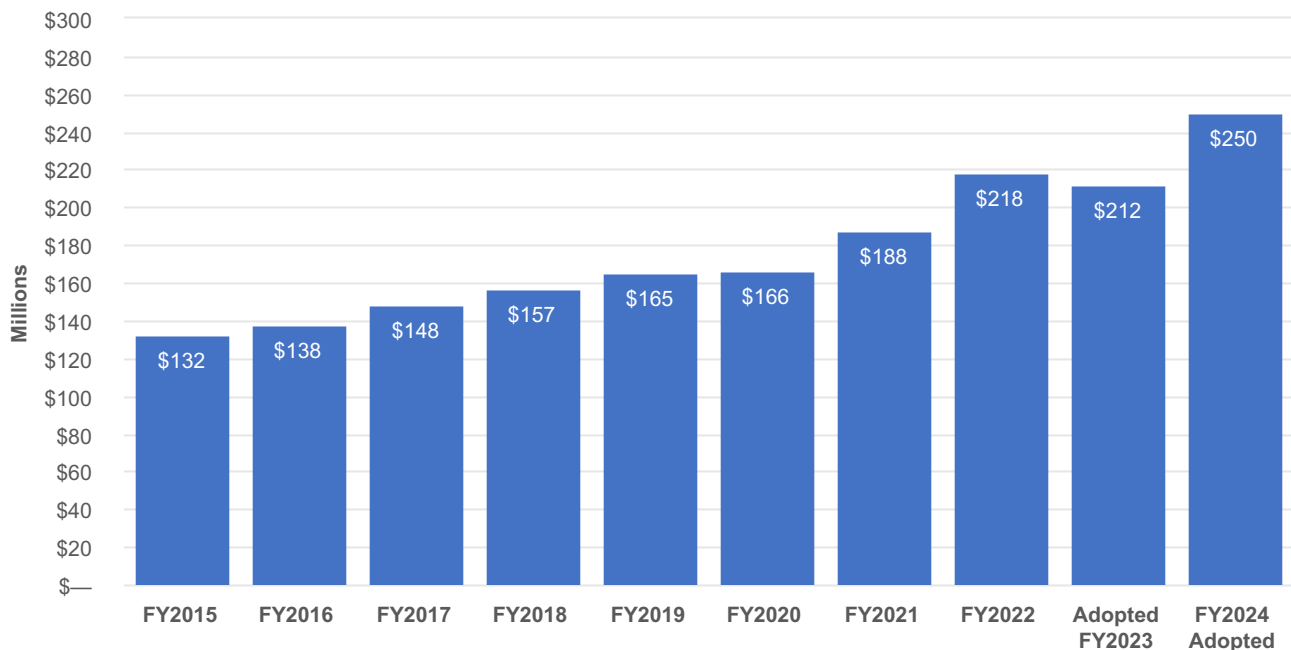
Of the total sales and use tax paid on a purchase, the City only receives a small portion. The following depicts where the sales tax is distributed.

**You pay 8.25% Sales Tax, but the City doesn't get all of that**



Sales tax revenue from the city’s one-cent of the sales tax, exclusive of the one-half cent special use tax for the Crime Control and Prevention District Fund, is projected to equal \$250.0M. As sales tax revenue was growing significantly after COVID-19, significant growth was expected for 2023. FY2023 preliminary year end projections were showing collections exceeding the original estimates developed for the year. Original expectations for FY2023 were \$212.1M and the fiscal year-end preliminary projection was up \$23.2M for a total of \$235.3M at the time of FY2024’s development. The FY2024 Budget’s expectation of \$250.0M is an increase of \$37.9M or 17.9% from the FY2023 budget. This revenue is dependent on the level of wholesale and retail sales and the economic strength of the local economy. Over the past ten years, the City of Fort Worth sales tax collection has grown from \$125.5M in 2014 to the estimated amount of \$250.0M for FY2024, which represents a 99.2% growth over the last ten years.

**10 Year Sales Tax Collection**



## Budget Highlights

## Revenue Highlights

Historical improvement in economic conditions demonstrated by actual receipts reported by the State Comptroller's Office and growth of the city has influenced growth in the past and is leading the current and future performance of sales tax. This growth pattern was originally projected to taper through FY2024, however the most recent collections are proving to be more resilient than originally anticipated. Sales Tax activity is expected to continue to pick up in FY2024 and be more stable than FY2022 or FY2023.

Sales Tax is collected from a broad range of industries. Fort Worth receives a substantial amount of revenue from the retail, general services, professional services, food and wholesale industries.



### Other Taxes

Other Taxes includes, among other sources, revenue from communications providers, utilities, taxes on beverage sales, and bingo-game receipts. The FY2024 Recommended Budget includes an increase of \$22.31M, or 23.3%, in Other Taxes. Some of the largest sources of the increase are franchise fees for gas and electric, as well as the State Mixed Beverage Tax, which increased by \$2.5M, or nearly 50%.

### Licenses and Permits

Licenses and Permits are primarily made up of the building, residential, alarm, and health permit fees. Revenues in this category are anticipated to increase by approximately \$0.9M, or 3.9%, from the FY2023 budget. This is a smaller increase than in recent years, with the majority of new revenue coming from Health Permit revenue (increase of \$0.6M).

### Intergovernmental Revenue

Revenue from other government agencies is mainly made up of reimbursement for indirect costs. Revenues in this category are projected to increase by \$5.7M, or 38.2%, in FY2024. A significant source of the increase is revenue from the Texas Comptroller, with a 29% (\$2.7M) increase over FY2024 levels.

### Charges for Services

Service Charges are mainly made up of administrative service charges, allocations for technology services, deferred and penalty fees for court services, plan review fees, gas well annual fees, registration fees, site reservations, planning commission fees, mowing fees, and fire inspection fees. Revenues in this category are increasing \$71.6M, or 9.4%, from the FY2023 budget. This revenue category is the most diverse among City revenues, with FY2024 growth coming from internal services and allocations, utility services, and admissions to recreational properties owned by the City.

### Fines, Forfeitures, and Special Assessments

Fines, Forfeitures and Special Assessments are mainly made up of traffic fines, general fines, and parking fines. Revenues in this category are projected to decrease by approximately \$1.0M, or 13.5%, from the FY2023 budget.



Building on a multi-year trend in the City, these reductions are driven by a decrease in traffic fines of \$1.1M (24.3%), an even greater decrease than that seen in the FY2023 budget.

### Use of Money and Property

Revenue from Use of Money and Property consists primarily of interest on investments, commercial exhibit building rentals, and lease revenue. Use of Money and Property revenues are projected to increase by approximately \$8.4M, or 22.5%, from the FY2023 budget. The largest individual increase is in interest earnings (up over \$2.2M from FY2023), but a variety of lease revenue streams constitute a significant portion of the overall growth in this revenue category.

### Other Revenue

Other Revenues are mainly made up of reimbursement of labor costs and miscellaneous revenues. Revenues in this category are projected to decrease by \$11.6M, or 7.4%, from the FY2023 budget. Though Miscellaneous Revenue continues to decrease (down \$1.3M or 9.3% from FY2023) as more appropriate and descriptive revenue accounts are used, this decrease is offset by increases in accounts such as Revenue Sharing (\$2.6M) and Recovery of Utilities, which increased by more than \$2.4M and 110%.

### Operating Transfers

Transfer payments consist of revenues that are transferred from funds such as Solid Waste, Water and Sewer, Stormwater, and Crime Control Prevention District to the General Fund. Revenues in this category are projected to increase by \$27.1M or 12.4% from the FY2023 budget. This change was primarily due to an increase in the transfer from Water/Sewer of \$16.3M, or 12.3%, which is received as a street rental fee from the Water department.

A City reorganization will create the new Environmental Services Department in FY2024. The new Environmental Services Department will operate through the Solid Waste Fund, the Environmental Protection Fund, and the portion of the General Fund budget used to date for Code Compliance Consumer Health; thus, in FY2024, the entire Solid Waste Fund budget will be under the direction of the Environmental Services Department. The Neighborhood Stability division of Code Compliance within the Solid Waste Fund will be retained in the General Fund under Code Compliance, and is funded with a transfer of \$996,515 to the General Fund.

## SPECIAL REVENUE FUNDS

*The following is not all-inclusive of the City's Special Revenue Funds.*

### Crime Control and Prevention District Fund

CCPD receives a one-half cent special use tax (Sales Tax) which is used to fund the public safety initiative of the fund, with a primary focus for FY2024 on community based programs. CCPD's Sales Tax Revenue is projected to equal \$119.4M and is an increase of \$17.3M or 16.9% from the FY2023 budget.

### Culture and Tourism Funds

The main source of revenue for the culture and tourism funds comes from the 9 percent Hotel Occupancy Tax (HOT tax). Seven percent is used for operations including the Fort Worth Convention Center, the Fort Worth Convention and Visitors Bureau and the Will Rogers Memorial Center, while an additional 2 percent levied since 1997 is used to support debt service on bonds used to expand and improve the convention center. While the HOT tax does not contribute to the top 75% of total revenues of the City, it is important to notate; as this tax helps provide amenities and services that stimulate the local economy and welcome over 3 million visitors to our city each year. Visit <https://www.fortworthtexas.gov/departments/public-events> for more information on events in Fort Worth.

### Municipal Golf Fund

Municipal Golf revenues are charges for services driven from the use of the City's golf courses. The use of the courses has decreased, resulting in a \$401k decrease in revenue for FY2024.



**ENTERPRISE FUNDS****Municipal Airports Fund**

Revenue from Fuel Flowage is anticipated to increase by \$186,000 due to greater fuel flowage volume as fuel costs remains at 18 cents a gallon. Other charges for services include airport landing fee, trans aircraft parking, and customs fee's. For more information on the City of Fort Worth's airport rates and charges, please visit the website at <https://www.fortworthtexas.gov/files/assets/public/v/4/aviation/documents/rates.pdf>.

**Municipal Parking Fund**

Charges for services include parking meter receipts and rent, parking tags, surface lot revenue, and general parking and valet services. Overall service revenue slightly declined in FY24. Municipal parking and permit information can be found at <https://www.fortworthtexas.gov/departments/tpw/parking>.

**Solid Waste Fund**

The Solid Waste Fund pays for the collection of sidewalk litter containers, mitigates all illegal dumping activity, along with litter & nuisance abatement throughout the city. Increases by \$6,596,963 in contractual commitments due to inflationary and growth factor will be extending in FY24. Information on garbage service; fees and billing are provided on the city's website at <https://www.fortworthtexas.gov/departments/code-compliance/solidwaste/garbage>.

**Stormwater Utility Fund**

Increases by \$3 million in PayGo and a debt program to advance the delivery of high priority capital flood mitigation improvement project phases in several neighborhoods. The increase is offset by revenue generated from a 15% stormwater utility fee increase effective January 1, 2024. For information on Stormwater Management and details on the MyFW App, visit <https://www.fortworthtexas.gov/departments/tpw/stormwater>.

**Water and Sewer Fund**

Increases by \$14.39 million in required debt payments to keep up with growth and increased demand. Overall there was increases by \$26.4M in Water Service revenue. Current information on Water and Wastewater rates are provided on the City's website. <https://www.fortworthtexas.gov/departments/water/rates>

### GENERAL FUND

**The FY2024 Adopted Budget incorporates significant changes within various departments:**

**City Attorney:** This encompasses organizing fifteen legal training sessions for all City staff to mitigate legal issues, considered a crucial metric for the fiscal year.

**City Auditor:** There were no significant changes to the budget for the City Auditor in regards to revenue highlights.

**City Manager's Office:** Allocates an additional \$168,187 for the inclusion of one (1) authorized position (AP) in the Governmental Relations Division, along with associated operating expenses.

**Code Compliance:** Sees a rise of \$247,806 for 3 APs to address staffing and equipment requirements for Animal Control.

**Development Services:** Focused on ensuring safety for City residents, businesses, and visitors by aiding developers, contractors, and engineers to construct compliant, safe buildings in accordance with the City's building codes, zoning, and gas drilling ordinances via plan review and inspection services.

**Diversity and Inclusion:** Reflects an increase of \$2,418 for additional staff training. As a newly established department in the City of Fort Worth, one of its key objectives is to boost positive city staff engagement in monthly inclusive appreciation and awareness events by 3% annually.

**Economic Development:** Witnesses a rise of \$527,176 to support three authorized positions (APs): (2) Assistant Directors and (1) Business Development Coordinator.

**Environmental Services:** Sees increased expenses for eight (8) Approved Positions (APs) to expand capacity for health and safety inspections. These APs include: 1 Supervisor, 1 Sr. Consumer Health Specialist, and 6 Consumer Health Specialists.

**Financial Management Services:** Reports an increase of \$100,694 along with an additional AP in salary, benefits, and general operating expenditures. This addition involves a second buyer position within the dedicated Water team to enhance procurement support.

**Fire Department:** Witnesses a \$2,010,364 increase for 70 Approved Positions (AP) due to the rise in sworn positions, aiming to address escalating overtime costs. 35 positions will be partially funded in FY 2024, with the remainder fully funded in FY 2025.

**Human Resources:** Shows a \$159,945 increase along with one (1) authorized position (AP) for an Organizational Development Manager. This addition aims to help the organization keep pace with evolving trends, knowledge, and changes shaping the training landscape.

**Library:** Reports a rise of \$226,566 in initial costs and \$159,570 in ongoing costs to acquire space and inaugurate a downtown branch library.

**Municipal Courts:** Illustrates salary adjustments increasing the minimum wage to \$15/hour.

**Non-Departmental:** Encompasses various major accounts, such as separation leave costs for General Fund and civil service employees, election expenses, training, education, Tuition Reimbursement Program, and other non-recurring contractual costs.

**Park and Recreation:** Sees an increase in 3 Sr. Maintenance Worker positions in the North and East Districts, which will be cost-neutral. This increase aims to maintain the new parkland, trails, and improve existing parks, with the department offsetting costs by reducing overtime.

**FWLab:** Reflects an increase of \$2,881,861 and the addition of eight (8) positions to bolster FWLab's capacity for data-driven decision-making.

**Police Department:** Shows an increase of 21 APs (sworn) for additional patrol positions. These positions will be absorbed through savings generated by attrition in FY24, following recommendations from the Matrix staffing study.

**Transportation and Public Works:** Reports an increase of \$975,000 to cover Paving Material Costs. This increase aims to sustain the response to pothole and street repair requests, vital for public safety, quality of life, and infrastructure maintenance.

### SPECIAL REVENUE FUNDS

**Community Tree Planting Program:** Allocated funding for equipment replacement and facility repair needs. Additionally, five positions within the General Fund are partially funded by the Community Tree Planting Fund, amounting to 4.40 FTE.

**Crime Control and Prevention District Fund:** Supports initiatives to enhance youth safety and reduce juvenile crime through various crime prevention and intervention programs.

**Culture and Tourism Funds:** Encompasses coverage for commercial insurance premiums on Dickies Arena, operational funding for Visit Fort Worth (VFW), which includes the Fort Worth Herd, and administrative support to the Fort Worth Sports Authority.

**Municipal Golf Fund:** Indicates an overall decrease in earned revenues of \$401,005 (-6.6%) compared to the FY2023 Adopted Budget. This reduction primarily stems from the Meadowbrook closure. Additionally, the annual subsidy will decrease by \$75,000 to \$245,000. The Municipal Golf Fund will utilize fund balance to balance the FY2024 Golf Operating Budget.

### ENTERPRISE FUNDS

**Municipal Airports Fund:** Reflects an increase by one authorized position (AP) for an Administrative Assistant, necessitating an additional \$80,638 (offset by increased revenue). This role is designated to assist with increased fiscal, budget, purchasing, and administrative tasks.

**Municipal Parking Fund:** Sees an increase of \$140,000 allocated for the Houston Street Garage Automation Upgrade.

**Solid Waste Fund:** Reports an increase of \$6,596,963 in contractual commitments due to inflationary and growth factors. This increase is partially offset by a contribution to the fund balance.

**Stormwater Utility Fund:** Illustrates a \$2.9 million increase in General Operating & Maintenance, adding 12 authorized positions (APs) and necessary equipment. Five APs will form a dedicated team for inspecting all culvert assets on a cycle, while seven APs will handle Pre-CCTV Pipe Inspection and Cleaning Teams. This increase is balanced by revenue generated from a 15% stormwater utility fee hike, effective January 1, 2024.

**Water and Sewer Fund:** Shows an increase of \$7.9 million in Raw Water Purchases due to a 4.9% Tarrant Regional Water District rate hike, alongside a slight increase in purchased water quantities. Additionally, there's a \$1.1 million increase in vehicle/heavy equipment purchases to keep up with necessary replacements of aging fleet.

### INTERNAL SERVICE FUNDS

**Capital Projects Service Fund:** Reports a reduction of \$421,941 to zero, as the City Attorney's Office (CAO) no longer expects to utilize this fund.

**Fleet and Equipment Services Fund:** Reflects an increase of \$130,000 for Capital Transfer Out related to purchases of vehicles, equipment, and fuel operations, alongside the replacement of technology equipment.

**Group Health and Life Insurance Fund:** Indicates an increase of \$60,386 in General Operating & Maintenance for previously approved costs associated with risk management, administrative expenses, and IT solutions allocation costs.

The table below displays a summary of all personnel changes in FY2024 as well as personnel totals in recent fiscal years. Included in the table are net additions and transfers of approved positions (APs) and full-time equivalents (FTEs) between FY2023 and FY2024. More information about which positions constitute AP additions and transfers can be found on department and fund pages.

	Authorized Positions (A.P.)					Full Time Equivalents (FTE)			
	FY2022 Adopted	FY2023 Adopted	FY2024 Adopted	A.P. Transfer	A.P. Add/Del	FY2022 Adopted	FY2023 Adopted	FY2024 Adopted	FTE Change
<b>General Fund Departments</b>									
City Attorney's Office	50	51	58	4	3	50.00	51.00	58.00	7.00
City Auditor's Office	19	19	17		(2)	17.96	17.96	17.00	(0.96)
City Manager's Office	27	52	53	—	1	27.00	52.00	53.00	1.00
City Secretary's Office	15	17	17	—		15.00	17.00	17.00	0.00
Code Compliance	245	252	240	(24)	12	244.50	251.50	240.00	(11.50)
Communication & Public Engagement	42	46	47	—	1	42.00	46.00	47.00	1.00
Development Services	183	240	242	1	1	182.75	239.75	241.75	2.00
Diversity and Inclusion	14	16	16	—	—	12.89	14.89	14.89	0.00
Economic Development	13	15	18		3	13.00	15.00	18.00	3.00
Environmental Services	—	—	40	—	40	—	0.00	39.50	39.50
Financial Management Services	91	94	98		4	90.50	93.50	97.50	4.00
Fire	1,013	1,036	1,112		76	1,012.25	1,035.25	1,111.25	76.00
FWLab	28	26	39		13	28.00	26.00	39.00	13.00
Human Resources	37	38	41	—	3	35.43	36.43	39.43	3.00
Information Technology Solutions	158	—	—		—	156.98	—	—	0.00
Library	255	269	269		—	228.16	240.10	239.58	(0.52)
Municipal Court	132	133	133	—	—	132.00	131.38	131.38	0.00
Neighborhood Services	127	126	128	2	—	64.88	66.84	72.83	5.99
Park & Recreation	573	584	598	—	14	344.43	362.29	374.85	12.56
Police	1,919	1,986	2,035	(3)	52	1,895.06	1,962.31	2,025.10	62.79
Property Management	100	100	108		8	87.37	87.37	93.47	6.10
Transportation & Public Works	228	239	245	—	6	220.80	231.80	237.80	6.00
<b>General Fund Total</b>	<b>5,269</b>	<b>5,339</b>	<b>5,554</b>	<b>(20)</b>	<b>235</b>	<b>4,900.96</b>	<b>4,978.37</b>	<b>5,208.33</b>	<b>229.96</b>

For more information on AP/FTE changes, please refer to the individual department budget pages.

## Budget Highlights

## Personnel Summary

	Authorized Positions (A.P.)					Full Time Equivalents (FTE)			
	FY2022 Adopted	FY2023 Adopted	FY2024 Adopted	A.P. Transfer	A.P. Add/Del	FY2022 Adopted	FY2023 Adopted	FY2024 Adopted	FTE Change
<b>Special Revenue Funds</b>									
Botanic Gardens Spec Rev Fund	—	—	—	—	—	—	—	—	0.00
Community Tree Planting	—	—	—	—	—	4.40	4.40	4.40	0.00
Crime Control and Prevention District Fund	358	385	446	3	58	345.98	372.98	432.98	60.00
Culture and Tourism Fund	135	138	138	—	—	135.00	138.00	138.00	0.00
Environmental Protection Fund	24	86	88	2	—	21.82	83.82	85.82	2.00
Grant Funds	151	181	174	(2)	(5)	156.66	164.60	140.00	(24.60)
Municipal Court Special Revenue	1	1	1	—	—	1	1.00	1.00	0.00
Municipal Golf Fund	81	78	81	—	3	53.03	53.03	56.03	3.00
Red Light Enforcement Fund	—	—	—	—	—	—	—	—	0.00
Special Purpose Fund	—	—	—	—	—	—	—	—	0.00
Library Special Revenue Fund	—	—	—	—	—	—	—	—	0.00
Capital Project Funds	11	7	7			65.52	61.52	63.72	2.20
<b>Special Revenue Funds Totals</b>	<b>761</b>	<b>876</b>	<b>935</b>	<b>3</b>	<b>56</b>	<b>783.41</b>	<b>879.35</b>	<b>921.95</b>	<b>42.60</b>
<b>Proprietary Funds</b>									
<u>Enterprise Funds</u>									
Stormwater Utility Fund	112	105	116	(1)	12	110.95	103.95	114.95	11.00
Solid Waste Fund	116	81	70	(9)	(2)	116.00	81.00	70.00	(11.00)
Municipal Parking Fund	18	21	21	—	—	18.00	21.00	21.00	0.00
Municipal Airports Fund	28	29	31	—	2	27.48	28.48	30.48	2.00
Water and Sewer Fund	999	1,002	1,008	—	6	974.05	977.05	982.25	5.20
<b>Enterprise Funds Totals</b>	<b>1,273</b>	<b>1,238</b>	<b>1,246</b>	<b>(10)</b>	<b>18</b>	<b>1,246.48</b>	<b>1,211.48</b>	<b>1,218.68</b>	<b>7.20</b>

## Budget Highlights

## Personnel Summary

	Authorized Positions (A.P.)					Full Time Equivalents (FTE)			
	FY2022 Adopted	FY2023 Adopted	FY2024 Adopted	A.P. Transfer	A.P. Add/Del	FY2022 Adopted	FY2023 Adopted	FY2024 Adopted	FTE Change
<u>Internal Service Funds</u>									
Fleet and Equipment Services Fund	107	107	108	—	1	108.80	108.80	109.80	1.00
Capital Projects Service Fund	114	129	125	(4)	—	114.00	129.00	125.00	(4.00)
Group Health & Life Insurance Fund	10	11	11	—	—	7.75	8.25	8.25	0.00
Information Technology Solutions Fund	—	160	169		9	—	158.98	167.98	9.00
Risk Financing Fund	15	17	17	—	—	15.00	17.50	17.50	0.00
Retiree Healthcare Trust	—	—	—	—	—	2.25	2.25	2.25	0.00
<b>Internal Service Funds Totals</b>	<b>246</b>	<b>424</b>	<b>430</b>	<b>(4)</b>	<b>10</b>	<b>247.80</b>	<b>424.78</b>	<b>430.78</b>	<b>6.00</b>
<b>Total All Funds</b>	<b>7,549</b>	<b>7,877</b>	<b>8,165</b>	<b>(31)</b>	<b>319</b>	<b>7,178.65</b>	<b>7,493.98</b>	<b>7,779.74</b>	<b>285.76</b>

## Budget Highlights

## Citywide Fund Balance Summary

Fund balance is defined as the difference between a fund's assets and its liabilities. Portions of the fund balance may be reserved for various purposes, such as contingencies. The City makes a concerted effort to maintain the fund balance and retained earnings of the various operating funds at the required level stipulated in the Financial Management Policy Statement sufficient to protect the City's creditworthiness as well as its financial position from emergencies. More information about the city's reserve requirements is found in the Processes and Policies section of this document and an in-depth look is found in the Supplemental Information section. The city uses these policies to continually monitor the health and condition of each fund by evaluating fund balance as well as weighing trends and projections for future growth or decline. The table below illustrates the fund balance for the City's key operating funds.

Governmental Funds							
	Net Position as of 9/30/2022	Forecasted Revenues FY2023	Forecasted Expenditures FY2023	Forecasted Net Position at End of FY2023	Projected Revenues FY2024	Projected Expenditures FY2024	Projected Fund Balance at End of FY2024
<b>GENERAL FUND</b>							
General Fund	\$ 203,605,013	\$ 981,362,568	\$ 920,490,139	\$ 244,430,283	\$ 1,013,812,390	\$ 1,013,812,390	\$ 244,430,283
<b>SPECIAL REVENUE FUNDS</b>							
Alliance Maintenance Facility	2,606,198	6,873,733	9,277,896	202,035	7,962,860	8,237,763	(72,868)
Community Tree Planting	358,810	767,427	630,235	496,002	656,192	656,192	496,002
Crime Control & Prevention District	48,132,066	121,844,168	110,960,960	59,015,274	127,846,295	130,727,653	56,133,916
Culture & Tourism	17,931,443	55,493,224	49,522,263	23,902,404	54,141,113	50,757,079	27,286,438
Culture & Tourism 2% Hotel	3,104,571	9,034,033	4,347,750	7,790,854	9,595,292	6,294,374	11,091,772
DFW Rev Sharing	4,823,043	10,117,153	6,621,359	8,318,837	9,874,152	3,566,905	14,626,084
Culture & Tourism Project Financing Zone	728,082	14,196,145	8,229,763	6,694,464	12,120,239	5,613,545	13,201,158
Venue Operating	29,196	12,038,537	5,955,240	6,112,493	10,499,411	8,967,128	7,644,776
Economic Incentives	6,184,302	2,322,873	—	8,507,175	5,000,000	5,000,000	8,507,175
Environmental Protection	3,319,580	13,853,985	15,956,638	1,216,927	15,631,637	16,211,975	636,589
Municipal Golf	1,518,386	5,892,510	5,654,555	1,756,341	5,918,037	6,343,159	1,331,219
Proprietary Funds							
	Net Position as of 9/30/2022	Forecasted Revenues FY2023	Forecasted Expenditures FY2023	Forecasted Net Position at End of FY2023	Projected Revenues FY2024	Projected Expenditures FY2024	Projected Fund Balance at End of FY2024
<b>ENTERPRISE FUNDS</b>							
Municipal Airport	\$ 6,879,087	\$ 16,426,751	\$ 18,342,767	\$ 4,963,071	\$ 15,799,190	\$ 17,614,190	\$ 3,148,071
Municipal Parking	14,544	8,136,537	7,503,197	647,884	8,081,463	6,253,473	2,475,874
Solid Waste	28,755,647	81,095,969	75,077,162	34,774,454	82,259,091	80,573,243	36,460,302
Stormwater Utility	17,318,240	50,674,930	50,669,364	17,323,806	58,197,299	58,289,516	17,231,589
Water & Sewer	228,259,207	608,742,121	581,308,330	255,692,998	576,343,877	576,343,877	255,692,998
<b>INTERNAL SERVICE FUNDS</b>							
Capital Projects Service	7,232,271	16,575,802	15,937,024	7,871,049	17,554,466	17,981,871	7,443,644
Fleet & Equipment Serv	3,940,723	36,991,557	35,621,342	5,310,938	34,763,652	34,763,652	5,310,938
Group Health Insurance	45,085,139	77,050,121	77,829,674	44,305,586	80,337,560	82,782,815	41,860,331
Risk Financing	38,384,621	39,125,549	28,731,768	48,778,402	33,617,296	33,617,296	48,778,402

Note: Fund Balance includes budget-based activities and does not include items such as unrealized gain/loss that may be reported in the Annual Financial Report, previously known as the Comprehensive Annual Financial Report, on a GAAP basis. Fund Balance for the prior year was sourced from the financial management system of record on September 30, 2021. The use of/contribution to fund balance or net position is not included in projected revenues or expenses. Forecasted revenues and expenses for FY2021 are presented at a point in time and do not include all final fiscal transactions. These may include but are not limited to encumbered funds, pending financial adjustments, accruals, and other accounting entries.



# Governmental Funds

# General Fund

**FUND PURPOSE AND GOALS**

The General Fund is the largest fund within the City and includes the highest revenue total in the overall city budget.

Under the City's Financial Management Policy Statements (FMPS) and concerning a reliable, equitable, and diversified revenue stream, General Fund revenues include property tax, sales tax, operating transfers, charges for service, license and permit fees, fines, forfeitures and special assessments, and miscellaneous revenues such as intergovernmental revenue, use of money and property, and other revenue. These revenues are used to finance city departments that provide basic services. There are several other funds in the City of Fort Worth; however, most activities that are supported by tax dollars are included in the General Fund, Debt Service Fund and the Crime Control and Prevention District.

The City's property tax generates the highest percentage of General Fund revenue. Property taxes are levied on both real estate and personal property according to each property's valuation and the tax rate. In FY2024, the city is adopting a property tax rate of \$0.6725 per \$100 of assessed valuation, which is \$(0.0400) lower than FY2023. Approximately \$0.5250, or 78.07%, of that property tax rate, funds General Fund operating expenditures, such as supplies and contracts, and approximately \$0.1475, or 21.93%, goes to debt service to pay the principal and interest on capital projects. Sales tax, the second-largest revenue source for the city, performed better than anticipated throughout much of FY2023, and is projected to be \$23M over the established budget. Sales tax in FY2024 is expected to return to normal growth and be more stable than FY2022 or FY2023.

General debt service is the City's obligation to pay the principal and interest on all bonds and other debt instruments according to a payment schedule. It is funded through taxes levied by the City and is estimated to total \$161,328,713. Property tax revenues associated with debt service are deposited directly into the General Debt Service Fund.

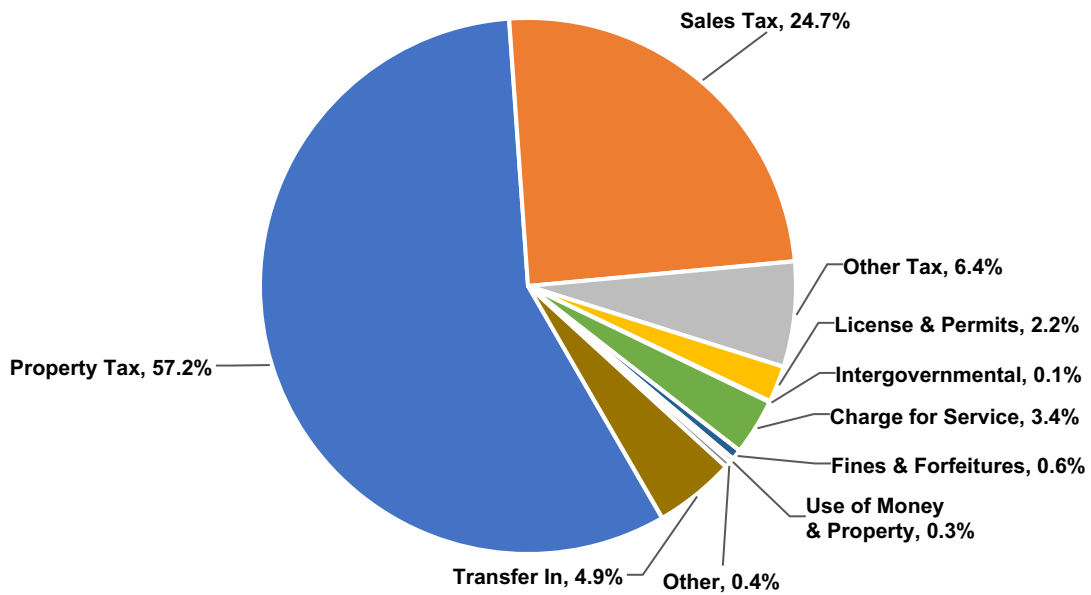
Departments funded by the General Fund provide primary services directly to the public and support services provided to other city departments. Under the FMPS, the City's FWLab determines the administrative service charges which are due to the General Fund annually. These charges are then budgeted accordingly in all other funds.

The City also makes a concerted effort to maintain the General Fund's unassigned fund balance at a minimum of 10.0% of the current year's regular ongoing operating expenditures, to maintain two months' worth (16.67%) of regular ongoing operating expenditures. During the year, the Finance staff closely monitors the condition of the General Fund and all other city funds, and a financial forecast report is prepared annually that evaluates revenues, expenditures, and performance indicators while simultaneously discussing trends and critical issues affecting the City. The General Fund budget supports 5,554 authorized positions, 22 operating departments (these counts exclude the Non-Departmental designation), and 4 appointed officials' offices. Each department and office, listed alphabetically in the General Fund section, has a primary focus.

# General Fund

# General Fund Revenue Summary

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted
<b>Revenues</b>					
Property Tax	\$ 479,886,470	\$ 531,785,972	\$ 531,785,972	\$ 579,970,842	9.1%
Sales Tax	218,292,232	212,147,461	212,147,461	250,000,000	17.8%
Other Tax	61,240,849	54,146,726	54,146,726	64,458,496	19.0%
License & Permits	23,561,661	20,686,694	20,686,694	22,238,763	7.5%
Intergovernmental	1,535,578	505,442	505,442	520,641	3.0%
Charge for Service	43,934,571	33,886,591	33,886,591	34,395,212	1.5%
Fines & Forfeitures	5,832,206	7,311,062	7,311,062	6,327,394	-13.5%
Use of Money & Property	2,854,794	2,931,561	22,061,561	2,746,728	-6.3%
Other	4,569,587	3,972,207	5,505,397	3,741,440	-5.8%
Transfer In	45,876,362	47,967,165	47,967,165	49,412,874	3.0%
<b>Total Revenues</b>	<b>\$ 887,584,310</b>	<b>\$ 915,340,881</b>	<b>\$ 936,004,071</b>	<b>\$ 1,013,812,390</b>	<b>10.8%</b>



**COMPARATIVE SUMMARY OF AD VALOREM TAX LEVIES AND COLLECTIONS**

	FY2021 Adopted	FY2022 Adopted	FY2023 Adopted	FY2024 Adopted
Adjusted Net Taxable Value	\$79,878,186,534	\$87,373,928,947	\$100,073,539,805	\$115,730,642,125
Tax Rate	0.7475	0.7325	0.7125	0.6725
Operating & Maintenance (O&M)	0.5950	0.5850	0.5650	0.5250
Debt Service (I&S)	0.1525	0.1475	0.1475	0.1475
Total Levy	\$ 597,089,444	\$ 640,014,030	\$ 713,023,971	\$ 778,288,568
Collection Rate	98.3 %	98.3 %	98.5 %	98.5 %
Total Collection of Levy	\$ 586,640,379	\$ 628,813,784	\$ 702,328,612	\$ 766,614,239
Estimated Levy Lost due to Frozen TIF Contributions	(9,335,929) \$ (20,507,004)	(11,160,492) \$ (21,610,735)	(13,687,852) \$ (24,646,281)	(9,771,708) \$ (21,292,977)
Budgeted Revenues				
General Fund (O&M)	\$ 443,203,318	\$ 476,020,336	\$ 526,535,972	\$ 574,220,841
General Debt Fund (I&S)	\$ 113,594,128	\$ 120,022,221	\$ 137,458,506	\$ 161,328,713
Subtotal Current Property Taxes	\$ 556,797,446	\$ 596,042,557	\$ 663,994,478	\$ 735,549,554
<b>OTHER PROPERTY TAXES</b>				
Vehicle Inventory	\$ 221,440	\$ 197,422	\$ 556,419	\$ 197,422
Delinquent Property Taxes (O&M)	\$ 3,600,000	\$ 3,600,001	\$ 2,750,000	\$ 3,600,001
Delinquent Property Taxes (I&S)	\$ 850,000	\$ 550,000	\$ 550,000	\$ 550,000
Interest/Penalty Charges (O&M)	\$ 2,101,356	\$ 2,101,356	\$ 2,500,000	\$ 2,101,356
Interest/Penalty Charges (I&S)	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Subtotal Other Property Taxes	\$ 7,272,796	\$ 6,948,779	\$ 6,856,419	\$ 6,948,779
<b>TOTAL PROPERTY TAXES</b>				
Operating Taxes (O&M)	\$ 449,126,114	\$ 481,919,115	\$ 532,342,391	\$ 580,119,620
Debt Service Taxes (I&S)	\$ 114,944,128	\$ 121,072,221	\$ 138,508,506	\$ 162,378,713

# General Fund

# General Fund Revenue and Expenditures

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY %
<b>Revenues</b>					
Property Tax	\$ 479,886,470	\$ 531,785,972	\$ 531,785,972	\$ 579,970,842	9.1 %
Sales Tax	218,292,232	212,147,461	212,147,461	250,000,000	17.8 %
Other Tax	61,240,849	54,146,726	54,146,726	64,458,496	19.0 %
License & Permits	23,561,661	20,686,694	20,686,694	22,238,763	7.5 %
Intergovernmental	1,535,578	505,442	505,442	520,641	3.0 %
Charge for Service	43,934,571	33,886,591	33,886,591	34,395,212	1.5 %
Fines & Forfeitures	5,832,206	7,311,062	7,311,062	6,327,394	-13.5 %
Use of Money & Property	2,854,794	2,931,561	22,061,561	2,746,728	-6.3 %
Other	4,569,587	3,972,207	5,505,397	3,741,440	-5.8 %
Transfer In	45,876,362	47,967,165	47,967,165	49,412,874	3.0 %
<b>Total Revenues</b>	<b>887,584,310</b>	<b>915,340,881</b>	<b>936,004,071</b>	<b>1,013,812,390</b>	<b>10.8 %</b>
<b>Use of Fund Balance</b>	<b>—</b>	<b>—</b>	<b>16,250,123</b>	<b>—</b>	<b>0.0 %</b>
<b>Expenses</b>					
City Attorney Department	7,401,877	7,937,225	7,977,225	9,727,436	22.6 %
City Auditor Department	2,035,454	2,337,683	2,337,683	2,444,254	4.6 %
City Managers Office Dept	10,373,355	10,740,253	15,790,253	11,368,002	5.8 %
City Secretary Department	2,191,193	2,518,393	2,768,393	2,705,604	7.4 %
Code Compliance Dept	24,663,695	27,330,256	27,330,256	27,074,963	-0.9 %
Communications & Public Engage	4,350,134	5,513,485	5,513,485	6,058,990	9.9 %
Development Services	19,054,394	29,331,458	29,331,458	29,222,202	-0.4 %
Diversity & Inclusion Dept	2,135,789	2,435,259	3,140,325	2,635,238	8.2 %
Economic Development Dept	37,027,101	43,767,568	44,724,264	49,547,130	13.2 %
Environmental Service	—	—	—	4,589,348	0.0 %
Financial Management Dept	12,433,119	13,758,733	26,341,830	15,051,729	9.4 %
Fire Department	184,586,218	193,272,915	207,522,915	213,436,366	10.4 %
FWLab	9,724,042	8,750,328	9,990,328	13,360,823	50.8 %
Human Resources Department	5,379,249	6,283,156	6,387,156	6,933,179	10.3 %
IT Solutions Department	17,801,173	—	—	—	0.0 %
Library Department	21,732,761	26,075,266	26,075,266	27,822,947	6.7 %
Municipal Court Department	14,481,807	15,350,385	15,350,385	15,861,428	3.3 %
Neighborhood Services Dept	10,884,513	14,344,160	21,344,160	23,066,282	60.8 %
Non-Departmental	1,145,000	26,973,345	14,853,489	29,147,095	8.1 %
Park and Recreation Department	60,994,642	61,870,514	64,079,006	70,849,484	14.5 %
Police Department	287,396,717	298,551,538	299,843,166	321,340,689	7.6 %
Property Management Dept	29,309,043	29,628,584	30,726,774	33,803,557	14.1 %
Transportation & Public Works	80,339,706	88,570,377	90,826,377	97,765,644	10.4 %
<b>Total Expenses</b>	<b>845,440,982</b>	<b>915,340,881</b>	<b>952,254,194</b>	<b>1,013,812,390</b>	<b>10.8 %</b>
<b>Contribution to Fund Balance</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Revenues Over(Under) Expenses</b>	<b>\$ 42,143,328</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Intergovernmental	\$ 562,210	\$ 384,242	\$ 384,242	\$ 399,441	\$ 15,199	4.0%
Use of Money	\$ —	\$ —	\$ —	\$ 85,594	\$ —	0.0%
Other	82	—	—	—	—	0.0%
<b>Total Revenues</b>	<b>562,292</b>	<b>384,242</b>	<b>384,242</b>	<b>485,035</b>	<b>15,199</b>	<b>4.0%</b>
<b>Expenses</b>						
Salaries & Benefits	6,926,207	7,403,004	7,443,004	8,755,247	1,352,243	18.3%
Gen Operating & Maintenance	475,670	534,221	534,221	972,189	437,968	82.0%
<b>Total Expenses</b>	<b>7,401,877</b>	<b>7,937,225</b>	<b>7,977,225</b>	<b>9,727,436</b>	<b>1,790,211</b>	<b>22.6%</b>
<b>Grand Total</b>	<b>\$ (6,839,585)</b>	<b>\$ (7,552,983)</b>	<b>\$ (7,592,983)</b>	<b>\$ (9,242,401)</b>	<b>\$ (1,775,012)</b>	

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	51.00	51.00	58.00	58.00	7	7
Capital Project Services Fund	4	4	—	—	(4.00)	(4.00)
<b>Total</b>	<b>55.00</b>	<b>55.00</b>	<b>58.00</b>	<b>58.00</b>	<b>3.00</b>	<b>3.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The City Attorney’s Office, under the direction of the City Attorney, is responsible for the administration of all legal affairs of the City; City representation in all lawsuits, litigation and hearings; preparation of ordinances, contracts, and all other legal documents; and the rendering of legal advice and opinions to the City Council, City Manager, and City departments.

The City Attorney’s Office has two divisions of attorneys: Transactional and Litigation, each of which is supervised by a deputy city attorney. The Transactional division provides transactional and advisory services as general counsel, whereas the Litigation division handles the bulk of lawsuits in-house. Each division is further comprised of three sections based on areas of practice. Each section is supervised by a Senior Assistant City Attorney who acts as the section chief. Support Services has two divisions of support staff: Transactional and Litigation, each of which provide clerical and other assistance to the attorneys in all sections of the department. Support Services divisions are each supervised by a senior legal assistant.

The Transactional Division is comprised of three sections: Real Estate and City Facilities, Land Use and Regulatory Compliance, and General Services. This division handles all City contracts, advises almost all City boards and commissions and counsels the City Council and City staff on matters relating to the administrative functions of government, such as taxation, elections and budgeting. Outside counsel is retained only in those instances where specialized expertise is needed, workload constraints are present, or a conflict exists.

The Litigation Division is comprised of three sections: Employment and Human Resources, Public Safety, and General Litigation. Attorneys in this division represent the City in cases in which the City of Fort Worth is a party. This division also handles civil rights, code compliance, employment, general litigation and prosecution in municipal court.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$421,921 for four authorized positions that were paid from the Capital Projects Service Fund during FY2023
- Increases by \$287,686 and two authorized positions for collaborative work with Police to identify and provide legal advice in various areas related to police work and policy
- Increases by \$156,480 and one authorized position to partner with Code Compliance and Police to identify and effectively mitigate nuisance properties
- Increases by \$72,338 in salaries and benefits to reclassify three authorized positions for better supervision and management of increasingly complex service deliverables
- Increases by \$459,407 for prior year commitments, \$449,583 Salary & Benefits and \$6,824 Operating & Maintenance
- Increases by \$415,800 in Other Contractual Services to scan and retain critical documents in an electronic format prior to the move to the future City Hall



**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Representation</b>				
Administration of all legal affairs of the City, including representation in all lawsuits including civil rights, Code compliance, and employment; prosecution in Municipal Court; preparation of ordinances, contracts, and all other legal documents and the rendering of legal advice and opinions to the City Council, City Manager, and City departments.				
Quarterly Litigation Reports to Mayor, City Council, and City Manager's Office	2	1	2	2
Number of cases dismissed related to Prosecutor absences	N/A	N/A	0	0
Number of times an alternate Prosecutor is required to cover dockets assigned to someone else	N/A	N/A	0	0
Monitor how often discovery has not been completed and made available to defense attorneys within 2 weeks of trial	N/A	N/A	0	0
<b>Litigation Training</b>				
Training of all City staff regarding City code and state and federal laws to reduce legal issues which will result in reduced costs for City and taxpayers.				
Fifteen legal training sessions conducted for all City staff to reduce legal issues.	25	15	15	15
<b>Legal Documents</b>				
Administration of all legal affairs of the City, including preparation of ordinances, contracts, and all other legal documents; advising all City boards and commissions; counseling the City Council and City staff on matters relating to the administrative functions of government, such as taxation, elections and budgeting; and the rendering of legal advice and opinions to the City Council, City Manager, and City departments.				
Number of contracts completed and fully executed.	3,830	4,801	3,500	3,500
<b>Transactional Training</b>				
Training of Boards and Commission members and City staff by attorneys reduces negative legal repercussions for the City.				
Twelve training sessions of Council Members, Board and Commission members, and City staff by attorneys to reduce negative legal repercussions for the City.	43	22	20	20

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenue</b>	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
<b>Expenses</b>						
Salaries & Benefits	1,807,856	2,051,402	2,051,402	2,168,476	117,074	5.7 %
Gen Operating & Maintenance	227,598	286,281	286,281	275,778	(10,503)	-3.7 %
<b>Total Expenses</b>	<b>2,035,454</b>	<b>2,337,683</b>	<b>2,337,683</b>	<b>2,444,254</b>	<b>106,571</b>	<b>4.6 %</b>
<b>Grand Total</b>	<b>\$ (2,035,454)</b>	<b>\$ (2,337,683)</b>	<b>\$ (2,337,683)</b>	<b>\$ (2,444,254)</b>	<b>\$ (106,571)</b>	

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	19.00	17.96	17.00	17.00	(2.00)	(0.96)
<b>Total</b>	<b>19.00</b>	<b>17.96</b>	<b>17.00</b>	<b>17.00</b>	<b>(2.00)</b>	<b>(0.96)</b>

**DEPARTMENT PURPOSE AND GOALS**

The City Auditor is appointed by and serves at the discretion of the Fort Worth City Council. The City Auditor is assigned the responsibility to direct financial, operational, compliance, and information technology audits for city functions and activities; to undertake special projects; and to perform analyses and investigations as assigned by the City Council and/or requested by the City Manager.

The City Auditor’s Office assesses citywide risks and conducts audits to help ensure proper risk management and good governance.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Decreases by (\$63,331) and two authorized positions (APs) from the elimination of two remaining part time positions and one full time position and the addition of one full-time Senior Auditor
- Increases by \$113,749 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions
- Increases by \$80,800 in salary and benefits for pay band adjustment, rising health care costs and pension contributions
- Decreases by (\$19,417) in contractual commitments
- Decreases by (\$8,105) in General Operating & Maintenance for previously approved costs associated with risk management and IT solutions allocation costs

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Internal Audit</b>				
Help ensure that City departments have adequate internal controls, risk management and government processes, and report audit conclusions to assist the Mayor and Council in the effective discharge of their responsibilities.				
% of audit recommendations fully implemented by target date	57%	69%	85%	85%
% of annual audit plan completed by end of fiscal year	57%	57%	75%	80%
Management concurs with audit recommendations made	91%	91%	90%	90%

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Other	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Use of Fund Balance	—	—	5,000,000	—	—	0.0 %
<b>Total Revenues</b>	<b>—</b>	<b>—</b>	<b>5,000,000</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Expenses</b>						
Salaries & Benefits	5,691,990	7,464,261	7,464,261	8,358,244	893,983	12.0 %
Gen Operating & Maintenance	4,681,365	3,275,992	3,325,992	3,009,758	(266,234)	-8.1 %
Transfer Out & Other	—	—	5,000,000	—	—	0.0 %
<b>Total Expenses</b>	<b>10,373,355</b>	<b>10,740,253</b>	<b>15,790,253</b>	<b>11,368,002</b>	<b>627,749</b>	<b>5.8 %</b>
<b>Grand Total</b>	<b>\$(10,373,355)</b>	<b>\$(10,740,253)</b>	<b>\$(10,790,253)</b>	<b>\$(11,368,002)</b>	<b>\$ (627,749)</b>	<b>5.8</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	52.00	52.00	53.00	53.00	1.00	1.00
Grant Funds	—	—	—	—	—	—
<b>Total</b>	<b>52.00</b>	<b>52.00</b>	<b>53.00</b>	<b>53.00</b>	<b>1.00</b>	<b>1.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The City Manager’s Office is comprised of five divisions: Administration, Mayor and Council, Government Relations, Office of the Police Oversight Monitor, and Education Strategies which operates with support from the administrative team.

Administration is responsible for administering the programs and policies established by the City Council. It directs and coordinates the operations of the city departments and informs and advises the City Council regarding city transactions, existing conditions and future requirements. Additionally, the City’s Educational Strategies initiative is housed in CMO.

The primary function of the Education Strategies division is to leverage the City of Fort Worth’s resources towards improving education and developing a more competitive workforce by establishing strategic partnerships and collaborations with various school districts, businesses, social service agencies, and community institutions.

Mayor and Council division supports the City Council with a full-time staff and Council District Managers. They provide oversight of office operations, handle citizen interactions, draft correspondence and speeches, and work on various special projects.

Government Relations division is responsible for researching and assisting in the passage of federal and state legislative initiatives that favorably affect the City of Fort Worth and its citizens. It also is responsible for the coordination of affairs with other governmental and public entities.

The Police Oversight Monitor Division (OPOM) is the designated community oversight agency empowered to act fairly and impartially, ensuring greater accountability and public trust in Fort Worth law enforcement.

It is responsible for the review of Fort Worth Police Department (FWPD) policies, procedures, and patterns related to police interaction with the community, the monitoring of administrative investigations, inquiries, and uses of force to ensure a fair and equitable process while identifying patterns in its reviews and recommending policy and procedure changes. It monitors the recruitment process to ensure fairness and equitable treatment. Additionally, OPOM receives and processes complaints from the community related to police interactions.

OPOM also participates in community-police engagement activities to understand diverse perspectives and identify solutions for improving community-police relations. They collect data and perform analysis, identify patterns and trends, and provide periodic reports on the OPOM's activities, initiatives, auditing, and review of FWPD policies, procedures, and practices. The office continues to serve as a community resource that works to improve trust between the police and citizens..

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$168,187 for the addition of one (1) authorized position (AP) in the Governmental Relations Division and associated operating expenses
- Increases by \$335,611 in salary and benefits for previously approved costs associated with pay for performance, step increases, rising health care costs, pension contributions and retiree over limit adjustments
- Increases by \$60,500 for additional Council District operating budgets
- Increases by \$121,953 for allocations associated with retiree health, risk, workers compensation and IT Services

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Charge for Service	\$ 26,630	\$ 14,368	\$ 14,368	\$ 14,368	\$ —	0.0 %
Other	400	428	428	428	—	0.0 %
<b>Total Revenues</b>	<b>27,030</b>	<b>14,796</b>	<b>14,796</b>	<b>14,796</b>	<b>—</b>	<b>0.0 %</b>
<b>Expenses</b>						
Salaries & Benefits	1,540,259	1,869,260	1,869,260	2,033,058	163,798	8.8 %
Gen Operating & Maintenance	650,934	649,133	899,133	672,546	23,413	3.6 %
<b>Total Expenses</b>	<b>2,191,193</b>	<b>2,518,393</b>	<b>2,768,393</b>	<b>2,705,604</b>	<b>187,211</b>	<b>7.4 %</b>
<b>Grand Total</b>	<b>\$ (2,164,163)</b>	<b>\$ (2,503,597)</b>	<b>\$ (2,753,597)</b>	<b>\$ (2,690,808)</b>	<b>\$ (187,211)</b>	<b>7.5</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	17.00	17.00	17.00	17.00	—	—
<b>Total</b>	<b>17.00</b>	<b>17.00</b>	<b>17.00</b>	<b>17.00</b>	<b>—</b>	<b>—</b>

**DEPARTMENT PURPOSE AND GOALS**

The City Secretary, appointed by City Council, is responsible for the management of the City Secretary’s Office, The mission of the Office is to promote transparent and efficient government through proper recording and preservation of the City’s Legislative history and documents; provide excellent customer service to residents; conduct municipal elections that are fair and compliant with the Texas Election Code; oversee the boards and commission program; provide support to Council meetings; ensure compliance with the Texas Open Meetings Act for Council and Board and Commission agendas; and provide for efficient and effective life-cycle management of all records of the City. To achieve the mission the Office is divided into four core functional areas:

The administration area is responsible for providing support to Council and Council Corporation meetings including posting of all meeting notices, speaker registration, retaining all Council meeting documentation, serving as a central repository for contracts, posting of all public notices, board and commission agendas and other related public notices, processing liquor licenses, coordinating the board and commission program, publication of the City Code of Ordinances, coordinating all required financial filings by Council Members and City Staff, managing the Public Records search page; and conducting research from Council, staff and residents for Council approved documents

The Office serves as the City-wide coordinator for the Public Information Program including the intake of all requests from the public, coordinating and processing the requests, ensuring deadlines are met, submitting requests for opinions from the Attorney General and serving as a point of contact with residents interested in accessing City records and information.

The City Secretary serves as the Election Administrator for all City-held elections, including contracting with the appropriate counties for election services, serving as point of contact with candidates, candidate filings, candidate packet and forms, campaign finance filings, election notices and publication notices of upcoming elections, new Council orientation, and serving as a resource for candidates, media and residents on election related questions.

The Records and Information Office advises and facilitates the creation, maintenance, retention, access and disposition of all City records to ensure compliance with all state requirements. The Office partners with the Information Technology Solutions Department to implement and manage enterprise information management solutions among City departments.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$179,949 for prior year commitments - \$191,946 Salary & Benefits and (\$11,997) Operating & Maintenance
- Increases by \$10,000 for additional copy services for hard copy Council Agenda Packets
- Increases by \$2,500 to purchase promotional and marketing materials for better visibility at Citywide events and through outside entities

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
License & Permits	\$ 2,755,083	\$ 2,520,153	\$ 2,520,153	\$ 18,050	\$ (2,502,103)	-99.3 %
Charge for Service	3,128,379	3,201,742	3,201,742	2,973,025	(228,717)	-7.1 %
Other	50,247	127,233	127,233	102,160	(25,073)	-19.7 %
Transfer In	1,821,222	1,925,179	1,925,179	3,170,588	1,245,409	64.7 %
<b>Total Revenues</b>	<b>\$ 7,754,955</b>	<b>7,774,307</b>	<b>7,774,307</b>	<b>6,263,823</b>	<b>(1,510,484)</b>	<b>(19.4)%</b>
<b>Expenses</b>						
Salaries & Benefits	17,842,652	20,136,886	19,513,759	19,976,855	(160,031)	-0.8 %
Gen Operating & Maintenance	6,821,043	7,019,370	7,642,497	6,893,108	(126,262)	-1.8 %
Capital Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	—	174,000	174,000	205,000	31,000	17.8 %
<b>Total Expenses</b>	<b>\$ 24,663,695</b>	<b>\$ 27,330,256</b>	<b>\$ 27,330,256</b>	<b>\$ 27,074,963</b>	<b>\$ (255,293)</b>	<b>(0.9)%</b>
<b>Grand Total</b>	<b>\$(16,908,740)</b>	<b>\$(19,555,949)</b>	<b>\$(19,555,949)</b>	<b>\$(20,811,140)</b>	<b>\$ (1,255,191)</b>	<b>6.4</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	252.00	251.50	240.00	240.00	(12.00)	(11.50)
Grant Funds	5.00	7.68	—	—	(5)	(8)
Environmental Protection	86.00	83.82	—	—	(86.00)	(83.82)
Solid Waste	81.00	81.00	—	—	(81.00)	(81.00)
<b>Total</b>	<b>424.00</b>	<b>424.00</b>	<b>240.00</b>	<b>240.00</b>	<b>-184.00</b>	<b>-184.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The mission of the Code Compliance Department is to protect and improve the quality of life, provide top shelf services and to enforce codes that protect public health, welfare and safety. This mission is accomplished through three divisions: Administration, Code Enforcement, and Animal Care and Control.

The Administration Division provides support to the operating divisions and consolidates departmental accounting, budgeting, purchasing, training, and human resource functions. In 2019, the Matrix Staffing Report found this arrangement and breakout to be a best practice for both function and accountability.

The Code Enforcement Division includes the Building Standards and Neighborhood Investigations Sections. Building Standards investigates substandard housing issues, manages the multifamily registration and inspection program and facilitates the activities of the Building Standards Commission. Neighborhood Investigations provide neighborhood code enforcement, including investigating citizen complaints specific to trash and debris, junk vehicles, zoning, high grass and weeds and other property maintenance issues.



The Animal Care and Control Division provides services in the field for stray animals, dangerous or injured wildlife, animal cruelty complaints, and bite investigations. The Division also provides care and a safe environment for sheltered animals, promoting animal adoptions at two Shelters, two satellite adoption centers and numerous offsite adoption events. Additionally, the Division operates a medical treatment ward, which includes a spay/neuter clinic, at each of the two shelters. Animal Care and Control relies heavily on volunteer support, private donations and partnerships with adoption programs.

NOTE: Solid Waste Services and Environmental Protection Summaries are included respectively in the Solid Waste Fund section and the Environmental Protection Fund section of the budget book.

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

A City reorganization will create the new Environmental Services Department in FY2024. The new Environmental Services Department will operate through the Solid Waste Fund, the Environmental Protection Fund, and the portion of the General Fund budget used to date for Code Compliance Consumer Health; thus, in FY2024, roughly \$4.6M of the General Fund budget previously allocated for Code Compliance Consumer Health will be under the direction of the Environmental Services Department. Aside from the impact of the new department director's salary, the reorganization will be budget-neutral.

### **The Adopted Budget:**

- Decrease by (\$3,090,675) in salary and benefits and 33AP for the transfer of Consumer Health from Code Compliance to Environmental Services.
- Increases by \$1,486,884 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions
- Increases by \$775,618 in salary and benefits and 9AP for the transfer of Neighborhood Stability from Solid Waste
- Increases by \$688,000 in revenue for expected increases in permitting and serving a growing city.
- Increases by \$248,894 in revenue due to a transfer from the Solid Waste Fund.
- Increases by \$583,755 for 3 AP for homeless outreach for Code Enforcement.
- Increases by \$219,041 for 2 AP to enforce Boarding Home regulations for Code Enforcement.
- Increases by \$247,806 for 3 AP to increase staffing and equipment needs for Animal Control.
- Increases by \$220,295 for 2 AP to increase support for the Animal Control division.
- Increases by \$137,550 for 1 AP for a code compliance supervisor for Code Enforcement
- Increases by \$76,606 for 1 AP for a media services specialist for Animal Control.

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Building Standards</b>				
To protect occupants and the community from substandard and hazardous buildings.				
Present and average of 10 new structure cases presented to the Building Standards Commission (candidates for demolition) monthly.	6	9	10	10
95% of the Multi-Family properties that receive a failing periodic score receive a passing score at the next required inspection.	98%	95%	95%	95%
Staff will continue to communicate and work effectively with apartment property managers and owners.				
Maintain a 70% owner initiated abatement	73%	71%	70%	70%
<b>Field Investigations</b>				
To preserve and enhance public health, welfare, and safety through services that focus on education, prevention, compliance, and community partnerships.				
% of neighborhood code investigations that are priority 1 or 2 violations	92%	91%	90%	90%
% of vacant and open structures that are secured within 30 days	100%	99.0%	98%	98%
<b>Animal Care and Control</b>				
The Animal Shelter intakes and houses stray, owner surrendered and impounded animals. It operates adoption centers, spay/neuter and medical treatment clinics, and administers pet foster and rescue programs. Field services impounds sick and stray animals, investigates animal bites and other specialized cases.				
Live release rate	87%	75%	90%	90%
Increase the number of adoptions by 10% annually	9,123	4,449	10% over	10% over
Increase number of stray dogs returned to owner in the field by 10% annually	22%	15%	10% Over	10% Over

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenue</b>	\$ —	\$ —	\$ —	\$ —	—	0.0 %
<b>Expenses</b>						
Salaries & Benefits	3,612,409	4,458,600	4,458,600	4,804,945	346,345	7.8 %
Gen Operating & Maintenance	737,725	1,054,885	1,054,885	1,074,045	19,160	1.8 %
Transfer Out & Other	—	—	—	180,000	—	0.0 %
<b>Total Expenses</b>	<b>\$ 4,350,134</b>	<b>\$ 5,513,485</b>	<b>\$ 5,513,485</b>	<b>\$ 6,058,990</b>	<b>\$ 365,505</b>	<b>6.6 %</b>
<b>Grand Total</b>	<b>\$ (4,350,134)</b>	<b>\$ (5,513,485)</b>	<b>\$ (5,513,485)</b>	<b>\$ (6,058,990)</b>	<b>\$ (365,505)</b>	<b>6.6</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	46.00	46.00	47.00	47.00	1.00	1.00
<b>Total</b>	<b>46.00</b>	<b>46.00</b>	<b>47.00</b>	<b>47.00</b>	<b>1.00</b>	<b>1.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The City of Fort Worth Communications and Public Engagement office works with city departments, city leadership, and elected officials to inform and engage the residents of Fort Worth about the activities of the city through a comprehensive use of public engagement and communication tools. It ensures that employees receive regular communications and information on initiatives and important city issues.

The program’s key initiatives are to:

- Tell the city’s story and educate the public on services and accomplishments
- Educate and inform the City of Fort Worth employees to become ambassadors for the city, emphasizing benefits, healthy living, volunteerism and education
- Use new and existing technologies to improve digital outreach for the city and enhance the delivery of city messages.
- Incorporate new technology and customer-focused strategies to improve our customer service and responsiveness to residents.
- Expand and improve outreach throughout the city, identifying underserved audiences and new opportunities for community engagement

The Department is composed of four divisions: Communications, Community Engagement, FWTV and Customer Care. The Communications division oversees all communications for the City of Fort Worth. This includes media relations, email marketing, internal and external communications, social media, graphic design, and the City's website. The Community Engagement division is responsible for community outreach and education through regular contact with neighborhood associations, schools, and community organizations. The office also provides training on a variety of topics and facilitates city special events and meetings. The division also oversees the City's many volunteer programs. The Customer Care division includes the City Call Center and the MyFW app. Staff in this division respond to all resident contacts that come in through the City's primary phone number, chat, texts, web Intake, MyFW app, email and voice mail channels. The division is the sole support for the City's Customer Relationship Management system - MyFW - which includes all platforms – Web Intake, Texting, Worker App and Citizen App.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$120,862 for the addition of one (1) authorized position (AP) for fiscal support and supporting costs
- Increases by \$253,157 in salary and benefits for previously approved costs associated with pay for performance, step increases, rising health care costs and pension contributions
- Increases \$15,237 for allocations associated with retiree health,risk, workers compensation, death benefits and IT Services

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
License & Permits	\$ 18,988,249	\$ 16,544,583	\$ 16,544,583	\$ 17,517,649	\$ 973,066	5.9 %
Charge for Service	7,662,082	8,960,179	8,960,179	7,732,698	(1,227,481)	-13.7 %
Other	773,039	1,361,713	1,361,713	785,000	(576,713)	-42.4 %
Transfer In	15,000	4,801,972	4,801,972	2,521,800	(2,280,172)	-47.5 %
<b>Total Revenues</b>	<b>27,438,370</b>	<b>31,668,447</b>	<b>31,668,447</b>	<b>28,557,147</b>	<b>(3,111,300)</b>	<b>(9.8)%</b>
<b>Expenses</b>						
Salaries & Benefits	15,692,386	22,803,554	22,803,554	24,214,705	1,411,151	6.2 %
Gen Operating & Maintenance	3,362,008	6,527,904	6,257,904	5,007,497	(1,520,407)	-23.3 %
Transfer Out & Other	—	—	270,000	—	—	0.0 %
<b>Total Expenses</b>	<b>\$ 19,054,394</b>	<b>\$ 29,331,458</b>	<b>\$ 29,331,458</b>	<b>\$ 29,222,202</b>	<b>\$ (109,256)</b>	<b>(0.4)%</b>
<b>Grand Total</b>	<b>\$ 8,383,976</b>	<b>\$ 2,336,989</b>	<b>\$ 2,336,989</b>	<b>\$ (665,055)</b>	<b>\$ (3,002,044)</b>	<b>(128.5)</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	240.00	239.75	242.00	241.75	2.00	2.00
Grant Funds	—	—	—	—	—	—
<b>Total</b>	<b>240.00</b>	<b>239.75</b>	<b>242.00</b>	<b>241.75</b>	<b>2.00</b>	<b>2.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The Development Services Department’s mission is to work together to build thriving neighborhoods and an equitable community by helping people make sound decisions to create safe, orderly, and sustainable development. Our vision is to collaborate with the development and community stakeholders to guide growth through innovative, inclusive, and accountable relationships and provide an exemplary customer experience. The Department currently has five divisions.

The Administration Division is responsible for human resources and customer service, which includes a call center and permit intake. It also oversees contract management, which coordinates administrative requirements for developer-led installation of public and private infrastructure (roads, water lines, sanitary and storm sewers, stormwater controls, and signage, in addition to certain real property contracts).

The Development Coordination Division is comprised of five sections. The Platting Section administers the city’s subdivision regulations and implements the city’s annexation policy. The Strategic Operations section is tasked with monitoring permit data, managing City-wide permitting system, and acting as a liaison with IT for projects and technology products. This section also includes the Transportation Impact Fee Office that is responsible for managing the city’s Transportation Impact Fee Program and leveraging the funds to build public roadway infrastructure via Public/Private Partnerships. The Project Facilitation section is charged with helping expedite significant and signature development projects by heading inter-departmental project teams, negotiating special review accommodations, and acting as the developer’s liaison throughout the development review process while also ensuring that the city’s regulations and project requirements are met.

The Development Services Division Communications Section is charged with creating a voice for the department and proactively communicating changes, updates, and improvements both internally and externally to the community we serve. A recent reorganization also added the Business Support Section to this division. Business Support prepares the department's budget, leads out in the business plan, manages purchasing, accounts payable and receivable.

The Permitting and Inspections Division reviews and inspects all construction projects for compliance with construction codes to ensure safety and sound building practices and ensures compliance with the city's gas well ordinance. This division is comprised of the following three sections: The Development Support Services Section is responsible for permitting services and customer intake. The Building Services Section provides plans examination, building inspections, and sign ordinance inspections. The Gas Well Section performs safety inspections, permits gas well and gas-related right-of-way activity, and contracts with other municipalities for gas permitting and inspections.

The Zoning and Design Review Division has three sections. The Zoning Section administers the city's zoning regulations, including Urban Forestry regulations. The Design Review Section administers the city's historic preservation and urban design ordinances. The Appeals Section staffs two Zoning Boards of Adjustment.

The Infrastructure Development Division was added by merging various functions previously housed in the Transportation and Public Works Department and the Fort Worth Water Department into the Development Services Department. The merge is a purposeful effort to create a more efficient and customer- focused complete permitting process for our customers. The Division has five sections: Transportation Development Review, Infrastructure Plan Review, Stormwater Development Services, Parkway, and Water Development Services.

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$125,862 for the addition of one authorized position (AP) due to the growth in the department, accountability and quality improvement
- Increases by \$50,658 and one AP for the a previously vacant position from the Stormwater Utility Fund for support of Development Services streetlight plan reviews
- Increases by \$2.35M in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions
- Increases by \$145,636 for increased contractual services
- Increases by \$37,984 in Microfilm Costs to increase digitization before move into new City Hall
- Increases by \$4,000 for North Texas Coalition of Governments' dues based on population
- Increases by \$1,819 in General Operating & Maintenance for previously approved costs associated with risk management and IT solutions allocation costs
- Decreases by (\$2.13M) in Consultant and Other Professional Services as a decrease in consultant services from Stormwater Utility
- Decreases by (\$270,000) in Capital Interfund Transfer Out
- Decreases by (\$276,735) for allocations and IT supplies
- Increases by \$764,467 in the revenue budget based on outcomes of the FY2023 year-end forecast, predominantly in building permit revenue as Fort Worth continues to be one of the nation's fastest-growing large cities
- Decreases by (\$2.13M) in a Transfer In from Stormwater as agreed to by both departments

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Permitting Activities</b>				
To ensure the safety of residents, businesses, and visitors in the City of Fort Worth by assisting developers, contractors, and engineers to build safe buildings that comply with the City’s adopted building codes, zoning, and gas drilling ordinances through plan review and inspection services.				
% of initial commercial plan reviews completed within 7 working days	85%	83%	95%	95%
<b>Development Support Services</b>				
Assist residents, developers, contractors, engineers and architects, navigate the permitting, registration and licensing activities required by adopted City ordinances.				
Achieve 90% satisfied or highly satisfied on customer service surveys	80%	74%	90%	90%
<b>Development Facilitation</b>				
To provide developers with guidance and the assistance and special handling necessary to plan and then navigate development projects through the City’s various development review and entitlement processes in the most effective and expeditious manner possible				
Number of Facilitated Projects	111	135	110	110
<b>Land Use And Design</b>				
Provide advice to city officials and customers on land use and design policies and standards in accordance with the Comprehensive Plan, city ordinances, and state law.				
80% of City Council zoning decisions are consistent with Comprehensive Plan. Measure ID:328861	82%	72%	80%	80%
<b>Infrastructure Plan And Review Center</b>				
Infrastructure Plan Review Center (IPRC), reviews development infrastructure plans for compliance with city standards in a flexible, timely and predictable manner. The IPRC team focuses on safety (compliance with standards) and delivering an exceptional customer experience.				
Percent (%) of plan reviews completed within in 14 days	99%	100%	100%	95%

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Charge for Service	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Use of Fund Balance	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Expenses</b>						
Salaries & Benefits	1,553,747	1,791,085	1,791,085	1,951,375	160,290	8.9 %
Gen Operating & Maintenance	582,042	644,174	1,349,240	683,863	39,689	6.2 %
<b>Total Expenses</b>	<b>2,135,789</b>	<b>2,435,259</b>	<b>3,140,325</b>	<b>2,635,238</b>	<b>199,979</b>	<b>8.2 %</b>
<b>Grand Total</b>	<b>\$ (2,135,789)</b>	<b>\$ (2,435,259)</b>	<b>\$ (3,140,325)</b>	<b>\$ (2,635,238)</b>	<b>\$ (199,979)</b>	<b>8.2</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	16.00	14.89	16.00	14.89	—	—
Grant Funds	6.00	6.61	6.00	6.61	—	—
<b>Total</b>	<b>22.00</b>	<b>21.50</b>	<b>22.00</b>	<b>21.50</b>	<b>—</b>	<b>—</b>

**DEPARTMENT PURPOSE AND GOALS**

The mission of the Diversity and Inclusion Department is to support City Council priorities of equity in economic development, community investment, community safety, infrastructure, responsible growth and fiscal responsibility by recommending data-driven pathways that create conditions for all residents to thrive according to their needs. We educate stakeholders on the interconnected relationships between equity, high-quality municipal service delivery and fiscally responsible outcomes. We research and implement best practices in business equity capacity building and utilization for city contracting opportunities, municipal equity operationalization, and we promote the enforcement of fairness in housing, employment, public accommodations, Title VI and the Americans with Disability Act (ADA). The department also promotes equitable progress in capital projects, and quality of life for all residents in Race and Culture Initiative areas of public safety, economic development, education, governance, health, housing and transportation.

The Department has three divisions: Business Equity, Civil Rights Enforcement, and Municipal Equity.

The Business Equity Division encourages capacity building efforts for aspiring and existing small local businesses, including business equity, veteran and service disabled veteran firms that support the strength of our local economy. It also leads efforts to address fairness in access to City prime and subcontracting opportunities for small, local, business equity, veteran, and service disabled veteran firms offered through city procurement, capital projects and other department contracting in compliance with the City Council approved Business Equity Ordinance.



The Civil Rights Enforcement Division works to provide equitable treatment and justice for all under the law by providing education on, and enforcement of, the civil rights of Fort Worth residents. These include rights in employment, housing, places of public accommodation, Americans with Disabilities, and Title VI in City built environment, programs and services in compliance with the Human Relations Ordinance (Chapter 17 of City Code) and Americans with Disabilities Act.

The Municipal Equity Division leads the monthly education and outreach programming for inclusive appreciation and awareness for city staff as well as the award winning Civil and Human Rights Movies that Matter Documentary Program. The division also supports the Human Relations Commission's annual Race and Culture Initiative Update Report on progress in closing racial disparity gaps in key areas of criminal justice, economic development, education, governance, health, housing, and transportation outlined in the Race and Culture Task Force Recommendations. The division also supports department level Thriving Together Municipal Equity Plans and Reporting for Workforce/Workplace, Municipal Service Delivery, and Contracting and Procurement.

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$165,332 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions
- Increases by \$12,217 in General Operating & Maintenance for previously approved costs associated with risk management and IT solutions allocation costs
- Increases by \$4,190 in Other Contractual Services
- Increases by \$2,418 in additional training for staff

## SUMMARY OF SERVICES AND PERFORMANCE MEASURES

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Civil Rights Enforcement</b>				
<p>The Civil Rights Enforcement Division works to provide equitable treatment and justice for all under the law by providing education on and enforcing the civil rights of Fort Worth residents in employment, housing, places of public accommodation, Americans with Disabilities, and Title VI in City programs and services in compliance with the Human Relations Ordinance (Chapter 17 of City Code) and Americans with Disabilities Act.</p>				
FEPA agency will close 50% of fair employment complaints filed during the case processing period with 180 days.	100%	90%	100%	100%
FHAP agency will close 50% of fair housing complaints filed during the case processing period within 100 days.	100%	72%	100%	100%
Report 5% progress on updated ADA Plan compliance activities for transportation, built environment, facilities, and programs	Completed	Completed	Completed	Completed
Ensure 95% compliance with executed conciliation agreements	100%	100%	100%	100%
<b>Business Equity</b>				
<p>The Business Equity Division supports capacity building efforts for aspiring, and existing minority and women business enterprises, leads efforts to close racial and gender gaps in City contracting and procurement, and assists small, minority-owned and women-owned businesses in gaining access to prime contracting and sub-contracting opportunities offered through city procurement in compliance with the City Council-approved Business Diversity Enterprise (BDE) Ordinance No. No. 20020-12-2011 or its most recent version.</p>				
1% increase in the number of available Business Equity firms in our marketplace	N/A	Met	Meet	Meet/Exceed
City Departments meet or exceed the Business Equity goal of 16% to support local Business Equity Firms in marketplace	N/A	27.1%	29%	16.08%
Meet or exceed the M/WBE goal of 25% of all applicable citywide contracts over \$100,000.	21%	17%	22%	25%

**Municipal Equity**

As a newly created division within the new Department of Diversity and Inclusion, the Municipal Equity Division leads the analysis and support activities to reduce and eliminate racial disparity gaps in key areas of criminal justice, economic development, education, governance, health, housing, and transportation outlined in the Race and Culture Task Force Recommendations and accepted by City Council 2018. Additionally, Municipal Equity Division leads and manages the City-wide Equity Plan for municipal service delivery, capital investments, and internal staff development through annual department reviews, analysis, recommendation, and support.

Increase positive city staff engagement in monthly inclusive appreciation and awareness events by 3% annually.	N/A	Met	Meet	Meet/Exceed
Number of monthly update reports to the Human Relations Commission for their monitoring of the Race and Culture strategy recommendations.	N/A	9	9	9
Number of equity outreach activities for internal and external stakeholders.	24	40	45	45

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Charge for Service	\$ —	\$ —	\$ —	\$ 135,000	\$ —	0.0 %
Use of Money & Property	158,284	150,805	150,805	952,920	802,115	531.9 %
Other	4,120	2,000	2,000	6,000	4,000	200.0 %
Transfer In	831,017	985,301	985,301	853,273	(132,028)	-13.4 %
<b>Total Revenues</b>	<b>993,421</b>	<b>1,138,106</b>	<b>1,138,106</b>	<b>1,947,193</b>	<b>674,087</b>	<b>59.2 %</b>
<b>Expenses</b>						
Salaries & Benefits	1,424,328	1,901,071	1,901,071	2,472,752	571,681	30.1 %
Gen Operating & Maintenance	30,987,095	36,612,250	37,296,147	37,800,468	1,188,218	3.2 %
Transfer Out & Other	4,615,678	5,254,247	5,527,046	9,273,910	4,019,663	76.5 %
<b>Total Expenses</b>	<b>37,027,101</b>	<b>43,767,568</b>	<b>44,724,264</b>	<b>49,547,130</b>	<b>5,779,562</b>	<b>13.2 %</b>
<b>Grand Total</b>	<b>\$(36,033,680)</b>	<b>\$(42,629,462)</b>	<b>\$(43,586,158)</b>	<b>\$(47,599,937)</b>	<b>\$( 5,105,475)</b>	<b>12.0</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	15.00	15.00	18.00	18.00	3.00	3.00
Grant Funds	4.00	4.00	4.00	4.00	—	—
<b>Total</b>	<b>19.00</b>	<b>19.00</b>	<b>22.00</b>	<b>22.00</b>	<b>3.00</b>	<b>3.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The Economic Development Department pursues high-wage job growth and a more sustainable tax base, driven less by residential property valuation and more by commercial and industrial investment; and has a commitment to "quality of place" throughout the community. This effort is to support the vision of competing successfully on the national and international stage for creative, high-growth businesses and the talented individuals who fuel them. The Economic Development Department accomplishes this through three divisions that will each be led by an assistant director.

The Administration, Compliance, and Research Division oversees the development and implementation of departmental goals, objectives, policies, and priorities, as well as overall operational activities including budget, Key Performance Indicators (KPI's), oversight of tax increment financing districts (TIFs) and public improvement districts (PIDs), compliance of Chapter 380 and tax abatement agreements, research of economic trends and demographics, and administration of component units, payroll, and human resources functions.

The Revitalization and Entrepreneurship division is responsible for leading revitalization and place making efforts in our revitalization target sectors by providing resources and access to capital, place making strategies and incentives, and catalytic retail and industry recruitment. This division focuses on attracting and retaining entrepreneurship and innovation to the City of Fort Worth and leads efforts to grow out and leverage our Mobility and Innovation Districts and the many resources offered at the James E. Guinn Entrepreneurial Campus.

The Strategic Recruitment division is responsible for proactive recruitment of larger companies that are in our target sector industries that will lead to an increase in higher-wage job creation and a higher commercial tax base. This division works in conjunction with the newly established Fort Worth Economic Development Partnership to actively promote and market the City of Fort Worth as one of the top destinations for business development, retention, and expansion.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$527,176 to support three authorized positions (APs): (2) Assistant Directors, and (1) Business Development Coordinator
- Increases by \$3M for a transfer to the Economic Development Incentive Fund
- Increases by \$1.5M in Other Contractual Services and increases by \$935,000.00 in lease and parking revenue for Crescent Hotel
- Increases by \$300,000 due to the increase of 380 Agreements
- Increases by \$44,505 in salary and benefits for previously approved costs associated with pay-for-performance, rising health care costs, and pension contributions
- Increases by \$112,534 to support statutory requirement for PID funding from exempt jurisdictions (CH.372-014) Texas Local Government Code
- Increases by \$120,000 to support contractual obligation for Quinn PR Contract (M&C 23-0330)
- Decreases by (\$10,268) in General Operating & Maintenance for previously approved costs associated with IT solutions allocation costs

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Rec.	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
License & Permits	\$ —	\$ —	\$ —	\$ 3,090,675	\$ 3,090,675	0.0 %
Charge for Service	—	—	—	337,577	337,577	0.0 %
Other	—	—	—	14,920	14,920	0.0 %
<b>Total Revenues</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,443,172</b>	<b>3,443,172</b>	<b>—</b>
<b>Expenses</b>						
Salaries & Benefits	—	—	—	3,616,675	3,616,675	0.0 %
Gen Operating & Maintenance	—	—	—	762,673	762,673	0.0 %
Transfer Out & Other	—	—	—	210,000	210,000	0.0 %
<b>Total Expenses</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,589,348</b>	<b>4,589,348</b>	<b>0.0 %</b>
<b>Grand Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (1,146,176)</b>	<b>\$ (1,146,176)</b>	

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	—	—	40.00	39.50	40.00	39.50
Grant Funds	—	—	5.00	7.68	5.00	7.68
Environmental Protection	—	—	88.00	85.82	88.00	85.82
Solid Waste	—	—	70.00	70.00	70.00	70.00
<b>Total</b>	<b>—</b>	<b>—</b>	<b>203.00</b>	<b>203.00</b>	<b>203.00</b>	<b>203.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The Environmental Services Department is organized in FY2024 to promote a clean, safe community through planning, projects, programs and services spanning solid waste management, environmental quality and consumer health. The Consumer Health Division is funded through the City of Fort Worth’s General Fund.

The Consumer Health Division includes a wide range of inspection and monitoring services to protect residents and visitors from environmental health challenges. Promoting clean, safe and sanitary establishments and practices protects consumers from negative health impacts (e.g., food-borne illness, vector-borne disease). Consumer Health activities include issuing health permits, performing routine health inspections and conducting complaint investigations to support restaurants, grocery stores and other food establishments. Services also extend to temporary food locations, public swimming pools/spas, childcare centers and hotels/motels. Additional responsibilities include relevant building plan reviews, food handler training and pool operator training. The Division also oversees the mosquito surveillance program to ensure proactive measures to control vector diseases to provide rapid responses to reduce the risk of exposure to residents. In addition, the Consumer Health Division supports emergency preparedness and response efforts for public health emergencies (e.g., disease outbreaks, water main breaks/boil water notices, etc.)

NOTE: Solid Waste Services and Environmental Protection Summaries are included respectively in the Solid Waste Fund section and the Environmental Protection Fund section of the budget book.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

City services are reorganized in FY2024 to form the Environmental Services Department. The Environmental Services Department oversees the Solid Waste Fund, the Environmental Protection Fund, and the allocation of the General Fund budget for the Consumer Health Division. Formerly within the Code Compliance Department, the Consumer Health Division is allocated to the Environmental Services Department beginning in FY2024.

The Adopted Budget:

- Budget increased by \$103M and a net 203 AP across the General Fund, Environmental Protection Fund, and the Solid Waste Fund for taking over responsibilities from Code Compliance.
- Increases projected revenues by increasing health permit fees by \$100 from \$285 to \$385. These fees are effective October 1, 2023 in accordance with the approved fee schedule.
- Increases expenses for eight (8) Approved Positions (APs) to increase the capacity for health and safety inspections. APs include: 1 Supervisor, 1 Sr. Consumer Health Specialist and 6 Consumer Health Specialists.
- Retains four (4) APs in the Code Compliance Department to support commercial and other non-residential code enforcement operations. APs include: 1 Code Compliance Supervisor and 3 Sr. Code Compliance Officer positions to be retained in the Code Compliance Department – Code Enforcement Division.
- Transfers three (3) APs from the Code Compliance Department to the Environmental Services Department to support administrative operations. APs include: 1 Management Analyst I, 1 Training Specialist (Safety) and 1 Administrative Assistant (Purchasing).

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Consumer Health Plan Review, Permitting, &amp; Health Inspections</b>				
To promote disease prevention to ensure a safe and healthy community.				
% of permitted food establishments that have a passing inspection score	99%	99%	95%	99%
% completion of required inspection at high risk permitted restaurants, daycares, pools, motels & hotels	91%	47%	95%	100%



**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Property Tax	\$479,886,470	\$531,785,972	\$531,785,972	\$579,970,842	\$ 48,184,870	9.1 %
Sales Tax	218,292,232	212,147,461	212,147,461	250,000,000	37,852,539	17.8 %
Other Tax	61,187,849	54,117,017	54,117,017	64,430,496	10,313,479	19.1 %
License & Permits	498,845	419,695	419,695	412,350	(7,345)	-1.8 %
Intergovernmental	115,367	121,200	121,200	121,200	—	0.0 %
Charge for Service	12,661,938	13,789,473	13,789,473	15,719,993	1,930,520	14.0 %
Use of Money	—	—	19,130,000	354,598	354,598	0.0 %
Other	580,598	652,788	652,788	471,467	(181,321)	-27.8 %
Transfer In	39,800,740	37,784,546	37,784,546	40,556,796	2,772,250	7.3 %
Use of Fund Balance	—	—	1,667,525	—	—	0.0 %
<b>Total Revenues</b>	<b>813,024,039</b>	<b>850,819,667</b>	<b>871,617,192</b>	<b>992,596,538</b>	<b>101,219,590</b>	<b>11.9 %</b>
<b>Expenses</b>						
Salaries & Benefits	9,493,465	10,456,254	10,800,351	11,820,883	1,364,629	13.1 %
Gen Operating & Maintenance	2,939,654	3,302,479	3,411,479	3,230,846	(71,633)	-2.2 %
Transfer Out & Other	—	—	12,130,000	—	—	0.0 %
<b>Total Expenses</b>	<b>12,433,119</b>	<b>13,758,733</b>	<b>26,341,830</b>	<b>15,051,729</b>	<b>1,292,996</b>	<b>9.4 %</b>
<b>Grand Total</b>	<b>\$800,590,920</b>	<b>\$837,060,934</b>	<b>\$845,275,362</b>	<b>\$977,544,809</b>	<b>\$ 99,926,594</b>	<b>11.9</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	94.00	93.50	98.00	97.50	4.00	4.00
Grant Funds	—	0.50	—	0.50	—	—
<b>Total</b>	<b>94.00</b>	<b>94.00</b>	<b>98.00</b>	<b>98.00</b>	<b>4.00</b>	<b>4.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The Financial Management Services Department has central oversight of the administration of financial activities across the City. These duties are performed by the following divisions: Administration, Accounting & Financial Reporting, Financial Systems Management, Central Purchasing, and Treasury.

The Administration Division is responsible for providing overall planning and support to the other elements of the Department which include administering fiscal and administrative responsibilities such as budget, human resources, payroll, revenue, asset management, information technology and procurement, and vendor invoice processing.

The Accounting & Financial Reporting Division maintains the general ledger, performs grant accounting and administration, and records and tracks the city's capital assets in an accounting system conforming to city charter requirements and municipal accounting principles. This team also completes bank and balance sheet account reconciliations in addition to performing fund-level reviews to ensure the accuracy of entries made to general ledger accounts. This team manages the traditional period-end close processes and oversees interfaces from external systems into the general ledger. The Financial Reporting area of this division prepares all financial publications including the city's Comprehensive Annual Financial Report (Annual Report) and coordinates the annual external audit by an independent audit firm as required by the city's charter within the Department of Financial Management Services and throughout the city. This division also assists with general ledger maintenance and completes complex entries to ensure compliance with modified accrual and accrual level account requirements as promulgated by the Governmental Accounting Standards Board (GASB).

The Financial Systems Management Division is responsible for the ongoing support of the financial management software systems. This team oversees the configuration and application of software to the day-to-day business operations while the city's Information Technology Department provides the network and infrastructure for which these systems are delivered to users. This team assists in driving efficiency in business processes by applying technology solutions across the department.

The Central Purchasing Division purchases goods and services for all city departments, assist with the disposal of obsolete or surplus materials/equipment, manages the city's Purchase Card Program, manages the city's vendor relationships, and oversees the city-wide mail operations.

The Treasury Division is responsible for effectively and efficiently managing the City's cash and investment portfolios, seeking the highest return possible while complying with Texas Public Funds Investment Act and applicable law. In addition, the Treasury Division is responsible for administration of the City's large and complex debt portfolio, executing vendor and payroll disbursements, and the billing and collection of a variety of city-wide revenue sources.

### **FY2024 Discussion AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$176,242 and one authorized position (AP) in salary, benefits and general operating expenditures related in retaining a mission critical Sr. Purchasing Manager
- Increases by \$122,355 and one AP in salary, benefits and general operating expenditures associated with addition of Financial Reporting Coordinator (FRC) in FMS
- Increases by \$135,228 and one AP in salary, benefits and general operating expenditures associated with Sr. Management Analyst to provide analytical support to the Debt Manager
- Increases by \$100,694 and one AP in salary, benefits and general operating expenditures associated with addition of a second buyer position on the dedicated Water team to provide true procurement support. The cost is offset by transfer from Water Department
- Increases by \$660,390 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions
- Increases by \$175,270 in salary and benefits related to equity adjustment for Sr. Accountants in FMS to offer a more market competitive salary to recruit & retain highly skilled and qualified staff
- Decreases by (\$97,120) in General Operating & Maintenance for previously approved costs associated with risk management and IT solutions allocation costs
- Increases by \$65,646 in salary and benefits related to reclassification of Sr. Accountants to Sr. Financial Analysts in the Financial Reporting area

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Accounting</b>				
<p>The purpose of the Accounting Division is to safeguard the City's assets by accounting for all capital assets owned by the City, ensure proper procedures are followed in accordance with each grant agreement and ensure that all City financial transactions have been accounted for accurately and timely, through accurate monitoring, accounting and reporting and in accordance with Generally Accepted Accounting Principles (GAAP).</p>				
% of fund reviews for prior month completed by the end of the current month.	100%	100%	95%	100%
% of M&C entries completed within 7 business days of Council meeting in which it was approved and available	98%	97%	95%	100%
% of journal entries posted/denied within three business days from the date it was submitted	96%	97%	95%	100%
Grants closeout within 60 days of liquidation period ending	N/A	N/A	95%	100%
Average # of days to close Chartfield Maintenance tickets after required budget approval is received	N/A	N/A	3	3
<b>Treasury</b>				
<p>The Treasury Division is responsible for effectively and efficiently managing the city's cash and investment portfolios, seeking the highest return possible while complying with Texas Public Funds Investment Act and applicable law. In addition, the Treasury Division is responsible for administration of the City's large and complex debt portfolio, executing vendor and payroll disbursements, and the billing and collection of a variety of city-wide revenue sources.</p>				
Investment portfolios to provide returns in excess of 0.10% of the benchmark	2%	4.4%	4%	4%
% of invoices paid within 30 days from the invoice date	76.30%	83.80%	90.00%	100.00%
% of receivables that are current at the end of each month	13.70%	13.90%	25.00%	25.00%
<b>Purchasing</b>				
<p>The purpose of the Purchasing Division is to provide excellent customer service that focuses on collaboration and innovation in order to deliver trusted solutions to support city initiatives, streamline processes, and safeguard city resources.</p>				
Complete PeopleSoft contract renewals before the current term expires	93%	94%	90%	90%
# of days to Complete Assignment of Contract	4.25	9.74	10	10

## General Fund

## Financial Management Services

# of days to Complete Name Change request	4.25	9.74	5	5
# of days to Award ITB procurements from the scheduled start	N/A	N/A	100	100
# of days to Award Cooperatives and ILAs from the scheduled start	N/A	N/A	30	30
Reduce annual use of Non-PO Vouchers with Memo by 90%	N/A	N/A	30%	30%

### Financial Reporting

Provide timely and accurate financial statements and reports for internal and external users, detailing the financial position and the financial health of the City.

Number of external audit findings (citywide)	1	TBD	—	—
Number of external audit findings (Component Unit/Other)	—	TBD	—	—
Produce monthly Financial Report in conjunction with FW Lab within 30 days after month end close	N/A	—%	100%	100%
GFOA Award for Annual Comprehensive Financial Report	N/A	N/A	Yes	Yes
# of days to produce the ACFR	154	TBD	130	130

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
License & Permits	\$ 1,232,228	\$ 1,119,139	\$ 1,119,139	\$ 1,119,139	\$ —	0.0 %
Charge for Service	1,306,570	1,153,218	1,153,218	1,158,218	5,000	0.4 %
Use of Money & Property	2,800	—	—	—	—	0.0 %
Other	688,513	409,649	409,649	709,649	300,000	73.2 %
Transfer In	59,501	59,501	59,501	59,501	—	0.0 %
Use of Fund Balance	—	—	4,000,000	—	—	0.0 %
<b>Total Revenues</b>	<b>3,289,612</b>	<b>2,741,507</b>	<b>6,741,507</b>	<b>3,046,507</b>	<b>305,000</b>	<b>11.1 %</b>
<b>Expenses</b>						
Salaries & Benefits	164,596,127	173,241,598	181,991,598	190,660,571	17,418,973	10.1 %
Gen Operating & Maintenance	19,469,665	19,971,816	21,415,907	22,716,294	2,744,478	13.7 %
Transfer Out & Other	520,426	59,501	4,115,410	59,501	—	0.0 %
<b>Total Expenses</b>	<b>184,586,218</b>	<b>193,272,915</b>	<b>207,522,915</b>	<b>213,436,366</b>	<b>20,163,451</b>	<b>10.4 %</b>
<b>Grand Total</b>	<b>\$(181,296,606)</b>	<b>\$(190,531,408)</b>	<b>\$(200,781,408)</b>	<b>\$(210,389,859)</b>	<b>\$(19,858,451)</b>	<b>10.4</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	1,036.00	1,035.25	1,112.00	1,111.25	76.00	76.00
Grant Funds	13.00	12.48	8.00	7.48	(5.00)	(5.00)
<b>Total</b>	<b>1,049.00</b>	<b>1,047.73</b>	<b>1,120.00</b>	<b>1,118.73</b>	<b>71.00</b>	<b>71.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The Fire Department’s mission is to serve and protect the community through education, prevention preparedness and response. It provides protection of life and property from fires, the first response for emergency medical services, fire safety and prevention programs, arson and fire cause investigations, and other services. The department encompasses 45 fire stations and is organized into four major sections: Administration, Executive Services, Operations, and Educational and Support Services.

The Administration Division administers fiscal and administrative responsibilities including the budget, human resources, payroll, revenue, asset management, grant management and purchasing, along with the information technology needs of the department.

The Executive Services Division oversees all arson/bomb activities, fire investigations, community risk reduction activities, commercial building inspections, fire safety education, professional standards, and behavioral health functions.

The Operations Division, which employs the vast majority of the department’s personnel, is responsible for daily emergency response activities, building inspections, specialized responses such as aircraft rescue firefighting (ARFF), hazardous materials (HazMat) squad, technical rescue, and swift water rescue.

The Educational and Support Services Division is responsible for the initial training of new firefighters, continuing education, health and wellness programs, facility maintenance, fire apparatus, and equipment services, uniforms and supplies, and dispatch and alarm services.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$2,010,364 for 70 Approved Positions (AP) due to the increase of sworn positions to address the increasing overtime costs. 35 positions are partially funded in FY 2024 and the remaining positions will be fully funded in FY 2025
- Increases by \$384,879 for 6 AP due to the increase of civilian positions
- Increases by \$4,574,694 due to an updated collective bargaining agreement for civil service employees
- Increases by \$3,664,914 due to increasing Fire Trainees to address staffing needs
- Increases by \$3,046,120 due to the increase of the Fire Trainee positions to address attrition
- Increases by \$2,153,088 in General Operating & Maintenance for previously approved costs associated with risk management and IT solutions allocation costs
- Increases by \$1,869,284 in salary and benefits for pay band adjustment, rising health care costs and pension contributions
- Increases by \$1,000,000 as the General Fund absorbs costs due to phasing out the SAFER grant
- Increases by \$762,812 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions
- Increases by \$530,400 for thermal imager replacements
- Increases by \$165,000 for Fire IT licensing and software
- Increases by \$300,000 in the revenue budget for recovery of labor cost reimbursements

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>First Responder Services</b>				
From 43 fire stations located throughout the city, provide first responder services for all hazards and medical emergency calls.				
Fire turnout time 80 seconds or less 90% of the time	92.2%	91.9%	90.0%	100%
EMS turnout time 60 seconds or less 90% of the time	76.9%	78.2%	90.0%	100%
Fire & EMS travel time 4 minutes or less 90% of the time	42.6%	37.6%	90.0%	100%
Full alarm response time 8 minutes or less 90% of the time	59.8%	62.9%	90.0%	100%
Residential structure fires contained to the room of origin 55% of the time	54.0%	50.9%	55.0%	100%
<b>Emergency Management</b>				
Special Needs Assistance Program (SNAP) is an emergency preparedness database available to any resident of North Central Texas, adult or child, who may have an access or functional need that would require assistance before, during or after an emergency or local disaster. FortWorthTexasAlerts is a communication platform that connects public safety to the communities that they serve, allowing communication through text, email, and voice messages. It replaced the NIXLE platform in January 2020. Preparedness and response capabilities are maintained and enhanced when responsible staff train and exercise together on an ongoing basis.				
# participants in SNAP	6,068	6,607	7,000	N/A
# participants in FortWorthTexasAlerts	65,984	157,278	200,000	N/A
<b>Community Risk Reduction</b>				
Proactive outreach to the community providing fire and other emergency risk reduction education/information.				
# of commercial fire inspections completed	4,175	3,759	7,500	9,900
# citizens who received public education	62,949	23,878	75,000	75,000
<b>Emergency Call Center/Dispatch</b>				
Answer 911 calls for emergency assistance and dispatch appropriate Fire Department response teams.				
Emergency calls answered within 15 seconds 95% of the time	98.2%	95.6%	95.0%	100%
Emergency calls processed within 64 seconds 90% of the time	77.9%	75.2%	90.0%	100%

**DEPARTMENT SUMMARY**

	FY2022	FY2023	FY2023	FY2024	Chg from PY Adopted	
	Final	Adopted	Adjusted	Adopted	Amount	%
<b>Revenues</b>						
Use of Money	\$ —	\$ —	\$ —	\$ 59,808	—	0.0 %
Other	—	—	435,000	—	—	0.0 %
Transfer In	746,254	746,254	746,254	387,544	(358,710)	-48.1 %
<b>Total Revenues</b>	<b>746,254</b>	<b>746,254</b>	<b>1,181,254</b>	<b>447,352</b>	<b>(358,710)</b>	<b>-48.1 %</b>
<b>Expenses</b>						
Salaries & Benefits	2,830,394	3,316,301	3,316,301	5,575,066	2,258,765	68.1 %
Gen Operating & Maintenance	5,547,459	5,434,027	6,674,027	7,785,757	2,351,730	43.3 %
Transfer Out	1,346,189	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>9,724,042</b>	<b>8,750,328</b>	<b>9,990,328</b>	<b>13,360,823</b>	<b>4,610,495</b>	<b>52.7 %</b>
<b>Grand Total</b>	<b>\$ (8,977,788)</b>	<b>\$ (8,004,074)</b>	<b>\$ (8,809,074)</b>	<b>\$ (12,913,471)</b>	<b>\$ (4,969,205)</b>	<b>62.1 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	26.00	26.00	39.00	39.00	13.00	13.00
<b>Total</b>	<b>26.00</b>	<b>26.00</b>	<b>39.00</b>	<b>39.00</b>	<b>13.00</b>	<b>13.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The FWLab was formed in 2023 to align the planning and budgeting activities of the City more closely with its long-range goals and strategies and enable greater staff engagement on critical issues while incorporating principles of data analytics and Priority-Based Budgeting (PBB). The Department is responsible for forecasting demographic and economic trends as well as municipal revenues and expenditures; analyzing the fiscal impact and return on investment of policy options; conducting a variety of citywide and small-area planning studies; conducting performance and budget analyses to increase the efficiency and effectiveness of municipal operations; conducting thorough analysis of City data to provide new insights; and focus on areas that need a fresh look or are undergoing significant change. Some of the FWLab’s primary outputs for public consumption include the Comprehensive Plan, a Strategic Plan for the organization, the five-year Capital Improvements Program, and the annual Operating Budget.

The FWLab consists of the following divisions: Comprehensive Planning, Budget, Strategy and Performance, and Data Analytics. Comprehensive Planning develops the City’s Comprehensive Plan and all associated functions. The Budget division develops, monitors, and manages City budgets for each fiscal year. The Strategy and Performance division coordinates organizational plans, strategies, and performance toward Council’s Strategic Vision priorities. The Data Analytics division develops the citywide data strategy and conducts robust analytics to inform decisions.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$2,881,861 and eight (8) positions to allow for the FWLab to build its capacity to make data-driven decisions



- Increases by \$1,011,542 for the addition of four (4) positions and salary adjustments to staff the newly created FWLab
- Increases by \$166,262 and one (1) position for a Senior Capital Projects Officer which will serve as the Greenspace Champion
- Increases by \$526,000 for appraisal district costs
- Increases by \$59,808 in revenues for interest earnings
- Increases by \$5,822 for allocations associated with retiree health, risk, workers compensation, and IT services

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Budget, Strategy, and Performance Division</b>				
Provide forecasting and financial guidance in the planning and use of resources that best complements and supports city priorities and goals.				
GFOA Distinguished Budget Presentation Award received	Yes	Yes	Yes	Yes
% variance in sales tax budget-actuals	11.3%	0.2%	≤3%	≤3%
% variance in property tax budget-actuals	9.9%	-0.3%	≤3%	≤3%
<b>Comprehensive Planning Division</b>				
Provide planning and policy advice to City officials and the community on growth and development; implement special district capital projects; facilitate central city revitalization; and promote the development of walkable urban places, in accordance with the Comprehensive Plan.				
Comprehensive Plan Annual Update Adopted by City Council	Yes	Yes	Yes	Yes
# residential units added within designated mixed-use and urban residential areas	1,208	1,413	2,500	2,500
Building permit value within designated mixed-use and urban residential areas	\$519.5 M	\$1,012.2 M	\$700 M	\$700 M

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Total Revenues</b>	\$ 5,775	\$ —	\$ —	\$ —	\$ —	0.0 %
<b>Expenses</b>						
Salaries & Benefits	4,044,252	4,430,665	4,485,665	4,972,166	541,501	12.2 %
Gen Operating & Maintenance	1,334,997	1,852,491	1,901,491	1,961,013	108,522	5.9 %
<b>Total Expenses</b>	<b>5,379,249</b>	<b>6,283,156</b>	<b>6,387,156</b>	<b>6,933,179</b>	<b>650,023</b>	<b>10.3 %</b>
<b>Grand Total</b>	<b>\$ (5,373,474)</b>	<b>\$ (6,283,156)</b>	<b>\$ (6,387,156)</b>	<b>\$ (6,933,179)</b>	<b>\$ (650,023)</b>	<b>10.3 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	38.00	36.43	41.00	39.43	3.00	3.00
Group Health and Life Insurance	11.00	8.25	11.00	8.25	—	—
Retiree Healthcare Trust	—	2.25	—	2.25	—	—
Risk Financing	17.00	17.50	17.00	17.50	—	—
<b>Total</b>	<b>66.00</b>	<b>64.43</b>	<b>69.00</b>	<b>67.43</b>	<b>3.00</b>	<b>3.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The mission of the Human Resources Department is to support and protect the city’s most valuable assets, its employees. The department is committed to delivering quality service, ensuring equitable employment practices, offering professional development, and fostering a work environment that attracts and inspires excellence. Human Resources at the City of Fort Worth is characterized by leading positive change, excelling through customer service, and creativity in its approaches.

The Human Resources Department is comprised of nine divisions that include the Classification, Compensation, and Civil Service Division; the Employee and Labor Relations Division; the Human Resources Information Systems (HRIS)/Records Division; the Talent Acquisition Division; the Employee Benefits/Wellness Division; the HR Business Partner Division; the Organizational Development Division; and, two divisions representing the Risk Management function that include Property & Casualty and Workers’ Compensation/Safety.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$159,945 and one (1) authorized position (AP) for an Organizational Development Manager to allow our organization to keep up with new trends, knowledge, and changes that are shaping the training landscape
- Increases by \$149,586 and one (1) AP for a HR Dimensions Administrator to assist with PSPS administration and configuration tasks
- Increases by \$ 115,376 and one (1) AP for a HRIS Time & Labor Analyst to complete tasks and reduce backlog
- Increases by \$257,251 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions

- Increases by \$12,119 in General Operating & Maintenance for previously approved costs associated with risk management and IT solutions allocation costs

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Employee Health &amp; Well-Being</b>				
Administers self-insured plans for medical and worker compensation benefits offered to City employees, retirees, and their eligible spouses and/or dependents this includes an Employee/Retiree Wellness Program, and Occupational Health & Safety Program.				
90% of health plan members complete all 3 Virgin Pulse requirements.	90%	90%	90%	90%
9% utilization of the Employee Assistance Program.	9%	9%	11%	11%
<b>Employee Relations/Labor Relations</b>				
The Employee Relations Section conducts neutral investigations of disciplinary appeals and complaints based on discrimination and retaliation, coordinates defense of unemployment insurance claims, administers the EthicsPoint hotline, conducts training for new employees, Human Resources Coordinators and Medical Records Custodians across the organization, and provides guidance on and updates the City's Personnel Rules and Regulations.				
90% of Step 1b disciplinary appeal decisions are issued within 25 business days.	90%	90%	90%	90%
% of employee satisfaction surveys will indicate they are satisfied with the FMLA/ADA vendor's services.	85%	85%	85%	85%
95% of Civil Service discipline documents scanned into LaserFiche within 1 business day of receipt.	100%	100%	100%	100%
Employee complaint investigations will be completed within 60 calendar days – NEW Effective 10/1/2020	100%	100%	100%	100%
<b>Classification &amp; Compensation/Civil Service Testing</b>				
The division provides professional research and recommendations regarding inquiries on the proper classification and compensation levels of the City's workforce in accordance with local, state, and federal guidelines. These activities include but are not limited to administration of all CFW compensation plans, job analysis, and job classification validation studies to ensure internal/external market equity.				
Complete 90% of Classification Action Requests (CARs) within 60 days.	90%	90%	90%	90%
Average annual employee turnover rate.	Less than Prior Year	Less than Prior Year	Less than Prior Year	Less than Prior Year
99% of promotional Police & Fire exam questions are upheld.	99%	99%	99%	99%

**DEPARTMENT SUMMARY**

	FY2022	FY2023	FY2023	FY2024	Chg from PY Adopted	
	Final	Adopted	Adjusted	Adopted	Amount	%
<b>Revenues</b>						
Intergovernmental	\$ 673,374	\$ —	\$ —	\$ —	—	0.0 %
Charge for Service	12,296,734	—	—	—	—	0.0 %
Other	91,912	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>13,062,020</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Expenses</b>						
Salaries & Benefits	18,867,032	—	—	—	—	0.0 %
Gen Operating & Maintenance	22,059,875	—	—	—	—	0.0 %
Transfer Out & Other	(23,125,734)	—	—	—	—	0.0 %
Contra Accounts	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>17,801,173</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Grand Total</b>	<b>\$ (4,739,153)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>	<b>0.0 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

**DEPARTMENT PURPOSE AND GOALS**

The Information Technology Solutions (IT Solutions or ITS) Department provides for the management of the City's information technology infrastructure, systems and services.

IT Solutions is responsible for coordinating all information technology resources to support the strategic vision of the City of Fort Worth by providing quality service to the community. This coordination of technology is accomplished through services such as planning and project management, administrative support, technical services, software application development and acquisition, and telecommunications.

All City departments are customers of IT Solutions. ITS receives the bulk of its revenue from the allocations made to these customers. The Department's expenditures include personnel costs, operating supplies, contractual/consulting services, licensing, maintenance and equipment such as servers, hardware and software.

IT Solutions operates and maintains the Fort Worth Regional Radio System. The system supports more than 39,000 subscribers throughout more than 168 jurisdictions. Revenue from this system offsets annual operating costs.

IT Solutions is organized into the following functional areas/bureaus: Infrastructure, Applications and Project Management, SER (Security, ERP and Radio) and Strategic Planning and Finance.

The Infrastructure Bureau consists of the following divisions: Platform Technologies, Network Services, Data Center Operations and Support Services. Platform Technologies provides server and storage operations and supports email administration. Network Services operates and maintains the City's data network and telephone systems. Data Center Operations provides 24/7 support and monitoring of all of the City IT systems and infrastructure. Support Services include desktop and hardware divisions that manage the city's computing functions and devices. This bureau also leverages Help Desk support to provide IT technical assistance and services for all city departments. A new division within this bureau is the formation of the Asset Management Division. This Division is responsible for the reconciliation and accountability of deployed physical assets such as desktops and laptops but also the management of assets to include software and licenses across the City.

The Applications and Project Management Bureau consists of the following divisions: Distributed Applications, Applications Public Safety, Database, GIS and Project Management Office. This bureau is responsible for application development and implementation of software systems together with the public safety specific systems for Police and Fire. This bureau also contains the Database and Geographic Information systems support functions. The Project Management Office division provides for portfolio management and project management to other city departments for technology related needs.

The SER Bureau is responsible for the operations and maintenance of the following divisions: Information Security, ERP, and Radio Services. The Security Division provides cyber threat and vulnerability analysis, early warning, and incident response assistance. The ERP system includes Human Capital Management Systems (Human Resource, Time & Labor, Payroll, Pay for Performance, Recruiting, and Benefits) and the Financial Management Systems (Asset Management, Accounts Payable, Cash Management, General Ledger, and Commitment Control). The Radio Services Division manages and operates the city's public safety and public works radio systems.

The Strategic Planning and Finance Bureau is responsible for the financial and budget management functions, allocations, citywide procurement of technology equipment and services, mobility procurement and management along with contract administration. This division is also responsible for the human resources related functions of the department. The Strategic Planning division provides for employee engagement, employee development, and communications for the department.

### **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- The Information Technology Solutions department moved from the General Fund to a new Internal Services Fund in FY2023

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Charge for Service	\$ 164,334	\$ 238,903	\$ 238,903	\$ 166,210	\$ (72,693)	-30.4 %
Fines & Forfeitures	40,952	9,479	9,479	42,370	32,891	347.0 %
Use of Money & Property	166	301	301	—	(301)	-100.0 %
Other	757	3,810	3,810	930	(2,880)	-75.6 %
<b>Total Revenues</b>	<b>206,209</b>	<b>252,493</b>	<b>252,493</b>	<b>209,510</b>	<b>(42,983)</b>	<b>-17.0 %</b>
<b>Expenses</b>						
Salaries & Benefits	14,430,388	16,726,598	16,308,598	17,692,125	965,527	5.8 %
Gen Operating & Maintenance	7,302,373	9,348,668	9,766,668	10,130,822	782,154	8.4 %
<b>Total Expenses</b>	<b>21,732,761</b>	<b>26,075,266</b>	<b>26,075,266</b>	<b>27,822,947</b>	<b>1,747,681</b>	<b>6.7 %</b>
<b>Grand Total</b>	<b>\$(21,526,552)</b>	<b>\$(25,822,773)</b>	<b>\$(25,822,773)</b>	<b>\$(27,613,437)</b>	<b>\$ (1,790,664)</b>	<b>6.9 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	269.00	240.10	269.00	239.58	—	0.52
<b>Total</b>	<b>269.00</b>	<b>240.10</b>	<b>269.00</b>	<b>239.58</b>	<b>—</b>	<b>0.52</b>

**DEPARTMENT PURPOSE AND GOALS**

The Fort Worth Public Library is a community gathering place for learning, self-discovery, shared experiences, and personal growth. The library’s mission is “Building a community of learners, dreamers, and doers”.

The strategic focus areas for the library are:

- Reducing barriers to access, expanding the library’s reach, and evolving services beyond buildings
- Contributing to the City’s thriving arts scene while celebrating the past and embracing the future
- Cultivating a community of readers and serving as the literary hub for the City
- Enriching out-of-school time and making learning fun and enjoyable
- Nurturing economic development, entrepreneurship, and opportunity for all
- Supporting City goals, developing employees, and aligning capacity with strategy

The Department is divided into two divisions: Public Services and System-Wide Services.

Public Services is responsible for providing library materials, programs, and outreach directly to the residents of Fort Worth. It includes seventeen branch libraries and the Fort Worth History Center. The Lifelong Learning team develops programming and outreach activities for residents of all ages.

System-Wide Services provide the structure and systems needed to maintain library services. The division consists of six operational units including Administrative Services, Communications, Data & Analytics, Facilities Management, Human Resources & Training, and Information Technology. Each has a unique responsibility to support the system-wide delivery of library services.



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**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$965,527 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs, and pension contributions
- Increases by \$317,350 for allocations related to information technology, fleet services, legal services, and commercial insurance premiums, and increases to contractual obligations
- Increases by \$226,566 in initial cost, and \$159,570 in ongoing cost, to acquire space and open a downtown branch library
- Increases by \$78,668 ongoing for a new library branch in a leased space in council district 7

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Strategic Focus Area: Customer Engagement</b>				
Reducing barriers to access, expanding the Library's reach, and evolving services beyond buildings				
Increase number of in-person visits by 5%	980,018	1,009,069	1,059,522	1,059,522
Increase number of new library cards issued by 5%	20,478	18,150	19,058	19,058
<b>Strategic Focus Area: Arts &amp; Culture</b>				
Contributing to the City's thriving arts scene while celebrating the past and embracing the future.				
Maintain number of programs offered	4,624	7,077	7,077	7,077
Increase program attendance by 10%	54,310	79,154	79,154	87,069
<b>Strategic Focus Area: Education &amp; Growth</b>				
Enriching out-of-school-time and making learning fun and enjoyable.				
Increase participation in adult classes and workshops to develop or advance skills and knowledge by 10%	2,238	4,404	4,844	4,844
Increase participation in ESL classes by 10%	1,768	3,646	4,011	4,011
Use of online database resources (searches conducted)	272,937	127,448	127,448	264,875
<b>Strategic Focus Area: Books &amp; Reading</b>				
Cultivating a community of readers and serving as the literary hub for the City				
Increase checkout of library materials by 15%	2,731,462	3,517,180	4,044,757	4,044,757
Increase registered reading challenge participants	5,182	8,000	TBD	TBD

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Charge for Service	\$ 1,198,733	\$ 1,627,051	\$ 1,627,051	\$ 1,179,435	\$ (447,616)	-27.5 %
Fines & Forfeitures	5,791,254	7,301,583	7,301,583	6,285,024	(1,016,559)	-13.9 %
Other	17	113	113	266	153	135.4 %
Transfer In	—	—	—	254,221	—	0.0 %
<b>Total Revenues</b>	<b>6,990,004</b>	<b>8,928,747</b>	<b>8,928,747</b>	<b>7,718,946</b>	<b>(1,464,022)</b>	<b>-16.4 %</b>
<b>Expenses</b>						
Salaries & Benefits	11,481,060	12,430,596	12,430,596	13,018,159	587,563	4.7 %
Gen Operating & Maintenance	2,341,939	2,277,685	2,277,685	2,212,580	(65,105)	-2.9 %
Transfer Out & Other	658,808	642,104	642,104	630,689	(11,415)	-1.8 %
<b>Total Expenses</b>	<b>14,481,807</b>	<b>15,350,385</b>	<b>15,350,385</b>	<b>15,861,428</b>	<b>511,043</b>	<b>3.3 %</b>
<b>Grand Total</b>	<b>\$ (7,491,803)</b>	<b>\$ (6,421,638)</b>	<b>\$ (6,421,638)</b>	<b>\$ (8,142,482)</b>	<b>\$ (1,975,065)</b>	<b>30.8 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	133.00	131.38	133.00	131.38	—	—
CCPD	—	—	1.00	1.00	1.00	1.00
Municipal Court Special Revenue	1.00	1.00	1.00	1.00	—	—
<b>Total</b>	<b>134.00</b>	<b>132.38</b>	<b>135.00</b>	<b>133.38</b>	<b>—</b>	<b>—</b>

**DEPARTMENT PURPOSE AND GOALS**

Municipal Court is a Court of Record located in the historic A.D. Marshall Public Safety & Courts Building. The Municipal Court is comprised of five courtrooms and provides full court and payments services. The Municipal Court also operates a twenty-four-hour, seven-day-a-week arraignment court and magistrate processes servicing the jail located at 350 W. Belknap. These courts have jurisdiction within the City of Fort Worth's territorial limits over all Class C misdemeanor criminal cases brought under City ordinances or the Texas Penal Code and civil parking cases. These cases are punishable by a fine only. The court's mission is to provide justice through the resolution of cases and quality service in a court environment. One of the ways the court carries out this mission is by engaging the community at monthly Court in the Community Events held all over the city.

The Department is divided into four divisions: Administration, Judicial, Clerk of the Court, and Marshals.

The Administration Division manages overall departmental operations—financial management, budget, accounting, performance, audit, purchasing, facilities, human resources, technology, community outreach, civil, administrative hearings, and acts as a liaison to other departments and agencies.

The Judicial Division consists of ten full-time judges and eight substitute judges, including a Chief Judge and a Deputy Chief Judge. The City Council appoints all judges. The Judicial Division is responsible for adjudicating all jury and non-jury trials, performing magistrate duties, and administering the Teen Court Program. .

The Clerk of the Court Division is responsible for record-keeping of filed citations, case preparation, setting court dockets, fine collections, administering community service programs, managing the City's jury system, processing civil parking citations, and performing other court-related non-judicial activities.

The Marshal Division is responsible for bailiff duties, prisoner transfer, building security, and warrant service. The Division is also responsible for patrolling approximately 3,560 acres of the Lake Worth recreational area, the Fort Worth Nature Center and Refuge, area leased-property neighborhoods, 14 surrounding City-owned parks, and all city libraries.

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$587,563 in salary and benefits for previously approved costs associated with pay for performance, step increases, rising health care costs and pension contributions
- Salary adjustments include increasing minimum wage to \$15 /hr
- Decreases by (\$65,105) for allocations associated with retiree health,risk, workers compensation, and IT Services, and general administration
- Decreases by (\$1,016,559) in Fines & Forfeitures revenues due to decreased receipt of traffic fines
- Decreases by (\$447,616) in Charge for Services revenues due to decreased receipt of penalty fees
- Decreases by (11,415) in Transfer out to the Parks department for the shared Safety Officer position
- Transfer up to \$600,000 after meeting \$1,429,660 budget to Parking Fund remains unchanged from FY2023

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Records and Case Management</b>				
Maintain court records and requests for records.				
% of citations that are entered within 3 business days of filing with the court	100%	100%	95%	100%
<b>Adjudication</b>				
Preside over jury and non-jury trials, arraign defendants on Class C misdemeanors, review and issue alias and capias pro fine arrest warrants.				
% of warrants reviewed within 15 days of docket date	63%	60%	90%	90%
<b>Teen Court</b>				
Coordinate activities for the purpose of providing an alternative disposition for juveniles who have entered a plea of guilty or no contest to a Class C misdemeanor, and are otherwise eligible for diversion.				
% of cases referred to Teen Court within 10 days	88%	94%	90%	90%
<b>Financial Management</b>				
Accurately process payments of fines for Class C Criminal and Civil Parking violations while maintaining excellent customer service.				
% of mail payments processed within 2 business days	100%	100%	100%	100%
<b>Warrants</b>				
Serve warrants and apprehend defendants who have active warrants, serve summons, and participate in prisoner transfer				
Total number of warrants served annually	22,010	8,535	6,000	6,000
<b>Building Security</b>				
Maintain security in Court buildings as well as the City Hall.				
Number of prohibited items prevented from entering City Hall	988	560	700	700
<b>Lake Worth Patrol</b>				
Patrol 3,560 acres of the Lake Worth recreational area, the Fort Worth Nature Center & Refuge, and 14 surrounding city parks				
Number of hours of water patrol conducted annually	1,554	438	1,500	1,500
Number of water safety checks conducted annually	1,736	304	1,500	1,500

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Charge for Service	\$ 625,768	\$ 531,944	\$ 531,944	\$ 631,085	\$ 99,141	18.6 %
Use of Money & Property	20,944	175,242	175,242	25,550	(149,692)	-85.4 %
Other	14,040	4,281	4,281	5,500	1,219	28.5 %
<b>Total Revenues</b>	<b>660,752</b>	<b>711,467</b>	<b>711,467</b>	<b>662,135</b>	<b>(49,332)</b>	<b>-6.9 %</b>
<b>Expenses</b>						
Salaries & Benefits	4,437,474	5,021,273	5,021,273	6,047,705	1,026,432	20.4 %
Gen Operating & Maintenance	2,566,039	5,390,237	12,390,237	6,887,577	1,497,340	27.8 %
Transfer Out & Other	3,881,000	3,932,650	3,932,650	10,131,000	6,198,350	157.6 %
<b>Total Expenses</b>	<b>10,884,513</b>	<b>14,344,160</b>	<b>21,344,160</b>	<b>23,066,282</b>	<b>8,722,122</b>	<b>60.8 %</b>
<b>Grand Total</b>	<b>\$(10,223,761)</b>	<b>\$(13,632,693)</b>	<b>\$(20,632,693)</b>	<b>\$(22,404,147)</b>	<b>\$( 8,771,454)</b>	<b>64.3 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	126.00	66.84	128.00	72.83	2.00	5.99
Grant Funds	106.00	102.15	104.00	96.45	(2.00)	(5.70)
Crime Control and Prevention District	8.00	8.00	8.00	8.00	—	—
<b>Total</b>	<b>240.00</b>	<b>176.99</b>	<b>240.00</b>	<b>176.99</b>	<b>—</b>	<b>0.29</b>

**DEPARTMENT PURPOSE AND GOALS**

Created in 2015, the Neighborhood Services Department implements programs that promote economic independence, sustainable housing, and healthy successful neighborhoods. The department partners with residents, businesses, non-profits, and other governmental entities to support community development, social services, and human capital development.

The goal of the Neighborhood Services Department is to enhance the quality of life for residents by strengthening neighborhoods. Services are delivered through the following divisions: Housing and Community Development, Administrative Financial Services; Neighborhood Development and Revitalization; Compliance; Planning/Reporting; Rehabilitation and Home Improvements; Community Services; Neighborhood Community Centers; and Directions Home.

The Housing and Community Development Division is focused on the development of affordable housing and the management of community improvement projects funded by federal grants. The Division manages the annual City policy review of projects applying for federal housing tax credits and supports the Fort Worth Housing Finance Corporation in incentivizing the development of affordable housing. This division also administers the Neighborhood Empowerment Zone (NEZ) program.

The Administrative Financial Services Division oversees the department’s budget, finance, grant management, accounts payable, procurement and human resources functions. It also administers affordable housing loans and the City’s homebuyer assistance programs (HAP).

The Community Services Division oversees seven of the City's network of Neighborhood Community Centers and two Community Action Partner (CAP) centers. The centers provide recreational, leisure, and essential human services primarily in low-income neighborhoods. This division also delivers more than \$27 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 Development and Revitalization Division addresses systemic neighborhood issues and fosters resident self-sufficiency through the coordination of the Neighborhood Improvement Strategy (NIS). This division uses the Neighborhood Profile Area data developed by the Development Services Department to select NIS areas. Additionally, it supports the entire department by providing community outreach/communications for all neighborhood-based programs that the department operates and manages. Also, this division administers the HUD grant-funded Social Service contracts with non-profit agencies.

The Rehabilitation and Home Improvements Division delivers home repair services to low-income homeowners through the Priority Repair, Weatherization, Healthy Homes, and Lead Safe programs. This division performs housing quality inspections on all affordable housing assisted by department activities.

The Planning/Reporting Division ensures that the city continues to receive approximately \$20M in federal grants annually, through preparing the Consolidated Plan (ConPlan), and the Action Plans regulations, preparing HUD required performance reports, and maintaining the Key Performance Indicators (KPI).

The Compliance Division enforces regulatory compliance through training and monitoring activities for HUD grants.

The Directions Home Division transferred from the City's Management Office in January 2022. This division coordinates housing services and resources for homeless and at-risk of homelessness families and individuals living in Fort Worth and Tarrant County. Responsibilities includes overseeing \$3 million in city funds to reduce homelessness and keep clients housed, work with community partners to align resources and processes to most effectively reduce homelessness, and facilitating development of permanent supportive housing to reduce chronic homelessness.

### **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by two Authorized Positions (AP) moved from grant funding to General Fund in an increase of \$405,485
- Increases by \$4.04M in Pay-Go to fund Neighborhood Improvement Strategy Program budget
- Increases by \$2.00M in Capital Transfers to fund the expansion of the Priority Home Repair Program
- Increases by \$1.01M in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions
- Increases by \$498,373 in Other Contractual to fund the expansion of the Homeless Rapid Exit Program
- Increases by \$215,416 in General Operating & Maintenance for previously approved costs associated with risk management and IT solutions allocation costs
- Increases by \$280,390 in Other Contractual to fund the City's Cold Weather Emergency Overflow Shelter
- Increases by \$155,000 to fund Capital interfund transfer out increase to cover capital expenditures
- Increases by \$104,281 in Registration revenue
- Increases by \$46,560 in Miscellaneous Employee Reimbursement for temporary employees
- Increases by \$15,223 in Training and Workshops for additional staff training
- Increases by \$14,218 in Vehicle Repair and Maintenance due to the needs of an aging fleet

- Increases by \$3,000 in office copy services due to needs of the department
- Increases by \$2,000 for new gym equipment for community centers
- Increases by \$1,700 in professional license and fees to send more employees to training
- Decreases by (\$157,017) in Contribution from Others revenue
- Decreases by (\$14,500) in ID card revenue due to new policy of adolescents no longer having to have an ID card to access a neighborhood center



**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Community Action Partners</b>				
Service provision addressing employment, education, better use of available household income, housing, nutrition and emergency services. The overall goal is to lessen the impact of poverty and promote self-sufficiency.				
meet or exceed the targeted number of 75 clients that will transition out of poverty per TDHCA guidelines	N/A	N/A	75	76
<b>Housing Programs</b>				
Service provision includes home repairs, energy conservation and home weatherization, and home ownership assistance thereby strengthening and stabilizing neighborhoods.				
85% of exit surveys completed providing an overall service rating of 4 (good) or above on a 5 point scale	N/A	N/A	85%	85%
<b>Neighborhood Development</b>				
Service provision includes engaging partners, investing federal entitlement funds, leveraging resources, and/or promoting the NEZ and Emergency Rental Assistance programs as a tool to develop, revitalize, and stabilize neighborhoods and households.				
Meet Treasury deadlines for rental assistance programs by disbursing at least 20% of total annual funds each quarter	N/A	N/A	20%	20%
<b>Fiscal Management</b>				
Service provision includes reviewing and applying for grant opportunities, leveraging public investments in challenged neighborhoods, and ensuring payments are processed in a timely manner for services rendered.				
90% of completed invoices will be paid within 30 days by the Financial Management Division	N/A	N/A	90%	95%
<b>Directions Home</b>				
Directions Home is a city program aimed at making homelessness rare, short term and non-recurring.				
At least 80% of rapid exit clients remain housed one year after program exit	N/A	N/A	80%	80%
At least 240 clients are housed annually in the Rapid Exit Program	N/A	120	240	240
At least 120 clients annually are diverted from homelessness with the Rapid Exit Program	N/A	110	120	120
At least 70% of rapid rehousing clients increase income upon program exit	N/A	72.3%	70%	70%
At least 90% of rapid rehousing clients are housed within 30 days	N/A	62.5%	90%	90%
At least 90% of permanent supportive housing clients are housed within 60 days	N/A	42.8%	90%	90%

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Other	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Transfer In	—	—	—	—	—	0.0 %
Use of Fund Balance	—	—	2,124,106	—	—	0.0 %
<b>Total Revenues</b>	<b>—</b>	<b>—</b>	<b>2,124,106</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Expenses</b>						
Salaries & Benefits	(0)	17,000,090	5,560,993	11,250,977	(5,749,113)	-33.8 %
Gen Operating & Maintenance	—	4,085,149	1,280,284	5,085,000	999,851	24.5 %
Transfer Out & Other	1,145,000	5,888,106	8,012,212	12,811,118	6,923,012	117.6 %
<b>Expenses</b>	<b>1,145,000</b>	<b>26,973,345</b>	<b>14,853,489</b>	<b>29,147,095</b>	<b>2,173,750</b>	<b>8.1 %</b>
<b>Grand Total</b>	<b>\$ (1,145,000)</b>	<b>\$ (26,973,345)</b>	<b>\$ (12,729,383)</b>	<b>\$ (29,147,095)</b>	<b>\$ (2,173,750)</b>	<b>8.1 %</b>

**DEPARTMENT PURPOSE AND GOALS**

Non-Departmental cost centers have traditionally been used to record General Fund expenditure items not exclusively within the programmatic responsibilities of a General Fund department. In FY2016, many of these allocations such as retiree health benefits, economic incentives, debt service for the energy savings program, electric utility costs, risk management costs, and appraisal district fees were transferred out to the responsible departments. The goal is to have all the costs of an activity shown in the respective department at the end of the fiscal year.

The department is now used mainly for budgeting, with no funds expended from a Non-Departmental account. For FY2024, the major Non-Departmental accounts include, but are not limited to, separation leave costs for General Fund employees and civil service employees, election costs, training and education, the Tuition Reimbursement Program, and non-recurring other contractual costs. Also earmarked from Non-Departmental is an annual subsidy to support stability of the Municipal Golf Fund and Pay-As-You-Go capital intended for community partnerships.

The budget in Non-Department will go through a “true up” annually for any expenditures paid from the responsible department. The budget for such expenditures move from Non-Departmental to the participating department as needed and approved by the City Manager or his delegate.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The FY2024 Recommended Budget for Non-Departmental increases by \$2.3M. The Non-Departmental budget provides an annual reserve for major expenditures on overtime and separation leave and other expenses departments are not expected to absorb, such as tuition reimbursement. The Non-Departmental budget also typically includes significant one-time expenditures, especially for contracts which do not fall within any other department’s scope. The FY2024 budget includes special provisions for a transition from a major contractor, one-time capital costs, and replacing city infrastructure.

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Charge for Service	\$ 2,780,577	\$ 2,779,871	\$ 2,779,871	\$ 2,939,355	\$ 159,484	5.7 %
Use of Money & Property	172,402	108,027	108,027	182,830	74,803	69.2 %
Other	58,935	30,972	30,972	45,972	15,000	48.4 %
Transfer In	—	314,554	314,554	291,724	(22,830)	-7.3 %
Use of Fund Balance	—	—	1,958,492	—	—	0.0 %
<b>Total Revenues</b>	<b>3,011,914</b>	<b>3,233,424</b>	<b>5,191,916</b>	<b>3,459,881</b>	<b>226,457</b>	<b>7.0 %</b>
<b>Expenses</b>						
Salaries & Benefits	22,383,808	24,727,565	24,097,565	26,803,024	2,075,459	8.4 %
Gen Operating & Maintenance	28,025,791	32,771,377	33,401,377	39,303,869	6,532,492	19.9 %
Transfer Out & Other	10,585,043	4,371,572	6,580,064	4,742,591	371,019	8.5 %
<b>Expenses</b>	<b>60,994,642</b>	<b>61,870,514</b>	<b>64,079,006</b>	<b>70,849,484</b>	<b>8,978,970</b>	<b>14.5 %</b>
<b>Grand Total</b>	<b>\$(57,982,728)</b>	<b>\$(58,637,090)</b>	<b>\$(58,887,090)</b>	<b>\$(67,389,603)</b>	<b>\$(8,752,513)</b>	<b>14.9 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	584.00	362.29	598.00	374.85	14.00	12.56
Community Tree Planting	—	4.40	—	4.40	—	—
Crime Control and Prevention District	10.00	10.00	15.00	14.50	5.00	4.50
Capital Funds	—	10.50	—	10.50	—	—
Municipal Golf	78.00	53.03	81.00	56.03	3.00	3.00
Grant Funds	44.00	15.18	44.00	15.18	—	—
<b>Total</b>	<b>716.00</b>	<b>455.40</b>	<b>738.00</b>	<b>475.46</b>	<b>22.00</b>	<b>20.06</b>

**DEPARTMENT PURPOSE AND GOALS**

The Park & Recreation Department is responsible for planning, designing, developing, and maintaining the city's network of parks, as well as the planning and administration of the city's recreational programs. The Department is organized into five divisions.

The Administration Division provides overall administrative support to the department, including the coordination of volunteer activities, equipment/vehicles, safety management, fiscal and human resources, purchasing, management of the Fort Worth Zoo contract, and staff support for the Park & Recreation Advisory Board.

The Park Operations Division manages the General Fund operations for the Water Gardens, park reservations, and the management of various operations-related contracts (excluding construction). These contracts include instructors for the Park & Recreation and Neighborhood Services Departments, leases, licenses, professional services, adopt-a-park programs, and grounds maintenance. At present the scope for the ground maintenance contracts includes mowing, litter removal, select herbicide application, planting bed maintenance and irrigation repair in city parks, medians, rights-of-way, commercial corridors, tax-foreclosed properties, as well as some other departments' city-owned properties. This division also manages the Botanical Research Institute of Texas (BRIT) contract and the Crime Control and Prevention District (CCPD)- funded Graffiti Abatement Program.

The Recreation Division manages fourteen (13) community centers, the Log Cabin Village, the Fort Worth Nature Center & Refuge, Forest Park and Marine Park Pools, Sycamore Sprayground, and the management contracts related to the operation of the Northpark YMCA and McDonald YMCA pools.

The Planning and Resource Management Division manages the identification of park system needs/inventory, new parkland acquisition, oversight of park development projects, park system infrastructure maintenance, in-house small capital project construction, and the supply of and care for trees on city-owned property. Additionally, this division is responsible for tracking the expenditure of park gas well funds in compliance with the city's Financial Management Policy Statements.

The Golf and Athletics Division includes the Municipal Golf Fund and the General Fund athletic facilities and programs. Athletics includes Haws Athletics Center, McLeland Tennis Center, Sycamore Community Center (SYCC), athletics maintenance, adult and youth athletics programs, portions of the CCPD-Parks Community Policing Programs, and the CCPD-Funded Late Night Program (FW@6) at SYCC. The Municipal Golf Fund is discussed in the Special Revenue Section.

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

Northwest Community Center will open in FY2024 which is reflected in revenue and expense changes.

The department will continue addressing current and future recreation and open space operations and budget implications related to economic cost increases and supply chain delays.

The Adopted Budget:

- Increases by \$437,600 and 8 positions for the opening and full operation of Northwest Community Center
- Increases by \$333,050 and 4 positions for maintenance and litter abatement in high traffic areas with enhanced landscaping
- Increases by 3 Sr. Maintenance Worker positions for a net-neutral cost in the North and East Districts for the ongoing maintenance of the new parkland, trails, and capital improvements to existing parks. The department reduced overtime to offset the cost of two additional positions
- Increases by \$2,866,950 for mowing more frequently during the growth season
- Increases by a net of \$2,736,842 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions, allocated business services costs, Fort Worth Zoo CPI, and Botanic Garden CPI
- Increases by \$800,000 to fully fund contract mowing
- Increases by \$409,943 to fund maintenance of park and city assets acquired by Council approval in calendar year 2022
- Increases by \$200,000 for studies to increase resource efficiency
- Increases by \$172,570 for operating supplies tied inflation of costs
- Increases by \$100,000 for Forest Park tree planting
- Increases by \$100,000 for TxDOT corridor tree mitigation
- Decreases by \$95,949 due to moving administrative personnel out of leased office space and into New City Hall
- Increases by \$82,152 to fund increased rental costs of vehicles used by the After School Programs at Community Centers that do not have vans
- Increase \$72,640 for the Citywide Fleet RFID Reader project
- Increases by \$48,000 to fund the work order system that is fully deployed
- Increases by \$39,700 to fund increased costs for Aquatics operations
- Decreases by \$8,069 and 1 position due to combining two part-time positions into one full-time position that is eligible for greater pay and full benefits

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Resource Management &amp; Maintenance</b>				
Restore and maintain the viability of the park, recreation and open space system by investing in new facilities and re-investing in existing facilities.				
% of priority 1 & 2 park infrastructure work orders completed within 72 hours	67%	100%	100%	100%
% of priority 3 park infrastructure work orders completed within 10 working days	70%	37%	90%	90%
% of priority 4 park infrastructure work orders completed within 4 months	46%	44%	50%	75%
<b>Planning &amp; Development</b>				
Plan and provide new parkland and diverse facilities that meet park recreation and open space needs in the community.				
Meet city-wide park land dedication standard of providing at least 3.25 acres of Neighborhood Based parkland per 1,000 people	1,705	1,711	1,731	1,734
Meet city-wide park land dedication standard of providing at least 3.75 acres of Community Based parkland per 1,000 people	5,325	5,580	5,640	5,640
<b>Conservation &amp; Preservation</b>				
Preserve and enhance the city’s natural, historical and cultural developed resources.				
% of priority 1 & 2 emergency forestry work orders completed within 2 days	82%	91%	100%	100%
% of traffic divider contract mowing sites completed on schedule	92%	97%	100%	100%
% of ROW contract mowing sites completed on schedule	79%	82%	100%	100%
<b>Recreational Opportunities</b>				
To develop and provide programmatic opportunities to meet the needs and desires of the community that encourages healthy lifestyles.				
# level 1 soccer field rentals	8,207	11,981	12,580	5% increase
# community center memberships	4,548	5,548	5,825	5% increase
<b>Park &amp; Recreation Facilities</b>				
To develop and provide facilities that meet the needs and desires of the community that promotes health and wellness.				
# park reservations	881	681	945	1,200
<b>Human Services</b>				
To enhance the variety of program opportunities to meet the needs of a diverse population.				
# participants in after school programs	415	583	612	5% increase

**DEPARTMENT SUMMARY**

	FY2022	FY2023	FY2023	FY2024	Chg from PY Adopted	
	Final	Adopted	Adjusted	Adopted	Amount	%
<b>Revenues</b>						
License & Permits	\$ 17,530	\$ 22,500	\$ 22,500	\$ 17,500	\$ (5,000)	-22.2 %
Intergovernmental	184,626	—	—	—	—	0.0 %
Charge for Service	932,480	1,253,000	1,253,000	1,050,000	(203,000)	-16.2 %
Use of Money & Property	—	—	—	—	—	0.0 %
Other	2,188,079	1,286,367	1,286,367	1,520,367	234,000	18.2 %
<b>Total Revenues</b>	<b>3,322,715</b>	<b>2,561,867</b>	<b>2,561,867</b>	<b>2,587,867</b>	<b>326,000</b>	<b>12.7 %</b>
<b>Expenses</b>						
Salaries & Benefits	251,970,317	263,860,834	262,570,185	283,142,710	19,281,876	7.3 %
Gen Operating & Maintenance	35,063,614	34,383,497	36,930,691	37,881,556	3,498,059	10.2 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	298,259	307,207	307,207	316,423	9,216	3.0 %
Transfer Out & Other	64,527	—	35,083	—	—	0.0 %
<b>Total Expenses</b>	<b>287,396,717</b>	<b>298,551,538</b>	<b>299,843,166</b>	<b>321,340,689</b>	<b>22,789,151</b>	<b>7.6 %</b>
<b>Grand Total</b>	<b>\$(284,074,002)</b>	<b>\$(295,989,671)</b>	<b>\$(297,281,299)</b>	<b>\$(318,752,822)</b>	<b>\$(22,463,151)</b>	<b>7.6 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	1,986.00	1,962.31	2,035.00	2,025.10	52.00	62.79
Crime Control and Prevention District	365.00	352.98	416.00	403.48	52.00	50.50
Grants/Other	3.00	16.00	3.00	3.00	—	(13.00)
<b>Total</b>	<b>2,354.00</b>	<b>2,331.29</b>	<b>2,454.00</b>	<b>2,431.58</b>	<b>104.00</b>	<b>100.29</b>

**DEPARTMENT PURPOSE AND GOALS**

The Fort Worth Police Department, under the direction of the Chief of Police, exists to safeguard the lives and property of those we serve, to reduce the incidence and fear of crime, and to enhance public safety through partnering and building trust with the community. Components of this are found in our vision to make Fort Worth the nation’s safest major city and in our mission to provide quality service to create a safe environment for all, both in partnership with the community.

The Department’s five-year strategic plan (FY2023-FY2027) outlines the six priorities, noted below, include 21 objectives and 105 actions to implement and proactively focus work towards these goals.

1. Organization: Provide the optimum level of well-trained and prepared employees to achieve objectives and meet the needs of a growing community.
2. Culture: Create a culture in the department where all people are safe, healthy, and resilient.
3. Communication: Be a model for excellence in internal and external communication.
4. Crime Reduction: Continue to develop meaningful strategies that result in crime reduction.

5. Community Policing: Continue to implement best practices of community policing that enhance the safety of both officers and the public.
6. Infrastructure: Ensure Police Department infrastructure is operationally adequate to serve the community.

The Fort Worth Police Department (FWPD) is organized into three bureaus: Patrol, Support, and Finance/Personnel. Each bureau includes commands, with divisions, sections, and units under each command.

- a. Patrol Bureau: The majority of employees are in the Patrol Bureau, which consists of six divisions representing various geographic areas of the city. This includes directed response teams, the traffic division, and patrol support services. This Bureaus also includes specialized teams such as tactical medics, crisis intervention, homeless outreach, civilian response teams, and air support.
- b. Support Bureau: The main role of the Support Bureau is further policy support in the form of detective and investigative presence, intelligence, community programs, records and property room, the crime lab, and specialized functions including but not limited to SWAT, Narcotics, and Gang Units.
- c. The Finance/Personnel Bureau provides the administrative and fiscal foundation necessary to manage departmental finances, maintain the workforce, operate the communications center, and provide for departmental recruiting and training needs..

## FY2024 DISCUSSION AND SIGNIFICANT CHANGES

The Adopted Budget:

- Increases by \$4,061,037 for funding prior year costs of 45 sworn officers
- Increases by \$4,035,723 for scheduled increases in civil service employee pay as outlined in the current Meet and Confer agreement
- Increases by 21 AP (sworn) for additional patrol positions, which will be unfunded and absorbed with saving generated by attrition in FY24, and are recommended by the Matrix staffing study.
- Increases by \$2,287,961 for increased fleet costs
- Increases by \$1,825,013 for overtime costs
- Increases by \$1,795,716 for IT Service allocations
- Increases by \$1,507,078 as a result of transferring in 13 APs (sworn) previously funded by grants as part of the COPS Hiring grant; these 13 APs, though funded by the grant, were previously considered General Fund APs
- Increases by \$1,482,152 for pay for performance for general employees
- Increases by \$1,050,002 and 14 AP (general) for the Police Communications Division, as recommended by the Matrix staffing study
- Increases by \$907,266 for group health insurance adjustments
- Increases by \$785,738 for workers compensation allocations
- Increases by \$798,605 for salary adjustments attributed to \$15/hr minimum wage movement and 2% pay band adjustments
- Increases by \$539,969 for retiree health insurance allocations
- Increases by \$387,539 for funding Fleet RFID readers for a new fleet management system by the Property Management Department
- Increases by \$380,000 for additional ammunition budget due to price increases

- Increases by 3 AP (sworn) for the Crime Scene Unit, which will be unfunded and absorbed with savings generated by attrition in FY24, and are recommended by the Matrix staffing study
- Increases by \$328,281 for risk allocations
- Increases by 2 AP (sworn) for the Domestic Violence Team, which will be unfunded and absorbed with savings generated by attrition in FY2024, and are recommended by the Matrix staffing study
- Increases by \$231,580 for fleet service admin allocations
- Increases by 2 AP (sworn) for the Major Case/Missing Persons unit, which will be unfunded and absorbed with savings generated by attrition in FY24, and are recommended by the Matrix staffing study
- Increases by 2 AP (sworn) for expansion of the Real Time Crime Center Unit, which will be unfunded and absorbed with savings generated by attrition costs in FY24
- Increases by \$160,000 for equipment replacement
- Increases by \$158,046 and 2 AP (general employees) for biologists for DNA evidence processing
- Increases by \$134,510 and 2 AP (general employees) for admin support of public information requests in the Police Internal Affairs Division
- Increases by \$131,228 and 1 AP (general employees) for an Intelligence Analyst in the Fusion Center
- Increases by \$125,646 for 1 AP (general employees) for support to the records management system
- Increases by 1 AP (sworn) for the Fusion Center, which will be unfunded and absorbed with savings generated by attrition costs in FY24
- Increases by \$63,000 and 1 AP (general employees) for the Firearms unit in the Crime Lab
- Increases by \$49,113 and 1 AP (general employees) for admin support to the Crimes Against Children Unit, as recommended by the Matrix staffing study
- Increases by \$8,696 and decreases by a net of 1 AP due to reducing 2 part-time positions and adding 1 full-time position for increased admin support in the North Main Patrol Section
- Increases by a net of \$1,600 as a result of transferring out 11 AP (10 sworn and 1 general) and associated operating costs from General Fund to CCPD Fund and transferring in 8 AP (sworn) from CCPD Fund to General Fund for a net decrease of 3 AP (sworn) in the General Fund in an effort to align positions in fund-supported activities
- Decreases by (\$1,623,722) for fleet-related costs moved from the General Fund to CCPD Fund to cover vehicle maintenance and fuel costs for vehicles in the CCPD-fund
- Increases by a net of \$26,000 in revenues due to (1) decrease of (\$203,000) in charge for service primarily from notification fees, (2) adjusts budget from miscellaneous revenues to recovery of labor costs by \$195,000 and (3) increases by \$300,000 in sale of abandoned property



**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Crime Suppression</b>				
Reduce and prevent crime through proactive and preventative measures.				
Crime rate for Crimes Against Persons (per 100,000 population) below 3-year average	1,358.45	1,093.41 (YTD)	1,356.64	< 1,487.76
Crime rate for Crimes Against Property (per 100,000 population) below 3-year average	3,544.69	2,555.74 (YTD)	3,680.94	< 4,068.3
<b>Call Response</b>				
Provide quality and timely response to calls for service and to ensure a crime preventative patrol presence is maintained to increase public safety.				
Citywide average Priority 1 Response Time (Time call received to on scene)	9:19	10:09	8:54	< 8:54
Citywide average Priority 2 Response Time (Time call received to on scene)	18:58	23:39	17:18	< 17:18
Citywide average Priority 3 Response Time (Time call received to on scene)	65:54	98:07	52:00	< 52:00
<b>Community Policing</b>				
Establish partnerships with residents and business owners by fostering community involvement in crime reduction and neighborhood improvement and to provide quality investigative follow up to localized crime problems.				
Increase number of active volunteers in Police programs. (CODE Blue, CERT, MAC, CAPA)	797	686	800	800 or more
<b>Training</b>				
Recruit and train the most qualified, diverse applicants to become Fort Worth police officers.				
Match hiring demands associated with expansion and/or attrition by graduating qualified recruits	55	46	60	60
Increase number of diverse recruits graduated. (race and gender)	53%	55%	N/A	N/A
<b>Support</b>				
The Support Bureau oversees tactical and investigative services including Narcotics, Gang, SWAT, Intelligence, Violent Personal Crime, Special Victims Section, Victim's Assistance, and Forensics & Economic Crimes				
Clearance percentage for Homicide.	63%	66%	72%	72%
Clearance percentage for Robbery	44%	28%	35%	35%
Number of FWPAL participants	613	405	400	400

**DEPARTMENT SUMMARY**

	FY2022	FY2023	FY2023	FY2024	Chg from PY Adopted	
	Final	Adopted	Adjusted	Adopted	Amount	%
<b>Revenues</b>						
Charge for Service	\$ 1,001,953	\$ 175,842	\$ 175,842	\$ 197,248	\$ 21,406	12.2 %
Use of Money & Property	2,500,174	2,497,186	2,497,186	1,085,428	(1,411,758)	-56.5 %
Other	78,534	89,853	1,188,043	57,781	(32,072)	-35.7 %
Transfer In	1,270,574	1,349,858	1,349,858	1,317,427	(32,431)	-2.4 %
<b>Total Revenues</b>	<b>4,851,235</b>	<b>4,112,739</b>	<b>5,210,929</b>	<b>2,657,884</b>	<b>(1,454,855)</b>	<b>-35.4 %</b>
<b>Expenses</b>						
Salaries & Benefits	7,804,249	8,704,071	8,704,071	9,677,756	973,685	11.2 %
Gen Operating & Maintenance	6,983,794	10,656,051	10,506,051	13,666,801	3,010,750	28.3 %
Debt Service Accts	1,958,000	1,958,000	1,958,000	1,958,000	—	0.0 %
Transfer Out & Other	12,563,000	8,310,462	9,558,652	8,501,000	190,538	2.3 %
<b>Total Expenses</b>	<b>29,309,043</b>	<b>29,628,584</b>	<b>30,726,774</b>	<b>33,803,557</b>	<b>4,174,973</b>	<b>14.1 %</b>
<b>Grand Total</b>	<b>\$(24,457,808)</b>	<b>\$(25,515,845)</b>	<b>\$(25,515,845)</b>	<b>\$(31,145,673)</b>	<b>\$(5,629,828)</b>	<b>22.1 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	100.00	87.37	108.00	93.97	8.00	6.60
Capital Funds	7.00	17.82	7.00	19.22	—	1.40
Equipment Services	107.00	108.80	108.00	109.80	1.00	1.00
<b>Total</b>	<b>214.00</b>	<b>213.99</b>	<b>223.00</b>	<b>223.00</b>	<b>9.00</b>	<b>9.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The Property Management Department consists of four divisions including Facilities Management, Fleet Services, General Services, and Real Estate.

The Facilities Management Division is responsible for the planning, development, utilization, and maintenance of the majority of city facilities. This includes but is not limited to architectural and construction management services citywide.

The Fleet Services Division is charged with maintaining the city’s fleet and is budgeted and accounted for in the Fleet & Equipment Services Fund.

The General Services Division has five sections, including Administrative Services, IT Services, Contract Compliance Management, Utility Administration, and Fuel Services. The functions of each section include:

- The Administrative Services Section oversees fiscal and administrative responsibilities, including administration, budget, human resources, payroll, revenue, asset management, and purchasing
- The IT Services Section manages all IT-related projects, such as the annual computer refresh, FASTER WEB, VueWorks, SharePoint, City Map Viewer, etc.

- The Contract Compliance Management Section administers janitorial and other related services contracts (Lawn Service, Pest Control, Solid Waste/Recycling, Restroom Deodorization, etc.) for General Fund facilities, as well as all the Facilities Maintenance and the Fleet Services division contractual services. The Fleet Acquisition section maintains responsibility for the in-processing and disposal of vehicles and equipment citywide
- The Utility Administration Section manages the administrative responsibilities for the City's electric and natural gas municipal facility accounts and manages various City energy management initiatives. Utility Administration negotiates and oversees the City's franchise and license agreements, and administers fiscal and administrative responsibilities concerning telecommunications revenue
- Fuel Services oversees 98 fuel-related sites anchored by six larger multi-fuel sites; full propane alternative infrastructure and fueling. This section is funded through the Fleet & Equipment Services Fund

The Real Estate Division has five sections, including Real Property, Tax Foreclosed Property, Lease Administration, Mineral Management, and Lake Worth Lease Management. The functions of each section include:

- The Real Property Section is responsible for acquiring land and property interest for the City of Fort Worth as it relates to capital improvement projects through offers, negotiations and administrative processes.
- The Tax Foreclosed Property Section is responsible for managing the sales of tax foreclosed and City surplus properties
- The Lease Administration Section is responsible for identifying properties, negotiating lease terms and rates for the City of Fort Worth use of the private property and coordinating space planning with the Facilities Division for leasing of City-owned property
- The Mineral Management Section manages all City of Fort Worth mineral interests and activities including oil and gas lease negotiation, execution, and royalty compliance
- The Lake Worth Lease Management Section coordinates the land management activities related to the leasing of properties owned by the City of Fort Worth around the lake, the Lake Worth boat ramp permit program, the acquisition of properties for the Nature Center, and the platting of City property

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$1,422,812 for facilities maintenance costs associated with the Future City Hall building
- Increases by \$976,285 for increased levels of security, parking garage maintenance, waste management and recycling, window washing, kitchen equipment maintenance, and holiday decorations
- Increases by \$611,566 in risk management allocations due to additional commercial insurance premiums on the Future City Hall
- Increases by \$415,535 in salary and benefits for approved costs associated with pay for performance, rising health care costs, and workers compensation
- Increases by \$375,544 for utility costs, including electricity at Future City Hall and increased gas rates in the Downtown Municipal Complex
- Increases by \$355,514 for four (4) additional Skilled Trade Tech positions for Future City Hall maintenance
- Increases by \$190,538 due to an increase in capital transfers related to PayGo funding for facility maintenance projects
- Increases by \$154,222 for waste management and recycling contractual services
- Increases by \$147,773 for one (1) additional Capital Projects Manager position in the Architectural Services section

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- Increases by \$126,000 for additional maintenance costs for new city facilities opening in FY2024, including Forest Park Pool and the Northwest Community Center
- Increases by \$101,860 for one (1) additional Facility Planner position in the Facility Maintenance Division
- Increases by \$78,249 for two (2) authorized positions to Real Property Division that are split funded between the General Fund and the General Capital Projects Fund
- Decreases by (\$150,000) due to one-time funding of extractors for the Fire Department
- Decreases by (\$547,291) due to funding for Future City Hall property taxes not needed in FY2024
- Revenue budget decreases by (\$1,511,782) in Future City Hall lease revenue associated with one tenant, Burns & McDonnell, moving out of the building by the end of FY2023.

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Facility Planning, Design, &amp; Construction</b>				
Provide services to support vertical facility construction and renovation. Services include: Pre-design Services to help clients define needs and develop conceptual project scope and cost estimates, In house design for small projects, Design management, Construction Management, Space Planning, Programming, Facility Assessment.				
Construction contracts awarded within 4 months of design for all vertical projects in the 2014 and 2018 bond package.	100%	100%	100%	100%
<b>Facility Maintenance</b>				
Provide services to support vertical facility construction and renovation. Services include: Pre-design Services to help clients define needs and develop conceptual project scope and cost estimates, In house design for small projects, Design management, Construction Management, Space Planning, Programming, Facility Assessment.				
% of emergency work orders with a response time of one day or less	100%	99%	100%	100%
Preventive maintenance work orders completed (%)	79%	71%	90%	90%
Routine work orders completed within twenty one days (%)	74%	65%	90%	90%
Urgent work orders with a response time of two days or less (%)	100%	100%	90%	100%
<b>Acquisitions (Right-of-Way &amp; Easements)</b>				
To negotiate and acquire various land rights in support of capital improvement projects and city-wide initiatives according to Federal and State regulations, including the use of eminent domain; provide relocation services in accordance with Federal and State laws; manage the acquisition of infrastructure easements by developers as required by the City subdivision ordinances; facilitate the acquisition of railroad crossing permits and the abandonment of utility easements.				
Parcels for which title commitment, environmental reports, engagement of appraiser(s) are requested within seven (7) business days of project/parcel assignment (%)	53%	78%	100%	100%
Parcels for which initial offer letters are sent within seven days of final acceptance of appraisals. (%)	92%	77%	100%	100%
Parcels acquired within 180 days of project start date (%)	48%	45%	75%	75%
<b>Sale of City Owned &amp; Tax Foreclosed Properties</b>				
The CFW is Trustee for the local taxing jurisdictions in the property management and disposition of the tax-foreclosed property inventory. Disposition of the inventory is conducted via sealed bid and direct sales processes as allowed by state law. PMD is responsible for the disposition and property management of City Owned Surplus Real Property via sealed bid sale or direct sale as allowed by state law.				

## General Fund

## Property Management

Tax Foreclosed Real Property Inventory Sold Per FY.	18	6	50	50
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City-owned surplus properties submitted for consideration for disposition.	33	29	50	50
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### Lease Management

The Contract Compliance Management Section administers janitorial and other related services contracts (Lawn Service, Pest Control, Solid Waste/Recycling, Restroom Deodorization, etc.) for General Fund facilities, as well as the Fleet Services division contractual services.

Negotiated new property leases are completed within agreed upon time frame (%)	100%	100%	90%	90%
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### Contract Compliance

The Contract Compliance Management Section administers janitorial and other related services contracts (Lawn Service, Pest Control, Solid Waste/Recycling, Restroom Deodorization, etc.) for General Fund facilities, as well as the Fleet Services division contractual services.

Contracts are renewed prior to expiration date (%)	74%	79%	100%	100%
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### Utility Management

Administration associated with energy supply-side expenses, energy demand-side management, and telecommunication franchise fee revenues.

Produce energy reports by month-end for the 6-City departments that use the most energy in order to assist these departments in better-managing their energy budgets.	75%	100%	100%	100%
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Receive, prepare, and forward energy utility bills for payment processing within 2-days of invoice receipt.	74%	100%	100%	100%
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Submit City Utility Service Requests within 2 business days of receipt.	New	100%	100%	100%
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### Fuel Management

Fuel management provides the needed day-to-day services of fuel delivery and fuel site maintenance for the City of Fort Worth. Furthermore, services in the areas of contract, compliance, and systems administration add to the department's responsibilities for the City. Fuel management adds design and monitoring system knowledge to facility build-outs.

Fuel inventory variance (%)	<1%	<1%	<1%	<1%
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**DEPARTMENT SUMMARY**

	FY2022	FY2023	FY2023	FY2024	Chg from PY Adopted	
	Final	Adopted	Adjusted	Adopted	Amount	%
<b>Revenues</b>						
Other Tax	\$ 53,000	\$ 29,709	\$ 29,709	\$ 28,000	\$ (1,709)	-5.8 %
License & Permits	69,726	60,624	60,624	63,400	2,776	4.6 %
Charge for Service	148,393	161,000	161,000	161,000	—	0.0 %
Other	34,539	3,000	3,000	21,000	18,000	600.0 %
Use of Fund Balance	—	—	1,500,000	—	—	0.0 %
<b>Total Revenues</b>	<b>305,658</b>	<b>254,333</b>	<b>1,754,333</b>	<b>273,400</b>	<b>19,067</b>	<b>7.5 %</b>
<b>Expenses</b>						
Salaries & Benefits	20,412,382	22,940,450	23,140,450	24,725,238	1,784,788	7.8 %
Gen Operating & Maintenance	13,095,284	14,556,353	15,112,353	16,740,271	2,183,918	15.0 %
Transfer Out & Other	46,832,040	51,073,574	52,573,574	56,300,135	5,226,561	10.2 %
<b>Total Expenses</b>	<b>80,339,706</b>	<b>88,570,377</b>	<b>90,826,377</b>	<b>97,765,644</b>	<b>9,195,267</b>	<b>10.4 %</b>
<b>Grand Total</b>	<b>\$(80,034,048)</b>	<b>\$(88,316,044)</b>	<b>\$(89,072,044)</b>	<b>\$(97,492,244)</b>	<b>\$ (9,176,200)</b>	<b>10.4 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	239.00	231.80	245.00	237.80	6.00	6.00
Capital Funds	—	8.25	—	8.25	—	—
Stormwater Utility	105.00	103.95	116.00	114.95	11.00	11.00
Municipal Parking	21.00	21.00	21.00	21.00	—	—
Capital Project Services	129.00	129.00	125.00	125.00	(4.00)	(4.00)
<b>Total</b>	<b>494.00</b>	<b>494.00</b>	<b>507.00</b>	<b>507.00</b>	<b>13.00</b>	<b>13.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The Transportation & Public Works Department strives to improve the condition of the City’s infrastructure by effectively managing the city street system, traffic signals, drainage structures, street lights, street signs, street pavement, and pavement markings. The Department is funded through five different funds: General Fund, Crime Control & Prevention District Fund, Stormwater Utility Fund, Municipal Parking Fund, and the Capital Project Services Fund. Divisional alignment and management of the organization cross funding sources based on functional efficiencies. The divisions within the Department include Business Support, Capital Delivery, Streets & Stormwater Operations, Stormwater Management, Regional Transportation and Innovation, and Transportation Management.

The Business Support Division is responsible for managing and coordinating the Department’s business related activities, including capital and operating budgets, capital project fiscal support, fleet management, human resources, information technology administration, and workplace safety.

The Capital Delivery Division is responsible for program management, engineering design, project management, surveying, quality control, and construction inspection services for infrastructure improvement projects. The division is also responsible for

both pavement management planning and delivering contract street maintenance (PayGo) projects. For the planning component, the group provides continual pavement condition assessments as part of the overall priority planning for the entire street network. The Pavement Condition Index is used for the prioritization and programming of capital improvements (reconstruction), Bond Programs, and major maintenance (resurfacing and rehabilitation) of the street network. For the contract maintenance component, the group oversees the procurement and construction of the City's minor and major street maintenance contracts such as County ILA projects, joint seal, concrete restoration, bridge maintenance, and asphalt rehabilitation projects.

The Regional Transportation and Innovation Division is responsible for Transit Coordination, Railroad Coordination, Regional Coordination, Transportation Planning, and Innovation in Transportation.

The Street Operations Division provides in-house street pavement maintenance and is a first responder during emergency operations for snow/ice events or other natural disasters which require assistance with heavy equipment and personnel. The pavement maintenance types currently include asphalt overlays, asphalt pavement repairs, concrete panel restoration, pothole repairs and crack sealing.

The Transportation Management Division is responsible for traffic engineering services; the oversight of traffic safety programs; municipal parking; and the planning, maintenance, and operation of street lights, traffic signals, traffic signs, and roadway markings. The Division is also responsible for sidewalk and ADA projects. Safety programs include Vision Zero, Safe Routes to School, and ground transportation regulation. This scope of this division has also expanded scope to include the Right-of-Way (ROW) Management program. The ROW Management program is responsible for the following: coordination, permitting, and inspection of private utility work within the ROW; and for performing the City Engineer function including development and maintenance of infrastructure standards, specifications, policies and practices involved in the review and approval of engineering plans in the ROW.

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$1.9 million and six authorized position (APs) in salary and benefits for additional concrete crew and associated equipment. This additional crew will increase production and decrease concrete maintenance backlog by an additional 20% annually, then be able to maintain responsiveness to service request
- Increases by \$6.4 million for the Pay as You Go (PAYG) portion for Capital items
- Decreases by (\$2.2 million) for the transfer of funds to Non-Departmental associated with one-time cost
- Increases by \$1.2 million in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions
- Increases by \$975,000 to cover Paving Material Costs increases in order to maintain response to Pothole and Street repair requests which affects public safety, quality of life, and infrastructure maintenance
- Increases by \$250,000 for Artificial Intelligence (AI) for Accessing Asset Conditions
- Increases by \$247,000 for CDL Training and Incentive Pay
- Increased by \$161,456 to cover fuel cost increase recommendations from Property Management Department
- Increases by \$83,612 in General Operating & Maintenance for previously approved costs associated with risk management, administrative cost and IT solutions allocation costs
- Increased by \$69,312 in Stormwater Utility Fee as a result of Increase SWU fee by 15%



**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Street Maintenance</b>				
Manage and maintain street infrastructure.				
# lane miles of pavement chip coating applied	16.2	17.1	18	18
Repair potholes within 48 hours, 90 - 95% of the time	100%	99%	95%	95%
Remove and replace 8,400 sq. yds of concrete panels	N/A	N/A	5,067	8,400
<b>Pavement Management</b>				
Develop and direct street maintenance programs while also providing efficient customer service to internal and external customers.				
Maintain the street network at a pavement condition of a 70 PCI out of 100 PCI rating	N/A	N/A	74 PCI	70 PCI
<b>Stormwater Operations</b>				
Manage and maintain stormwater infrastructure				
# miles of open channel drainage system maintained/restored	8.12	7.24	7	7
# drainage inlets cleaned and inspected	6,507	6,500	6,350	6,350
# acres of vegetation in drainage easements mowed	1,342	1,318	1,480	1,480
Visually inspect 35 miles of storm drain pipe in FY24, with 50 miles annual target starting in FY25	N/A	24.23	35	35
Clean 10 miles of storm drain pipe in FY24, with 15 miles annual target starting in FY25	N/A	5.7	10	10
Inspect 1,200 culverts on an annual basis	N/A	N/A	1,200	1,200
<b>Transportation Engineering</b>				
To plan, program and coordinate multimodal transportation system development by providing professional engineering services and safety program management.				
Retime 1/3 of the City's Signal Corridors annually to optimize traffic flow with changing in traffic patterns and volumes	301	184	210	300
Conversion of residential street lights to LEDs within 75% Majority Minority Areas (MMAs).	443	577	700	275
Installation of 2,900,000 linear foot of pavement markings and improvement of aging markings.	—	1,308,730	2,900,000	2,900,000
<b>Transportation Operations</b>				
To actively operate, plan, and maintain the system of streetlights, signs and traffic signals in a manner that provides safety and achieves mobility across all modes of travel.				
Restore Flashing Traffic Signals within 24 hours of notification 95% of the time	—	—	95%	95%
Traffic regulatory sign replacement within 4 hours of damage notification 95% of the time	97%	97%	95%	95%

**Transportation Planning**

To strategically plan and maintain the multimodal transportation system through implementation of Vision Zero and sidewalk projects.

Install 10,000 linear foot of sidewalk within the 75% Majority Minority Areas (MMAs).	8,150	5,321	10,000	15,000
Provide resolution to citizen requests for Traffic Engineering improvements in less than 60 days.	87%	92%	95%	95%

**Stormwater Program Development**

Provide strategic leadership, direction, coordination, and collaboration with Service Providers for direct implementation of Program maintenance, mitigation, warning, and development review to achieve the mission of the Stormwater Management Program "to protect people and property from harmful stormwater runoff."

Perform condition assessment (CCTV inspection/ evaluation) of X miles of critical storm drains a year to understand condition and prioritize project needs	16.8	23.2	35	35
Perform 95% of initial site visit for non-emergencies storm water related customer calls / inquiries within 72 hours (3 business days).	NA	99%	95%	95%
Perform 95% of initial site visit for emergencies storm water related customer calls / inquiries within 24 hours.	NA	99.00	95%	95%

**ROW Management**

Provide strategic leadership, direction, coordination, and collaboration associated with private utilities in ROW, design/ construction of facilities within the ROW, Safety efforts in Transportation Management, and supporting the City Engineer function

"Utility" Permitting: ROW Mgmt to respond to 90% of workflow steps in permitting within 3 working days	100%	99%	95%	95%
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# Debt Service Funds

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ 120,853,275	\$ 138,508,506	\$ 138,508,506	\$ 162,378,702	\$ 23,870,196	17.2 %
Charge for Service	96,285	—	—	—	—	0.0 %
Use of Money & Property	13,653,471	3,450,000	3,450,000	3,450,000	—	0.0 %
Transfer In	207,656,511	136,437,929	148,272,929	154,426,557	17,988,628	13.2 %
<b>Total Revenues</b>	<b>342,259,542</b>	<b>278,396,435</b>	<b>290,231,435</b>	<b>320,255,259</b>	<b>41,858,824</b>	<b>15.0 %</b>
<b>Use of Fund Balance</b>	<b>—</b>	<b>—</b>	<b>228,042</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Expenses</b>						
Capital Accts	—	—	—	—	—	—
Debt Service Accts	339,721,881	275,411,715	288,256,997	304,059,020	28,647,305	10.4 %
Transfer Out	2,975,650	—	—	2,980,400	2,980,400	0.0 %
<b>Total Expenses</b>	<b>342,697,531</b>	<b>275,411,715</b>	<b>288,256,997</b>	<b>307,039,420</b>	<b>31,627,705</b>	<b>11.5 %</b>
<b>Contribution to Fund Balance</b>	<b>—</b>	<b>2,984,720</b>	<b>2,202,480</b>	<b>13,215,839</b>	<b>10,231,119</b>	<b>342.8 %</b>
Revenues Over(Under) Expenses	\$ (437,989)	\$ —	\$ —	\$ —	\$ —	0.0 %

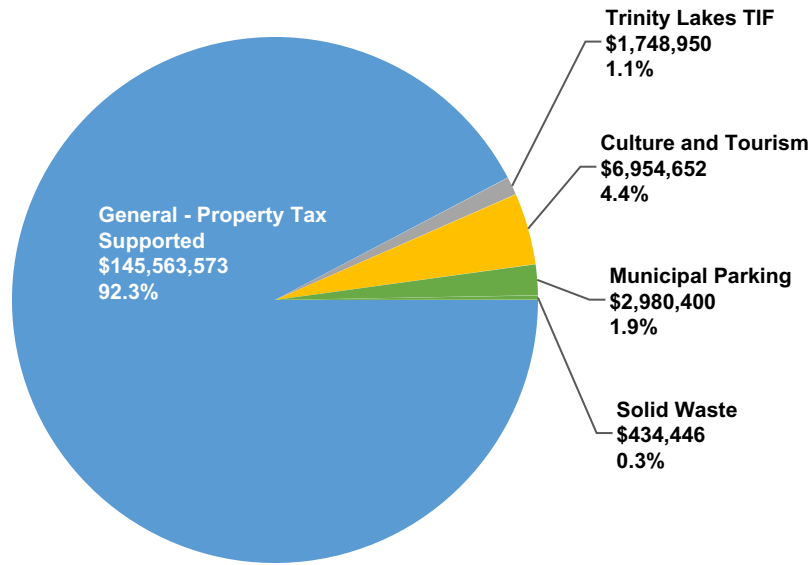
**FUND PURPOSE AND GOALS**

Debt service funds account for the accumulation of financial resources for the payment of principal, interest, and related costs on long-term obligations paid primarily from taxes levied by the city. The city will utilize seven debt service funds to accumulate the resources to make principal and interest payments on existing bond issues. Debt service funds include the General Debt Service Fund, Culture and Tourism Debt Service Fund, Venue Debt Service Fund, Stormwater Debt Service Fund, Solid Waste Debt Service Fund, Municipal Parking Debt Service Fund, and a Water Debt Service Fund. The total FY2024 debt service requirements, for all funds' outstanding debt are \$291,589,119 (does not include capital leases, energy conservation loans, or handling charges).

**TOTAL GENERAL OBLIGATION DEBT**

Of the total debt amount projected for the upcoming fiscal year (FY2024), \$157,682,020 is for general obligation bonds, certificates of obligation, loans, and tax notes.

**Total General Obligation Debt**



**Ad Valorem Tax Supported Debt**

Current property tax collections cover most of the general debt service assisted by delinquent property tax collections. Other revenues include a transfer to the General Debt Service Fund from the Crime Control and Prevention District (CCPD) for CCPD-eligible activities, a transfer from the Trinity Lakes TIF, and interest earnings. Projected revenues for debt service are as follows:

Current Property Tax	\$	161,328,713
Other Revenue	\$	6,248,939
	\$	<u>167,577,652</u>

State property tax law allows the city to levy a property tax to pay for its long-term (over 1 year) debt obligations and for the next fiscal year \$0.1475 (20.14%) of the total tax rate is devoted to paying long-term debt service obligations. For FY2024 the city’s combined recommended property tax rate is \$0.6725 per \$100 of assessed valuation with a 98.25% collection rate. This represents a \$0.15 decrease from the prior year’s property tax rate. The debt service levy rate of \$0.1475 per \$100 of assessed valuation is expected to yield approximately \$161 million which, along with other revenues, will allow the repayment of all current general debt obligations.

The State Constitution limits the tax rate to \$2.50 per \$100. Administratively, the Texas Attorney General will only allow up to \$1.50 per \$100 for all tax-supported debt.

The city’s credit ratings are complimentary of strong financial performance, maintaining reserves, and strong financial governance. The city’s credit strengths are somewhat offset by the city’s unfunded pension liability and fixed cost burden. Moody’s Investors Services (Moody’s), S&P Global Rating Services (S&P), Fitch Rating Services (Fitch), and Kroll Bond Rating Agency (Kroll) have all assigned ratings to the City of Fort Worth’s outstanding debt. The city’s general obligation debt is rated ‘Aa3’ by Moody’s, ‘AA’ by both S&P and Fitch, and ‘AA+’ by Kroll. The city’s water and sewer system revenue bonds are rated ‘Aa1’ by Moody’s, ‘AA+’ by S&P, and ‘AA’ by Fitch. The city’s drainage utility system revenue bonds are rated ‘AA+’ by both S&P and Fitch. The city’s special tax revenue bonds are not rated by S&P or Kroll, and are rated ‘A1’ and ‘AA’ by Moody’s and Fitch, respectively.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ 120,853,275	\$ 138,508,506	\$ 138,508,506	\$ 162,378,702	\$ 23,870,196	17.2 %
Charge for Service	96,285	—	—	—	—	0.0 %
Use of Money & Property	7,251,839	3,450,000	3,450,000	3,450,000	—	0.0 %
Transfer In	79,118,120	3,980,510	15,815,510	1,748,950	(2,231,560)	-56.1 %
Use of Fund Balance	—	—	228,042	—	—	0.0 %
<b>Total Revenues</b>	<b>207,319,519</b>	<b>145,939,016</b>	<b>158,002,058</b>	<b>167,577,652</b>	<b>21,638,636</b>	<b>14.8 %</b>
<b>Expenses</b>						
Debt Service Accts	200,592,258	145,939,016	158,002,058	159,777,621	13,838,605	9.5 %
Transfer Out & Other	2,975,650	—	—	7,800,031	7,800,031	0.0 %
<b>Total Expenses</b>	<b>203,567,908</b>	<b>145,939,016</b>	<b>158,002,058</b>	<b>167,577,652</b>	<b>21,638,636</b>	<b>14.8 %</b>
<b>Grand Total</b>	<b>\$ 3,751,611</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

The General Debt Service Fund debt is used to provide funds for the repayment of long-term debt obligations issued to support the capital delivery of voter supported bond programs and other capital necessities such as equipment purchases, upgrades, repairs, construction of buildings, streets, and infrastructure to meet the needs of the city. This includes the debt paid by property tax authority rather than debt paid by an enterprise fund revenue source.

Tax-supported debt is shown in the following chart. Not included in the chart are handling charges, contribution to fund balance, and other administrative expenses.

<b>FY2024</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2012 Combination Tax	\$ 4,105,000	\$ 1,173,875	\$ 5,278,875
2013 General Purpose Ref	565,000	223,175	788,175
2013C Combination Tax	920,000	23,000	943,000
2015 General Purpose Ref	790,000	27,261	817,261
2015A General Purpose Ref	10,880,000	2,306,988	13,186,988
2016 General Purpose Ref	10,070,000	4,249,100	14,319,100
2017 Tax Notes	2,715,000	26,743	2,741,743
2018 General Purpose	1,980,000	153,750	2,133,750
2018 Tax Notes	2,250,000	1,264,145	3,514,145
2019 General Purpose	4,535,000	2,736,925	7,271,925
2019 Tax Notes	1,290,000	171,000	1,461,000
2020 General Purpose Ref & Imp	9,390,000	3,747,000	13,137,000
2020 Tax Notes	3,570,000	661,150	4,231,150
2021 Combination Tax	1,990,000	501,250	2,491,250
2021 Gen Purpose Ref (Taxable)	1,610,000	394,641	2,004,641
2021 General Purpose Ref & Imp	6,490,000	3,532,100	10,022,100
2021C Tax Notes	1,240,000	508,950	1,748,950
2022 Tax Notes	9,955,000	993,409	10,948,409
2022 General Purpose Ref & Imp	9,605,000	4,577,281	14,182,281
2022 Gen Purpose Ref (Taxable)	8,600,000	681,600	9,281,600
2023 General Purpose	18,890,000	8,759,993	27,649,993
2023 Combination Tax	1,665,000	4,963,106	6,628,106
2023 Tax Notes	1,905,000	995,578	2,900,578
	<b>\$ 115,010,000</b>	<b>\$ 42,672,020</b>	<b>\$ 157,682,020</b>

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Use of Money & Property	\$ 525,301	\$ —	\$ —	\$ —	—	0.0 %
Transfer In	4,988,858	3,891,026	3,891,026	6,954,652	3,063,626	78.7 %
Use of Fund Balance	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>5,514,159</b>	<b>3,891,026</b>	<b>3,891,026</b>	<b>6,954,652</b>	<b>3,063,626</b>	<b>78.7 %</b>
<b>Expenses</b>						
Debt Service Accts	4,988,858	3,891,026	3,891,026	6,954,652	3,063,626	78.7 %
Transfer Out & Other	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>4,988,858</b>	<b>3,891,026</b>	<b>3,891,026</b>	<b>6,954,652</b>	<b>3,063,626</b>	<b>78.7 %</b>
<b>Grand Total</b>	<b>\$ 525,301</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>	<b>0.00 %</b>

**FUND PURPOSE AND GOALS**

The Culture & Tourism debt service fund is used to finance upgrades, updates, and construction projects to city-owned facilities that would add to the tourist attractions in the City of Fort Worth. Examples include the Convention Center and the Will Rogers Memorial Coliseum.

The following chart provides the principal and interest for each bond issuance that has a payment due in FY2024.

FY2024	Principal	Interest	Total Debt Service
2015A General Purpose Ref	865,000	114,625	979,625
2020 General Purpose Ref & Imp	1,520,000	643,500	2,163,500
2021 Gen Purpose Ref (Taxable)	655,000	91,778	746,778
2023 Combination Tax	770,000	2,294,749	3,064,749
	<b>\$ 3,810,000</b>	<b>\$ 3,144,652</b>	<b>\$ 6,954,652</b>



**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Use of Money & Property	\$ 94,910	\$ —	\$ —	\$ —	—	0.0 %
Transfer In	15,013,829	15,023,254	15,023,254	15,036,212	12,958	0.1 %
Use of Fund Balance	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>15,237,613</b>	<b>15,023,254</b>	<b>15,023,254</b>	<b>15,036,212</b>	<b>12,958</b>	<b>0.1 %</b>
<b>Expenses</b>						
Debt Service Accts	14,924,898	14,930,243	14,930,243	14,924,967	(5,276)	0.0 %
Transfer Out & Other	—	93,011	93,011	111,245	18,234	19.6 %
<b>Total Expenses</b>	<b>14,924,898</b>	<b>15,023,254</b>	<b>15,023,254</b>	<b>15,036,212</b>	<b>12,958</b>	<b>0.1 %</b>
<b>Grand Total</b>	<b>\$ 312,715</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

The Venue Debt Service Fund is used to provide funds for Dickies Arena and associated facilities serving as tourist attractions in the City of Fort Worth by servicing the city’s portion of debt associated with these facilities.

The following chart provides the principal and interest amounts for each bond issuance that has a payment due in FY2024. Other budgeted amounts beyond debt service obligations are for handling charges and contribution to fund balance/net position.

FY2024	Principal	Interest	Total Debt Service
2017A Special Tax Rev	2,400,000	3,928,506	6,328,506
2017B Special Tax Rev	3,445,000	5,149,861	8,594,861
	<b>\$ 5,845,000</b>	<b>\$ 9,078,367</b>	<b>\$ 14,923,367</b>

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Use of Money & Property	\$ 18,557	\$ —	\$ —	\$ —	—	0.0 %
Transfer In	2,975,650	2,975,400	2,975,400	2,980,400	5,000	0.2 %
<b>Total Revenues</b>	<b>2,994,207</b>	<b>2,975,400</b>	<b>2,975,400</b>	<b>2,980,400</b>	<b>5,000</b>	<b>0.2 %</b>
<b>Expenses</b>						
Debt Service Accts	2,975,650	2,975,400	2,975,400	2,980,400	5,000	0.2 %
<b>Total Expenses</b>	<b>2,975,650</b>	<b>2,975,400</b>	<b>2,975,400</b>	<b>2,980,400</b>	<b>5,000</b>	<b>0.2 %</b>
<b>Grand Total</b>	<b>\$ 18,557</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

The Municipal Parking Debt Service Fund is used to finance upgrades, repairs, and construction of city parking facilities. In the past, parking revenues were not sufficient to cover the debt; therefore, general debt service supported coverage of the obligation. This was executed by a transfer in of funds from the General Debt Service Fund. Again in FY2024, the General Debt Service Fund will support the repayment of the parking obligation from a transfer in of funds.

The following chart provides principal and interest by series for each bond issuance that has a payment due in FY2024.

FY2024	Principal	Interest	Total Debt Service
2016 General Purpose Ref	\$ 1,950,000	\$ 1,030,400	\$ 2,980,400
	\$ 1,950,000	\$ 1,030,400	\$ 2,980,400

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Use of Money & Property	\$ 77,899	\$ —	\$ —	\$ —	—	0.0 %
Transfer In	469,426	454,349	454,349	434,447	(19,902)	-4.4 %
<b>Total Revenues</b>	<b>547,325</b>	<b>454,349</b>	<b>454,349</b>	<b>434,447</b>	<b>(19,902)</b>	<b>-4.4 %</b>
<b>Expenses</b>						
Debt Service Accts	469,426	454,349	454,349	434,447	(19,902)	-4.4 %
<b>Total Expenses</b>	<b>\$ 469,426</b>	<b>\$ 454,349</b>	<b>\$ 454,349</b>	<b>\$ 434,447</b>	<b>(19,902)</b>	<b>-4.4 %</b>
<b>Grand Total</b>	<b>\$ 77,899</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

The Solid Waste Debt Service Fund is used to pay debt service on long-term bonds issued for street repairs, as well as repairs and upgrades to the city's Eastside Landfill.

The following chart provides the principal and interest by series for each bond issuance that has a payment due in FY2024.

FY2024	Principal	Interest	Total Debt Service
2015 General Purpose Ref	420,000	14,447	434,447
	\$ 420,000	\$ 14,447	\$ 434,447

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Use of Money & Property	\$ 795,156	\$ —	\$ —	\$ —	—	0.0 %
Transfer In	7,727,896	9,640,778	9,640,778	12,406,016	2,765,238	28.7 %
Use of Fund Balance	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>8,523,052</b>	<b>9,640,778</b>	<b>9,640,778</b>	<b>12,406,016</b>	<b>2,765,238</b>	<b>28.7 %</b>
<b>Expenses</b>						
Debt Service Accts	9,498,694	9,503,370	9,503,370	12,124,389	2,621,019	27.6 %
Transfer Out & Other	—	137,408	137,408	281,627	144,219	105.0 %
<b>Total Expenses</b>	<b>\$ 9,498,694</b>	<b>\$ 9,640,778</b>	<b>\$ 9,640,778</b>	<b>\$ 12,406,016</b>	<b>\$ 2,765,238</b>	<b>28.7 %</b>
<b>Grand Total</b>	<b>\$ (975,642)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

The Stormwater Debt Service Fund is used to fund the repayment of Drainage Utility Revenue Bonds that were issued to support projects which update, upgrade, or improve the city’s current storm water system. It also includes long-range development planning of the system.

The following chart provides principal and interest by series for each debt issuance that has a payment due in FY2024. Handling charges are included separately from principal and interest depicted in the chart, as is a contribution to fund balance.

FY2024	Principal	Interest	Total Debt Service
2016 Drainage Rev	\$ 1,040,000	\$ 392,600	\$ 1,432,600
2019 Drainage Rev Ref	1,570,000	923,881	2,493,881
2020 Drainage Rev Ref	2,910,000	2,683,038	5,593,038
2023 Drainage Rev Ref	400,000	2,201,670	2,601,670
	<b>\$ 5,920,000</b>	<b>\$ 6,201,189</b>	<b>\$ 12,121,189</b>

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Use of Money & Property	\$ 4,875,833	\$ —	\$ —	\$ —	—	0.0 %
Transfer In	97,233,858	100,472,612	100,472,612	114,865,880	14,393,268	14.3 %
Use of Fund Balance	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>102,109,691</b>	<b>100,472,612</b>	<b>100,472,612</b>	<b>114,865,880</b>	<b>14,393,268</b>	<b>14.3 %</b>
<b>Expenses</b>						
Debt Service Accts	106,272,098	97,718,311	98,500,551	106,862,544	9,144,233	9.4 %
Transfer Out & Other	—	2,754,301	1,972,061	8,003,336	5,249,035	190.6 %
<b>Total Expenses</b>	<b>\$ 106,272,098</b>	<b>\$ 100,472,612</b>	<b>\$ 100,472,612</b>	<b>\$ 114,865,880</b>	<b>\$ 14,393,268</b>	<b>14.3 %</b>
<b>Grand Total</b>	<b>\$ (4,162,407)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

Water & Sewer Prior Lien Debt Service Fund uses revenue debt to fund projects which update, upgrade, or improve the city's current water and sewer system. It also includes long-range development and planning of the systems.

The city's Water & Sewer Enterprise System has outstanding debt service obligations for previously issued water-related debt. Issues include water & sewer revenue bonds and loans from the Texas Water Development Board's State Revolving Loan Fund. The Water & Sewer Operating Fund collects fees for its services to support ongoing operations and its outstanding debt service obligations.

The following chart shows principal and interest by series for each bond issuance with a payment due in FY2024. An additional minimal amount is included in debt service accounts that do not show below. This is due to bond covenant requirements in addition to budgetary needs.

FY2024	Principal	Interest	Total Debt Service
2009 W&SS Revenue Bonds	\$ 815,000	\$ —	\$ 815,000
2014 W&SS Ref and Imp	6,245,000	4,206,175	10,451,175
2015 W&SS Rev	1,880,000	402,765	2,282,765
2015A W&S Ref and Imp	12,030,000	3,148,794	15,178,794
2015B W&SS Rev	875,000	110,802	985,802
2016 W&SS Ref and Imp	4,895,000	1,861,275	6,756,275
2017 W&SS Rev	475,000	183,718	658,718
2017A W&SS Rev Ref Imp	3,610,000	3,408,275	7,018,275
2017B W&SS Rev	4,135,000	591,894	4,726,894
2018 W&SS Rev	985,000	1,751,119	2,736,119
2019 W&SS Rev	1,840,000	3,281,244	5,121,244
2020 W&SS Rev	3,115,000	111,562	3,226,562
2020A W&SS Rev Ref Imp	11,310,000	4,683,775	15,993,775
2021 W&SS Rev Ref Imp	8,045,000	3,842,031	11,887,031
2022 W&SS Rev	2,435,000	6,106,575	8,541,575
2023 W&SS Rev	1,405,000	9,077,540	10,482,540
	<b>\$ 64,095,000</b>	<b>\$ 42,767,544</b>	<b>\$ 106,862,544</b>

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Use of Money & Property	\$ 13,976	\$ —	\$ —	\$ —	—	0.0 %
Transfer In	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>13,976</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Expenses</b>						
Debt Service Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>	<b>0.0 %</b>
<b>Grand Total</b>	<b>\$ 13,976</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

In addition to the outstanding general obligation debt, the Water & Sewer Prior Lien Debt Service Fund includes state revolving loan debt used to fund projects which update, upgrade, or improve the city’s current water & sewer system. It also includes long-range development and planning of the systems. This debt works in conjunction with the city’s other water & sewer debt in that issues are subordinate liens to the primary water & sewer system debt.

All debt obligations were relieved in FY2020 and no outstanding obligations remain for FY2024.

# **Special Revenue Funds**

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Change from Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	431,883	378,700	378,700	443,794	65,094	17.2%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	1,898,303	2,112,317	2,112,317	3,121,261	1,008,944	47.8%
Special Assessments	—	—	—	—	—	0.0%
Other	3,168,986	1,932,071	2,792,071	4,397,805	2,465,734	127.6%
Transfer In	—	—	—	—	—	0.0%
Use of Fund Balance	—	3,005,765	3,763,040	274,903	(2,730,862)	-90.9%
<b>Total Revenues</b>	<b>5,499,172</b>	<b>7,428,853</b>	<b>9,046,128</b>	<b>8,237,763</b>	<b>808,910</b>	<b>10.9%</b>
<b>Expenses</b>						
Salaries & Benefits	—	—	—	—	—	0.0%
Gen Operating & Maintenance	4,226,447	6,148,853	7,766,128	7,477,763	1,328,910	21.6%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	—	1,280,000	1,280,000	760,000	(520,000)	-40.6%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>4,226,447</b>	<b>7,428,853</b>	<b>9,046,128</b>	<b>8,237,763</b>	<b>808,910</b>	<b>10.9%</b>
<b>Grand Total</b>	<b>\$ 1,272,725</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

**FUND PURPOSE AND GOALS**

In February 2015, the Alliance Airport Authority, Inc. transferred ownership of the Alliance Fort Worth Maintenance Base (Facility) to the City of Fort Worth as approved by the City Council (M&C L- 15748).

As part of the transfer of ownership of the Facility, the parties agreed that all contracts and agreements relating to the operations, maintenance, property management, and leases of the Facility would be assigned to the City of Fort Worth. This assignment includes the property management agreement (City Secretary Contract No. 46423) with AFWM Services, LLC, which will be administered under the direction of the Property Management Department.

The property management agreement requires AFWM Services, LLC, to provide the City of Fort Worth an operating budget for the management of the Facility for each Fiscal Year. The budget is used as a guide for the actual operational costs on an annual basis.

The objective and goal each year is to continue to identify, negotiate, and execute long term leases to increase lease revenues and utility reimbursements to the City to operate the Facility; and, with new leases, increase tenant contributions to the Capital Reserve fund for the Central Utility Plant (CUP) to fund capital improvements as needed to the CUP resulting in the reduction of operational expenses.



**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$1,029,366 for Other Contractual Services (Maintenance & Repair items/services)
- Increases by \$316,215 for higher utility costs (electricity and gas)
- Decreases by (\$520,000) for transfers out to capital related to \$260,000 one-time purchases of capital equipment at the Central Utility Plant and the Fuel Farm and \$500,000 for painting exterior metals at Industrial Waste Water Treatment Facility (IWWTF)
- Revenue increases by \$2,465,734 for various utility recoveries
- Revenue increases by \$1,008,944 for leased space within the Alliance Maintenance Facility
- Revenue increases by \$65,094 for fuel flowage fees as a result of the anticipated fuel farm expansion

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	—	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	—	—	—	—	—	0.0%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	(285)	—	—	—	—	0.0%
Special Assessments	—	—	—	—	—	0.0%
Other	—	—	—	—	—	0.0%
Transfer In	—	588,910	778,911	656,192	67,282	11.4%
Use of Fund Balance	—	4,162	—	—	(4,162)	-100.0%
<b>Total Revenues</b>	<b>(285)</b>	<b>593,072</b>	<b>778,911</b>	<b>656,192</b>	<b>63,120</b>	<b>10.6%</b>
<b>Expenses</b>						
Salaries & Benefits	307,362	320,978	320,978	319,293	(1,685)	-0.5%
Gen Operating & Maintenance	92,174	137,904	187,904	156,899	18,995	13.8%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	15,000	134,190	270,029	180,000	45,810	34.1%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>414,536</b>	<b>593,072</b>	<b>778,911</b>	<b>656,192</b>	<b>63,120</b>	<b>10.6%</b>
<b>Grand Total</b>	<b>\$ (414,821)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Community Tree Planting	—	4.40	—	4.40	—	—
<b>Total</b>	<b>—</b>	<b>4.40</b>	<b>—</b>	<b>4.40</b>	<b>—</b>	<b>—</b>

**FUND PURPOSE AND GOALS**

The Community Tree Planting Program (Program), under the direction of the Planning and Resource Management Division of the Park & Recreation Department (PARC), provides a variety of trees on public property that are of exceptional quality, drought-resistant, well adapted to the urban environment, and of superior health and form. Trees are grown and transplanted from the city's tree farm to city facilities, parks, golf courses, parkways, medians, and capital improvement projects. Trees are also provided to residents to be planted on city rights-of-way.

Benefits of the Program include the beautification of the city, improved air quality, reduction of stormwater runoff, and a reduction in energy consumption. The Program also provides education and training for the Citizen Forester Program and trains volunteers for tree planting, data collection, and ongoing care and maintenance of the city's tree farm.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The FY2024 Recommended Budget includes funding for equipment replacement and facility repair and maintenance needs. There are five positions in the General Fund that are partially funded by the Community Tree Planting Fund, which amount to 4.40 FTE.

In the past, the Program was funded by the Program’s Fund Balance and by annual disbursements from the PARD’s Gas Endowment Fund. For the FY2024 Recommended Budget, the Program is funded by annual disbursements from the PARD’s Gas Endowment Fund.

The Adopted Budget:

- Increases by \$45,810 for Vehicle and Equipment Replacements
- Increases by \$18,620 for Salary and Benefit adjustments

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Sales Tax	104,374,621	102,073,793	102,073,793	119,391,511	17,317,718	17.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	5,919,293	6,241,193	6,241,193	8,061,784	1,820,591	29.2%
Charge for Service	—	—	—	—	—	0.0%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	243,103	105,664	105,664	150,000	44,336	42.0%
Special Assessments	—	—	—	—	—	0.0%
Other	889,829	398,604	398,604	243,000	(155,604)	-39.0%
Transfer In	207,972	—	—	—	—	0.0%
Use of Fund Balance	—	8,883,077	11,787,550	2,881,358	(6,001,719)	-67.6%
<b>Total Revenues</b>	<b>111,634,818</b>	<b>117,702,331</b>	<b>120,606,804</b>	<b>130,727,653</b>	<b>13,025,322</b>	<b>11.1%</b>
<b>Expenses</b>						
Salaries & Benefits	50,212,199	58,464,087	62,033,713	68,771,031	10,306,944	17.6%
Gen Operating & Maintenance	19,631,866	28,621,551	27,956,398	33,675,635	5,054,084	17.7%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	51,965,517	30,616,693	30,616,693	28,280,987	(2,335,706)	-7.6%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>121,809,582</b>	<b>117,702,331</b>	<b>120,606,804</b>	<b>130,727,653</b>	<b>13,025,322</b>	<b>11.1%</b>
<b>Grand Total</b>	<b>\$ (10,174,764)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Crime Control and Prevention District						
Neighborhood Services	8.00	8.00	8.00	8.00	—	—
Police	365.00	352.98	420.00	407.48	55.00	54.50
Parks and Recreation	10.00	10.00	15.00	14.50	5.00	4.50
Transportation and Public Works	2.00	2.00	2.00	2.00	—	—
Municipal Court	—	—	1.00	1.00	1.00	1.00
<b>Total</b>	<b>385.00</b>	<b>372.98</b>	<b>446.00</b>	<b>432.98</b>	<b>61.00</b>	<b>60.00</b>

**FUND PURPOSE AND GOALS**

In the late 1980s, Fort Worth experienced double-digit increases in crime and had one of the highest crime rates in the United States. In 1995, the citizens of Fort Worth voted to establish a Crime Control & Prevention District (CCPD; the District) as allowed under Chapter 363 of the Texas Local Government Code, also referred to as the Crime Control and Prevention District Act. It was supported by a half-cent sales tax for a five-year period, with the mission 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. The District has since been renewed by voters in 2000, 2005, 2009, and 2014 for subsequent five-year periods, and again in 2020 for a ten-year period.

Revenue from the ½ cent sales tax provides the necessary resources to effectively implement crime reduction strategies pertaining to the following funding categories or initiatives: enhanced response; neighborhood crime prevention; partners with a shared mission; recruitment and training; equipment, technology, and infrastructure. These strategies include deploying officers to respond to emerging crime trends, supporting citizen participation and crime prevention programs, replacing vehicles and equipment critical to crime control, increasing security at schools, and providing an adequate number of officers throughout Fort Worth's neighborhoods. With multiple programs that constitute the crime control plan and scope, the initiatives capture the allowable expenses under the Crime Control and Prevention District Act. The annual funding application provides a detailed list of the programs supported by the District.

The Fund is administered by the Fort Worth Police Department and includes a needs assessment process to consider crime reduction programs and solutions overseen by other city departments. The process continues to evolve in collaboration with City Management, the FWLab, and the Police Department. This year, the Fund provides resources for programs primarily for Police but also includes allocations for programming in Neighborhood Services, Library, Park and Recreation, Public Events, and Transportation and Public Works.

The Fund is managed by an eleven-member board of directors that establishes the annual budget and policies, oversees expenditures, and evaluates programs funded by the District. Each year, the board adopts a budget that is then submitted to the city council. The council approves or rejects the budget as submitted by the CCPD board.

The CCPD maintains a comprehensive set of financial management policy statements that are administered by city staff on behalf of the Crime Control & Prevention District. These policies aim to ensure that financial resources are available to meet the present and future needs through effective program planning for CCPD revenue.

### CCPD Goals:

- Manage the budget based on funding priorities
- Continue to provide opportunities for citizens to learn about CCPD
- Support efforts to reduce violent crime and gang-related activities through enhanced enforcement activities and crime prevention programs
- Support efforts to increase the safety of residents and decrease crime throughout Fort Worth neighborhoods.
- Support efforts to increase the safety of youth and reduce juvenile crime through crime prevention and intervention programs
- Support efforts to enhance crime-fighting and prevention tools and efforts through diverse recruitment, training, and retention of high-quality officers; technology and equipment; and capital improvements

More information about CCPD may be found at <https://police.fortworthtexas.gov/CCPD/>

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>	\$ —	\$ —	\$ —	\$ —	\$ —	<b>0.0 %</b>
Salaries & Benefits	515,511	822,033	822,033	772,879	(49,154)	-6.0 %
Gen Operating & Maintenance	61,888	92,775	92,775	121,306	28,531	30.8 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	—	—	—	—	—	0.0 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Expenses</b>	\$ 577,399	\$ 914,808	\$ 914,808	\$ 894,185	\$ (20,623)	<b>-2.3 %</b>
<b>Grand Total</b>	\$ (577,399.00)	\$ (914,808.00)	\$ (914,808.00)	\$ (894,185.00)	\$ 20,623.00	(2.25)%

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Crime Control and Prevention District	8.00	8.00	8.00	8.00	—	—
<b>Total</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>—</b>	<b>—</b>

**DEPARTMENT PURPOSE AND GOALS**

The Neighborhood Services Department (NSD) is a participant of the CCPD fund, and partially manages the FW@6 Late Night Initiative. The FW@6 Late Night initiative is offered at the Worth Heights Community Center, Martin Luther King Community Center, Northside Community Center and Como Community Center. The program creates a safe haven for “at-risk” youth living in high-crime areas of the city. The program’s goal is to decrease youth participation in crime and gangs through enrichment and recreational activities designed to reduce crime, stimulate self-determination and increase community pride.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increase by \$32,836 for outside services associated with community center programs
- Decrease by (\$22,936) in Salaries due to prior vacancies budgeted at midpoint, but position not filled at midpoint
- Decrease by (\$30,000) in Civil Services Overtime to support Rising Star Leadership Academy

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Salaries & Benefits	855,928	1,161,539	1,156,539	1,382,510	220,971	19.0 %
Gen Operating & Maintenance	249,200	231,418	236,418	314,710	83,292	36.0 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	—	—	—	—	—	0.0 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Expenses</b>	\$ 1,105,128	\$ 1,392,957	\$ 1,392,957	\$ 1,697,220	\$ 304,263	21.8 %
<b>Grand Total</b>	<b>\$(1,105,128.00)</b>	<b>\$(1,392,957.00)</b>	<b>\$(1,392,957.00)</b>	<b>\$(1,697,220.00)</b>	<b>\$(304,263.00)</b>	<b>21.84 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Crime Control and Prevention District	10.00	10.00	15.00	14.50	5.00	4.50
<b>Total</b>	<b>10.00</b>	<b>10.00</b>	<b>15.00</b>	<b>14.50</b>	<b>5.00</b>	<b>4.50</b>

**DEPARTMENT PURPOSE AND GOALS**

The Park & Recreation Department is a participant of the CCPD Fund and manages three CCPD-funded initiatives: Parks Community Policing, Gang Graffiti Abatement Program, and the FW@6 Late Night Program.

The Parks Community Policing initiative provides a safe environment for the public and staff by having an officer present at specific sites and events. In addition, private security is provided at the Diamond Hill Community Center.

The Graffiti Abatement Program assists in graffiti removal for property owners in the City of Fort Worth. In addition, the program encompasses a range of community outreach initiatives aimed at graffiti prevention and fostering art appreciation.

The FW@6 Late Night initiative is offered at the Sycamore Community Center and Chisholm Trail Community Center. The program creates a safe haven for “at-risk” youth living in high-crime areas of the city. The program’s goal is to decrease youth participation in crime and gangs through enrichment and recreational activities designed to reduce crime, stimulate self-determination and increase community pride.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The FY2024 Recommended Budget includes funding for five positions at community centers as part of the One Second Collaborative Initiative. The addition of these positions will enhance programming and community center coverage.

Due to the closure of Forest Park Pool at the end of the 2022 pool season, the need for off-duty police security was not used in FY2023. The pool is expected to reopen in FY2024, which will cause expenses to rebound.

The Graffiti Abatement Program is actively seeking ways to enhance community engagement through a strategic approach encompassing three primary facets: Community Connectors, which involve community fairs and presentations; the Conservation Collective, driven by volunteer initiatives; and the Palette Project, an innovative art-based program.

Under the Palette Project, the program is committed to overseeing the maintenance of existing murals, the creation of future murals, and the development of other preventive art-based projects. This endeavor is expected to necessitate an increase in the program's budget and potentially lead to the hiring of additional personnel.

The Adopted Budget:

- Increase by \$260,745 and 5 positions for community center coverage.
- Increases by \$32,246 to account for rising costs in existing supplies for graffiti abatement.
- Increases by \$31,620 to account for a full year of salary and benefits for the Sr. Recreation Programmer and Recreation Programmer.
- Increases by \$12,500 to implement a mural program in the graffiti abatement program to help deter graffiti throughout the city.
- Increases by \$10,500 to pay software fees for a recently deployed work order system in graffiti abatement.



**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Sales Tax	104,374,621	102,073,793	102,073,793	119,391,511	17,317,718	17.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	5,919,293	6,241,193	6,241,193	8,061,784	1,820,591	29.2%
Charge for Service	—	—	—	—	—	0.0%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	243,103	105,664	105,664	150,000	44,336	42.0%
Special Assessments	—	—	—	—	—	0.0%
Other	889,829	398,604	398,604	243,000	(155,604)	-39.0%
Transfer In	207,972	—	—	—	—	0.0%
Use of Fund Balance	—	8,883,077	11,787,550	2,881,358	(6,001,719)	-67.6%
<b>Total Revenues</b>	<b>111,634,818</b>	<b>117,702,331</b>	<b>120,606,804</b>	<b>130,727,653</b>	<b>13,025,322</b>	<b>11.1%</b>
<b>Expenses</b>						
Salaries & Benefits	48,840,760	56,256,240	59,830,866	66,304,342	10,048,102	17.9%
Maintenance	19,320,778	25,635,021	24,964,868	30,351,941	4,716,920	18.4%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	51,965,517	29,829,160	29,829,160	28,074,283	(1,754,877)	-5.9%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>120,127,055</b>	<b>111,720,421</b>	<b>114,624,894</b>	<b>124,730,566</b>	<b>13,010,145</b>	<b>11.6%</b>
<b>Grand Total</b>	<b>\$ (8,492,237)</b>	<b>\$ 5,981,910</b>	<b>\$ 5,981,910</b>	<b>\$ 5,997,087</b>	<b>\$ 15,177</b>	<b>0.3%</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Crime Control and Prevention District	365.00	352.98	420.00	407.48	55.00	54.50
<b>Total</b>	<b>365.00</b>	<b>352.98</b>	<b>420.00</b>	<b>407.48</b>	<b>55.00</b>	<b>54.50</b>

**DEPARTMENT PURPOSE AND GOALS**

The Police Department, under the direction of the Chief of Police, develops and implements programs to deter crime and to protect life and property in Fort Worth. Specific departmental responsibilities are:

- Reduction of violent crime and gang-related activities through enhanced response activities and crime prevention programs
- Increased safety of residents and decreased crime throughout Fort Worth neighborhoods
- Increased safety of youth and reduced juvenile crime through crime prevention and intervention programs
- Enhancement of crime-fighting and prevention tools and efforts through diverse recruitment, training, retention of high-quality officers, technology, equipment, and capital improvements

The Fort Worth Police Department (FWPD) consists of the following three bureaus: Patrol, Support, and Finance/Personnel. Each bureau includes commands, with divisions, sections, and units under each command. The FWPD's use of the CCPD Fund is organized among five initiatives:

- Enhanced Response
- Neighborhood Crime Prevention
- Partners with a Shared Mission
- Recruitment and Training
- Equipment, Technology, and Infrastructure

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Decreases by \$6,000,000 for a one-time capital purchase
- Increases by \$4,000,000 for the purchase of a new helicopter
- Increases by \$3,390,000 in capital funding for vehicles and equipment purchases
- Increases by \$1,623,722 for fleet-related costs moved from the General Fund to CCPD Fund to cover vehicle maintenance and fuel costs for vehicles in the CCPD-fund
- Increases by \$1,564,817 and 9 AP for additional staff in the School Resource Unit (SRU)
- Increases by \$1,335,385 and 13 AP (sworn) for the Crisis Intervention Team
- Increases by \$1,033,632 and 12 AP (general employee) for the Police Communications Call Taker program
- Increases by \$844,971 for scheduled increases in civil service employee pay as outlined in the current Meet and Confer agreement
- Increases by \$663,956 in salary and benefits for previously approved costs associated with pay for performance, step increases, rising health care costs and pension contributions.
- Increases by \$656,407 and 4 AP for an expansion of the recruitment team
- Increases by \$605,424 and 4 AP (general employee) for support to the Technology Services division
- Increases by \$560,071 for allocations associated with retiree health,risk, workers compensation, and IT Services
- Increases by \$593,130 for IT Services allocations
- Increases by \$468,619 for the addition of fleet costs to the CCPD Fund
- Increases by \$432,968 and 4 AP (sworn) for the HOPE team, as recommended by the Matrix staffing study
- Increases by \$391,484 for pay for performance for general employees
- Increases by \$337,005 and 2 AP (sworn) for the Officer Wellness Team
- Increases by \$196,312 and 2 AP (general employees) for the NIBN team
- Increases by \$180,000 for funding a strategic and crisis communication contract
- Decreases by a net of (\$1,600) as a result of transferring out 8 AP (sworn) and associated operating costs from CCPD Fund to General Fund and transferring in 11 AP (10 sworn, 1 general) from General Fund to CCPD Fund for a net increase of 3 AP (2 sworn, 1 general) in the CCPD fund in an effort to align positions in fund-supported activities

- Increases by \$88,000 for workers compensation allocations
- Increases by \$75,534 and 1 AP (sworn) for admin support in the Community Alliance Division
- Increases by \$71,522 for 2% pay band adjustments for general employees
- Increases by \$13,618 and 1 AP (general employee) for admin support to the CCPD Partners with a Shared Mission and is offset with reductions for external staffing agency costs
- Decreases by (\$52,785) for fleet service admin allocations

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	—	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	—	—	—	—	—	0.0%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	—	—	—	—	—	0.0%
Special Assessments	—	—	—	—	—	0.0%
Other	—	—	—	—	—	0.0%
Transfer In	—	—	—	—	—	0.0%
Use of Fund Balance	—	—	—	—	—	0.0%
<b>Total Revenues</b>	—	—	—	—	—	<b>0.0%</b>
<b>Expenses</b>						
Salaries & Benefits	—	224,275	224,275	219,241	(5,034)	-2.2%
Gen Operating & Maintenance	—	2,662,337	2,662,337	2,876,574	214,237	8.0%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	—	787,533	787,533	—	(787,533)	-100.0%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	—	<b>3,674,145</b>	<b>3,674,145</b>	<b>3,095,815</b>	<b>(578,330)</b>	<b>-15.7%</b>
<b>Grand Total</b>	\$ —	\$ (3,674,145)	\$ (3,674,145)	\$ (3,095,815)	\$ 578,330	-15.7%

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Crime Control and Prevention District	2.00	2.00	2.00	2.00	—	—
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>—</b>	<b>—</b>

**DEPARTMENT PURPOSE AND GOALS**

The School Crossing Guard Program is administered by the Transportation Management Division and provides school crossing guard services at elementary and middle schools in 12 districts in the City of Fort Worth.

Texas Local Government Code Section 343.014 mandates that municipalities take part in determining the demand for and provision of crossing guards to promote the safe crossing of roadways. By placing crossing guards where necessary, FWPD works with the Transportation and Public Works Department to support Safe Routes to School efforts, ensuring that students have the infrastructure and supportive guidance to safely access their elementary and middle schools via walking and biking.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Decreases by \$(787,533) for one-time funding of vehicle/equipment and school zone infrastructure needs.
- Increases by \$204,950 in contractual commitments due to inflationary and growth factors.
- Increases by \$15,281 in General Operating & Maintenance for previously approved costs associated with risk management and IT solutions allocation costs.
- Increases by \$9,166 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions.

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	—	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	—	—	—	—	—	0.0%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	—	—	—	—	—	0.0%
Special Assessments	—	—	—	—	—	0.0%
Other	—	—	—	—	—	0.0%
Transfer In	—	—	—	—	—	0.0%
Use of Fund Balance	—	—	—	—	—	0.0%
<b>Total Revenues</b>	—	—	—	—	—	<b>0.0%</b>
<b>Expenses</b>						
Salaries & Benefits	—	—	—	—	—	0.0%
Gen Operating & Maintenance	—	—	—	—	—	0.0%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	—	—	—	136,140	136,140	0.0%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	—	—	—	<b>136,140</b>	<b>136,140</b>	<b>0.0%</b>
<b>Grand Total</b>	\$ —	\$ —	\$ —	(136,140)	(136,140)	0.0%

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Crime Control and Prevention District	—	—	—	—	—	—
<b>Total</b>	—	—	—	—	—	—

**DEPARTMENT PURPOSE AND GOALS**

Beginning in FY2024, Public Events will begin receiving CCPD funding for security cameras at the Will Rogers Memorial Center. This program provides an extra layer of oversight and serves as a proactive tool to help track and identify criminal activity and individuals involved.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$136,140 for adding security cameras to Will Rogers Memorial Center campus

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	—	—	—	—	—	0.0%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	—	—	—	—	—	0.0%
Special Assessments	—	—	—	—	—	0.0%
Other	—	—	—	—	—	0.0%
Transfer In	—	—	—	—	—	0.0%
Use of Fund Balance	—	—	—	—	—	0.0%
<b>Total Revenues</b>	—	—	—	—	—	<b>0.0%</b>
<b>Expenses</b>						
Salaries & Benefits	—	—	—	92,059	92,059	0.0%
Gen Operating & Maintenance	—	—	—	11,104	11,104	0.0%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	—	—	—	70,564	70,564	0.0%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	—	—	—	<b>173,727</b>	<b>173,727</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$(173,727)</b>	<b>\$(173,727)</b>	<b>0.0%</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Crime Control and Prevention District	—	—	1.00	1.00	1.00	1.00
<b>Total</b>	<b>—</b>	<b>—</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

**DEPARTMENT PURPOSE AND GOALS**

Beginning in FY2024, Municipal Courts will begin receiving CCPD funding for an additional City Marshal to be staffed at Fort Worth Library locations. In response to various incidents at City facilities, Library and Municipal courts worked in tandem to request CCPD funding in the interest of crime prevention and creating a safe environment for staff and the public alike. The purpose of this project is to ensure a safe environment for all library patrons and staff by providing a uniformed law enforcement presence. The goal of this project is to reduce criminal activity in and around the Fort Worth Libraries and to connect individuals in need of public services with them.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$173,72 for the addition of one Deputy Marshall to provide security to the public libraries.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	27,895,729	27,863,939	31,609,581	33,658,522	5,794,583	20.8%
License & Permits	14,550	6,000	22,100	21,000	15,000	250.0%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	5,874,168	5,043,250	6,924,615	5,275,590	232,340	4.6%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	8,471,149	8,383,961	9,008,756	9,162,395	778,434	9.3%
Special Assessments	—	—	—	—	—	0.0%
Other	2,797,401	2,142,111	2,463,227	2,189,021	46,910	2.2%
Transfer In	2,530,262	2,927,456	3,047,456	3,834,585	907,129	31.0%
Use of Fund Balance	—	—	2,791,164	—	—	0.0%
<b>Total Revenues</b>	<b>47,583,259</b>	<b>46,366,717</b>	<b>55,866,899</b>	<b>54,141,113</b>	<b>7,774,396</b>	<b>16.8%</b>
<b>Expenses</b>						
Salaries & Benefits	10,248,651	12,158,327	11,379,179	13,217,593	1,059,266	8.7%
Gen Operating & Maintenance	25,184,191	30,273,172	36,522,024	35,005,965	4,732,793	15.6%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	3,374,189	3,935,218	7,965,697	5,917,555	1,982,337	50.4%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>38,807,031</b>	<b>46,366,717</b>	<b>55,866,900</b>	<b>54,141,113</b>	<b>7,774,396</b>	<b>16.8%</b>
<b>Grand Total</b>	<b>\$ 8,776,228</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Culture and Tourism Fund	138.00	138.00	138.00	138.00	—	—
<b>Total</b>	<b>138.00</b>	<b>138.00</b>	<b>138.00</b>	<b>138.00</b>	<b>—</b>	<b>—</b>

**FUND PURPOSE AND GOALS**

The Culture & Tourism (C&T) Fund is a special revenue fund of the City of Fort Worth established in 1989 to provide funding to enhance tourism and promote, develop, and maintain cultural activities in Fort Worth.

The Culture & Tourism Fund is supported by two primary revenue sources: the Hotel/Motel Occupancy Tax, and the revenues generated by the Fort Worth Convention Center (FWCC) and the Will Rogers Memorial Center (WRMC).

Funding is allocated in the Culture & Tourism Fund for the Public Events Department’s (PED) operations, including the Office of Outdoor Events, the Fort Worth Convention Center, the Will Rogers Memorial Center, and debt for both those facilities and Dickies Arena.



The Culture and Tourism Fund also provides the commercial insurance premiums on Dickies Arena, operational funding for Visit Fort Worth (VFW) - formerly known as the Convention & Visitor's Bureau (CVB), which includes the Fort Worth Herd - and administrative support to the Fort Worth Sports Authority.

In FY2010, the Public Events Department (PED) moved from the General Fund to the Culture & Tourism Fund. This was completed to align the department's revenues and expenditures, particularly with regard to the relational impact PED's activities have on the Hotel Occupancy Tax.

The Hotel Occupancy Tax (HOT) captures revenues collected from hotels, motels, bed & breakfasts, inns, short-term rentals, as well as condominiums, apartments, and houses rented for less than 30 consecutive days. The current hotel occupancy tax rate of 15%, levied on every room night charge, is split 7% for the City, 6% for the State, and 2% for capital improvements and meeting existing debt service obligations for the Fort Worth Convention Center, Will Rogers Memorial Center, and (if necessary) Dickies Arena.

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

Because the C&T Fund is a Special Revenue Fund, revenues and expenses for the annual budget are required to balance. The FY2024 revenue budget includes \$33.5M (62%) from the 7% HOT allocated to operations, \$15.8M (29%) for PED facilities and the balance of \$4.7M (9%) from other sources including the Office of Outdoor Events and other partnerships. The FY2024 expenditure budget includes \$50.7M for operating expenses and a planned contribution of \$3.3M to fund balance for a total FY2024 adopted budget of \$54.1M.

The FY2023 adopted budget of \$44.8M for operational expenses and a planned contribution of \$1.4M to fund balance, was later amended as a primary result of the need for advanced capital funding of improvements at WRMC and new contractual stipulations with VFW for a final expenditure estimate of \$55.8M for the year. These additional expenses were off-set by revenue in excess of the adopted budget expectations for FY2023 for both HOT and operations with a final revenue estimate of \$53M and \$2.7M in use of fund balance.

The FY2024 adopted revenue budget of \$54.1M increases 17% (21% for HOT 7% collection and 13% for facility revenues) from the FY2023 adopted budget. Both HOT and facility revenues for FY2024 surpass projections for the year developed in 2019.

When comparing operational expenditures, the C&T fund increases 13% from the FY2023 adopted expenditure budget of \$44.8M to \$50.7M for FY2024, with the major contributors to the increase associated with commercial insurance premiums and other allocations, staff salary and benefits, and contractual obligations with VFW, which required budget amendments in FY2023. Additionally, the anticipated expenses for the economic development grant rebates for the Omni, Sheraton and Kimpton hotels increased in FY2024 and the C&T Fund continues to reimburse Trail Drive Management Company for the Dickies Arena commercial liability insurance. There are no budgeted expenditures for advance funding of capital improvements to be included in the FY2024 budget.

In FY2024, with the sustained stability of not just recovery but growth to the travel and tourism industry, the Public Events Department will focus on maintaining facility revenues while major capital improvements are taking place at with the expansion of the Fort Worth Convention Center and at multiple facilities across the Will Rogers Memorial Center campus, including the major renovation of the Sheep & Swine Barn, while also continuing daily maintenance and delivering "Best in Class" experience to our clients. Discipline will be critical to achieving capital project goals while continuing to manage rising cost and build future debt capacity.

The Adopted Budget:

- Increases by \$7.7M in anticipated revenue including
  - \$5.7M for anticipated HOT 7% Collections
  - \$1M for operational revenue collections at the FWCC and WRMC
  - \$907,000 for transfers from the General Fund to offset increases for Economic Development (ED) Grant Rebates and ED Marketing Services in the VFW Contract

- Increases by \$1.1M in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions
- Increases \$1.8M for the VFW Contract
- Increases \$835K for the Economic Development Grant Rebates (380 Agreement Program)
- Increases \$1M for Salaries and Benefits
- Increases \$922K for Commercial Insurance Premiums and \$96K for Other Allocations
- Increases \$237K for Utilities
- Budgeted Contribution to Fund Balance Increases by \$1.9M

## SUMMARY OF SERVICES AND PERFORMANCE MEASURES

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Customer Experience</b>				
Achieve average Customer Experience Satisfaction score of 75% or better for the Public Events Dept. using new Net Promoter Score methodology	74%	78%	75%	75%
Achieve Customer Service score of 90% or better for ODE	100%	98%	90%	90%
Achieve Customer Service score of 90% or better for ETF	93%	100%	90%	90%
Achieve Customer Service score of 90% or better for FIN	86%	86%	90%	90%
Increase Social Media presence across all platforms by 20% for WRMC.	N/A	WRMC-29%	WRMC-20%+	WRMC-20%+
Increase Social Media presence across all platforms by 20% for FWCC.	N/A	FWCC-17%	FWCC-20%+	FWCC-20%+
<b>Financial Performance</b>				
Keep the percentage of reliance on HOT for PED operations under 30% for FY22.	N/A	27.89%	Under 30%	Under 30%
<b>Process Improvement</b>				
Revise/Review/Improve at least four (4) business processes per fiscal year WRMC-4; FWCC-4;Fin/Admin-4; ODE-2; ETF-2	N/A	100%	100%	100%
<b>People Development</b>				
100% of team members engaged in professional development activity per fiscal year	N/A	100%	100%	100%

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	7,959,578	7,939,697	8,681,425	9,595,292	1,655,595	20.9%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	—	—	—	—	—	0.0%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	—	—	—	—	—	0.0%
Special Assessments	—	—	—	—	—	0.0%
Other	—	—	—	—	—	0.0%
Transfer In	—	—	—	—	—	0.0%
Use of Fund Balance	—	—	—	—	—	0.0%
<b>Total Revenues</b>	<b>7,959,578</b>	<b>7,939,697</b>	<b>8,681,425</b>	<b>9,595,292</b>	<b>1,655,595</b>	<b>20.9%</b>
<b>Expenses</b>						
Salaries & Benefits	—	—	—	—	—	0.0%
Gen Operating & Maintenance	—	—	—	—	—	0.0%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	5,751,813	7,939,697	8,681,425	9,595,292	1,655,595	20.9%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>5,751,813</b>	<b>7,939,697</b>	<b>8,681,425</b>	<b>9,595,292</b>	<b>1,655,595</b>	<b>20.9%</b>
<b>Grand Total</b>	<b>\$ 2,207,765</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>

**FUND PURPOSE AND GOALS**

Culture & Tourism promotes increased economic activity through visitor spending generated by events held at the Fort Worth Convention Center and Will Rogers Memorial Center.

On November 18, 1997, the City Council increased the Hotel Occupancy Tax Rate to 9%. 2% of the tax collected is to be used only for the construction and expansion of an existing convention center facility or for pledging payment of revenue or revenue refunding bonds issued in accordance with state law for the construction of the expansion.

The Culture and Tourism 2% Tax Fund was created in FY2016 to separate the 2% portion of the Hotel Occupancy Tax dedicated to the debt of facilities and expansion and improvements associated with the Fort Worth Convention Center (FWCC) and the Will Rogers Memorial Center (WRMC) from the other revenue sources of the Culture & Tourism Fund, to more accurately track the uses of the different revenue sources.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The adopted FY2023 budget of \$7.9M for the Culture and Tourism 2% Hotel Tax (HOT 2%) was based on collaborative projection efforts between the Fort Worth Convention and Visitors Bureau-Visit Fort Worth (VFW) and the Public Events Department (PED) in May of 2022. Tax collections continued to surpass projections throughout the year for anticipated total collections of \$9M in FY2023, exceeding the adopted budget by 14% (\$1M) and creating a projected year end fund balance of approximately \$9.9M. Based on FY2023 performance and revised forecasting by Public Events Department staff and financial consultants, the adopted budget for FY2024 increased by 21%.

The FY2023 adopted expenditure budget included a \$2.7M contribution to venue bond debt service, which was later shifted to other sources as a result of the significant revenue increases in both the Venue Tax and the PFZ projections, allowing for an increase in budgeted contributions to fund balance in the same amount, leaving expenditures of \$976K for the Fort Worth Convention Center (FWCC) Legacy debt service and a \$3.37M transfer for improvements and capital expenditures at the FWCC. The FY2024 adopted budget increases for new debt service payments on the FWCC Expansion and decreases for transfer capital, largely because significant work on the facility is currently included in the renovations plans of the expansion.

The Adopted Budget:

- Increases by \$1.6M for tax collection revenue
- Decrease by \$1.7M for debt service account increases in excess of reduced transfers to capital. Increased budgets for debt service relate to FWCC legacy debt and 2023 Combination Tax and Revenue Certificates of Obligation issued in May of 2023 for the FWCC Phase I Expansion

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	—	—	—	—	—	0.0%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	—	—	—	—	—	0.0%
Special Assessments	—	—	—	—	—	0.0%
Other	6,787,041	7,297,215	7,297,215	9,874,152	2,576,937	35.3%
Transfer In	—	—	—	—	—	0.0%
Use of Fund Balance	—	—	—	—	—	0.0%
<b>Total Revenues</b>	<b>6,787,041</b>	<b>7,297,215</b>	<b>7,297,215</b>	<b>9,874,152</b>	<b>2,576,937</b>	<b>35.3%</b>
<b>Expenses</b>						
Salaries & Benefits	—	—	—	—	—	0.0%
Gen Operating & Maintenance	—	—	—	—	—	0.0%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	7,700,000	7,297,215	7,297,215	9,874,152	2,576,937	35.3%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>7,700,000</b>	<b>7,297,215</b>	<b>7,297,215</b>	<b>9,874,152</b>	<b>2,576,937</b>	<b>35.3%</b>
<b>Grand Total</b>	<b>\$ (912,959)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>

**FUND PURPOSE AND GOALS**

In 1998, the City of Fort Worth entered into an agreement with the Cities of Euless (and subsequently Coppell and Grapevine) and Dallas to provide for the sharing of Rental Car taxes generated at DFW International Airport. There are additional agreements with cities where incremental tax revenues generated by economic development projects within the geographical boundaries of the DFW Airport are remitted to the City of Fort Worth.

In 2009, the City Council amended the Financial Management Policy Statements providing that the revenues from DFW Revenue Sharing be dedicated to facility improvements at the Fort Worth Convention Center, Will Rogers Memorial Center, and the new Dickies Arena.

This fund was established in FY2016 to separate the revenues of the DFW Revenue Sharing from the other revenue sources in the Culture & Tourism Fund. Revenues received in this fund remain dedicated to the debt and improvements associated with the Fort Worth Convention Center, the Will Rogers Memorial Center, and the new Dickies Arena. With the addition of the new Dickies Arena, the debt associated will take precedence for this revenue source.

This fund is restricted to covering scheduled debt and contributing to cash-funded capital projects at the above facilities.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

Consistent with increases in HOT and PFZ, as recovery stability continued in the travel and tourism industry, DFW Revenue Share collections exceeded the adopted FY2023 budget by 39% (\$2.8M) for a total collection of \$10.1M, creating a projected year end fund balance of \$7.4M.

As this fund has historically shown to be been less impacted by the downturn and faster to recover from the pandemic, the FY2024 adopted revenue budget increases by 35% (\$2.5M) as compared to the FY2023 adopted budget.

The FY2023 adopted budget included a \$4M transfer to capital projects, which was reduced to \$1M for FY2024, largely in part to the anticipated sale of the 2023 A&B Special Tax Revenue Bonds in November of 2023. The FY2024 adopted budget also decreases slightly according to schedule for existing legacy debt at the Will Rogers Memorial Center, however a budget amended in FY2024 will be necessary to increase transfers for debt service obligations transfers approximately \$5.6M for payments on the new 2023 A&B Special Tax Revenue Bonds. Appropriations to cover new debt services will be adjusted from the adopted budget contribution of \$6.3M to fund balance in the FY2024.

The Adopted Budget:

- Increases by \$2.6M for tax revenue
- Decreases by (\$3M) in transfers for capital improvements
- Increases by \$5.6M in budgeted contributions to fund balance, which is anticipated for in-the year appropriation adjustments to cover new 2023 A& B Special Tax Revenue Bonds

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	9,659,098	8,229,763	9,392,701	12,120,239	3,890,476	47.3%
Charge for Service	—	—	—	—	—	0.0%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	49,626	—	—	—	—	0.0%
Special Assessments	—	—	—	—	—	0.0%
Other	—	—	—	—	—	0.0%
Transfer In	—	—	—	—	—	0.0%
Use of Fund Balance	—	—	—	—	—	0.0%
<b>Total Revenues</b>	<b>9,708,724</b>	<b>8,229,763</b>	<b>9,392,701</b>	<b>12,120,239</b>	<b>3,890,476</b>	<b>47.3%</b>
<b>Expenses</b>						
Salaries & Benefits	—	—	—	—	—	0.0%
Gen Operating & Maintenance	600,000	—	—	—	—	0.0%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	2,207,846	8,229,763	9,392,701	12,120,239	3,890,476	47.3%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>2,807,846</b>	<b>8,229,763</b>	<b>9,392,701</b>	<b>12,120,239</b>	<b>3,890,476</b>	<b>47.3%</b>
<b>Grand Total</b>	<b>\$ 6,900,878</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>

**FUND PURPOSE AND GOALS**

Culture & Tourism promotes increased economic activity through visitor spending generated by events held at the Fort Worth Convention Center and the Will Rogers Memorial Center.

This Fund is restricted to paying the debt associated with facility improvements and/or capital facility enhancements. This fund was established in FY2016 to separate the revenues of the Project Finance Zone from the other revenue sources in the Culture & Tourism Fund. The Project Finance Zone (PFZ) #1 was designated by Ordinance No. 21011-10-2013 in October 2013. The ordinance dedicates the increment from the growth in the 6% State Hotel Occupancy Tax, state sales tax, and state mixed beverage tax to pay bonds or other obligations to qualified projects. The State portion is separated from the City's 9% of the Hotel Occupancy Tax. Currently, the two qualified projects are the Fort Worth Convention Center expansion and Dickies Arena. The base year is 2013. Funds that are collected at hotels in the three-mile radius surrounding the project by the State Comptroller's Office are deposited in this fund.



**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The addition of four new hotels in the PFZ, continued growth in revenues for existing hotels during 2023 created a significant driver for increases in the Fund's growth, as the State does not retain any portion of taxes generated from those establishments opening after 2013. The FY2023 adopted budget of \$8.2M was based on projections in May of 2022, with no certainty of new hotel openings in the coming fiscal year at that time. However, anticipated revenue collections are now \$13.5M in FY2023, exceeding the adopted budget by more than 65% (\$5.3M), creating a projected year end fund balance of approximately 12.9M. Based on FY2023 performance and revised forecasting by Public Events Department staff and financial consultants, the adopted budget for FY2024 increased by 47%.

The FY2023 adopted expenditure budget included \$6.5M in venue bond debt service, and \$1.6M in planned contributions to fund balance, which were later eliminated in order to increase the total debt payment by the same amount allowing for the elimination of all contributions from the HOT 2% Fund to venue debt service FY2023. The adopted budget for FY2024 decreases 15% for venue debt service payments, shifting more of that coverage to the Venue Operating Fund, and increases contribution to fund balance in a strategic effort to continue building for future debt capacity.

**The Adopted Budget:**

- Increases by \$3.9M for collections in tax revenue
- Decreases by (\$958K) for debt service obligations of \$5.6M on Dickies Arena (covering 37% of the total \$15M payment)
- Increases by \$4.8M for a total budgeted contribution of \$6.5M to fund balance

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	7,378,274	5,955,240	7,831,857	10,499,411	4,544,171	76.3%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	—	—	—	—	—	0.0%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	494	—	—	—	—	
Special Assessments	—	—	—	—	—	0.0%
Other	—	—	—	—	—	0.0%
Transfer In	—	—	—	—	—	0.0%
Use of Fund Balance	—	—	—	—	—	0.0%
<b>Total Revenues</b>	<b>7,378,768</b>	<b>5,955,240</b>	<b>7,831,857</b>	<b>10,499,411</b>	<b>4,544,171</b>	<b>76.3%</b>
<b>Expenses</b>						
Salaries & Benefits	—	—	—	—	—	0.0%
Gen Operating & Maintenance	—	—	—	—	—	0.0%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	3,544,626	5,955,240	7,831,857	10,499,411	4,544,171	76.3%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>3,544,626</b>	<b>5,955,240</b>	<b>7,831,857</b>	<b>10,499,411</b>	<b>4,544,171</b>	<b>76.3%</b>
<b>Grand Total</b>	<b>\$ 3,834,142</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>

**FUND PURPOSE AND GOALS**

Chapter 334 of the Texas Local Government Code (LGC) authorizes the City to designate various sports and community-related capital improvements as “venue projects”. In July 2014, the City Council adopted a resolution (No. 4327-07-2014) to authorize a new Multipurpose Arena designated as the venue project. In November 2014, a special election was held and the majority voted in favor of authorizing these specific taxes to assist in the financing of the venue project.

The special venue taxes are:

- Stall Taxes – each stall or pen that a person can use or occupy in connection with a Livestock Event, at a rate of \$1.00 per stall or pen per day, with the aggregate total not to exceed \$20.00 per stall or pen
- Admission (Ticket) Taxes – the rate of 10% of the price paid for an Admission ticket(s) to or in connection with an event at the Venue project
- Parking Taxes – each motor vehicle parked at a Venue Parking Facility at the rate of 50% of the charge imposed, but not to exceed \$5.00

This fund was established to separate the venue taxes that become effective with the opening of the Dickies Arena in November 2019.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The revenues generated from venue taxes are used to meet debt obligations for Dickies Arena.

An increase in the number of events booked after the FY2023 budget submission in June of 2022 resulted total anticipated revenue collections of \$12M in FY2023, exceeding the adopted budget by approximately 102% (\$6M), restoring fund balance to a solid level of approximately \$9.9M. Based on booked and anticipated events at Dickies Arena and Will Rogers Memorial Center from October 2023 through September 2024 for which venue taxes are applicable, the adopted budget for FY2024 increased by 76% as compared to the FY2023 adopted budget. Likewise, budgeted debt payments from the Venue Operating Fund also increase by 71% with no transfers to capital included in the adopted budget again in FY2024.

The Adopted Budget:

- Increases by \$3.7M and is proposed entirely for debt obligations on Dickies Arena covering 60% of the total \$15M payment, an increase from 40% coverage (\$5.9M) in FY 2023
- Increases \$832K for a total budgeted contribution of \$1.5M to fund balance
- Increases by \$4.5M in the revenue collections due to due to the market performance is strong in previous years.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	—	—	—	—	—	0.0%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	70,602	—	—	—	—	0.0%
Special Assessments	—	—	—	—	—	0.0%
Other	—	—	—	—	—	0.0%
Transfer In	2,000,000	2,000,000	2,000,000	5,000,000	3,000,000	150.0%
Use of Fund Balance	—	—	—	—	—	0.0%
<b>Total Revenues</b>	<b>2,070,602</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>5,000,000</b>	<b>3,000,000</b>	<b>150.0%</b>
<b>Expenses</b>						
Salaries & Benefits	—	—	—	—	—	0.0%
Gen Operating & Maintenance	660,000	2,000,000	2,000,000	5,000,000	3,000,000	150.0%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	—	—	—	—	—	0.0%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>660,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>5,000,000</b>	<b>3,000,000</b>	<b>150.0%</b>
<b>Grand Total</b>	<b>\$ 1,410,602</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>

**DEPARTMENT PURPOSE AND GOALS**

The Economic Development Initiatives Fund (EDIF) was started with an initial deposit of \$4,575,896, which was transferred to the City from the LDC following the sale by the LDC of the 250 Lancaster project and the second deposit of \$400,000 also from the LDC from 250 Lancaster sales proceeds. On May 18, 2021, the LDC adopted a resolution authorizing the transfer of a portion of net proceeds from the Blue Mound Road Complex sale in the amount of \$1,000,000 to the City of Fort Worth to provide additional funding to the EDIF.

In March of 2023, the City Council adopted a resolution formally establishing a policy for the EDIF as a dedicated cash fund for the purposes of supporting economic development in the city. The policy outlines intended long-term funding sources and the use of the EDIF to support programmatic needs (i.e. the one-time or multi-year support of programs, initiatives, and administration of economic development efforts) and reserved funding for use in incentivizing future projects. In addition to one-time contributions to the Fund resulting from certain property transactions (including those described above), the EDIF policy also identifies anticipated annual funding, authorized by budget approval, for dedicated deposit to the fund, including certain amounts that are calculated in relation to City ad valorem contributions to terminated TIF districts.

The use of the EDIF to support private projects was recommended by the Economic Development Strategic Plan that was recently updated in 2022. The recommendation was guided by the City's Economic Development Program Policy which identifies the EDIF as an incentive tool that may be used to support qualified projects in all industries, but with strong consideration given to applicants that operate in Target Sectors outlined in the policy and as approved by City Council.

### **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

Since the inception of the fund, the City Council has approved four awards for a total amount of \$2,090,750 subject to verification that project commitments have been achieved.

These approved awards include: \$1,000,000 to Wesco/Incora Aircraft for the creation of 615 jobs (and other project commitments), \$218,750 to Watts/PVI for the creation of 243 jobs (and other project commitments), \$212,000 to Ariat International for the creation of 450 jobs (and other project commitments), and \$660,000 to Smart Action for the creation of 81 jobs (and other project commitments). Of these authorized projects, agreements for Wesco/Incora Aircraft and Watts/PVI were either unexecuted or terminated for non-performance and, therefore, grants from the EDIF will not be delivered to the companies but will instead remain deposited in the EDIF for use towards future projects.

The FY2024 Adopted budget increases by \$3,000,000 for Economic Incentives, fully funded by a transfer from the General Fund.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	—	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	5,110,038	15,074,528	15,074,528	15,575,637	501,109	3.3%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	39,452	56,000	56,000	56,000	—	0.0%
Special Assessments	—	—	—	—	—	0.0%
Other	2,056	—	—	—	—	0.0%
Non Operating	5,995	—	—	—	—	0.0%
Transfer In	—	1,000,000	1,000,000	—	(1,000,000)	-100.0%
Use of Fund Balance	—	2,334,512	2,837,512	580,338	(1,754,174)	-75.1%
<b>Total Revenues</b>	<b>5,157,541</b>	<b>18,465,040</b>	<b>18,968,040</b>	<b>16,211,975</b>	<b>(2,253,065)</b>	<b>-12.2%</b>
<b>Expenses</b>						
Salaries & Benefits	2,002,567	6,862,410	6,862,410	7,300,393	437,983	6.4%
Gen Operating & Maintenance	1,448,380	6,205,173	6,708,173	7,921,706	1,716,533	27.7%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	1,167,543	5,397,457	5,397,457	989,876	(4,407,581)	-81.7%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>4,618,490</b>	<b>18,465,040</b>	<b>18,968,040</b>	<b>16,211,975</b>	<b>(2,253,065)</b>	<b>-12.2%</b>
<b>Grand Total</b>	<b>\$ 539,051</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>	<b>0.0%</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Environmental Services	86.00	83.82	88.00	85.82	2.00	2.00
Grant Funds	5.00	7.68	5.00	7.68	—	—
<b>Total</b>	<b>91.00</b>	<b>91.50</b>	<b>93.00</b>	<b>93.50</b>	<b>2.00</b>	<b>2.00</b>

**FUND PURPOSE AND GOALS**

Formally established in 1995, the Environmental Protection Fund (EPF) assists the city in paying for regulated environmental quality programs, projects, and services that are designed to address air, land, and water pollution and generally improve public health, welfare, and safety (e.g., hazardous materials management and litter control). Environmental programs ensure that the city and community achieve compliance with local, state, and federal environmental rules and regulations.

For example, the Environmental Quality Division has historically deployed and applied the following types of services aimed to reduce or prevent pollution in Fort Worth:

- Surface water pollutant monitoring in local creeks, rivers and lakes
- Litter control (community cleanups, public education, operational planning)
- Administer the Keep Fort Worth Beautiful (community cleanups, education, composting, Adopt-A-Spot)

- Litter Source Control (litter abatement, street sweeping, Upspire contract administration)
- Soil/groundwater pollution remediation projects and site cleanup projects
- Hazardous materials management and disposal (e.g., asbestos abatement)
- Air pollutant monitoring
- Municipal environmental compliance
- Environmental compliance inspection and audits
- Environmental emergency responses
- Environmental Investigations regarding illegal dumping

Internally, the Environmental Quality Division staff examines and verifies the scope of each project request from other city departments. Examples of these environmental services may include environmental site assessments, pollution remediation on city property, disposal of environmental wastes from city operations, etc. The Environmental Quality Division maintains due diligence studies and oversees a variety of environmental capital improvement projects (CIP). These efforts support a common goal for a clean, safe, and livable city.

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

City services are reorganized in FY2024 to form the Environmental Services Department. The Environmental Services Department oversees the Solid Waste Fund, the Environmental Protection Fund, and the allocation of the General Fund budget for the Consumer Health Division. Formerly within the Code Compliance Department, the Environmental Quality Division and the Environmental Protection Fund are organized within the Environmental Services Department beginning in FY2024.

The Adopted Budget:

- Increases by \$173,694 for 2 Approved Positions (AP) from a transfer from the Solid Waste Fund
- Decreases by (\$4,495,000) from a transfer out to fund capital projects
- Increase by \$743,660 for increase in contracts
- Increases by \$661,471 in General Operating & Maintenance for previously approved costs associated with risk management and IT solutions allocation costs
- Increases by \$73,531 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions
- Decreases by (\$60,000) to transfer the Cowboy Compost program to the Solid Waste fund, which is offset by a contribution to fund balance
- Increases by \$350,000 to construct a Waterwheel Powered Trash Interceptor, which is offset by a use of Fund Balance; the anticipated net impact to the Environmental Protection Fund is \$350,000 over three years based on donations.

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

<b>Key Measures</b>	<b>FY22 Actual</b>	<b>FY23 Estimated</b>	<b>FY24 Target</b>	<b>Desired Level</b>
<b>Environmental Investigations</b>				
To ensure compliance with the Clean Air Act and clean Water Act through inspections, investigations, and spill/emission response to protect local air and water quality.				
% of high priority environmental complaints responded to within 24 hours	100%	100%	100%	100%
% of routine environmental investigations completed in accordance with authorized timelines	90%	87%	100%	100%



**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	—	—	—	—	—	0.0%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	6,152,948	6,070,042	6,070,042	5,669,037	(401,005)	-6.6%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	—	—	—	—	—	0.0%
Special Assessments	—	—	—	—	—	0.0%
Other	14,548	4,000	4,000	4,000	—	0.0%
Transfer In	395,000	320,000	320,000	245,000	—	-23.4%
Use of Fund Balance	—	—	—	425,122	425,122	0.0%
<b>Total Revenues</b>	<b>6,562,496</b>	<b>6,394,042</b>	<b>6,394,042</b>	<b>6,343,159</b>	<b>(50,883)</b>	<b>-0.8%</b>
<b>Expenses</b>						
Salaries & Benefits	2,921,861	3,233,959	3,083,959	3,386,740	152,781	4.7%
Gen Operating & Maintenance	2,504,411	2,791,321	2,941,321	2,830,888	39,567	1.4%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	68,746	123,891	123,891	123,891	—	0.0%
Transfer Out & Other	823,349	244,871	244,871	1,640	(243,231)	-99.3%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>6,318,367</b>	<b>6,394,042</b>	<b>6,394,042</b>	<b>6,343,159</b>	<b>(50,883)</b>	<b>-0.8%</b>
<b>Grand Total</b>	<b>\$ 244,129</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Municipal Golf Fund	78.00	53.03	81.00	56.03	3.00	3.00
<b>Total</b>	<b>78.00</b>	<b>53.03</b>	<b>81.00</b>	<b>56.03</b>	<b>3.00</b>	<b>3.00</b>

**FUND PURPOSE AND GOALS**

The City of Fort Worth Municipal Golf Fund, managed by the Golf and Athletics Division of the Park & Recreation Department, provides enjoyable, safe, and comprehensive golf programs through three municipally-owned golf courses: Pecan Valley, Meadowbrook, and Rockwood Park. On October 1, 2019, the Sycamore Creek location ceased operations as a golf course and was converted to public parkland.

Pecan Valley Golf Course is a 36-hole facility located in the southwest part of the city with a fully-equipped pro shop, snack shop, and driving range. An expansive outdoor pavilion is also available to handle large tournaments and corporate outings.

Meadowbrook Golf Course is an 18-hole facility located on the east side of the city. It has a fully-equipped pro shop and features a full snack bar and grill service.

Rockwood Park Golf Course is an 18-hole facility with a driving range, pro shop, snack shop, and six-hole practice course. Rockwood Park has the distinction of serving as the host site for The First Tee of Fort Worth and the Ben Hogan Learning Center. The 18-hole course received an extensive renovation and reopened in June 2017. The newly constructed clubhouse opened in May 2021. The course is located in the near northwest part of the city.

Municipal Golf Fund expenditures are financed primarily from charges-for-service, classified as taxable and non-taxable revenue, in the form of green fees, cart rentals, and other fees at all golf courses. In August 2014, the City Council approved a resolution providing an annual subsidy to the Municipal Golf Fund beginning in FY2015. In July 2015, the Municipal Golf Fund was changed from an Enterprise Fund to a Special Revenue Fund.

In FY2016, the annual subsidy was apportioned to pay previous Peoplesoft FINS Phase II debt, while also continuing to support the Municipal Golf Fund.

### **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Municipal Golf Fund is currently planning for a renovation of Meadowbrook Golf Course. Due to the 2022 Bond Program – Proposition B that passed in May of 2022, Meadowbrook Golf Course is scheduled to close on November 1, 2023, and reopen in Spring 2025. No revenue would be generated during the closure, but expenditures would be incurred for staff salaries and benefits to oversee construction and for utilities. All financial strategies for the Municipal Golf Fund need to account for the impacts of the closure and the financial performance when the facility reopens following the renovation.

The FY2024 Recommended Budget includes an overall decrease in earned revenues of \$401,005 (-6.6%) over the FY2023 Adopted Budget, primarily due to the Meadowbrook closure. The annual subsidy also will decrease by \$75,000 to \$245,000. The Municipal Golf Fund will use fund balance to balance the FY2024 Golf Operating Budget.

The Adopted Budget:

- Increases by \$89,376 and 3 full-time positions to fund three Maintenance Workers at Meadowbrook Golf Course to assist in turf grow-in and other renovation needs.
- Decreases by (\$243,231) for transfers to golf capital projects
- Increases by \$39,567 in General Operating & Maintenance for previously approved costs associated with risk management, IT solutions allocation costs, and fund administration
- Increases by \$63,405 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	—	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	9	—	—	—	—	0.0%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	84	—	—	—	—	0.0%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	(592,442)	—	—	—	—	0.0%
Special Assessments	—	—	—	—	—	0.0%
Other	1,025	—	—	—	—	0.0%
Transfer In	—	—	—	—	—	0.0%
Use of Fund Balance	—	—	—	—	—	0.0%
<b>Total Revenues</b>	<b>(591,324)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>
<b>Expenses</b>						
Salaries & Benefits	—	—	—	—	—	0.0%
Gen Operating & Maintenance	21,248	—	—	—	—	0.0%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	—	—	—	—	—	0.0%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>21,248</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>(612,572)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>

**FUND PURPOSE AND GOALS**

The Special Donations Fund was created in FY2016 to capture and track monetary donations received by various departments within the City. Each year some departments receive donations or revenues from private entities on a regular basis. These revenues may be limited in use by the donor. In the past, these funds were commingled with other types of revenue, and the Special Donations Fund was set up to budget for these cash/monetary donations only.

The budget is based on the anticipated revenue from each General Fund department that receives donations and is included in the budget appropriation for the fiscal year. Revenues and expenditures are budgeted in a Non-Departmental center within the Special Donations Fund and once a donation is received, both the revenue and expenditure budget will be transferred to the applicable center for the department receiving the donation within the fund.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

There are no significant changes in service level represented in the FY2024 Adopted Budget.

# **Public Improvement District Funds**

## FUND SUMMARY

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Other Tax	\$ 2,410,921	\$ 2,741,826	\$ 2,741,826	\$ 2,970,608	\$ 228,782	8.3%
Use of Money & Property	8,628	—	—	—	—	0.0%
Other	145,581	150,000	150,000	150,000	—	—%
Transfer In	457,150	451,402	493,489	451,402	—	—%
Use of Fund Balance	—	41,247	—	—	(41,247)	-100.0%
<b>Total Revenues</b>	<b>3,022,280</b>	<b>3,384,475</b>	<b>3,385,315</b>	<b>3,572,010</b>	<b>187,535</b>	<b>5.5%</b>
<b>Expenses</b>						
Gen Operating & Maintenance	3,061,180	3,317,610	3,318,450	3,445,907	128,297	3.9%
Transfer Out & Other	63,303	66,865	66,865	126,103	59,238	88.6%
<b>Total Expenses</b>	<b>3,124,483</b>	<b>3,384,475</b>	<b>3,385,315</b>	<b>3,572,010</b>	<b>187,535</b>	<b>5.5%</b>
<b>Grand Total</b>	<b>\$ (102,203)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—%</b>

## FUND PURPOSE AND GOALS

Public Improvement District (PID) #1 - Downtown Fort Worth was established in 1986 and was the first improvement district in the State of Texas. The Downtown Fort Worth PID was re-established by petition of the property owners on June 23, 2009 for a term period of 20 years and consists of 380 acres.

The funds are utilized primarily in the areas of maintenance and landscaping, promotions and marketing, an ambassador program, transportation and planning, trash removal, and administration (management of the PID).

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Other Tax	\$ 1,748,803	\$ 1,934,022	\$ 1,934,022	\$ 2,185,323	\$ 251,301	13.0 %
Use of Money & Property	12,797	—	—	—	—	0.0 %
Other	—	—	—	—	—	0.0 %
Transfer In	199,556	206,453	279,626	206,453	—	0.0 %
Use of Fund Balance	—	—	169,512	—	—	0.0 %
<b>Total Revenues</b>	<b>1,961,156</b>	<b>2,140,475</b>	<b>2,383,160</b>	<b>2,391,776</b>	<b>251,301</b>	<b>11.7 %</b>
<b>Expenses</b>						
Gen Operating & Maintenance	2,077,644	2,091,665	2,334,350	2,286,645	194,980	9.3 %
Transfer Out & Other	38,358	48,810	48,810	105,131	56,321	115.4 %
<b>Total Expenses</b>	<b>2,116,002</b>	<b>2,140,475</b>	<b>2,383,160</b>	<b>2,391,776</b>	<b>251,301</b>	<b>11.7 %</b>
<b>Grand Total</b>	<b>\$ (154,846)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

Public Improvement District (PID) #6 - Park Glen was established by petition of the property owners in perpetuity and was created on September 28, 1998. It is in a primarily residential neighborhood located in far northeast Fort Worth, just outside Loop 820 and consists of approximately 1,124 acres. The Park Glen PID has two assessment rates, one for residential and another for commercial properties within the PID.

The funds are utilized primarily for landscaping, maintenance of grounds, trash pick-up, security, administration, public events and capital improvements including a new stormwater detention and pond maintenance.

## FUND SUMMARY

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Other Tax	\$ 1,808,506	\$ 1,860,543	\$ 1,860,543	\$ 2,020,700	\$ 160,157	8.6%
Use of Money & Property	15,878	—	—	—	—	0.0%
Other	—	—	—	—	—	0.0%
Transfer In	191,096	207,812	223,705	207,812	—	0.0%
Use of Fund Balance	—	267,033	251,140	64,950	(202,083)	-75.7%
<b>Total Revenues</b>	<b>2,015,480</b>	<b>2,335,388</b>	<b>2,335,388</b>	<b>2,293,462</b>	<b>(41,926)</b>	<b>-1.8%</b>
<b>Expenses</b>						
Gen Operating & Maintenance	2,125,134	2,294,021	2,294,021	2,247,593	(46,428)	-2.0%
Transfer Out & Other	39,258	41,367	41,367	45,869	4,502	10.9%
<b>Total Expenses</b>	<b>2,164,392</b>	<b>2,335,388</b>	<b>2,335,388</b>	<b>2,293,462</b>	<b>(41,926)</b>	<b>-1.8%</b>
<b>Grand Total</b>	<b>\$ (148,912)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>

## FUND PURPOSE AND GOALS

Public Improvement District (PID) #7 – Heritage was established by petition of the property owners in perpetuity on September 26, 2000. It encompasses 927 acres of primarily residential neighborhoods located in far northeast Fort Worth, east of I35W and north of Loop 820. The Heritage PID has two assessment rates, one for residential, and another for commercial properties within the PID.

The funds are utilized for landscaping, maintenance of grounds, utilities, administration, public events and capital improvements including a new irrigation system, low maintenance landscaping, benches, picnic tables, and lighting.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Other Tax	\$ 212,584	\$ 345,399	\$ 345,399	\$ 458,777	\$ 113,378	32.8 %
Use of Money & Property	2,563	—	—	—	—	0.0 %
Other	—	—	—	—	—	0.0 %
Transfer In	—	7,743	8,293	7,743	—	0.0 %
Use of Fund Balance	—	16,369	65,819	—	(16,369)	(100.0)%
<b>Total Revenues</b>	<b>215,147</b>	<b>369,511</b>	<b>419,511</b>	<b>466,520</b>	<b>97,009</b>	<b>26.3 %</b>
<b>Expenses</b>						
Gen Operating & Maintenance	222,595	362,448	412,448	457,190	94,742	26.1 %
Transfer Out & Other	4,272	7,063	7,063	9,330	410	5.8 %
<b>Total Expenses</b>	<b>226,867</b>	<b>369,511</b>	<b>419,511</b>	<b>466,520</b>	<b>95,152</b>	<b>25.8 %</b>
<b>Grand Total</b>	<b>\$ (11,720)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (1,857)</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

Public Improvement District (PID) #11 – Stockyards was established on February 23, 2003 and it encompasses 192 acres of the Historic Stockyards area on the north side of Fort Worth. The Stockyards PID was created to promote tourism in the area, increase marketing efforts, and support special events for this historic district.

The funds are utilized for website maintenance and marketing initiatives, promotion of special events, litter abatement, various small capital improvements, and administration.



**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Other Tax	\$ 93,693	\$ 196,349	\$ 196,349	\$ 373,983	\$ 177,634	90.5%
Use of Money & Property	690	—	—	—	—	0.0%
Other	—	—	—	—	—	0.0%
Use of Fund Balance	—	—	—	—	—	0.0%
<b>Total Revenues</b>	<b>94,383</b>	<b>196,349</b>	<b>196,349</b>	<b>373,983</b>	<b>177,634</b>	<b>90.5%</b>
<b>Expenses</b>						
Gen Operating & Maintenance	144,495	174,933	174,933	261,312	86,379	49.4%
Transfer Out & Other	2,000	21,416	21,416	112,671	91,255	426.1%
<b>Total Expenses</b>	<b>146,495</b>	<b>196,349</b>	<b>196,349</b>	<b>373,983</b>	<b>177,634</b>	<b>90.5%</b>
<b>Grand Total</b>	<b>\$ (52,112)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>

**FUND PURPOSE AND GOALS**

Public Improvement District (PID) #12 - Chapel Hill was established on March 23, 2004 to encompass the Chapel Hill neighborhood which includes approximately 1,346 acres. The Chapel Hill PID was created to support the anticipated economic development of the area and to provide additional neighborhood amenities.

The funds are utilized primarily for utility expenditures, management fees, landscaping, and pond maintenance.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Other Tax	\$ 78,091	\$ 94,270	\$ 94,270	\$ 102,766	\$ 8,496	9.0 %
Use of Money & Property	376	—	—	—	—	0.0 %
Other	—	—	—	—	—	0.0 %
Transfer In	—	—	—	40	40	0.0 %
Use of Fund Balance	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>78,467</b>	<b>94,270</b>	<b>94,270</b>	<b>102,806</b>	<b>8,536</b>	<b>9.1 %</b>
<b>Expenses</b>						
Gen Operating & Maintenance	84,364	92,270	92,270	100,750	8,480	9.2 %
Transfer Out & Other	2,000	2,000	2,000	2,056	56	2.8 %
<b>Total Expenses</b>	<b>86,364</b>	<b>94,270</b>	<b>94,270</b>	<b>102,806</b>	<b>8,536</b>	<b>9.1 %</b>
<b>Grand Total</b>	<b>\$ (7,897)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

Public Improvement District (PID) #14 – Trinity Bluff was established on June 16, 2009 for a 20-year term and encompasses 30.9 acres in the Trinity Bluff area at the north end of Downtown. The Trinity Bluff PID has one assessment rate for residential properties only within the PID.

The funds are utilized primarily for landscaping and maintenance, an ambassador program, litter abatement, and management costs.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Other Tax	\$ 133,878	\$ 141,410	\$ 141,410	\$ 155,417	\$ 14,007	9.9 %
Use of Money & Property	1,231	—	—	—	—	0.0 %
Other	—	—	—	—	—	0.0 %
Use of Fund Balance	—	12,360	33,476	—	(12,360)	(100.0)%
<b>Total Revenues</b>	<b>135,109</b>	<b>153,770</b>	<b>174,886</b>	<b>155,417</b>	<b>1,647</b>	<b>1.1 %</b>
<b>Expenses</b>						
Gen Operating & Maintenance	109,306	150,942	172,058	152,309	1,367	0.9 %
Transfer Out & Other	2,566	2,828	2,828	3,108	280	9.9 %
<b>Total Expenses</b>	<b>111,872</b>	<b>153,770</b>	<b>174,886</b>	<b>155,417</b>	<b>1,647</b>	<b>1.1 %</b>
<b>Grand Total</b>	<b>\$ 23,237</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

Public Improvement District (PID) #15 – Sun Valley was established on August 21, 2012 for a 20-year term, and is located in southeast Fort Worth, just east of Loop 820. The Sun Valley PID has one assessment rate for commercial properties only within the PID.

The Sun Valley PID funds are utilized for security services and administration.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Other Tax	\$ 896,998	\$ 837,000	\$ 837,000	\$ 1,655,747	\$ 818,747	97.8 %
Use of Fund Balance	—	25,984	356,179	25,084	(900)	(3.5)%
<b>Total Revenues</b>	<b>896,998</b>	<b>862,984</b>	<b>1,193,179</b>	<b>1,680,831</b>	<b>817,847</b>	<b>94.8 %</b>
<b>Expenses</b>						
Gen Operating & Maintenance	1,343,944	862,984	1,193,179	1,680,831	817,847	94.8 %
<b>Total Expenses</b>	<b>1,343,944</b>	<b>862,984</b>	<b>1,193,179</b>	<b>1,680,831</b>	<b>817,847</b>	<b>94.8 %</b>
<b>Grand Total</b>	<b>\$ (446,946)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

Public Improvement District #16 – Walsh Ranch/Quail Valley was created by resolution by the Mayor and City Council on September 27, 2016 to provide a mechanism to fund infrastructure associated with the Walsh Ranch development. The Walsh Ranch/Quail Valley PID shall continue in effect until all obligations of indebtedness have been fully satisfied and discharged. Comprising 1,703.57 acres of land, the PID is generally located north of the intersection of Interstate Highway 20 and Interstate Highway 30, east of Farm to Market Road 1187, south of Old Weatherford Road, and west of the Parker County – Tarrant County boundary line.

The funds collected during the fiscal year will be paid to the developer as part of the city's commitment to acquire the infrastructure previously installed within the development.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount %	
<b>Revenues</b>						
Other Tax	\$ —	\$ 1,735,000	\$ 1,735,000	\$ 1,763,775	\$ 28,775	1.7 %
Use of Fund Balance	—	42,600	42,600	11,225	(31,375)	(73.7)%
<b>Total Revenues</b>	<b>—</b>	<b>1,777,600</b>	<b>1,777,600</b>	<b>1,775,000</b>	<b>(2,600)</b>	<b>(0.1)%</b>
<b>Expenses</b>						
Gen Operating & Maintenance	31,172	1,777,600	1,777,600	1,775,000	(2,600)	(0.1)%
<b>Total Expenses</b>	<b>31,172</b>	<b>1,777,600</b>	<b>1,777,600</b>	<b>1,775,000</b>	<b>(2,600)</b>	<b>(0.1)%</b>
<b>Grand Total</b>	<b>\$ (31,172)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

Public Improvement District (PID) #17 - Rock Creek Ranch was established for a 20-year term in 2016, expiring in 2037 as a means to assist in financing infrastructure costs associated with Tarleton State University. It is anticipated that the property will be developed to include approximately 4,917 single-family residential homes; 2,520 multi-family residential units; 3,780,000 square feet of commercial space and 960,000 square feet of public university space.

The Rock Creek Ranch PID funds collected during the fiscal year will be used to pay debt obligations associated with the financings issued by the City for infrastructure.

Due to the separation of the adoption process and proceedings for Public Improvement Districts from the City, Rock Creek Ranch PID #17 was not yet officially adopted as of the date of publication of the FY2021 Adopted Budget and Program Objectives Document. The FY2021 data shown above is the latest estimate available at the time of publication and is provided for transparency purposes. Additional information may be obtained upon request from the City of Fort Worth.

## FUND SUMMARY

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Other	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Other Tax	5,740,476	5,455,000	8,350,000	7,000,000	1,545,000	28.3%
<b>Total Revenues</b>	<b>5,740,476</b>	<b>5,455,000</b>	<b>8,350,000</b>	<b>7,000,000</b>	<b>1,545,000</b>	<b>28.3%</b>
<b>Expenses</b>						
Gen Operating & Maintenance	3,892,714	5,400,000	6,195,000	6,945,000	1,545,000	28.6%
Transfer Out & Other	55,000	55,000	2,155,000	55,000	—	0.0%
<b>Total Expenses</b>	<b>3,947,714</b>	<b>5,455,000</b>	<b>8,350,000</b>	<b>7,000,000</b>	<b>1,545,000</b>	<b>28.3%</b>
<b>Grand Total</b>	<b>\$ 1,792,762</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>

## FUND PURPOSE AND GOALS

Public Improvement District (PID) #18 - Tourism was established in August 2017 for a 10-year term, expiring in 2027. The goals of the proposed Tourism PID focus on increasing the economic impact and enhancing competitiveness in conventions, meetings, leisure and sports tourism, and increasing tourism-related economic activity at all times, including economic downturns and as inventory grows.

The Tourism PID projects include incentives and sales efforts, convention and sports marketing and promotion, site visits and familiarization tours, community arts grants, convention services, event funding application, operations, research, and administration, all of which benefit the hotels within the Tourism PID. The boundaries include noncontiguous areas authorized under the Act, consisting only of hotel properties with 100 or more rooms ordinarily used for sleeping within the City of Fort Worth.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Other Tax	\$ 441,920	\$ 469,352	\$ 469,352	\$ 497,673	\$ 28,321	6.0%
Use of Money & Property	3,520	—	—	—	—	0.0%
Other	1,650	—	—	—	—	0.0%
Transfer In	17,791	17,791	38,887	17,791	—	0.0%
Use of Fund Balance	—	64,171	70,778	63,917	(254)	-0.4%
<b>Total Revenues</b>	<b>464,881</b>	<b>551,314</b>	<b>579,017</b>	<b>579,381</b>	<b>28,067</b>	<b>5.1%</b>
<b>Expenses</b>						
Gen Operating & Maintenance	472,166	541,571	569,274	569,072	27,501	5.1%
Transfer Out & Other	9,279	9,743	9,743	10,309	566	5.8%
<b>Total Expenses</b>	<b>481,445</b>	<b>551,314</b>	<b>579,017</b>	<b>579,381</b>	<b>28,067</b>	<b>5.1%</b>
<b>Grand Total</b>	<b>\$ (16,564)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>

**FUND PURPOSE AND GOALS**

Public Improvement District (PID) #19 - Historic Camp Bowie was created on August 19, 2018, for a 10-year term and will expire on September 30, 2028. The PID includes 238.76 acres of land generally consisting of all commercial properties along the Camp Bowie Boulevard from Montgomery (on the east) to Irene (on the west); and all commercial land use areas along West 7th Street from University to Montgomery. Services to be provided by the PID include landscaping, promotional sign and banner programs, lighting, and various other streetscape and capital improvements.

The funds are utilized primarily for beautification, litter abatement, and maintenance. Required reserves for the fund will also be established within the initial year of operation.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Other Tax	\$ 251,553	\$ 291,898	\$ 291,898	\$ 333,704	\$ 41,806	14.3 %
Use of Money & Property	1,616	—	—	—	—	0.0 %
Other	—	—	—	—	—	0.0 %
Use of Fund Balance	—	—	58,740	—	—	0.0 %
<b>Total Revenues</b>	<b>253,169</b>	<b>291,898</b>	<b>350,638</b>	<b>333,704</b>	<b>41,806</b>	<b>14.3 %</b>
<b>Expenses</b>						
Gen Operating & Maintenance	225,579	283,800	342,540	303,790	19,990	7.0 %
Transfer Out & Other	5,148	8,098	8,098	29,914	21,816	269.4 %
<b>Total Expenses</b>	<b>230,727</b>	<b>291,898</b>	<b>350,638</b>	<b>333,704</b>	<b>41,806</b>	<b>14.3 %</b>
<b>Grand Total</b>	<b>\$ 22,442</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

Public Improvement District (PID) #20 - East Lancaster was established on February 12, 2019, for a period of 10 years and will expire on September 30, 2029. It is approximately 243 acres of land generally described as: All properties fronting onto East Lancaster Avenue starting from the east curb of Riverside Drive eastward to the western edge of Interstate Loop 820, including properties in and parallel to the addresses in the 1800 to 6000 blocks of East Lancaster Avenue. Services to be provided by the PID include landscaping, security enhancements, lighting, and various other streetscape and capital improvements.

The funds are utilized primarily for security services and administration. Required reserves for the fund will also be established within the initial year of operation.



**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Other Tax	\$ 295,732	\$ 387,066	\$ 387,066	\$ 414,168	\$ 27,102	7.0 %
Use of Money	2,301	—	—	—	—	0.0 %
Other	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>298,033</b>	<b>387,066</b>	<b>387,066</b>	<b>414,168</b>	<b>27,102</b>	<b>7.0 %</b>
<b>Expenses</b>						
Gen Operating & Maintenance	232,385	372,325	372,325	393,611	21,286	5.7 %
Transfer Out & Other	6,237	14,741	14,741	20,557	5,816	39.5 %
<b>Total Expenses</b>	<b>238,622</b>	<b>387,066</b>	<b>387,066</b>	<b>414,168</b>	<b>27,102</b>	<b>7.0 %</b>
<b>Grand Total</b>	<b>\$ 59,411</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

Public Improvement District (PID) #21 – Las Vegas Trail was established on June 22, 2021, for a period of 8 years and will expire on September 30, 2029. It is approximately 839 acres of land generally consisting of the area bound by Highway 820 on the west, Interstate Highway 30 on the north, South Cherry Lane on the East, and certain parcels fronting or adjacent to the south side of Camp Bowie Boulevard.

The general nature of the proposed improvements and services to be provided in the Las Vegas Trail PID, include, without limitation, landscaping, promotional sign and banner programs, lighting, and various other streetscape and capital improvements, including streets, sidewalks, roadways, and rights-of-way. These improvements support public safety, community enhancements, and supplement the standard level of improvements and services provided by the City.

# **Special Project Funds**

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Other Tax	\$ —	\$ —	\$ —	\$ —	—	0.0 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	—	—	—	—	—	0.0 %
Use of Money & Property	39	—	—	—	—	0.0 %
Other	252,169	—	—	—	—	0.0 %
Transfer In	—	—	—	—	—	0.0 %
Use of Fund Balance	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>252,208</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Expenses</b>						
Salaries & Benefits	2,557	—	—	—	—	0.0 %
Gen Operating & Maintenance	325,100	—	—	—	—	0.0 %
Capital Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	49,942	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>377,599</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Grand Total</b>	<b>\$ (125,391)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>	

**FUND PURPOSE AND GOALS**

The purpose of the Library Special Revenue Fund is to manage revenue designated for and given to the Library through alternate sources including, but not limited to, trusts and estates. This fund structure consists of multiple projects to which distributions are deposited until funds are appropriated and spent. The goal is to expend these unique funds in ways that address library needs while honoring and fulfilling the intentions of the benefactors. One example of how this has been accomplished is the Library’s purchase of the Fort Worth Star Telegram’s digital archives in 2019 in the amount of \$189,371.00. The Library would not been able to add this specialized information resource to its archival collection without this funding opportunity. There are no approved positions allocated to the fund.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Library Department will continue working with staff in the Financial Management Services (FMS) department to identify and close older projects when those funding provisions have terminated or expired. It is anticipated that appropriation requests for this fund will be made in 2024 to address the department’s needs.

# Special Project Funds      Municipal Court Special Revenue Fund Statement

## FUND SUMMARY

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	0.0 %
License & Permits	—	—	—	—	—	0.0 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	413,081	1,847,095	1,921,897	74,802	(1,772,293)	(96.0)%
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	29,687	—	—	—	—	0.0 %
Special Assessments	—	—	—	—	—	0.0 %
Other	—	—	—	—	—	0.0 %
Transfer In	—	—	—	—	—	0.0 %
Use of Fund Balance	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>442,768</b>	<b>1,847,095</b>	<b>1,921,897</b>	<b>74,802</b>	<b>(1,772,293)</b>	<b>(96.0)%</b>
<b>Expenses</b>						
Salaries & Benefits	18,104	—	—	—	—	0.0 %
Gen Operating & Maintenance	246,410	1,847,095	1,921,897	74,802	—	0.0 %
Capital Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>264,514</b>	<b>1,847,095</b>	<b>1,921,897</b>	<b>74,802</b>	<b>—</b>	<b>0.0 %</b>
<b>Grand Total</b>	<b>\$ 178,254</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,772,293</b>	

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Municipal Court Special Revenue	1.00	1.00	1.00	1.00	—	—
<b>Total</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>—</b>	<b>—</b>

## FUND PURPOSE AND GOALS

The Municipal Court Special Revenue Fund is used to manage several of the department's programs and projects:

The Court Security Project of the Special Purpose Fund was established under the authority of Article 102.017(c) of the Texas Code of Criminal Procedure to finance the purchase of Security Personnel and Security services along with items related to the buildings that house the operations of Municipal Court.

The Court Technology Project of the Special Purpose Fund was established under the authority of Article 102.0172 of the Texas Code of Criminal Procedure to finance the purchase and maintenance of technological enhancements for the Municipal Court.

## **Special Project Funds      Municipal Court Special Revenue Fund Statement**

The Juvenile Case Management Project of the Special Purpose Fund was established under the authority of Article 102.0174 of the Texas Code of Criminal Procedure to pay for costs related to juvenile case manager positions.

The Truancy Prevention & Diversion Project of the Special Purpose Fund was established under the authority of Article 102.015 of the Texas Code of Criminal Procedure. This legislation allows a governing body of a municipality by ordinance to create a juvenile case manager fund.

### **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

These projects remain active and unappropriated revenue received through FY2022 totals \$74,802. This fund has 1 AP allocated 50% to Juvenile Case Manager Project and Truancy Prevention & Diversion Project. There are legislative mandates effective September 1, 2023 that will affect operations in the Truancy Prevention & Diversion project in later years.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	—	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	0.0 %
License & Permits	—	—	—	—	—	0.0 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	—	—	—	—	—	0.0 %
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	29,700	—	—	—	—	0.0 %
Special Assessments	—	—	—	—	—	0.0 %
Other	—	—	—	—	—	0.0 %
Transfer In	2,392,714	2,735,308	2,735,308	4,599,689	1,864,381	68.2 %
Use of Fund Balance	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>2,422,414</b>	<b>2,735,308</b>	<b>2,735,308</b>	<b>4,599,689</b>	<b>1,864,381</b>	<b>68.2 %</b>
<b>Expenses</b>						
Salaries & Benefits	—	—	—	—	—	0.0 %
Gen Operating & Maintenance	559,472	2,735,308	2,735,308	4,599,689	—	0.0 %
Capital Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>559,472</b>	<b>2,735,308</b>	<b>2,735,308</b>	<b>4,599,689</b>	<b>—</b>	<b>0.0 %</b>
<b>Grand Total</b>	<b>\$ 1,862,942</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (1,864,381)</b>	

**FUND PURPOSE AND GOALS**

The CCPD Community Based Fund, a life-to-date fund created to track multi-year funding awards, provides financial support for crime prevention or intervention programs of local, registered non-profit agencies. These programs are to supplement the current crime prevention strategies funded by the Crime Control and Prevention District. These programs must address at least one of the following goals: reduce violent crime and gang related activities, support efforts to increase the safety of residents and to support efforts to increase the safety of youth as well as reduce juvenile crime through crime prevention and intervention programs.

Agencies submit proposals to the Fort Worth Police Department (FWPD), outlining the details of their crime prevention programs, including a project overview, budget summary, outcomes, and activity measures. Agencies are encouraged to integrate evidence-informed strategies and describe how their project impacts the District’s mission.

All proposals are reviewed and scored by a committee. The Scoring Committee makes recommendations to the CCPD Board, and programs are awarded funding on a competitive basis based on the amount of funds allocated towards community-based programming each fiscal year.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Change from Adopted Amount	%
<b>Revenues</b>						
Other Tax	\$ —	\$ —	\$ —	\$ —	—	0.0 %
Intergovernmental	10,414	—	—	—	—	0.0 %
Charge for Service	1,264,210	—	1,288,713	—	—	0.0 %
Use of Money & Property	63,850	—	527,389	—	—	0.0 %
Other	(24)	—	—	—	—	0.0 %
Transfer In	—	—	—	—	—	0.0 %
Use of Fund Balance	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>1,338,450</b>	<b>—</b>	<b>1,816,102</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Expenses</b>						
Salaries & Benefits	—	—	—	—	—	0.0 %
Gen Operating & Maintenance	122,905	—	1,816,102	—	—	0.0 %
Capital Accts	63,480	—	—	—	—	0.0 %
Transfer Out & Other	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>186,385</b>	<b>—</b>	<b>1,816,102</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>
<b>Grand Total</b>	<b>\$ 1,152,065</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>	

Note: These project funds are life to date; therefore appropriation adjustments may carry over fiscal years.

**FUND PURPOSE AND GOALS**

The Special Purpose Fund is used to manage funds associated with various city programs and projects. Projects held in this fund are life to date.

**FY2024 DISCUSSION**

Increases in appropriations for projects in this fund are contingent upon availability and need. No budget is added in FY2024.

## Special Project Funds

## Specially Funded Projects List

	FY2022	FY2023	FY2023	FY2024	Chg from PY Adopted	
	Final	Adopted	Adjusted	Adopted	Amount	%
MLK/JUNETEENTH COMMITTEE P_S00006	—	—	652	—	—	0.0 %
MAYORS COMM PERSONS W/DISABIL P_S00007	—	—	20,287	—	—	0.0 %
ANIMAL ADOPTION CENTER P_S00026	95,976	—	500,000	—	—	0.0 %
NORTHSIDE COMMUNITY CENTER P_S00051	32,000	—	—	—	—	0.0 %
COURT SECURITY FUNDS P_S00094	157,179	250,344	262,599	12,215	(238,129)	(95.1)%
COURT TECHNOLOGY FEES P_S00095	86,715	945,557	945,557	—	(945,557)	(100.0)%
JUVENILE CASE MANAGER FUNDS P_S00096	7,860	298,551	299,539	988	(297,563)	(99.7)%
TRUANCY PREVENTION & DIVERSION P_S00097	12,760	352,643	414,242	61,599	(291,044)	(82.5)%
ENERGY AID P_S00104	4,438	—	—	—	—	0.0 %
FW HUMAN RELATIONS COMMISSION P_S00107	—	—	6,450	—	—	0.0 %
RESOURCE CONSERVATION PROGRAM P_S00109	5,000	—	—	—	—	0.0 %
LIBRARY AUTO SYSTEMS P_S00141	51,040	—	—	—	—	0.0 %
DEVELOPER TECH IMPROVEMENTS	33,456	—	1,288,713	—	—	0.0 %
CCPD Community Based Program FY23	—	2,735,308	2,735,308	—	(2,735,308)	(100.0)%
CCPD Community Based Program FY24	—	—	—	4,599,689	4,599,689	0.0 %
<b>Total Project</b>	<b>\$ 486,424</b>	<b>\$ 4,582,403</b>	<b>\$ 6,473,347</b>	<b>\$ 4,674,491</b>	<b>\$(1,772,293)</b>	<b>(38.7)%</b>

Note: These projects are life to date and may receive supplemental appropriations during FY2024.



# Proprietary Funds

# **Enterprise Funds**

## FUND SUMMARY

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
License & Permits	\$ 1,583,061	\$ 1,524,507	\$ 1,524,507	\$ 1,896,825	\$ 372,318	24.4%
Charge for Service	670,798,721	605,732,373	689,062,373	668,339,316	62,606,943	10.3%
Use of Money & Property	16,929,424	15,535,230	21,535,230	18,883,157	3,347,927	21.6%
Other	22,972,326	15,516,531	18,722,531	15,572,655	56,124	0.4%
Transfer In	20,064,111	26,803,861	26,892,801	34,488,967	7,685,106	28.7%
<b>Total Revenues</b>	<b>732,347,643</b>	<b>665,112,502</b>	<b>757,737,442</b>	<b>739,180,920</b>	<b>74,068,418</b>	<b>11.1%</b>
<b>Use of Fund Balance</b>	—	<b>2,479,941</b>	<b>8,794,434</b>	<b>1,907,217</b>	<b>(572,724)</b>	<b>-23.1%</b>
<b>Expenses</b>						
Salaries & Benefits	104,771,987	111,464,737	110,889,737	118,516,539	7,051,802	6.3%
Gen Operating & Maintenance	284,636,083	290,975,634	314,089,368	328,663,863	37,688,229	13.0%
Debt Service Accts	1,769,048	903,806	1,233,806	33,900	(869,906)	-96.2%
Transfer Out	306,484,252	258,961,009	339,692,215	290,359,997	31,398,988	12.1%
<b>Total Expenses</b>	<b>697,661,370</b>	<b>662,305,186</b>	<b>765,905,126</b>	<b>737,574,299</b>	<b>75,269,113</b>	<b>11.4%</b>
<b>Grand Total</b>	<b>\$ 34,686,273</b>	<b>\$ 5,287,257</b>	<b>\$ 626,750</b>	<b>\$ 3,513,838</b>	<b>\$ (1,773,419)</b>	
<b>Contribution to Fund Balance</b>	—	<b>5,287,257</b>	<b>626,750</b>	<b>3,513,838</b>	<b>(1,773,419)</b>	<b>-33.5%</b>
<b>Revenues Over(Under) Expenses</b>	<b>\$ 34,686,273</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>

## FUND PURPOSE AND GOALS

Enterprise funds provide direct deliverables to customers who receive goods or services in exchange for payment. The City charges rates for these services and deposits the revenue into separate operating funds. This revenue pays for the delivery of each service or product. Each operation is intended to be a self-supporting business, therefore employing the enterprise financial model. The City currently operates five funds on this basis: Water and Sewer, Municipal Airports, Municipal Parking, Stormwater Utility, and Solid Waste.

The Municipal Airports Fund supports the operations of Alliance, Meacham, and Spinks Airports through the collection of revenue primarily generated by land and terminal building leases, as well as landing fees, hangar rental, and fuel flowage.

The Municipal Parking Fund is managed by the Transportation and Public Works Department and maintains six parking garages, twenty surface lots, and more than 3,000 metered spaces. Revenues are generated from fees charged to users of those surface lots, garages, and street metered parking spaces, the lease of office and retail space, and fines collected from parking ordinance violations. Operations are financed from these revenues and debt is issued for large capital projects.

The Solid Waste Fund is responsible for the collection of refuse and recycling throughout the city. Operations are financed 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.

The Stormwater Utility Fund has the responsibility of providing stormwater management to approximately 244,000 residential, commercial, and industrial customers. Program operations are financed through utility fees for residents and commercial customers based on the measure of impervious surface area or equivalent. Residential unit charges are collected from residents through a monthly fee added to their water bill.

The Water and Sewer Fund is responsible for providing water, wastewater, and reclaimed water services to residential, commercial, industrial, irrigation, and wholesale customers. The fund serves approximately 1.3 million people in Fort Worth and 33 surrounding communities. Operations are financed through a rate structure based on the amount of service used, which is billed to customers every month. Debt is issued for large capital projects.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Sales Tax	—	—	—	—	—	0.0%
Other Tax	—	—	—	—	—	0.0%
License & Permits	35,400	54,063	54,063	54,100	37	0.1%
Intergovernmental	—	—	—	—	—	0.0%
Charge for Service	7,520,348	6,325,400	6,325,400	6,553,200	227,800	3.6%
Fines & Forfeitures	—	—	—	—	—	0.0%
Use of Money & Property	7,898,464	8,017,733	8,017,733	9,008,701	990,968	12.4%
Special Assessments	—	—	—	—	—	0.0%
Other	149,488	190,647	190,647	123,688	(66,959)	-35.1%
Transfer In	59,501	59,501	59,501	59,501	—	0.0%
Use of Fund Balance	—	—	6,114,493	1,815,000	1,815,000	0.0%
<b>Total Revenues</b>	<b>15,722,702</b>	<b>14,647,344</b>	<b>20,761,837</b>	<b>17,614,190</b>	<b>2,966,846</b>	<b>20.3%</b>
<b>Expenses</b>						
Salaries & Benefits	2,270,001	2,953,971	2,953,971	3,366,063	412,092	14.0%
Gen Operating & Maintenance	6,714,337	8,988,050	8,688,050	9,081,489	93,439	1.0%
Capital Accts	—	—	—	—	—	0.0%
Debt Service Accts	—	—	—	—	—	0.0%
Transfer Out & Other	1,170,482	2,705,323	9,119,816	5,166,638	2,461,315	91.0%
Contra Accounts	—	—	—	—	—	0.0%
Project Budget Account	—	—	—	—	—	0.0%
<b>Total Expenses</b>	<b>10,154,820</b>	<b>14,647,344</b>	<b>20,761,837</b>	<b>17,614,190</b>	<b>2,966,846</b>	<b>20.3%</b>
<b>Grand Total</b>	<b>\$ 5,567,882</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Municipal Airports Fund	29.00	28.48	31.00	30.48	2.00	2.00
<b>Total</b>	<b>29.00</b>	<b>28.48</b>	<b>31.00</b>	<b>30.48</b>	<b>2.00</b>	<b>2.00</b>

**FUND PURPOSE AND GOALS**

The Aviation Department oversees a system of airports, which includes: Fort Worth Meacham International Airport (Meacham), Fort Worth Spinks Airport (Spinks), and Perot Field Fort Worth Alliance Airport (Perot Field). The Department is responsible for capital improvements, accounts payable/receivable, grants management, human resources, leasing, and accounting and budgeting for all three Fort Worth Airports to varying degrees. For Meacham and Spinks Airports, the Operations Division is responsible for the day-to-day operations of each airport and inspect each airport to identify deficiencies and implement appropriate corrective action; the Maintenance Division is responsible for maintaining airfields and airport facilities. For Perot Field, Alliance Air/Aviation Services performs the operational and maintenance duties required.

Fort Worth Meacham International Airport – The city's oldest operating airport – dating to 1925 – is situated just five miles north of downtown Fort Worth. From its humble beginnings as a 100-acre site with dirt and sod runways, the airport has grown into a premier general aviation airport. Meacham now encompasses over 900 acres of land with two active runways. There are currently 108 total hangar facilities accounting for over 1.5 million square feet of hangar space housing over 360 based aircraft. Meacham maintains a state-of-the-art U.S. Customs and Border Protection User Fee Facility that first became operational in June 2019, providing a port of entry into the U.S. for the international corporate and general aviation community.

The renovation of Meacham's main administration building was completed in 2017. Aviation, Planning and Development staff, and other airport tenants, including one of two Fixed Based Operators (FBOs), are now located in the newly renovated building. The FBOs, Texas Jet and American Aero, provide a majority of the airport's fuel flowage and hangar space. Meacham's based businesses also include specialized aeronautical services consisting of fueling, maintenance, storage, painting, flight training, and aero-medical flight services providers. Aviation activity continues to rise at Meacham which now ranks as the busiest general aviation airport in the State of Texas and 32nd overall in the United States.

Fort Worth Spinks Airport – Located 14 miles south of downtown Fort Worth, was originally established in the early 1960s as Oak Grove Airport and remained active until the passing of its owner and founder Maurice "Pappy" Spinks. In 1988, a ceremony was held closing Oak Grove and activating Spinks Airport, just adjacent to the west and named in his honor. Spinks is the newest of the three Fort Worth Airports and covers an area of just over 800 acres.

Spinks provides two runways - one asphalt surface and the other a turf surface. Its single FBO occupies a 7,400 square foot terminal building and provides fueling, aircraft storage and concierge services for aircraft operators. Currently, it has over 60 hangar facilities which house over 240 based aircraft. Other on-sight businesses at Spinks include aviation maintenance and paint facilities, hangar storage, fueling, and flight training. In 2023 the Aviation Department completed the construction of 12 additional box hangars expanding aircraft storage capacity.

Perot Field – Established in 1989, Perot Field holds the distinction of being the world's first industrial airport and is the centerpiece of a 27,000-acre master-planned development known as Alliance, Texas. Perot Field was built to house large industrial and cargo operators and potentially scheduled passenger service in the future. The airport is owned by the City of Fort Worth and operated by a Management Agreement with privately held Alliance Air/Aviation Services, a subsidiary of Hillwood Development Company, LLC. The airport features a vast array of flight services, including general aviation, industrial/air cargo, and military aviation. The airport maintains a U.S. Customs and Border Protection office for the convenience of its on-sight businesses and users. The airport is nearly 1,200 acres and offers two parallel 11,000 feet long concrete runways.

In addition to general aviation services, Perot Field serves as the southwest regional hub for FedEx Express and Amazon Prime Air, which are the principal anchor tenants. Other major tenants include Burlington Northern Santa Fe (BNSF) Railway, Tarrant County College Northwest Center of Excellence, Drug Enforcement Administration, Federal Aviation Administration (FAA), and the Gulfstream Aerospace Corporation Maintenance facility. Alliance Air/Aviation Services serves as the only FBO at the airport and provides over 20,000 square feet of customer services areas/office space, multiple community hangars, fuel, and based aircraft.

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by one authorized position (AP) for Administrative Assistant for an increase of \$80,638 (offset by increased revenue) to assist with increased fiscal, budget, purchasing and other administrative tasks whose costs are offset by Temporary Labor Services and Training and Workshops
- Increases by one authorized position (AP) for one Spinks Airport Operations Technician for an increase in \$80,638 (offset by increased revenue) to assist in providing aircraft operations coverage and maintenance operations coverage whose costs are offset by Miscellaneous and Operations Expenses and Group Health Insurance

- Increases by \$412,092 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions
- Increases by \$156,357 in Administrative Costs Allocation for previously approved costs associated with City administrative services provided
- Increases by \$113,862 in Facilities Repair/Maintenance and Supplies for the repair and upkeep of facilities
- Increases by \$87,753 for Consultant and Other Professional Services
- Increases by \$87,143 in Facilities Repair and Maintenance Supplies for the repair and upkeep of facilities
- Increases by \$55,126 in Commercial Insurance and other related Risk Management Premiums
- Increases by \$28,426 in De-icing Chemicals
- Increases by \$22,147 in General Operating & Maintenance for previously approved costs associated with IT solutions allocation costs
- Increases by \$11,638 in Fleet Outside Repair and Maintenance and \$36,241 in Vehicle Repair and Maintenance due to the needs of an aging fleet
- Increases by \$4,017 in Contractual Pavement Maintenance for pavement repairs throughout the year
- Increases by \$1,792,185 in Capital Interfund Transfer Out for capital projects
- Increases by \$50,000 in Intrafund Transfer Out
- Increases by \$370,820 in Hangar Lease revenue and \$292,185 in Land Lease revenue
- Increases by \$194,185 by Administration Building Office Lease revenue
- Increases by \$186,000 in Fuel Flowage revenue is anticipated due to greater fuel flowage volume as fuel costs remains at 18 cents a gallon

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY2023 Adjusted	Desired Level
<b>Management</b>				
Manage, supervise and coordinate the activities and operations of all Airports.				
Secure a three year average of grant funding in the amount of \$1,500,000.00 (Spinks)	\$ 1,463,254	\$ 734,395	\$ 1,500,000	\$ 1,500,000
Secure a three year average of grant funding in the amount of \$1,500,000.00 (Meacham)	\$ 1,937,431	\$ 168,333	\$ 1,500,000	\$ 1,500,000
Secure a three year average of grant funding in the amount of \$1,500,000.00 (Alliance)	\$11,875,769	\$10,087,751	\$ 1,500,000	\$ 1,500,000
<b>Operations</b>				
Perform direct monitoring and evaluation of the airside and landside operational, safety and security functions. Administer all applicable federal, state and local rules, regulations and procedures; perform community relations functions.				
% of time airport status is 'open' (Spinks)	100 %	100 %	98 %	98 %
% of time airport status is 'open' (Meacham)	100 %	100 %	98 %	98 %
% of time airport status is 'open' (Alliance)	100 %	100 %	98 %	98 %
<b>Maintenance</b>				
Provide a well maintained airport environment through proper planning and scheduling of routine and unscheduled maintenance.				
% of work orders addressed within 24 hours (Spinks)	100 %	100 %	100 %	100 %
% of work orders addressed within 24 hours (Meacham)	100 %	100 %	100 %	100 %
% of work orders addressed within 24 hours (Alliance)	100 %	100 %	100 %	100 %
<b>Business Development</b>				
Attract businesses to the Airport and increase revenue through ground and hangar leases.				
Hangar occupancy rate (Spinks)	100 %	100 %	100 %	100 %
Hangar occupancy rate (Meacham)	100 %	100 %	100 %	100 %
Hangar occupancy rate (Alliance)	100 %	100 %	100 %	100 %
<b>Business Development</b>				
Airport System revenue growth at 10 percent or greater from previous year.				
Airport System revenue growth percent from previous year	19 %	5 %	100% + 10%	100% + 10%



**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	0.0 %
License & Permits	32,006	31,000	31,000	37,000	6,000	19.4 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	6,064,212	7,001,763	7,001,763	7,271,137	269,374	3.8 %
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	219,600	251,519	251,519	173,326	(78,193)	-31.1 %
Special Assessments	—	—	—	—	—	0.0 %
Other	2,118	—	—	—	—	0.0 %
Transfer In	408,808	600,000	600,000	600,000	—	0.0 %
Use of Fund Balance	—	248,657	248,657	—	(248,657)	-100.0 %
<b>Total Revenues</b>	<b>6,317,936</b>	<b>8,132,939</b>	<b>8,132,939</b>	<b>8,081,463</b>	<b>(51,476)</b>	<b>-0.6 %</b>
<b>Expenses</b>						
Salaries & Benefits	1,206,351	1,555,765	1,555,765	1,649,510	93,745	6.0 %
Gen Operating & Maintenance	2,839,820	3,547,875	3,547,875	4,407,747	859,872	24.2 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	53,899	3,029,299	3,029,299	2,024,206	(1,005,093)	-33.2 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>4,100,070</b>	<b>8,132,939</b>	<b>8,132,939</b>	<b>8,081,463</b>	<b>(51,476)</b>	<b>-0.6 %</b>
<b>Grand Total</b>	<b>\$ 2,217,866</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Municipal Parking Fund	21.00	21.00	21.00	21.00	—	—
<b>Total</b>	<b>21.00</b>	<b>21.00</b>	<b>21.00</b>	<b>21.00</b>	<b>—</b>	<b>—</b>

**FUND PURPOSE AND GOALS**

The Parking Services Division within the Transportation and Public Works Department maintains and manages six parking garages, 20 surface lots, and over 3,200 metered parking spaces citywide.

The city garages are located at 10th and Taylor Street, 1200 Houston Street, 1301 Commerce Street, 1401 Gendy Street, 246 West 15th Street, and 8th and Main Street, which is under a long-term lease to the Hilton Hotel. These facilities provide parking for the general public, especially as it relates to the Will Rogers Memorial Center, Museum of Science and History, Amon Carter Exhibits Hall, the Community Arts Center in the Cultural District, the Fort Worth Convention Center, City Hall, and the Central Business District in Downtown. They also allocate space for city vehicles and the personal vehicles of city employees.

Metered parking exists throughout the Downtown Central Business District, the Texas Christian University/Berry Street area, the West 7th Urban Village, the Cultural District, and the Hospital District.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Decrease by (\$993,834) in Transfer Out & Other as a result of the decreases by (\$2.9 million) for Debt Service and increase of \$1.9 million to Contribution to Fund Balance. In FY24 the transfer to Parking Debt Service fund was made directly from the General Debt Service fund
- Increases by \$988,204 in General Operating & Maintenance for previously approved costs associated with risk management, administrative cost and IT solutions allocation costs
- Decreases by (\$222,713) for contractual obligations
- Increases by \$140,000 for Houston Street Garage Automation Upgrade
- Increases by \$99,570 in salary and for previously approved costs associated with pay for performance, rising health care costs, pay band adjustment and pension contributions

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	—	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	0.0 %
License & Permits	10,000	18,785	18,785	18,785	—	0.0 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	66,884,490	67,761,987	67,761,987	72,341,595	4,579,608	6.8 %
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	6,099,365	5,547,592	5,547,592	7,094,744	1,547,152	27.9 %
Special Assessments	—	—	—	—	—	0.0 %
Other	5,517,632	3,152,884	3,152,884	2,803,967	(348,917)	-11.1 %
Transfer In	—	—	88,940	—	—	0.0 %
Use of Fund Balance	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>78,511,487</b>	<b>76,481,248</b>	<b>76,570,188</b>	<b>82,259,091</b>	<b>5,777,843</b>	<b>7.6 %</b>
<b>Expenses</b>						
Salaries & Benefits	8,580,823	6,753,294	6,178,294	5,948,198	(805,096)	-11.9 %
Gen Operating & Maintenance	55,668,841	57,208,763	61,283,763	64,560,928	7,352,165	12.9 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	7,909,925	12,519,191	9,108,131	11,749,965	(769,226)	-6.1 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>72,159,589</b>	<b>76,481,248</b>	<b>76,570,188</b>	<b>82,259,091</b>	<b>5,777,843</b>	<b>7.6 %</b>
<b>Grand Total</b>	<b>\$ 6,351,898</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Solid Waste Fund	81.00	81.00	70.00	70.00	(11.00)	(11.00)
<b>Total</b>	<b>81.00</b>	<b>81.00</b>	<b>70.00</b>	<b>70.00</b>	<b>(11.00)</b>	<b>(11.00)</b>

**FUND PURPOSE AND GOALS**

The Solid Waste Fund provides residential solid waste collection, recycling processing, and waste disposal, as well as numerous other solid waste management-related services within the city. It fulfills these duties through the internal staff responsible for key program elements and by using and managing contractors for operational solid waste services.

The Solid Waste Fund has four primary areas: Contract Compliance provides management over seven solid waste service contracts; Field Operations manages City forces that operate the drop off stations, the environmental collection center, litter & nuisance abatement, and dead animal collections; Community Education provides public education and outreach; In addition, Solid Waste Administration oversees the various programmatic areas, revenue sources for fund sustainability, and long-term landfill disposal capacity for the City's residential and commercial waste streams.

The Solid Waste Fund pays for the collection of sidewalk litter containers, mitigates all illegal dumping activity, along with litter & nuisance abatement throughout the city. Additionally, Solid Waste pays a percentage of Code Enforcement costs (based on solid waste enforcement hours). Currently 50% of revenues collected under the Grant of Privilege program are passed through to Transportation and Public Works to offset road wear and tear from Grant of Privilege permitted commercial service providers, with the remaining 50% staying in the Solid Waste Fund to help align and fund the related commercial and residential sector benefits.

The Solid Waste Fund strives to operate cost-effective, financially sound, and award-winning programs that continually serve as a role model for managing garbage, recycling, and waste reduction services for the residents of Fort Worth, while supporting the city's six Core Values with an exceptional level of customer service.

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

A City reorganization will create the new Environmental Services Department in FY2024. The new Environmental Services Department will operate through the Solid Waste Fund, the Environmental Protection Fund, and the portion of the General Fund budget used to date for Code Compliance Consumer Health; thus, in FY2024, the entire Solid Waste Fund budget will be under the direction of the Environmental Services Department. Though this could not be included in the Recommended Budget Book, City staff aims to reflect the reorganization in the adopted budget and FY2024 Adopted Budget Book. Aside from the impact of the new department director's salary, the reorganization will be budget-neutral.

The Adopted Budget:

- Increases by \$6,596,963 in contractual commitments due to inflationary and growth factor, which is offset by a partial amount in contribution to fund balance
- Decreases by (\$1,762,253) in the Transfer Out & Other category due to a reduction in contribution to fund balance (\$2,440,902) and an increase to operating transfer out \$678,649
- Increases by \$731,982 from increasing Landfill GOP hauler surcharges, which is offset by a contribution to fund balance
- Increases by \$174,159 from increasing Landfill Surcharge, which is offset by a contribution to fund balance
- Decreases by (\$173,694) for 2 Approved Positions (AP) from a transfer to the Environmental Protection Fund, which is offset by contribution to fund balance
- Increases by \$60,000 to transfer the Cowboy Compost program from the Environmental Protection fund, which is offset by a use of fund balance

**SUMMARY OF SERVICES AND PERFORMANCE MEASURES**

Key Measures	FY22 Actual	FY23 Estimated	FY2023 Adjusted	Desired Level
<b>Solid Waste Contract Management</b>				
Solid Waste Services provides residential solid waste collection, processing and disposal and landfill disposal services through public/private contracts and collaboration.				
# of missed waste collection per 1000 households	1	1	1	1
% of waste diverted from landfills	18.24 %	17.85 %	30 %	30 %
Recycling Materials sent to MRF have a Contamination Rate not to exceed 22%	26.70 %	26.70 %	10 %	10 %
<b>Solid Waste Drop Off Stations</b>				
To provide a convenient and free drop off facility for bulk trash, brush, and residential waste that exceeds weekly curbside allocations.				
% increase in # of visits to Drop-Off Sites	23 %	— %	8 %	8 %
Total pounds of household hazardous waste collected	2,354,576.00	2,174,617.00	2,810,219.00	3,122,466.00

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	0.0 %
License & Permits	—	—	—	140,000	140,000	0.0 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	48,488,527	50,023,168	50,023,168	57,747,299	7,724,131	15.4 %
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	129,748	72,000	72,000	310,000	238,000	330.6 %
Special Assessments	—	—	—	—	—	0.0 %
Other	11,895	553,000	553,000	—	(553,000)	-100.0 %
Transfer In	—	—	—	—	—	0.0 %
Use of Fund Balance	—	2,231,284	2,431,284	92,217	(2,139,067)	-95.9 %
<b>Total Revenues</b>	<b>48,642,065</b>	<b>52,879,452</b>	<b>53,079,452</b>	<b>58,289,516</b>	<b>5,410,064</b>	<b>10.2 %</b>
<b>Expenses</b>						
Salaries & Benefits	9,843,496	9,888,172	9,888,172	11,110,767	1,222,595	12.4 %
Gen Operating & Maintenance	6,171,229	6,515,421	6,515,422	9,438,571	2,923,150	44.9 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	—	—	200,000	—	—	0.0 %
Transfer Out & Other	32,662,658	36,475,859	36,475,859	37,740,178	1,264,319	3.5 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>48,677,383</b>	<b>52,879,452</b>	<b>53,079,453</b>	<b>58,289,516</b>	<b>5,410,064</b>	<b>10.2 %</b>
<b>Grand Total</b>	<b>\$ (35,318)</b>	<b>\$ —</b>	<b>\$ (1)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Stormwater Utility Fund	105.00	103.95	116.00	114.95	11.00	11.00
<b>Total</b>	<b>105.00</b>	<b>103.95</b>	<b>116.00</b>	<b>114.95</b>	<b>11.00</b>	<b>11.00</b>

**FUND PURPOSE AND GOALS**

The Stormwater Utility Fund is an Enterprise Fund with the responsibility for providing stormwater management to approximately 262,000 residential and non-residential customers in the City of Fort Worth. The Stormwater Management Program is responsible for managing program resources to protect people and property from harmful stormwater runoff by effective maintenance and rehabilitation of the municipal drainage system, construction of projects to mitigate flood and erosion hazards, warning the community of flood and erosion hazards that cannot be mitigated in the short-term, and reviewing private development for compliance with city drainage standards.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$2.9 million in General Operating & Maintenance and adds 12 authorized positions (APs) and equipment for a dedicated team of five APs to inspect on a cycle all culvert assets and seven APs for Pre-CCTV Pipe Inspection and Cleaning Teams. The increase is offset by revenue generated from a 15% stormwater utility fee increase effective January 1, 2024
- Decreases by (\$50,658) and one AP for the purpose of transferring vacant position to Development Services department for support of Development Services streetlight plan reviews
- Increases by \$3 million in PayGo and a debt program to advance the delivery of high priority capital flood mitigation improvement project phases in several neighborhoods. The increase is offset by revenue generated from a 15% stormwater utility fee increase effective January 1, 2024
- Decrease by (\$2.9 million) in Capital Interfund Transfer Out for Capital Improvement Projects
- Increase by \$2.6 million for Debt Service associated with FY23 debt issuance of \$43.25M
- Decrease by \$(2 million) in Interfund Transfer Out to Development Services by moving back the consultant budget within the Stormwater Fund to leverage savings through the year for other program needs
- Decrease by \$(1 million) in Interfund Transfer Out to Environmental department for one-time funding of street sweeping equipment
- Increases by \$2 million in contractual commitments as result of moving back the consultant budget from Development Services back to the Stormwater Fund
- Increases by \$586,006 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions
- Increases by \$164,579 in General Operating & Maintenance for previously approved costs associated with risk management and IT solutions allocation costs
- Increases by \$90,000 in salary and benefits for Incentive pay for TPW staff

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	0.0 %
License & Permits	1,505,655	1,420,659	1,420,659	1,646,940	226,281	15.9 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	541,841,144	474,620,055	557,950,055	524,426,085	49,806,030	10.5 %
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	2,582,247	1,646,386	7,646,386	2,296,386	650,000	39.5 %
Special Assessments	—	—	—	—	—	0.0 %
Other	17,291,193	11,620,000	14,826,000	12,645,000	1,025,000	8.8 %
Transfer In	19,595,802	26,144,360	26,144,360	33,829,466	7,685,106	29.4 %
Use of Fund Balance	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>583,987,371</b>	<b>515,451,460</b>	<b>607,987,460</b>	<b>574,843,877</b>	<b>59,392,417</b>	<b>11.5 %</b>
<b>Expenses</b>						
Salaries & Benefits	82,871,315	90,313,535	90,313,535	96,442,001	6,128,466	6.8 %
Gen Operating & Maintenance	213,241,856	214,715,525	234,054,258	241,175,128	26,459,603	12.3 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	1,769,048	903,806	1,033,806	33,900	(869,906)	-96.2 %
Transfer Out & Other	264,687,288	209,518,594	282,585,860	237,192,848	27,674,254	13.2 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>562,569,507</b>	<b>515,451,460</b>	<b>607,987,459</b>	<b>574,843,877</b>	<b>59,392,417</b>	<b>11.5 %</b>
<b>Grand Total</b>	<b>\$ 21,417,864</b>	<b>\$ —</b>	<b>\$ 1</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Water and Sewer Fund	1,002.00	977.05	1,008.00	982.25	6.00	5.20
W&S Capital Projects	—	24.95	—	25.75	—	0.80
<b>Total</b>	<b>1,002.00</b>	<b>1,002.00</b>	<b>1,008.00</b>	<b>1,031.00</b>	<b>6.00</b>	<b>6.00</b>

**FUND PURPOSE AND GOALS**

The Water and Sewer Fund is an Enterprise Fund responsible for providing water, wastewater and reclaimed water services to residential, commercial, industrial, irrigation, and wholesale customers. Fort Worth Water (the Utility) serves approximately 1.4 million people in Fort Worth and 33 surrounding communities. Operations are financed through a rate structure based on the amount of services used, as well as base service fees, which are billed to customers on a monthly basis. Debt is issued for large capital projects.

The Water and Sewer Fund provides resources for three separate departments: water, sewer and reclaimed water. These services are billed separately to more accurately capture the cost of each service. However, the Water and Sewer Departments share administrative staff, and many of the employees are partially expensed to more than one department.



The Water Department is responsible for providing safe, clean drinking water to Fort Worth residents and customer cities. The Sewer Department collects, monitors, treats and processes domestic and industrial waterborne waste from Fort Worth and other contracting communities. The Reclaimed Water Department provides highly treated effluent from Fort Worth's water reclamation facility. Reclaimed water is distributed through a separate system to wholesale and retail reclaimed water customers for non-potable uses such as irrigation and industrial cooling towers.

The Customer Care Division performs metering services as well as billing and collection functions for water, sewer, reclaimed water, stormwater, environmental, and solid waste services for wholesale and retail customers. It also processes orders for new services, collects delinquent payments and investigates complaints. The division also manages programs to encourage efficient water use, provides educational programming to the public, and is responsible for internal and external communications. In addition, the division provides backflow prevention services as well as industrial pretreatment by permitting and monitoring businesses and industries that produce a high level of concentrated waste to reduce the impact to the sewer system. The division also coordinates development activities for the Utility with the Development Services Department.

The Management Services Division develops and monitors operating budgets and capital improvement programs, determines rates, and coordinates all fiscal and administrative functions for the Utility, including procurement activities and capital improvement project accounting. The division also provides capital project support, organizational development, information technology services, environmental health and safety program administration, security and emergency planning, records management and workforce development.

The Strategic Operations Division is responsible for developing a master plan for all water and sewer capital projects. This division provides infrastructure and facility planning, asset management, technical support, and SCADA systems management for the Utility. The regulatory affairs section serves as the departmental liaison on all intergovernmental and regulatory issues related to water and sewer services. The laboratory section provides water and sewer sampling and laboratory analysis.

The Capital Delivery Division is responsible for engineering and construction of facilities and pipeline projects including water and sewer mains, new development infrastructure, treatment facilities, storage tanks, pump stations, and lift stations. The division provides in-house design, construction inspection services and coordination of projects with the City's street bond program.

The Plant Operations Division treats and distributes a safe water supply to meet customer needs and operates five water treatment plants and various water storage and pumping facilities located throughout the city. It is responsible for the metering of all the wholesale customer cities' water and sewer services. The division also provides wastewater treatment services for Fort Worth and its customer cities through a regional water reclamation facility. Furthermore, this facility dewateres and treats Class AB biosolids for beneficial re-use. The facility sells biogas produced in its onsite digesters for RIN credit to MAS Energy (Renovar). The water reclamation facility generates about 45% of its energy using natural gas turbines.

The Field Operations Division is responsible for the maintenance and repair of more than 7,000 miles of water distribution and sewer collection system pipelines. The division handles main break and leak repairs, line location services, sewer overflows, inspection and cleaning of sewer lines, water and sewer taps, and fire hydrant and valve maintenance.

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$271,328 and two APs to assist with leak investigations whose cost is offset by Pay-Go
- Increases by \$249,708 and two APs to assist with development requested studies whose cost is offset by Pay-Go

- Increases by \$141,759 and one AP to assist with backflow permitting and inspections whose cost is offset by Pay-Go
- Increases by \$100,694 in Interfund Transfers Out for the continued funding of one General Fund position in the Financing Purchasing Division whose cost is offset by Pay-Go. These positions help the Water Department with procurement needs on a daily basis
- Increases by \$66,396 and one AP to assist with administering sample log-ins from external customers whose cost is offset by Pay-Go
- Increases by \$14.39 million in required debt payments to keep up with growth and increased demand
- Increases by \$10.4 million in Transfers to Water/Sewer (PAYGO) to address rehabilitation and replacement needs
- Increases by \$7.9 million in Raw Water Purchases due to a 4.9% Tarrant Regional Water District rate increase as well as a small increase in the amount of purchased water
- Increases by \$7.8 million in Outside Wastewater Treatment (Other Contractual) due to a 10.9% Trinity River Authority Central rate increase and a 56.1% Trinity River Authority Denton Creek rate increase
- Increases by \$5.3 million in Other Contractual (not including TRA) due to the addition of plant operations maintenance contracts and field operations paving and small diameter contracts
- Increases by \$6.1 million in Salary and Benefits for previously approved costs associated with pay for performance, staff retention increases and pension contributions
- Increases by \$1.8 million to fund allocations for Administrative Costs, Risk Management, Information Technology and Transfers to the General Fund
- Increases by \$1.47 million in Chemicals and Electricity to keep up with increased demand
- Increases by \$1.1 million in vehicle/heavy equipment purchases to keep up with necessary replacements of aging fleet
- Increases by \$20.6M in Sewer Service and Contracts revenue
- Increases by \$26.4M in Water Service revenue
- Increases by \$75,000 in Wholesale Reclaimed Water revenue

## SUMMARY OF SERVICES AND PERFORMANCE MEASURES

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>Financial Viability</b>				
This service area focuses on the financial health of the organization. Metrics based on this perspective allow management to gauge indicators related to cash collections to funding capital debt.				
Number of Days cash on hand (days funded operating)	198	200	200	100-150
Ratio of outstanding debt to total assets	0.23	<=.30	<=0.30	<=0.50
<b>Infrastructure Strategy &amp; Performance</b>				
This service area focuses on the condition of and costs associated with critical infrastructure assets.				
Number of main breaks & leaks per 100 miles of main	36.5	29.3	19	<=14.2
Infrastructure Leakage Index	2.13	2.13	<=3.00	<4.00
<b>Operational Optimization</b>				
This service area ensures ongoing, timely, cost-effective, reliable and sustainable performance improvements in all facets of operations.				
# authorized water positions per 1,000 population	0.55	0.55	>=0.39	>=0.39
# authorized sewer positions per 1,000 population	0.49	0.48	>=0.36	>=0.36
<b>Water Resource Sustainability</b>				
This service area ensures water availability consistent with current and future customer needs through long-term resource supply and demand analysis, conservation and public education.				
Gallons per capita per day (GPCD) - In City	155	155	150.00	<168
<b>Enterprise Resiliency</b>				
This service area ensures utility leadership and staff work together to anticipate and avoid problems.				
Employee turnover rate	16.2%	25%	<=10%	<=10%
<b>Customer Satisfaction</b>				
This service area provides reliable, responsive, and affordable services in line with explicit, customer accepted service levels. Receives timely customer feedback to maintain responsiveness to customer needs and emergencies.				
% of calls answered within 60 seconds (water call center)	58.54%	72.44%	>=85.00%	>=80.00%
<b>Product Quality</b>				
This service area relates to the quality of potable water, treated effluent, and process residuals in full compliance with regulatory and reliability requirements and is consistent with customer, public health, and ecological needs.				
# of water quality complaints per 1,000 accounts	0.06	0.1	<0.30	<0.30
% of water quality complaints resolved within 120 hrs	0.99	0.97	≥97%	≥95%

**Stakeholder Understanding & Support**

This service area engenders understanding and support from oversight bodies, community and watershed interests, and regulatory bodies for service levels, rate structures, operating budgets, capital improvement programs and risk management decisions.

Number of people reached through presentations, public events & plant tours	-50%	35%	>=15%	>=15%
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**Community Sustainability**

This service area relates to the Utility being cognizant of and attentive to the impacts its decisions have on current and long-term future community and watershed health and welfare.

Water annual savings from water efficiency incentive programs (million gallons)	101	101	40	90
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**Employee & Leadership Development**

Recruits and retains a workforce that is competent, motivated, adaptive, and safe-working. Establishes a participatory, collaborative organization dedicated to continual learning and improvement. Ensures employee institutional knowledge is retained and improved upon over time.

Completion of 85% Required Safety Training per employee	1	0.64	1	1
OSHA Recordable Incident Rate	9.20	10.10	<=5.6	<=5.6

# **Internal Service Funds**

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Charge for Service	\$ 50,415,242	\$ 94,777,643	\$ 94,777,643	\$104,487,117	\$ 9,709,474	10.2%
Use of Money & Property	3,959,548	3,658,202	3,658,202	4,949,557	1,291,355	35.3%
Other	85,974,972	95,993,698	95,993,698	107,611,972	11,618,274	12.1%
Transfer In	20,763	—	9,630,000	860,583	860,583	0.0%
<b>Total Revenues</b>	<b>140,370,526</b>	<b>194,429,543</b>	<b>204,059,543</b>	<b>217,909,229</b>	<b>23,479,686</b>	<b>12.1%</b>
<b>Use of Fund Balance</b>	<b>—</b>	<b>7,446,110</b>	<b>10,365,558</b>	<b>2,872,660</b>	<b>(4,573,450)</b>	<b>-61.4%</b>
<b>Expenses</b>						
Salaries & Benefits	23,833,370	46,661,735	46,564,811	49,778,275	3,116,540	6.7%
Gen Operating & Maintenance	123,780,299	154,279,646	158,207,539	169,676,258	15,396,612	10.0%
Transfer Out	5,183,226	934,272	2,251,228	1,327,356	393,084	42.1%
<b>Total Expenses</b>	<b>152,796,895</b>	<b>201,875,653</b>	<b>207,023,578</b>	<b>220,781,889</b>	<b>18,906,236</b>	<b>9.4%</b>
<b>Contribution to Fund Balance</b>	<b>—</b>	<b>—</b>	<b>7,401,523</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>
<b>Revenues Over(Under) Expenses</b>	<b>\$(12,426,369)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0%</b>

**FUND PURPOSE AND GOALS**

Internal Service Funds finance the goods and services provided by one department of the City of Fort Worth to another. Departments utilizing services provided in-house are charged a fee by the Internal Service Fund department providing the service. The Internal Service Fund departments depend upon revenue generated from those fees to support all departmental functions. The city currently operates five funds on this basis: Capital Projects Service, Fleet and Equipment Services, Group Health and Life Insurance, the Risk Financing Fund, and Information Technology Fund.

The Capital Projects Service Fund, through the Transportation & Public Works Department and the Property Management Department, provides engineering services for other city departments. Engineering services provided include project design and management, surveying, quality control testing, and construction inspection for all water, storm drain, sidewalk, and other infrastructure projects.

The Fleet and Equipment Services Fund enables the Property Management Department to procure and manage fuel and acquire, maintain, repair, and dispose of vehicles and equipment in the city fleet.

The Group Health and Life Insurance Fund coordinate the health insurance programs for active employees and their dependents. It also provides basic life insurance and manages the Employees' Wellness Program.

The Risk Financing Fund, which manages the Risk Management and Workers' Comp Divisions, is responsible for property and liability insurance and claims management, coordinating loss identification, reduction, and prevention programs, and providing workers' compensation benefits.

The Information Technology Fund, provides for the management of the city's information technology infrastructure, systems, and services. Fund expenditures range from routine replacement of IT equipment to major infrastructure projects.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	0.0 %
License & Permits	—	—	—	—	—	0.0 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	15,052,758	15,652,944	15,652,944	17,444,466	1,791,522	11.4 %
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	63,083	100,000	100,000	110,000	10,000	10.0 %
Special Assessments	—	—	—	—	—	0.0 %
Other	—	—	—	—	—	0.0 %
Transfer In	10,025	—	—	—	—	0.0 %
Use of Fund Balance	—	1,647,793	1,647,793	427,405	(1,220,388)	-74.1 %
<b>Total Revenues</b>	<b>15,125,866</b>	<b>17,400,737</b>	<b>17,400,737</b>	<b>17,981,871</b>	<b>581,134</b>	<b>3.3 %</b>
<b>Expenses</b>						
Salaries & Benefits	12,390,595	13,818,086	13,818,086	13,694,323	(123,763)	-0.9 %
Gen Operating & Maintenance	2,711,134	3,034,264	3,034,264	3,478,156	443,892	14.6 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	1,970,530	548,387	548,387	809,392	261,005	47.6 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>17,072,259</b>	<b>17,400,737</b>	<b>17,400,737</b>	<b>17,981,871</b>	<b>581,134</b>	<b>3.3 %</b>
<b>Grand Total</b>	<b>\$ (1,946,393)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Capital Projects Service Fund	129.00	129.00	125.00	125.00	(4.00)	(4.00)
<b>Total</b>	<b>129.00</b>	<b>129.00</b>	<b>125.00</b>	<b>125.00</b>	<b>(4.00)</b>	<b>(4.00)</b>

**FUND PURPOSE AND GOALS**

The Capital Projects Service Fund provides for program management, engineering design, project management, surveying, and quality control and construction inspection services for most water, sewer, street, storm drainage, sidewalk, and other city initiated infrastructure improvement projects. Additionally, construction inspection services and quality control are provided for developer-initiated infrastructure projects under Community Facility Agreements.

The Fund's core functions include leadership and management of the City's high profile capital programs and projects; implementation of Integrated Program Management; facilitation and improvement of tracking and reporting of project/program status in partnership with the Management Team and Financial Management Services Department; improvement and capacity expansion of the city capital program and project delivery systems; and synchronization of the city's capital planning process with the City's Comprehensive Plan.

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	—	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	0.0 %
License & Permits	—	—	—	—	—	0.0 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	—	—	—	—	—	0.0 %
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	—	—	—	—	—	0.0 %
Special Assessments	—	—	—	—	—	0.0 %
Other	—	—	—	—	—	0.0 %
Transfer In	—	—	—	—	—	0.0 %
Use of Fund Balance	—	421,941	421,941	—	(421,941)	-100.0 %
<b>Total Revenues</b>	—	421,941	421,941	—	(421,941)	-100.0 %
<b>Expenses</b>						
Salaries & Benefits	—	421,941	421,941	—	(421,941)	-100.0 %
Gen Operating & Maintenance	—	—	—	—	—	0.0 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	—	—	—	—	—	0.0 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	—	421,941	421,941	—	(421,941)	-100.0 %
<b>Grand Total</b>	\$ —	\$ —	\$ —	\$ —	—	0.0 %

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Capital Projects Service Fund	4.00	4.00	—	—	(4.00)	(4.00)
<b>Total</b>	4.00	4.00	—	—	(4.00)	(4.00)

**DEPARTMENT PURPOSE AND GOALS**

The City Attorney’s Office, under the direction of the city attorney, is responsible for the administration of all legal affairs of the city; city representation in all lawsuits, litigation and hearings; preparation of ordinances, contracts, and all other legal documents; and the rendering of legal advice and opinions to the city council, city manager, and city departments.

During the 2023 period, four approved positions from the City Attorney’s Office assigned to capital project work were paid from this fund. The City Attorney’s Office is not expected to use this fund in FY2024.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:



- Reduces by \$421,941 to zero as the City Attorney's Office (CAO) is no longer expected to use this fund.

**DEPARTMENT SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	0.0 %
License & Permits	—	—	—	—	—	0.0 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	15,052,758	15,652,944	15,652,944	17,444,466	1,791,522	11.4 %
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	63,083	100,000	100,000	110,000	10,000	10.0 %
Special Assessments	—	—	—	—	—	0.0 %
Other	—	—	—	—	—	0.0 %
Transfer In	10,025	—	—	—	—	0.0 %
Use of Fund Balance	—	1,225,852	1,225,852	427,405	(798,447)	-65.1 %
<b>Total Revenues</b>	<b>15,125,866</b>	<b>16,978,796</b>	<b>16,978,796</b>	<b>17,981,871</b>	<b>1,003,075</b>	<b>5.9 %</b>
<b>Expenses</b>						
Salaries & Benefits	12,390,595	13,396,145	13,396,145	13,694,323	298,178	2.2 %
Gen Operating & Maintenance	2,711,134	3,034,264	3,034,264	3,478,156	443,892	14.6 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	1,970,530	548,387	548,387	809,392	261,005	47.6 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>17,072,259</b>	<b>16,978,796</b>	<b>16,978,796</b>	<b>17,981,871</b>	<b>1,003,075</b>	<b>5.9 %</b>
<b>Grand Total</b>	<b>\$ (1,946,393)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Capital Projects Service Fund	125.00	125.00	125.00	125.00	—	—
<b>Total</b>	<b>125.00</b>	<b>125.00</b>	<b>125.00</b>	<b>125.00</b>	<b>—</b>	<b>—</b>

**DEPARTMENT PURPOSE AND GOALS**

The Capital Projects Service Fund provides for program management, engineering design, project management, surveying, and quality control and construction inspection services for most water, sewer, street, storm drainage, sidewalk, and other city-initiated infrastructure improvement projects. Additionally, construction inspection services and quality control are provided for developer-initiated infrastructure projects under Community Facility Agreements.

The Fund's core functions include leadership and management of the City's high profile capital programs and projects; implementation of Integrated Program Management; facilitation and improvement of tracking and reporting of project/program status in partnership with the Management Team and Financial Management Services Department; improvement and capacity expansion of the city capital program and project delivery systems; and synchronization of the city's capital planning process with the City's Comprehensive Plan.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$298,178 in salary and for previously approved costs associated with pay for performance, rising health care costs, pay band adjustment and pension contributions.
- Increases by \$443,892 in General Operating & Maintenance for previously approved costs associated with risk management, administrative cost and IT solutions allocation costs.
- Increase by \$261,005 in Capital Interfund Transfer Out for Capital Improvement Projects.

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	0.0 %
License & Permits	—	—	—	—	—	0.0 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	33,944,261	32,145,610	32,145,610	34,702,786	2,557,176	8.0 %
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	38,372	59,522	59,522	39,557	(19,965)	-33.5 %
Special Assessments	—	—	—	—	—	0.0 %
Other	53,447	26,453	26,453	21,309	(5,144)	-19.4 %
Transfer In	—	—	—	—	—	0.0 %
Use of Fund Balance	—	—	3,429,968	—	—	0.0 %
<b>Total Revenues</b>	<b>34,036,080</b>	<b>32,231,585</b>	<b>35,661,553</b>	<b>34,763,652</b>	<b>2,532,067</b>	<b>7.9 %</b>
<b>Expenses</b>						
Salaries & Benefits	8,682,074	9,412,080	9,315,156	10,337,235	925,155	9.8 %
Gen Operating & Maintenance	24,403,778	22,687,281	26,214,173	24,162,548	1,475,267	6.5 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	201,794	132,224	132,224	263,869	131,645	99.6 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>33,287,646</b>	<b>32,231,585</b>	<b>35,661,553</b>	<b>34,763,652</b>	<b>2,532,067</b>	<b>7.9 %</b>
<b>Grand Total</b>	<b>\$ 748,434</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Equipment Services Fund	107.00	108.80	108.00	109.80	1.00	1.00
<b>Total</b>	<b>107.00</b>	<b>108.80</b>	<b>108.00</b>	<b>109.80</b>	<b>1.00</b>	<b>1.00</b>

**FUND PURPOSE AND GOALS**

The Fleet & Equipment Services Fund, an Internal Service Fund, is managed by the Fleet Services division of the Property Management Department. The Fleet Services division is responsible for the maintenance, servicing and accident repair of the entire City’s fleet. The Fleet & Equipment Services Fund also accounts for funding related to fuel services for the entire City’s fleet, although these functions are the responsibility of the General Services Division of the Property Management Department. Asset acquisition and asset disposition functions have historically been under the Fleet Services Division, however, in FY2022 these functions were transferred to the General Services Division.

The Fleet & Equipment Services Fund is principally sustained by revenues received from the interdepartmental billing of departments. As an Internal Service Fund, the majority of Equipment Services' operating funds come from interdepartmental charges from other city departments for fuel, parts, and other vehicle and equipment-related services. The application of an overhead charge to all vehicle repair parts, fuel, and outside services, as well as an annual administrative fee assessed on most numbered vehicles and equipment, allows Fleet Services to support its general, non-department specific administrative functions.

Fleet Services operates the following five locations throughout the city of Fort Worth: James Avenue Service Center, Southside Service Center, Water Service Center, North Service Center and Brennan Avenue body shop. Each of the Service Centers provides repair, maintenance, in-servicing and out-processing of fleet assets. The Brennan Avenue body shop location provides accident repair along with asset salvage and auction processing.

Fleet services not only operates service and maintenance functions, but all centers provide onsite fueling stations. Petroleum availability includes; unleaded fuel, low Sulfur diesel, DEF additive, and propane. In addition, Fleet Services operates a non-manned fueling site in Southeast Fort Worth which includes a slow-fill compressed natural gas station.

In a continuing effort to provide the best possible fleet services, the Fleet Services division also contracts a wide variety of fleet-related services to outside entities when contracting is deemed the most efficient and effective means to provide the required service. Maintenance and repair services are contracted out for the following reasons:

- The required expertise is not available in-house including proprietary diagnostic needs.
- Substantial capital investment would be necessary to perform the service in-house.
- The service could be performed less expensively by an outside vendor.
- Workload overflow relief as needed.

As part of the strategy, Fleet Services privatized its parts inventory system at the end of FY2002. The FY2024 budget contains the continuation of that program. Integrated Business Solutions (NAPA Genuine Parts Company), as the current contracted provider, supplies the Fleet Division with vehicle and equipment parts.

In FY1996, Fleet Services implemented a robust vehicle replacement plan. As part of the plan, the Fleet Acquisition section, which during FY2022 was transferred to the General Services Division, analyzes the entire city fleet, evaluating each vehicle's maintenance costs, useful life, mileage, downtime, and with other determining factors to determine a replacement rating. Based on this yearly analysis, the vehicles and equipment are prioritized for replacement. The Fleet Acquisition section subsequently meets with each department to review and fine-tune the replacement rankings. The replacement lists are consolidated to determine replacement vehicle priorities for the coming fiscal year.

Additionally, to stabilize budgeting for major purchases in vehicles and equipment, the city created a Vehicle and Equipment Replacement Fund (VERF) in FY2014. This provides a systematic, citywide approach to procurement and disposition of fleet, as well as ensures adequate funds are available to purchase vehicles and equipment.

## **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$816,333 for salaries and benefits mainly for approved costs associated with pay for performance, separation leave, and the incentive pay program for technician certifications
- Increases by \$397,934 for Citywide vehicle and equipment outside (third-party) repair and maintenance
- Increases by \$344,941 due to increased fuel costs Citywide
- Increases by \$264,060 for Citywide vehicle and equipment repair and maintenance parts

## **Internal Service Funds**

## **Fleet and Equipment Services**

- Increases by \$130,000 for Capital Transfer Out related to purchases of vehicles and equipment for the Fleet Service Centers and fuel operations, as well as replacement of technology equipment
- Increases by \$118,361 for utilities (Water, Electricity & Gas Utility Service)
- Increases by \$111,376 and one authorized position from the conversion of an overage Buyer position to permanent status
- Increases by \$108,185 in the Administrative Cost Allocation
- Increases by \$102,903 for IT Allocations
- Increases by \$74,654 for Risk Management Allocation costs
- Increases by \$9,600 for Fleet RFID readers to replace the Fleet & Fuel Management System

## FUND SUMMARY

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	0.0 %
License & Permits	—	—	—	—	—	0.0 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	1,418,223	1,564,193	1,564,193	1,564,193	—	0.0 %
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	3,591,442	3,100,000	3,100,000	4,600,000	1,500,000	48.4 %
Special Assessments	—	—	—	—	—	0.0 %
Other	63,892,845	69,365,750	69,365,750	74,173,367	4,807,617	6.9 %
Transfer In	—	—	—	—	—	0.0 %
Use of Fund Balance	—	5,287,797	5,287,797	2,445,255	(2,842,542)	-53.8 %
<b>Total Revenues</b>	<b>68,902,510</b>	<b>79,317,740</b>	<b>79,317,740</b>	<b>82,782,815</b>	<b>3,465,075</b>	<b>4.4 %</b>
<b>Expenses</b>						
Salaries & Benefits	972,373	1,078,359	1,078,359	1,034,637	(43,722)	-4.1 %
Gen Operating & Maintenance	71,416,925	78,239,381	78,239,381	81,748,178	3,508,797	4.5 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	—	—	—	—	—	0.0 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>72,389,298</b>	<b>79,317,740</b>	<b>79,317,740</b>	<b>82,782,815</b>	<b>3,465,075</b>	<b>4.4 %</b>
<b>Grand Total</b>	<b>\$ (3,486,788)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Group Health & Life Insurance Fund	11.00	8.25	11.00	8.25	—	—
<b>Total</b>	<b>11.00</b>	<b>8.25</b>	<b>11.00</b>	<b>8.25</b>	<b>—</b>	<b>—</b>

## FUND PURPOSE AND GOALS

The Group Health & Life Insurance Fund administers health insurance for employees and their dependents in addition to basic life insurance for employees. Since FY2002, the Group Health & Life Insurance Fund has included a budget for the Employees' Wellness Program. Fund revenues come from active employees, contributions from city funds, and interest on investments.

The Group Health & Life Insurance Fund is comprised of the Benefits & Wellness Divisions, which were combined into the Benefits/Wellness division in FY2021.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$3.3 million in Clime Payments/Settlements due to City's claims costs to rise significantly
- Increases by \$74,575 in Claims Administration Expenses
- Increases by \$60,386 in General Operating & Maintenance for previously approved costs associated with risk management, administrative cost and IT solutions allocation costs
- Decrease by (\$43,722) in salary and benefits due to salary savings in new hires in 2023.



**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted	
					Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	0.0 %
License & Permits	—	—	—	—	—	0.0 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	—	—	—	—	—	0.0 %
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	266,651	398,680	398,680	200,000	(198,680)	-49.8 %
Special Assessments	—	—	—	—	—	0.0 %
Other	22,028,680	26,601,495	26,601,495	33,417,296	6,815,801	25.6 %
Transfer In	10,738	—	9,630,000	—	—	0.0 %
Use of Fund Balance	—	510,520	—	—	(510,520)	-100.0 %
<b>Total Revenues</b>	<b>22,306,069</b>	<b>27,510,695</b>	<b>36,630,175</b>	<b>33,617,296</b>	<b>6,106,601</b>	<b>22.2 %</b>
<b>Expenses</b>						
Salaries & Benefits	1,788,328	2,150,701	2,150,701	2,154,130	3,429	0.2 %
Gen Operating & Maintenance	25,248,461	25,355,792	26,105,792	31,458,530	6,102,738	24.1 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	3,010,902	4,202	8,373,682	4,636	434	10.3 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>30,047,691</b>	<b>27,510,695</b>	<b>36,630,175</b>	<b>33,617,296</b>	<b>6,106,601</b>	<b>22.2 %</b>
<b>Grand Total</b>	<b>\$ (7,741,622)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Risk Financing Fund	17.00	17.50	17.00	17.50	—	—
<b>Total</b>	<b>17.00</b>	<b>17.50</b>	<b>17.00</b>	<b>17.50</b>	<b>—</b>	<b>—</b>

**FUND PURPOSE AND GOALS**

The Risk Financing Fund is responsible for maintaining the commercial and self-insurance programs, claims management, and safety risks for the city. The Risk Financing Fund is comprised of two functions: Workers' Compensation and Risk Management. The Risk Management Function is comprised of the Property & Casualty Division and the Employee Health & Safety Division. Within these functions, there are personnel who promote return to work, safety, and subrogation interests.

The Workers' Compensation division is responsible for providing statutorily-mandated benefits to city employees who are injured in the course and scope of employment, provided the claims are deemed compensable under the Texas Workers' Compensation Act. The division also harbors specialists responsible for employee return to work efforts.

The Property & Casualty (P&C) division maintains all other aspects of the city's insurance program. Utilizing both self-insured and outside commercial insurance programs, the P&C division focuses on controlling costs from property and casualty claims and/or litigation. It also strives to preserve and protect the city's assets through loss prevention, loss control, and risk financing mechanisms.

The Employee Health & Safety Division helps to educate our city's workforce on the importance of maintaining safety processes and controls. Both Workers' Compensation and Risk Management pursue subrogation when possible, recovering funds from third parties who are liable for losses paid by the city.

### **FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$3.5 million due to Commercial Insurance policy increases
- Increases by \$1.7 million due to Workers' Compensation claim administration and cost
- Increases by \$621,238 due to General Liability Insurance cost
- Increases by \$125,020 in salary and benefits for previously approved costs associated with pay for performance, rising health care costs and pension contributions
- Increases by \$18,976 in General Operating & Maintenance for previously approved costs associated with risk management, administrative cost and IT solutions allocation costs

**DEPARTMENT SUMMARY**

	FY2022		FY2023		FY2024		Chg from PY Adopted	
	Final	Adopted	Adopted	Adjusted	Rec.	Rec.	Amount	%
<b>Revenues</b>								
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Sales Tax	—	—	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	—	—	0.0 %
License & Permits	—	—	—	—	—	—	—	0.0 %
Intergovernmental	—	—	—	—	—	—	—	0.0 %
Charge for Service	—	45,414,896	45,414,896	45,414,896	50,775,672	50,775,672	5,360,776	11.8 %
Fines & Forfeitures	—	—	—	—	—	—	—	0.0 %
Use of Money & Property	—	—	—	—	—	—	—	0.0 %
Special Assessments	—	—	—	—	—	—	—	0.0 %
Other	—	—	—	—	—	—	—	0.0 %
Transfer In	—	—	—	—	860,583	860,583	860,583	0.0 %
Use of Fund Balance	—	—	—	—	—	—	—	0.0 %
<b>Total Revenues</b>	<b>—</b>	<b>45,414,896</b>	<b>45,414,896</b>	<b>45,414,896</b>	<b>51,636,255</b>	<b>51,636,255</b>	<b>6,221,359</b>	<b>13.7 %</b>
<b>Expenses</b>								
Salaries & Benefits	—	20,202,509	20,202,509	20,202,509	22,557,950	22,557,950	2,355,441	11.7 %
Gen Operating & Maintenance	—	24,962,928	24,962,928	24,613,929	28,828,846	28,828,846	3,865,918	15.5 %
Capital Accts	—	—	—	—	—	—	—	0.0 %
Debt Service Accts	—	—	—	—	—	—	—	0.0 %
Transfer Out & Other	—	249,459	249,459	598,458	249,459	249,459	—	0.0 %
Contra Accounts	—	—	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>—</b>	<b>45,414,896</b>	<b>45,414,896</b>	<b>45,414,896</b>	<b>51,636,255</b>	<b>51,636,255</b>	<b>6,221,359</b>	<b>13.7 %</b>
<b>Grand Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
General Fund	160.00	158.98	169.00	167.98	9.00	9.00
<b>Total</b>	<b>160.00</b>	<b>158.98</b>	<b>169.00</b>	<b>167.98</b>	<b>9.00</b>	<b>9.00</b>

**DEPARTMENT PURPOSE AND GOALS**

The Information Technology Solutions (IT Solutions or ITS) Department provides for the management of the city's information technology infrastructure, systems, and services.

IT Solutions is responsible for coordinating all information technology resources to support the strategic vision of the City of Fort Worth by providing quality service to the community. This coordination of technology is accomplished through services such as planning and project management, administrative support, technical services, software application development and acquisition, and telecommunications.

## Internal Service Funds

## Information Technology Services

All City departments are customers of IT Solutions. ITS receives the bulk of its revenue from the allocations made to these customers. The Department's expenditures include personnel costs, operating supplies, contractual/consulting services, licensing, maintenance and equipment such as servers, hardware and software.

IT Solutions operates and maintains the Fort Worth Regional Radio System. The system supports more than 39,000 subscribers throughout more than 168 jurisdictions. Revenue from this system offsets annual operating costs.

IT Solutions is organized into the following functional areas/bureaus: Infrastructure, Applications and Project Management, SER (Security, ERP and Radio) and Strategic Planning and Finance.

The Infrastructure Bureau consists of the following divisions: Platform Technologies, Network Services, Data Center Operations and Support Services. Platform Technologies provides server and storage operations and supports email administration. Network Services operates and maintains the City's data network and telephone systems. Data Center Operations provides 24/7 support and monitoring of all of the City IT systems and infrastructure. Support Services include desktop and hardware divisions that manage the city's computing functions and devices. This bureau also leverages Help Desk support to provide IT technical assistance and services for all city departments. This Asset Management Division is responsible for the reconciliation and accountability of deployed physical assets such as desktops and laptops but also the management of assets to include software and licenses across the City. A new division within this bureau is the formation of the Audio Visual Division. This division is responsible for supporting executive meeting maintenance and audio visual services.

The Applications and Project Management Bureau consists of the following divisions: Distributed Applications, Application Engineering, Public Safety Applications, Database, GIS and Project Management Office. This bureau is responsible for application development and implementation of software systems together with the public safety specific systems for Police and Fire. This bureau also contains the Database and Geographic Information systems support functions. The Project Management Office division provides for portfolio management and project management to other city departments for technology related needs.

The SER Bureau is responsible for the operations and maintenance of the following divisions: Information Security, ERP, and Radio Services. The Security Division provides cyber threat and vulnerability analysis, early warning, and incident response assistance. The ERP system includes Human Capital Management Systems (Human Resource, Time & Labor, Payroll, Pay for Performance, Recruiting, and Benefits) and the Financial Management Systems (Asset Management, Accounts Payable, Cash Management, General Ledger, and Commitment Control). The Radio Services Division manages and operates the city's public safety and public works radio systems.

The Strategic Planning and Finance Bureau is responsible for the financial and budget management functions, allocations, citywide procurement of technology equipment and services, mobility procurement and management along with contract administration. This division is also responsible for the human resources related functions of the department. The Strategic Planning division provides for employee engagement, employee development, and communications for the department.

## FY2024 DISCUSSION AND SIGNIFICANT CHANGES

The Adopted Budget:

- Increases by \$592,039 to support five authorized positions (APs): (2) IT Tech Support Analyst I, (2) IT Tech Support Analyst II, (1) Sr IT Tech Support Analyst to establish an Audio Visual Team
- Increases by \$300,854 to support two APs: (1) PeopleSoft System Administrator and (1) Sr IT Business Planner to assist with ERP system to improve services level
- Increases by \$264,177 to support two APs: (1) IT Tech Support Analyst II, (1) Sr IT Tech Support Analyst to meet existing and growing network needs

## **Internal Service Funds**

## **Information Technology Services**

- Increases by \$3.8M for adjustments due to inflationary and growth factors as well as contractual commitments
- Increases by \$1.2M in salary and benefits for pay band adjustment, rising health care costs, and pension contributions
- Increases by \$10,280 in allocations associated with retiree health,risk, workers compensation, and IT Services

## SUMMARY OF SERVICES AND PERFORMANCE MEASURES

Key Measures	FY22 Actual	FY23 Estimated	FY24 Target	Desired Level
<b>1.1 Analysis and Planning</b>				
The Information Technology Solutions Project Management Office partners with City of Fort Worth departments to understand business needs and facilitate delivery of value-added solutions to support enterprise goals and objectives: business analysis, project oversight, and liaison services.				
Each active project has a weekly status report	70%	78%	95%	100%
Projects are completed on or before the Original Planned Completion Date	N/A	N/A	70%	100%
Capital Projects that are approved by October 1 are initiated by April 1 of the following year	N/A	N/A	85%	100%
Secure Socket Layer (SSL) Certificates are renewed at least 30 days prior to expiration.	96%	53%	100%	100%
Each project that is completed has two or fewer Project Change Request	N/A	N/A	80%	100%
<b>1.2 Applications and Databases</b>				
Provide application and database design, web and client server applications, Geographic Information System (GIS) design, development, and support, Computer Aided Dispatch (CAD) support, and Enterprise Resource Planning (ERP). Also provides support for the maintenance of the underlying server infrastructure to support the CFW departments.				
HEAT Tickets met Service Level Objectives Incident Tickets severity 0 and 1	92%	100%	99%	100%
HEAT Tickets met Service Level Objectives Incident Tickets severity 4	N/A	N/A	99%	100%
HEAT Tickets met Service Level Objectives - Severity 2 and 3	N/A	N/A	99%	100%
HEAT Tickets met Service Level Objectives request	N/A	N/A	95%	100%

**1.3 ITS Finance**

ITS Finance and Contract Administration supports all IT related procurements citywide including establishing cost effective contracts for goods and services to benefit CFW. The team prepares accounts payable and accounts receivable as well as wireless invoicing interfaces. Departmental HR administration, budgeting, capital planning / administration, and financial management are also functions of this division.

Ensure contracts are in compliance with renewal's expiration	N/A	N/A	75.0%	100%
Ensure that invoices are in compliance with State law by being paid within 30 days	N/A	N/A	70.0%	100%

**2.1 Infrastructure Support & Disaster Recovery**

Provisions, maintains, and supports technology infrastructure including telephones, network services, storage, email, and servers.

Core Internet Availability	100.0%	99.4%	100%	100%
Public Safety Internet Availability	100.0%	100.0%	99%	100%
All other Intranet Availability	N/A	99.9%	99%	100%
Server Patching	N/A	91.0%	90%	100%
Server Uptime	N/A	100.0%	100%	100%

**2.2 Data Center Management**

Our mission is to furnish and maintain data center facilities and services while providing accurate, timely, and responsive customer support through the monitoring and alerting of processes and infrastructure related to information technology.

Initial outage communication distributed within 15 minutes of an outage	100%	100%	90%	100%
Execution of After Action Reports for outages within 3 days after event	100%	80%	90%	100%
Safety and Security - Badge access request completed within 24 hours	N/A	N/A	90%	100%
Safety and Security - Incidents resolved within 7 days	N/A	N/A	90%	100%
Storage is back-up on schedule	N/A	N/A	95%	100%

**2.3 Customer Service & End User Experience**

Provides 24x7 technical call center support for City Department staff and external customers that use City of Fort Worth technologies including hardware, software, systems, and infrastructure.

Customers satisfied with response to IT requests/tickets.	94%	94%	97%	100%
Completion of computer unit refreshes on schedule.	300%	110%	95%	100%
Patch Management - Endpoints	N.A	N.A	90%	100%
Average Abandonment rate not higher than 7.5%	8.2%	8.8%	8%	0%
Reopening Tickets - % of tickets reopened	N.A	N.A	2%	0%

**2.4 Radio Services**

Provisions, maintains, and supports the Fort Worth Regional Radio System.

Meet service level targets for response to incident tickets	N.A	96%	95%	100%
Availability for the Fort Worth Regional Radio System	100%	100%	99.99%	100%
Communications availability of all outdoor warning sirens	N.A	N.A	99.8%	100%

**3.1 Cybersecurity**

Provides services required to protect the confidentiality and integrity of the City's information assets.

% of employees have completed cyber security awareness training.	94%	97%	99%	100%
# of security risk assessments performed on City systems	23	51	12	no limit



# **Fiduciary Funds**

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	—	—	—	—	—	0.0 %
License & Permits	—	—	—	—	—	0.0 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	542,196	569,925	569,925	575,720	5,795	1.0 %
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	817,072	1,000,000	1,000,000	1,500,000	500,000	50.0 %
Special Assessments	—	—	—	—	—	0.0 %
Other	26,398,915	30,547,350	30,547,350	26,342,926	(4,204,424)	-13.8 %
Transfer In	—	—	—	—	—	0.0 %
Use of Fund Balance	—	—	—	5,302,053	5,302,053	0.0 %
<b>Total Revenues</b>	<b>27,758,183</b>	<b>32,117,275</b>	<b>32,117,275</b>	<b>33,720,699</b>	<b>1,603,424</b>	<b>5.0 %</b>
<b>Expenses</b>						
Salaries & Benefits	285,321	295,240	295,240	283,792	(11,448)	-3.9 %
Gen Operating & Maintenance	27,890,269	28,310,116	31,822,035	33,436,907	5,126,791	18.1 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	—	—	—	—	—	0.0 %
Transfer Out & Other	—	3,511,919	—	—	(3,511,919)	-100.0 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>28,175,590</b>	<b>32,117,275</b>	<b>32,117,275</b>	<b>33,720,699</b>	<b>1,603,424</b>	<b>5.0 %</b>
<b>Grand Total</b>	<b>\$ (417,407)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

Fund	2023		2024		Change	
	AP	FTE	AP	FTE	AP	FTE
Retiree Healthcare Trust	—	2.25	—	2.25	—	—
<b>Total</b>	<b>—</b>	<b>2.25</b>	<b>—</b>	<b>2.25</b>	<b>—</b>	<b>—</b>

**FUND PURPOSE AND GOALS**

The Retiree Healthcare Trust fund was created to aid in financial management activities, demonstrate legal compliance, and allow for the separation of functions and activities related to the administration of retirees. The Retiree Healthcare Trust Fund accounts for revenue generated and expenditures incurred in administering retired employees' group benefits. Fund revenues come from retiree contributions, contributions from city funds, and interest on investments.

**FY2024 DISCUSSION AND SIGNIFICANT CHANGES**

The Adopted Budget:

- Increases by \$5.1 million in Claims Payments/Settlements due to City's claims costs to rise significantly. The cost is offset by \$3.5 million reduction to Contribution to Fund Balance
- Increases by \$26,648 in General Operating & Maintenance for Medicare Part A-B penalty cost

- Increases by \$13,363 in General Operating & Maintenance for Claims Administration

**FUND SUMMARY**

	FY2022 Final	FY2023 Adopted	FY2023 Adjusted	FY2024 Adopted	Chg from PY Adopted Amount	%
<b>Revenues</b>						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	0.0 %
Sales Tax	—	—	—	—	—	0.0 %
Other Tax	1,750,000	—	—	1,763,775	1,763,775	0.0 %
License & Permits	—	—	—	—	—	0.0 %
Intergovernmental	—	—	—	—	—	0.0 %
Charge for Service	—	—	—	—	—	0.0 %
Fines & Forfeitures	—	—	—	—	—	0.0 %
Use of Money & Property	14,401	—	—	—	—	0.0 %
Special Assessments	—	—	—	—	—	0.0 %
Other	—	—	—	—	—	0.0 %
Transfer In	—	—	—	—	—	0.0 %
Use of Fund Balance	—	1,578,925	1,578,925	11,226	(1,567,699)	-99.3 %
<b>Total Revenues</b>	<b>1,764,401</b>	<b>1,578,925</b>	<b>1,578,925</b>	<b>1,775,001</b>	<b>196,076</b>	<b>12.4 %</b>
<b>Expenses</b>						
Salaries & Benefits	—	—	—	—	—	0.0 %
Gen Operating & Maintenance	—	—	—	—	—	0.0 %
Capital Accts	—	—	—	—	—	0.0 %
Debt Service Accts	1,570,669	1,578,925	1,578,925	1,775,001	196,076	12.4 %
Transfer Out & Other	—	—	—	—	—	0.0 %
Contra Accounts	—	—	—	—	—	0.0 %
Project Budget Account	—	—	—	—	—	0.0 %
<b>Total Expenses</b>	<b>1,570,669</b>	<b>1,578,925</b>	<b>1,578,925</b>	<b>1,775,001</b>	<b>196,076</b>	<b>12.4 %</b>
<b>Grand Total</b>	<b>\$ 193,732</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>0.0 %</b>

**FUND PURPOSE AND GOALS**

Rock Creek Ranch PID continues with development on 1,755-acres located in southwest Fort Worth off the Chisholm Trail Parkway. The development will include commercial, mixed-use, and residential properties, as well as a new 80-acre campus for Tarleton State University. The campus opened in August 2019 and is expected to have 2,500 students. The Rock Creek PID Debt Service Fund was originally created to pay for debt issued to finance the improvements related to the development. The debt takes the form of special assessment revenue bonds that are secured by pledged revenue of annual installments levied against the property within the PID. The debts are special and limited obligations of the city, and shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties, or income of the city. The city is acting as the property owner's agent within the district in collecting future assessments, forwarding collections to trustees, approving bond proceed disbursements, and initiating any future foreclosures. Beginning FY2022, the Rock Creek debt is presented in the Rock Creek Trust Fund.

Previously, debt for Rock Creek Ranch PID was budgeted as a governmental debt service fund. During FY2021, it was determined that the Rock Creek PID Debt Service Fund should be classified and accounted for as a fiduciary fund in adherence with GASB. FY2021 debt activity and balances were transitioned from the Rock Creek PID Debt Fund to the Rock Creek Trust Fund mid-year. All current and future actions will occur in the Rock Creek Debt Trust Fund, while prior activity can be found in the Governmental Fund - Debt Service section of this document.

## Fiduciary Funds

## Rock Creek Trust

The following chart provides the principal and interest for each debt issuance that has a payment due in FY2024. Handling charges are included separately from principal and interest depicted in the chart.

<b>FY2024</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2017 Special Assessment Rev	560,000	564,169	1,124,169
2018 Special Assessment Rev	225,000	223,500	448,500
Early Payment Reserve	—	202,332	202,332
	<u>\$ 785,000</u>	<u>\$ 990,001</u>	<u>\$ 1,775,001</u>

# Ordinances

Ordinance No. 26453-09-2023

AN ORDINANCE APPROPRIATING FUNDING FOR THE OPERATING BUDGET OF THE CITY OF FORT WORTH FOR THE ENSUING FISCAL YEAR, BEGINNING OCTOBER 1, 2023, AND ENDING SEPTEMBER 30, 2024, INCLUDING AN APPROPRIATION TO PAY DEBT SERVICE REQUIREMENTS ON OUTSTANDING INDEBTEDNESS; AND APPROPRIATING FUNDS FOR PURPOSES OF ENACTING THE FISCAL YEAR 2024 CAPITAL IMPROVEMENT PROGRAM, INCLUDING CAPITAL PLANS, PROJECTS, OUTLAYS, AND COMMUNITY FACILITY AGREEMENTS; AND RATIFYING CITY COUNCIL APPROVED APPROPRIATION ORDINANCES EFFECTING THIS BUDGET; AND ACKNOWLEDGING PRIOR APPROPRIATIONS EFFECTING THE CAPITAL IMPROVEMENT PROGRAM; AND INCORPORATING BUDGET ON FILE WITH CITY SECRETARY, AS REVISED BY CITY COUNCIL; AND APPROVING THE CAPITAL IMPROVEMENT PROGRAM; AND ACKNOWLEDGING APPROVAL OF LEAVE; AND PROHIBITING THE EXPENDING, OBLIGATING, OR COMMITTING OF FUNDS IN EXCESS OF APPROPRIATIONS OR ACTUAL AVAILABLE RESOURCES; AND ESTABLISHING LEGAL LEVEL OF CONTROL; AND PROVIDING FOR PUBLICATION; AND PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING A SAVINGS CLAUSE; AND PROVIDING FOR REPEAL OF ALL ORDINANCES AND APPROPRIATIONS IN CONFLICT HEREWITH; AND PROVIDING AN EFFECTIVE DATE

**WHEREAS**, on August 8, 2023, the City Manager submitted the recommended Fiscal Year 2024 (“FY2024”) capital improvement program and operating budget to the City Council, respectively;

**WHEREAS**, in a series of budget work sessions the City Council met with the City Manager and staff to review the recommended budget and capital improvement program and make revisions; and

**WHEREAS**, this ordinance includes all appropriations necessary to implement the FY2024 operating budget which contains personnel costs including the various costs and capital improvement program as recommended by the City Manager and revised by the City Council.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS** that the operating budget appropriation and appropriations for the capital improvement program for the ensuing fiscal year, beginning October 1, 2023 and ending September 30, 2024, for the different funds, departments and purposes of the City of Fort Worth be fixed and determined as detailed below, supporting a budget that includes 8,165 total authorized positions.

SECTION 1. GENERAL FUND

The **General Fund** is a governmental fund for managing ordinary operations financed primarily from property tax, general-use sales tax, and other general revenues and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Property Tax	\$579,970,842
Sales Tax	\$250,000,000
Payment in Lieu of Taxes	\$7,419,594
Street Rental	\$28,875,619
Other Tax	\$64,458,496
License & Permits	\$22,238,763
Intergovernmental Revenue	\$520,641
Charge for Service	\$34,395,212
Fines & Forfeitures	\$6,327,394
Use of Money & Property	\$2,746,728
Other Revenue	\$2,731,573
Sale of Abandoned Property	\$1,007,867
Salvage Sales	\$2,000
Transfer from Solid Waste	\$7,089,761
Transfer from Culture Tourism	\$932,166
Transfer from Gen Endow Gas Ls (Public Art)	\$387,544
Transfer from FW Local Development Corporation (Economic Development Strategic Plan)	\$220,085
Transfer from Taxing Increment Reinvestment Zone (TIRZ)	\$365,803
Transfer from PACS Dedication	\$177,574
Transfer from Public Improvement Districts (PIDs)	\$267,385
Transfer from Stormwater Util	\$1,471,369
Transfer from Water and Sewer	\$1,432,425
Other Interdepartmental Transfers	\$773,549
	<b>\$1,013,812,390</b>



## EXPENDITURES

City Attorney's Office	\$9,727,436
City Auditor's Office	\$2,444,254
City Manager's Office	\$11,368,002
City Secretary's Office	\$2,705,604
Code Compliance	\$27,074,963
Communications & Public Engagement	\$6,058,990
Diversity & Inclusion Department	\$2,635,238
Development Services	\$29,222,202
Economic Development	\$40,273,220
Subsidy to Culture and Tourism (380 Agreement)	\$3,714,585
Transfer to PIDs	\$439,325
Transfer to Economic Incentive Fund	\$5,000,000
Transfer to Culture and Tourism	\$120,000
Environmental Services	\$4,589,348
Financial Management Services	\$15,051,729
Fire	\$213,376,865
Transfer to Municipal Airport Fund (Fire Lease)	\$59,501
FWLab	\$11,411,752
Public Art	\$1,949,071
Human Resources	\$6,933,179
Library	\$27,822,947
Municipal Court	\$15,230,739
Transfer to the Municipal Parking	\$600,000
Transfer to the Park and Recreation for shared Safety Position	\$30,689
Neighborhood Services	\$12,735,782
United Way	\$199,500
Transfer to Neighborhood Improvement Strategies project (Paygo)	\$8,086,000
Transfer to the General Capital Fund	\$2,045,000
Park and Recreation	\$66,106,893
Transfer to the General Capital Fund (Paygo)	\$3,395,000
Transfer to the PIDs and TIRZ	\$679,591
Transfer for YMCA Contract	\$12,000
Transfer to Community Tree Planting	\$100,000
Transfer to Vehicle and Equipment Replacement Fund	\$556,000
Police	\$321,340,689
Property Management	\$25,302,557
Transfer to the General Capital Fund (Paygo)	\$5,001,000
Transfer to Vehicle and Equipment Replacement Fund	\$3,500,000
Transportation and Public Works	\$41,465,509
Transfer to the General Capital Fund (Paygo)	\$55,338,635
Transfer to Vehicle and Equipment Replacement Fund	\$961,500
Non-Departmental	-\$2,717,713
Separation Pay	\$8,041,672
Employee Recruitment and Retention Fund	\$1,754,540

Ordinance No. 26453-09-2023

Fire Contingency Overtime Fund	\$4,000,000
Contractual Services	\$4,835,000
Tuition Reimbursement	\$172,478
Training Initiative	\$250,000
Transfer Out- Technology Allocations	\$928,083
Transfer to the General Capital Fund (Paygo) - Technology Infrastructure	\$4,700,000
Transfer to the General Capital Fund (Paygo) - IT Capital	\$3,761,000
Transfer to the General Capital Fund (Paygo) - Community Partnerships	\$750,000
Transfer to IT Refresh Capital	\$2,427,035
Transfer to Municipal Golf (Operating Subsidy)	\$245,000
	<b>\$1,013,812,390</b>

SECTION 2. SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The **Alliance Maintenance Facility Fund** is a special revenue fund for managing revenues generated from a City-owned facility that AllianceTexas, a Hillwood entity, manages and leases on the City's behalf and used to pay management and facility expenses and to fund capital projects and for FY2024 shall have receipts and appropriations as follows:

REVENUES	Charges for Services	\$443,794
	Use of Money and Property	\$3,121,261
	Other – Recovery of Utilities	\$4,397,805
	Use of Fund Balance/Net Position	\$274,903
		<b>\$8,237,763</b>
EXPENDITURES	Property Management	\$7,477,763
	Transfer to Capital Fund	\$760,000
		<b>\$8,237,763</b>

The **Community Tree Planting Program Fund** is a special revenue fund for managing revenues generated primarily from tree removal fees and gas revenues and used for planting trees on public property in partnership with third parties and for FY2024 shall have receipts and appropriations as follows:

REVENUES	Transfers from Park Gas Lease Revenue	\$656,192
		<b>\$656,192</b>
EXPENDITURES	Park and Recreation	\$476,192
	Transfer to Capital Fund	\$180,000
		<b>\$656,192</b>

Ordinance No. 26453-09-2023

The **Crime Control and Prevention District Fund** is a special revenue fund for managing revenues generated primarily by a voter-approved special dedicated sales tax and used for programs aimed at crime control and prevention in accordance with Chapter 363 of the Texas Local Government Code and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Sales Tax	\$119,391,511
Intergovernmental Revenue	\$8,061,784
Use of Money & Property	\$150,000
Other	
Miscellaneous Revenue	\$12,000
Auto Scrap Metal Sales	\$1,000
Recovery of Labor Costs	\$200,000
Transfer in	
Salvage Sales	\$30,000
Use of Fund Balance/Net Position	\$2,881,358
	<b>\$130,727,653</b>

EXPENDITURES

Police	\$96,656,283
Transfer to CCPD Capital Projects Fund	\$21,115,349
Transfer to IT Refresh Capital	\$2,359,245
Transfer to Community Based Fund	\$4,599,689
Park and Recreation	\$1,697,220
Neighborhood Services	\$894,185
Public Events	\$136,140
Municipal Courts	\$173,727
Transportation and Public Works	\$3,095,815
	<b>\$130,727,653</b>

The **CCPD Community Based Fund** is a special revenue fund that is intended to be a life of project fund utilized for managing revenues and costs associated with community-based programs, and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Transfer from CCPD	\$4,599,689
	<b>\$4,599,689</b>

EXPENDITURES

CCPD Community Based Programs P_S00185	\$4,599,689
	<b>\$4,599,689</b>

The **Culture and Tourism Fund** (7% Hotel Occupancy Tax) is a special revenue fund for managing revenues generated by the City's 7% Hotel Occupancy Tax, by operation of the City's public venues, and from a General Fund transfer for 380 agreement payments, and used primarily for purposes of operating the Fort Worth Convention Center, the Will Rogers Memorial Complex, and the Cowtown Coliseum, funding a contract with the Fort Worth Convention and Visitors Bureau, and to pay costs associated with construction and debt-financing of the Dickies Arena and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Hotel Occupancy Taxes	\$33,658,522
License and Permits	\$21,000
Charges for Services	\$5,275,590
Use of Money and Property	\$9,162,395
Other	
Miscellaneous Revenue	\$2,110
Recovery of Labor Costs	\$659,081
Recovery of Supplies	\$1,312,830
Recovery of Utilities	\$215,000
Transfer from General Fund (380 Agreement)	\$3,714,585
Transfer from Economic Development	\$120,000
	<b>\$54,141,113</b>

EXPENDITURES

Culture and Tourism	\$48,223,558
Transfer to General Fund	\$932,166
Transfer to Capital Fund	\$500,000
Transfer to Vehicle and Equipment Replacement Fund	\$287,745
Transfer to IT Refresh Capital	\$14,698
Transfer to Debt Fund	\$798,912
Contribution to Fund Balance/Net Position	\$3,384,034
	<b>\$54,141,113</b>

The **Culture and Tourism 2% Hotel Fund** (2% Hotel Occupancy Tax) is a special revenue fund for managing revenues generated by the City's 2% Hotel Occupancy Tax and used, in accordance with the Texas Tax Code Section, for construction or debt-financing of convention center facilities and qualified projects and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Hotel Occupancy Taxes	\$9,595,292
	<b>\$9,595,292</b>

EXPENDITURES

Transfer to Capital Fund	\$2,250,000
Transfer to Debt Fund	\$4,044,374
Contribution to Fund Balance/Net Position	\$3,300,918
	<b>\$9,595,292</b>

The Culture and Tourism **DFW Revenue Sharing Fund** is a special revenue fund for managing revenues generated from revenue sharing at the Dallas/Fort Worth International Airport in accordance with Chapter 22 of the Texas Transportation Code and used to maintain and improve facilities at the Convention Center and Will Rogers Memorial Complex, and to pay costs associated with construction and debt-financing of the Dickies Arena and for FY2024 shall have receipts and appropriations as follows:

REVENUES

DFW Revenue Sharing	\$9,874,152
	<b>\$9,874,152</b>

EXPENDITURES

Transfer to Capital Fund	\$1,000,000
Transfer to Debt Fund	\$2,566,905
Contribution to Fund Balance/Net Position	\$6,307,247
	<b>\$9,874,152</b>

The **Culture and Tourism Project Finance Zone Fund** is a special revenue fund for managing and segregating revenues generated from Project Finance Zone #1. Funding is used to maintain and improve facilities at qualified projects, including the Convention Center, Will Rogers Memorial Complex, and the Dickies Arena, as well as assist in the payment of Arena debt and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Intergovernmental Revenue	\$12,120,239
	<b>\$12,120,239</b>

EXPENDITURES

Transfer to Debt Fund	\$5,613,545
Contribution to Fund Balance/Net Position	\$6,506,694
	<b>\$12,120,239</b>

Ordinance No. 26453-09-2023

The Culture and Tourism **Venue Operating Fund** is a special revenue fund for managing and segregating the venue taxes that become effective with the opening of the Dickies Arena in November 2019. Funding is used to maintain and improve facilities at the new Multipurpose Arena designated as the venue project and for FY2024 shall have receipts and appropriations as follows:

REVENUES	
Other Taxes	
Stall Tax Revenue	\$280,275
Ticket Tax Revenue	\$6,715,386
Parking Tax Revenue	\$3,503,750
	<b>\$10,499,411</b>
EXPENDITURES	
Transfer to Venue Debt Fund	\$8,967,128
Contribution to Fund Balance/Net Position	\$1,532,283
	<b>\$10,499,411</b>

The **Economic Incentives Fund** is a special revenue fund for managing revenues generated from various projects that meet eligibility under Section 9, Technology Company Projects, and Section 14, Employment Designated Project Fund, in the Economic Development Program Policy for Grants Authorized by Chapter 380 of the Texas Local Government Code.

REVENUES	
Transfer from General Fund	\$5,000,000
	<b>\$5,000,000</b>
EXPENDITURES	
Economic Development	\$5,000,000
	<b>\$5,000,000</b>

The **Environmental Protection Fund** is a special revenue fund for managing revenues generated primarily from collection of an environmental fee and used to fund the cost of complying with state and federally mandated environmental regulations and programs and for FY2024 shall have receipts and appropriations as follows:

Ordinance No. 26453-09-2023

REVENUES

Charges for Services	\$15,575,637
Use of Money and Property	\$56,000
Transfer from Stormwater Utilities	\$0
Use of Fund Balance/Net Position	\$580,338
	<b>\$16,211,975</b>

EXPENDITURES

Environmental Services	\$15,222,099
Transfer to Water and Sewer Fund	\$576,756
Transfer to Grant	\$190,924
Transfer to Energy Savings Program	\$4,657
Transfer to IT Refresh Capital	\$6,681
Transfer to Capital Fund	\$210,858
	<b>\$16,211,975</b>

The **Municipal Golf Fund** is a special revenue fund for managing revenues generated by the municipal golf courses and from a partial subsidy from the General Fund and used for funding maintenance and operations of the golf facilities and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Charges for Services	\$5,669,037
Other Revenue	\$4,000
Transfer from General Fund (Operating Subsidy)	\$245,000
Use of Fund Balance	\$425,122
	<b>\$6,343,159</b>

EXPENDITURES

Park and Recreation	\$6,341,519
Transfer to IT Refresh Capital	\$1,640
	<b>\$6,343,159</b>

The **Special Revenue Municipal Court Fund** is a special revenue fund that is intended to be a life of project fund utilized for managing revenues and costs of the department’s programs and projects in accordance with various articles of Chapter 102 of the Texas Code of the Criminal Procedure and for FY2024 shall have receipts and appropriations as follows:



Ordinance No. 26453-09-2023

REVENUES

Court Security Project - Charge for Service	\$12,215
Juvenile Case Manager Project - Charge for Service	\$988
Truancy Prevention and Diversion Project - Charge for Service	\$61,599
	<b>\$74,802</b>

EXPENDITURES

Court Security Project (S00094)	\$12,215
Juvenile Case Manager Project (S00096)	\$988
Truancy Prevention and Diversion Project (S00097)	\$61,599
	<b>\$74,802</b>

SECTION 3. DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for, and the payment of, principal and interest on outstanding debt obligations as shown below.

The **General Debt Service Fund** is a debt service fund utilized to manage revenues from the debt portion of property tax assessments and other resources and used to pay principal and interest on and to create a sinking fund for outstanding general indebtedness of the City and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Property Tax	\$162,378,702
Use of Money and Property	\$3,450,000
Transfer from TIRZ #14 Trinity Lakes	\$1,748,950
	<b>\$167,577,652</b>

EXPENDITURES

Financial Management Services (Debt Obligation)	\$159,777,621
Transfer to Parking Debt Service	\$2,980,400
Contribution to Fund Balance/Net Position	\$4,819,631
	<b>\$167,577,652</b>

The **Culture and Tourism Debt Service Fund** is a debt service fund utilized to manage hotel occupancy tax revenues and other resources allocated to pay principal and interest on and to create a sinking fund for outstanding debt related to improvements at the Convention Center and Will Rogers Memorial Complex for FY2024 shall have receipts and appropriations as follows:

REVENUES

Transfer from Culture and Tourism	\$343,373
Transfer from Culture and Tourism 2% Hotel	\$4,044,374
Transfer from DFW Revenue Share	\$2,566,905
	<b>\$6,954,652</b>

EXPENDITURES

Financial Management Services (Debt Obligation)	\$6,954,652
	<b>\$6,954,652</b>

The **Venue Debt Service Fund** is a debt service fund utilized to manage revenues from venue taxes, hotel occupancy taxes and other resources allocated to pay principal and interest on and to create a sinking fund for outstanding debt related to the bonds issued to finance the City's portion of costs for the designated venue in accordance with Chapter 334 of Texas Local Government Code, including Dickies Arena, and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Transfer from Culture and Tourism	\$455,539
Transfer from Culture and Tourism Project Finance Zone	\$5,613,545
Transfer from Culture and Tourism Venue	\$8,967,128
	<b>\$15,036,212</b>

EXPENDITURES

Financial Management Services (Debt Obligation)	\$14,924,967
Contribution to Fund Balance/Net Position	\$111,245
	<b>\$15,036,212</b>

The **Municipal Parking Debt Service Fund** is a debt service fund utilized to manage revenues from commercial off-street parking and other resources allocated to pay principal and interest on and to create a sinking fund for outstanding debt related to municipal parking infrastructure and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Transfer from Municipal Parking Fund	\$2,980,400
	<b>\$2,980,400</b>

EXPENDITURES

Financial Management Services (Debt Obligation)	\$2,980,400
	<b>\$2,980,400</b>

Ordinance No. 26453-09-2023

The **Solid Waste Debt Service Fund** is a debt service fund utilized to manage revenues from municipal solid waste service fees and other resources allocated to pay principal and interest on and to create a sinking fund for outstanding debt related to solid waste infrastructure and for FY2024 shall have receipts and appropriations as follows:

REVENUES		
	Transfer from Solid Waste Fund	\$434,447
		<b>\$434,447</b>
EXPENDITURES		
	Financial Management Services (Debt Obligation)	\$434,447
		<b>\$434,447</b>

The **Stormwater Debt Service Fund** is a debt service fund utilized to manage stormwater service revenues and other resources allocated to pay principal and interest on and to create a sinking fund for outstanding debt related to stormwater infrastructure and for FY2024 shall have receipts and appropriations as follows:

REVENUES		
	Transfer from Stormwater Utility	\$12,406,016
		<b>\$12,406,016</b>
EXPENDITURES		
	Financial Management Services (Debt Obligation)	\$12,124,389
	Contribution to Fund Balance/Net Position	\$281,627
		<b>\$12,406,016</b>

The **Water Priority Lien Debt Service Fund** is a debt service fund to manage water and wastewater service revenues and other resources allocated to pay principal and interest on first lien, parity debt obligations of the Water and Sewer Systems and for FY2024 shall have receipts and appropriations as follows:

Ordinance No. 26453-09-2023

REVENUES

Transfer from Water and Sewer	\$114,865,880
	<b>\$114,865,880</b>

EXPENDITURES

Financial Management Services (Debt Obligation)	\$106,862,544
Contribution to Fund Balance/Net Position	\$8,003,336
	<b>\$114,865,880</b>

SECTION 4. ENTERPRISE FUNDS

Enterprise funds are proprietary funds that are used for services provided to external customers on an exchange-based, user charge basis, in which customers receive a benefit equivalent to the amount being paid and which is similar to the operation of a commercial enterprise.

The **Municipal Airports Fund** is an enterprise fund used to manage funds associated with the maintenance, management, operations, development and promotion of Alliance, Meacham International, and Spinks Airports and for FY2024 shall have receipts and appropriations as follows:

REVENUES

License and Permits	\$54,100
Charges for Services	\$6,553,200
Use of Money and Property	\$9,008,701
Other Revenue	\$123,688
Transfer from General Fund (Fire Lease)	\$59,501
Use of Fund Balance/Net Position	\$1,815,000
	<b>\$17,614,190</b>

EXPENDITURES

Aviation	\$12,447,552
Transfer to General Fund (Fire Services)	\$59,501
Transfer to Municipal Airport Capital Projects Fund	\$4,927,849
Transfer to Grant	\$150,000
Transfer to IT Refresh Capital	\$29,288
	<b>\$17,614,190</b>

The **Municipal Parking Fund** is an enterprise fund used to manage funds associated with the City's parking operations, including metered spaces, parking garages, surface lots, parking-garage office space, valet parking permits, designated mobility-impaired street parking, and shared departmental responsibility of parking enforcement and for FY2024 shall have receipts and appropriations as follows:

REVENUES

License and Permits	\$37,000
Charges for Services	\$7,271,137
Use of Money and Property	\$173,326
Transfer from General (Municipal Court)	\$600,000
	<b>\$8,081,463</b>

EXPENDITURES

Transportation and Public Works	\$6,057,257
Transfer to General Fund	\$9,066
Transfer to IT Refresh Capital	\$12,150
Transfer to Capital	\$175,000
Contribution to Fund Balance/Net Position	\$1,827,990
	<b>\$8,081,463</b>

The **Solid Waste Fund** is an enterprise fund used to manage funds associated with the solid waste and recyclable materials collection and disposal service provided to Fort Worth residents and for FY2024 shall have receipts and appropriations as follows:

REVENUES

License and Permits	\$18,785
Charges for Services	\$72,341,595
Use of Money and Property	\$7,094,744
Other	
Miscellaneous Revenue	\$260,034
Bad Debts Recovered	\$116,327
Compliant Brush/Bulk	\$9,000
Cont Reqd Educ Pymts	\$1,432,762
Landfill Closure Revenue	\$720,000
Yard Cart Sales	\$148,050
Non-Compliant Brush/Bulk	\$62,821
Recycling Waste Revenue	\$54,973
	<b>\$82,259,091</b>

EXPENDITURES

Environmental Services	\$70,509,126
Transfer to General Fund	\$7,089,761
Transfer to Water and Sewer Fund	\$1,552,578
Transfer to Solid Waste Capital Fund	\$800,000
Transfer to IT Refresh Capital	\$54,585
Payment in Lieu of Taxes	\$132,746
Transfer to Solid Waste Debt Service Fund	\$434,447
Contribution to Fund Balance/Net Position	\$1,685,848
	<b>\$82,259,091</b>



The **Stormwater Utility Fund** is an enterprise fund used to manage funds generated from the stormwater utility fee, which funds projects to protect people and property from harmful stormwater runoff and for FY2024 shall have receipts and appropriations as follows:

REVENUES

License and Permits	\$140,000
Charges for Services	\$57,747,299
Use of Money and Property	\$310,000
Use of Fund Balance/Net Position	\$92,217
	<b>\$58,289,516</b>

EXPENDITURES

Transportation and Public Works	\$20,549,338
Transfer to General Fund	\$1,471,369
Transfer to Water and Sewer Fund	\$1,418,235
Transfer to Stormwater Capital Projects Fund	\$18,653,846
Payment in Lieu of Taxes	\$1,207,697
Transfer to IT Refresh Capital	\$20,720
Street Rental	\$2,562,295
Transfer to Stormwater Debt Service Fund	\$12,406,016
	<b>\$58,289,516</b>

The **Water and Sewer Fund** is an enterprise fund used to manage funds generated from water and wastewater service fees provided to retail and wholesale customers and for FY2024 shall have receipts and appropriations as follows:

REVENUES

License and Permits	\$1,646,940
Charges for Services	\$524,426,085
Use of Money and Property	\$2,296,386
Other Revenue	\$12,515,000
Sale of Capital Asset	\$100,000
Salvage Sales	\$30,000
Transfer from Water Impact	\$14,584,082
Transfer from Sewer Impact	\$15,697,815
Transfer from Environ Protection Fund	\$576,756
Transfer from Stormwater Utility Fund	\$1,418,235
Transfer from Solid Waste Fund	\$1,552,578
	<b>\$574,843,877</b>

EXPENDITURES

Water	\$216,220,428
Reclaimed Water	\$132,641
Wastewater	\$121,297,960
Transfer to Water Capital Fund	\$4,156,000
Transfer to General Fund for Energy Savings Program	\$27,116
Transfer to Dev Services for Positions	\$1,060,221
Transfer to Financial Management Services for Purchasing Positions	\$345,088
Transfer to Water and Sewer Capital Fund	\$84,505,035
Payment in Lieu of Taxes	\$5,737,866
Street Rental	\$26,313,324
Transfer to Water Debt Funds	\$114,865,880
Transfer to IT Refresh Capital	\$182,318
	<b>\$574,843,877</b>

SECTION 5. INTERNAL SERVICE FUNDS

Internal service funds are proprietary funds used for operations provided to internal customers (other City funds or departments) on a cost-reimbursement basis, in which customer departments and funds pay on a pro rata, per-employee basis for operating costs of the department or fund that is providing services.

The **Capital Projects Services Fund** is an internal service fund used to manage funds generated from the internal service fees paid by General Fund Departments and other funds for services associated with the implementation of capital projects and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Charges for Services	\$17,444,466
Use of Money and Property	\$110,000
Use of Fund Balance/Net Position	\$427,405
	<b>\$17,981,871</b>

EXPENDITURES

Transportation and Public Works	\$17,172,479
Transfer to General Fund	\$3,291
Transfer to Capital Fund	\$806,101
	<b>\$17,981,871</b>

The **Fleet and Equipment Services Fund** is an internal service fund used to manage funds generated from the internal service fees paid by General Fund Departments and other funds for services and costs associated with maintenance of the City's fleet of motor vehicles and associated equipment and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Charges for Services	\$34,702,786
Use of Money and Property	\$39,557
Other Revenue	\$9,643
Sale of Capital Asset	\$1,563
Salvage Sales	\$10,103
	<b>\$34,763,652</b>

EXPENDITURES

Property Management	\$34,499,783
Transfer to General Fund	\$74,869
Transfer to Capital Fund	\$165,000
Transfer to IT Refresh Capital	\$24,000
	<b>\$34,763,652</b>

The **Group Health Insurance Fund** is an internal service fund used to manage funds generated from the internal service fees and health benefit expenses paid by the City through various funds and by participating individuals for services and costs associated with employee health benefit and life insurance coverage. With very limited exceptions, the City can make changes to its benefit offerings at any time; these changes could include discontinuing benefit programs or changing the rates at which the City contributes toward benefit costs. In general, employee benefits, except for previously accrued retirement benefits, are not guaranteed to continue, and City contributions to any benefit program are subject to sufficient funds being available and allocated in the annual budget process, which includes appropriations solely for benefits projected to be payable during the ensuing fiscal year in accordance with the pay-as-you-go funding plan for other post-employment benefit liabilities adopted in Resolution 4464-06-2015 and for FY2024 shall have receipts and appropriations as follows:

Ordinance No. 26453-09-2023

REVENUES

Charges for Services	\$1,564,193
Use of Money and Property	\$4,600,000
Other – Payment for Services from Other Funds	\$74,173,367
Use of Fund Balance/Net Position	\$2,445,255
	<b>\$82,782,815</b>

EXPENDITURES

Human Resources	\$82,782,815
	<b>\$82,782,815</b>

The **Information Technology Systems** Fund is an internal service fund used to manage funds generated from the internal service fees paid by General Fund departments and other funds for services and costs associated with centralized information technology services and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Charge for Service	\$50,775,672
Transfer from General	\$860,583
	<b>\$51,636,255</b>

EXPENDITURES

Information Technology Systems	\$51,386,796
Transfer to IT Refresh Capital	\$249,459
	<b>\$51,636,255</b>

The **Risk Financing Fund** is an internal service fund used to manage funds generated from the internal service fees paid by General Fund departments and other funds for implementation of statutorily mandated workers' compensation benefits for City employees and services associated with both City and third-party injury and property claims and risk reduction and avoidance strategies related thereto and for FY2024 shall have receipts and appropriations as follows:

Ordinance No. 26453-09-2023

REVENUES

Use of Money and Property	\$200,000
Other – Payment for Allocated Services from Other Funds	\$33,417,296
	<b>\$33,617,296</b>

EXPENDITURES

Human Resources	\$33,612,660
Transfer to IT Refresh Capital	\$4,636
	<b>\$33,617,296</b>

SECTION 6. Fiduciary Funds

Fiduciary Funds are used to account for assets held in trust for third parties.

The **Retiree Healthcare Trust** is a fiduciary fund used to manage funds generated from the internal service fees and health benefit expenses paid by the City through various funds and by participating retired individuals for services and costs associated with retired employee health benefit and life insurance coverage. With very limited exceptions, the City can make changes to its benefit offerings at any time; these changes could include discontinuing benefit programs or changing the rates at which the City contributes toward benefit costs. In general, employee benefits, except for previously accrued pension benefits, are not guaranteed to continue, and City contributions to any benefit program are subject to sufficient funds being available and allocated in the annual budget process, which includes appropriations solely for benefits projected to be payable during the ensuing fiscal year in accordance with the pay-as-you-go funding plan for other post-employment benefit liabilities adopted in Resolution 4464-06-2015 and for FY2024 shall have receipts and appropriations as follows:

REVENUES

Charge for Service	\$575,720
Use of Money and Property	\$1,500,000
Other – Payment for Allocated Services from Other Funds	\$26,342,926
Use of Fund Balance/Net Position	\$5,302,053
	<b>\$33,720,699</b>

EXPENDITURES

Human Resources	\$33,720,699
	<b>\$33,720,699</b>

The Rock Creek Trust is a fiduciary fund to manage Rock Creek PID assessment revenues and other resources allocated to pay principal and interest on the Rock Creek PID bonds. In accordance with Chapter 372 of the Texas Local Government Code and for FY2024 shall have receipts and appropriations as follows:

Ordinance No. 26453-09-2023

REVENUES

Other Revenue	\$1,763,775
Use of Fund Balance/Net Position	\$11,226
	<b>\$1,775,001</b>

EXPENDITURES

Financial Management Services (Debt Obligation)	\$1,775,001
	<b>\$1,775,001</b>



SECTION 7. CAPITAL IMPROVEMENTS

The capital appropriations are intended to be life-of-project/life-of-program appropriations and are considered encumbered and available until the associated project or program has been fully completed.

That there shall be appropriations for the Capital Improvement Program of the City of Fort Worth for FY2024, including Capital Projects and Capital Plans, as follows:

**General Capital Improvement Plan**

The General Capital Improvement Plan is used to complete activities such as acquisition of land or construction of infrastructure consistent with governmental activities of the City of Fort Worth. Appropriations for Capital Projects and Plans are outlined below, and for FY2024 shall have General Capital Improvement Plan receipts and appropriations as follows:

<b>Capital Category</b>	<b>Capital Project</b>	<b>Appropriation</b>
Assessments	Online Credit Card Fees (103532)	\$35,000
Business Applications	Business Applications-IT (P00037)	\$961,600
Comm Facilities Agrmts	CFA Bucket (P00001)	\$7,827,750
Community Partnerships	William McDonald (SE) YMCA (102349)	\$12,000
	Future Community Partnerships (P00047)	\$750,000
	FWPA Collection Management (P00056)	\$195,760
	Transit Initiatives (P00129)	\$895,000
Drives and Parking Lots	PARD Roads and Parking (P00098)	\$300,000
Education	Public Education and Government (P00023)	\$667,164
Equipment	Parking Garages (P00008)	\$175,000
	Equipment-Police (P00033)	\$125,600
	Equipment Repair (P00040)	\$165,000
Facility Improvements	Alliance Maint Facilities Repair (P00081)	\$760,000
	PARD Rec Fitness Equipment (P00109)	\$105,000
	PARD New Enhancements (P00132)	\$1,158,716
	PARD Maintenance & Replacement (P00133)	\$3,617,989
	NS Equipment Replacement (P00139)	\$45,000
Hardware	PC Refresh - General - IT (P00090)	\$1,387,927
	PC Refresh - Other Funds - IT (P00091)	\$1,263,637
	Radio Refresh-OF (P00145)	\$1,695,783
	IT Radio Refresh - GF (P00144)	\$1,039,108
Redevelopment/Reno	First Flight Park (102903)	\$16,000
	Recurring Facility Mtn & Rpr (P00049)	\$2,506,000

Ordinance No. 26453-09-2023

	Neighborhood Improv. Strat. (P00080)	\$8,086,000
	Roof Repair & Replace Citywide (P00082)	\$1,950,000
	Minor Repair & Renovate Cityw (P00083)	\$545,000
	Golf Improvements (P00096)	\$140,000
Redevelopment/ Renovation	Priority Repair for Homeowners (P00150)	\$2,000,000
Sidewalk Infrastructure	Sidewalk Improvements (P00127)	\$2,965,035
	Future City Hall Improvements (105088)	\$784,000
Street Light Infrastructure	Street Lighting Programmable (P00124)	\$2,963,851
Street Maint	Contract Bridge Maintenance (P00017)	\$2,195,504
	Contract Street Maintenance (P00020)	\$28,376,412
	Pavement Mgmt - Reclamation (P00125)	\$611,391
	Pavement Markings (P00126)	\$7,546,345
	Guardrails & Barricades (P00149)	\$873,000
Studies	PARD Studies (P00119)	\$275,000
	Technology-Police (P00034)	\$400,000
Technology Infrastructure	Technology Infrastructure-IT (P00038)	\$9,236,000
	ERP IT (P00093)	\$750,000
	Capital Projects Svcs Business (P00111)	\$113,000
Traffic Signals	Traffic System Maintenance (P00021)	\$8,128,097
Vehicles	Culture & Tourism-VERF (P00025)	\$287,745
	Vehicles-Police (P00035)	\$18,283,149
	Vehicles-Capital Proj Svcs (P00073)	\$693,101
	General VERF (P00097)	\$5,500,000
	Community Tree Planting VERF (P00134)	\$180,000
	CCPD Marshal Vehicle and Upfit (105093)	\$70,564
		<b>\$128,658,228</b>

**Municipal Airports Capital Improvement Plan**

The Municipal Airports Capital Improvement Plan is used to complete enhancements to the City's airports. Appropriations for Capital Projects and Plans are outlined below and for FY2024 shall have Municipal Airports Capital Improvement Plan receipts and appropriations as follows:

<b>Capital Category</b>	<b>Capital Project</b>	<b>Appropriation</b>
Assessments	FWS PCI Study & PCN Update (105079)	\$72,000
Drainage Improvements	FWS Eastside Drainag Imp D&C (105080)	\$293,000
Equipment	Spinks Equipment - Vehicles (P00012)	\$22,403
	Meacham Maintenance Reserve (P00140)	\$327,429
	FTW Meacham Building (P00141)	\$5,600,000
Facility Improvements	55FTW Airport Frontage Improve (100602)	\$2,000,000
	Meacham Maintenance (P00112)	\$250,000
	Spinks Maintenance (P00113)	\$690,403
New Runway/Taxiway Rehabilitation	FWS Hangar Access Road (105081)	\$720,000
	FTW Mill Overlay Falcon Gulfst (105078)	\$1,000,000
		<b>\$10,975,235</b>

**Public Events Capital Improvement Plan**

The Public Events Capital Improvement Plan ensures that the city public events facilities are developed, maintained and upgraded to meet the needs of facility users and provide an environment for exceptional customer service. Appropriations for Capital Projects and Plans are outlined below and for FY2024 shall have Public Events Capital Improvement Plan receipts and appropriations as follows:

<b>Capital Category</b>	<b>Capital Project</b>	<b>Appropriation</b>
Assessments	WRMC Future Master Plan (105075)	\$350,000
Community Partnerships	PED Agreement Risk Reserve (104368)	\$250,000
Facility Improvements	Dickies Arena (Programmable Project) (P00143)	\$250,000
	WRMC Security Cameras (102511)	\$136,140
	WRMC Lobby & Concourse Renov (104227)	\$1,071,000
	FWCC Exhibit Hall Lighting (105074)	\$950,000
Redevelopment/Reno	FWCC Minor Renovation & Repair (P00053)	\$1,300,000
	WRMC Minor Renovation & Repair (P00054)	\$200,643
		<b>\$4,507,783</b>

**Solid Waste Capital Improvement Plan**

The Solid Waste Capital Improvement Plan is used to complete projects to enhance the management of residential and commercial solid waste, and recycling, within the City of Fort Worth. Appropriations for Capital Projects and Plans are outlined below and for FY2024 shall have Solid Waste Capital Improvement Plan receipts and appropriations as follows:

<b>Capital Category</b>	<b>Capital Project</b>	<b>Appropriation</b>
Facility Improvements	Projects for removal of hazard (P00042)	\$50,000
Vehicles	Vehicles & Equipment-Solid Was (P00041)	\$800,000
	Vehicles & Equipment - Environ (P00117)	\$160,858
		<b>\$1,010,858</b>

**Stormwater Capital Improvement Plan**

The Stormwater Capital Improvement Plan is used to complete projects to enhance the management of stormwater runoff. Appropriations for Capital Projects and Plans are outlined below and for FY2024 shall have Stormwater Capital Improvement Plan receipts and appropriations as follows:

<b>Capital Category</b>	<b>Capital Project</b>	<b>Appropriation</b>
Business Applications	GIS Data Mgmt (P00013)	\$775,000
Drainage Improvements	Drainage Improvement Projects (P00043)	\$2,790,935
	Flooding Assessments (P00046)	\$600,000
Equipment	Minor Equipment (P00014)	\$100,000
Floodplain Mgmt	Floodplain Management Projects (P00045)	\$300,000
	Hazard Warning Initiatives (P00108)	\$1,200,000
Heavy Equipment	Vehicles-Stormwater (P00016)	\$3,921,500
Neighborhood Drainage Imp	Large Flood Mitigation (P00148)	\$2,985,293
Rdwy Crossings & Channel Imp	SW Hazardous Rd Overtopping (P00120)	\$4,131,118
	Total Channel Restoration Bond (P00136)	\$1,000,000
Redevelopment/Reno	Stormdrain Pipe Rehab (P00114)	\$850,000
		<b>\$18,653,846</b>

SECTION 8: RATIFICATION

**Operations Budget**

That all appropriation ordinances approved by the City Council effecting this budget for the ensuing fiscal year beginning October 1, 2023, and ending September 30, 2024, are hereby ratified and incorporated into the same.

**Capital improvement program**

That prior appropriation ordinances have been approved by the City Council related to capital programs, capital projects, and capital outlays to be undertaken during the fiscal year beginning October 1, 2023, and ending September 30, 2024, and such ordinances are hereby acknowledged.

SECTION 9: INCORPORATION OF PUBLISHED BUDGET AND APPROVAL OF CAPITAL PLAN

That the distribution and division of the above named appropriations be made in accordance with the budget of expenditures submitted by the City Manager and as revised and approved by the City Council in accordance with the provisions of the City Charter, which budget is on file with the City Secretary, and which budget is hereby incorporated herein and made a part of this ordinance by reference thereto and shall be considered in connection with the expenditures of the above appropriations.

In appropriating funds for FY2024 of the capital improvements, the City Council hereby approves the FY2024-2028 Capital Improvement Plan as presented by the City Manager on August 8, 2023, provided, however, that such plan is subject to amendment and revision and that no funds are hereby committed or appropriated beyond FY2024.

SECTION 10. LEAVE

By appropriating monies in this Ordinance for the various departments and funds that contain personnel costs, which include leave, the City Council acknowledges its approval of the existing leave and compensatory time policies.

SECTION 11: LIMITATION ON EXPENDITURES, COMMITMENTS, AND OBLIGATIONS

**Operations Budget**

That no department, division, officer, or employee of the City may expend, obligate, or commit any funds in an amount that exceeds the lesser of: (i) appropriations authorized by the adopted budget, including any duly enacted amendments or supplements thereto, or (ii) actual available resources.

Further, that no department, division, officer, or employee of the City may expend, obligate, or commit any monies, such as grant funds or donations, that are anticipated to be received or any monies, such as asset forfeiture fund balance, that are anticipated to become available for expenditure unless and until such funds have been transferred and allocated.

**Capital improvement program**

That no department, division, officer, or employee of the City may expend, obligate, or commit any funds in an amount that exceeds the lesser of: (i) appropriations authorized by the adopted budget and appropriation ordinances, including any duly enacted amendments or supplements thereto, or (ii) actual available resources. Further, that no department, division, officer, or employee of the City may expend, obligate, or commit any monies, such as grant funds or donations, that are anticipated to be received or any monies, such as asset forfeiture fund balance, that are anticipated to become available for expenditure unless and until such funds have been received and appropriated.



SECTION 12: LEGAL LEVEL OF CONTROL

**Operations Budget**

That, except as otherwise provided in this section, the legal level of control for operating (non-capital) appropriations shall be at the department for each fund for which a budget is adopted herein, meaning that, notwithstanding appropriation or expense category details outlined in the budget documents incorporated herein, the City Manager or his designee may, in consultation with a department head, approve reallocation of funds between and among categories of budgeted expenses within a department's budget without the approval of the City Council so long as such reallocation otherwise complies with all applicable laws and ordinances and does not result in a net increase to the department's overall appropriation. Notwithstanding the foregoing, the City Manager or his designee is authorized: (i)(A) to make transfers and allocations and (B) to transfer revenues, appropriations, and associated authorized positions between departments within a single fund in order to reflect any organizational changes occurring during the fiscal year and (ii) to effect fully budgeted transfers between departments or funds so long as the City Council has adopted appropriations in both departments/funds with this ordinance serving as authorization for such transfers under Chapter X of the City Charter and (ii) to effect fully budgeted transfers between departments or funds so long as the City Council has adopted appropriations in both departments/funds with this ordinance serving as authorization for such transfers under Chapter X of the City Charter.

**Capital improvement program**

That the legal level of control for capital appropriations shall be at the Project, Program, or Outlay level, as applicable, for which an appropriation has been adopted, whether in this ordinance or another ordinance duly adopted by the City Council in the past or during this fiscal year. The City Manager, acting directly or through the Assistant City Managers, may approve the allocation of funds to a lower level within the same Project, Program, or Outlay, as applicable, without the approval of the City Council so long as such reallocation otherwise complies with all applicable laws and ordinances and does not result in a net increase to the overall appropriation of the Project, Program, or Outlay, as applicable.

SECTION 13: PUBLICATION

That following the final passage, the caption of this ordinance shall be published in the official newspaper of the City of Fort Worth.

SECTION 14: SEVERABILITY

That should any part, portion, section, or part of a section of this ordinance be declared invalid or inoperative or void for any reason by a court of competent jurisdiction, such a decision, opinion, or judgement shall in no way affect the remaining portions, parts, sections, or parts of sections of this ordinance, which provisions shall be, remain, and continue to be in full force and effect.

SECTION 15: SAVINGS CLAUSE

All rights and remedies of the City of Fort Worth, Texas are expressly saved as to any and all violations of the provisions of the Code of the City of Fort Worth, or any other ordinances of the City, that have accrued at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this ordinance, but may be prosecuted until final disposition by the courts.

SECTION 16: CONFLICTS

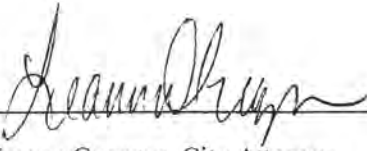
That all ordinances and appropriations for which provisions have previously been made are hereby expressly repealed if in conflict with the provisions of this ordinance.


**SECTION 17: EFFECTIVE DATE**

That this ordinance shall take effect and be in full force and effect from and after the date of its passage and publication as required by the Charter of the City of Fort Worth, and it is so ordained.

**APPROVED AS TO FORM AND LEGALITY:**

**ATTEST:**

  
\_\_\_\_\_  
Leann Guzman, City Attorney

  
\_\_\_\_\_  
Jannette S. Goodall, City Secretary

Adopted: September 19, 2023

Effective: October 1, 2023



**ORDINANCE NO. 26454-09-2023**

**AN ORDINANCE PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL AD VALOREM TAX ON ALL PROPERTY, REAL, PERSONAL AND MIXED, SITUATED WITHIN THE TERRITORIAL LIMITS OF THE CITY OF FORT WORTH, TEXAS, AND ALL PERSONAL PROPERTY OWNED IN SAID CITY OF FORT WORTH, TEXAS, ON JANUARY 1, 2023, EXCEPT SUCH PROPERTY AS MAY BE EXEMPT FROM TAXATION BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS; AND APPROVING THE TAX ROLL; DETAILING THE PENALTIES AND INTEREST ASSESSED AGAINST DELINQUENT TAXPAYERS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT WITH THE PROVISIONS OF THIS ORDINANCE; AND PROVIDING FOR THE PUBLICATION AND FINAL PASSAGE THEREOF.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:**

**SECTION 1.**

That there is hereby levied, adopted and shall be collected by the City of Fort Worth, Texas, as provided by law, an annual ad valorem tax for the year 2023, at the rate of \$0.6725 on every one hundred dollar (\$100.00) valuation on all property, real, personal and mixed, situated in, and all personal property owned in, the City of Fort Worth, Texas, on January 1, 2023, liable under the law to taxation and not exempt therefrom by the Constitution and laws of the State of Texas. The ad valorem tax rate is divided into a maintenance and operation levy of \$0.5250 for general fund operations and a debt levy of \$0.1475 for servicing outstanding debt obligations.

**SECTION 2.**

That the debt portion of the tax levy, which is hereinbefore made, is to provide for the payment of interest and to create a redemption fund to discharge and pay principal and interest on any general obligations due or owing by the City of Fort Worth, Texas, and shall not be taken as an addition to levies for the same purpose in the respective ordinances authorizing and creating such obligations, but the levy hereinbefore made is made pursuant to and for the purpose of carrying out and complying with the provisions of said prior ordinances. The General Debt Service Fund shall receive payment of twenty-one and ninety-three hundredths percent (21.93%) of the current taxes collected.

**SECTION 3.**

That the taxes provided for herein are levied upon all taxable property, real, personal and mixed, situated in, and all personal property owned in, the City of Fort Worth, Texas, as assessed,

valued and described in the assessment tax rolls and the tax books of the City of Fort Worth, Texas, for the year 2023, and any supplemental assessments thereof, as the same have been or shall be presented to the City Council of the City of Fort Worth, Texas, by the Assessor and Collector of Taxes of said City of Fort Worth, Texas.

**SECTION 4.**

That, because the total amount of revenue generated from taxes to fund maintenance and operations will be greater than last year and because the tax rate exceeds the no-new-revenue maintenance and operations rate, the following statement is made as required by Section 26.05 of the Texas Tax Code:

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.23% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$11.43.

**SECTION 5.**

That the taxes provided for herein are due on receipt of a tax bill and are delinquent if not paid before February 1, 2024. Unless otherwise specifically set forth by law, failure to send or receive the tax bill shall not, however, affect the validity of the taxes, penalty or interest herein imposed, the due date, the existence of a tax lien, or any procedure instituted to collect such taxes, penalty or interest.

**SECTION 6.**

That if a person pays one-half of the taxes required to be paid by virtue of this Ordinance before December 1, 2023, he or she may pay the remaining one-half of such taxes without penalty or interest at any time before July 1, 2024.

**SECTION 7.**

(a) That a delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1, 2024. However, a tax delinquent on July 1, 2024, incurs a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent.

(b) That if a person who exercises the split payment option provided by Section 6 above fails to make the second payment before July 1, 2024, the second payment is delinquent and incurs a penalty of twelve percent (12%) of the amount of the unpaid tax.

**SECTION 8.**



That in addition to the penalty set out above, a delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Said interest of one percent (1%) per month shall be added to said taxes in the event the payment thereof shall become delinquent as above set forth, and said interest shall attach on the first day of each month thereafter until the taxes shall have been paid, which interest and the penalty provided for above shall be and become a part of said taxes and be payable as such.

**SECTION 9.**

That a tax that becomes delinquent on or after February 1, 2024, but not later than May 1, 2024, and that remains delinquent on July 1, 2024, shall incur an additional penalty of twenty percent (20%) of the amount of the delinquent tax, penalty and interest to defray costs of collection. Such twenty percent (20%) penalty and collection procedures are imposed pursuant to Sections 6.30 and 33.07 of the Texas Property Tax Code and are in addition to the other penalties and interest which are due and owing according to law.

**SECTION 10.**

That a tax that becomes delinquent on or after June 1, 2024, under Section 26.075(j), 26.15(e), 31.03, 31.031, 31.032, 31.033, 31.04, or 42.42 of the Texas Tax Code shall incur an additional penalty of twenty percent (20%) of the amount of taxes, penalty, and interest due, to defray costs of collection, pursuant to Section 33.08 of the Texas Property Tax Code. Such additional penalty is in addition to the other penalties and interest which are due and owing according to law.

**SECTION 11.**

That a tax imposed on tangible personal property that becomes delinquent on or after February 1, 2024, shall incur an additional penalty of twenty percent (20%), to defray costs of collection, pursuant to Texas Property Tax Code Section 33.11, on the later of the date the tax becomes subject to the outside attorney collection contract of Section 6.30 of the Texas Tax Code or 60 days after the date the taxes become delinquent. Such additional penalty is in addition to the other penalties and interest which are due and owing according to law.

**SECTION 12.**

That such taxes, penalty and interest shall be and become a lien upon the property on which the taxes are levied, as prescribed by the Charter of the City of Fort Worth, Texas, and the laws of the State of Texas, and such lien shall be and is hereby made a paramount, first and superior lien to all other liens whatsoever on the property on which said taxes are levied.

**SECTION 13.**

That staff is directed to notify the assessor of the tax rate adopted herein, which the assessor shall use in calculating the tax imposed on each property included on the City's appraisal roll, which tax amounts the assessor shall enter in the appraisal roll and submit to the City for approval,

all in accordance with Texas Property Tax Code Section 26.09, and that the appraisal roll with amounts so calculated, entered and submitted is hereby approved.

**SECTION 14.**

That should any part, portion, section or part of a section of this ordinance be declared invalid or inoperative or void for any reason by a court of competent jurisdiction, such decision, opinion or judgment shall in no way affect the remaining portions, parts, sections or parts of sections of this ordinance, which provision shall be, remain and continue to be in full force and effect.


**SECTION 15.**

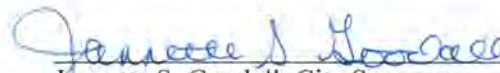
That all ordinances for which provisions have heretofore been made are hereby expressly repealed if in conflict with the provisions of this ordinance.

**SECTION 16.**

That this ordinance shall take effect and be in full force and effect from and after the date of its passage and publication as required by the Charter of the City of Fort Worth, and it is so ordained.

**APPROVED AS TO FORM AND LEGALITY: ATTEST:**

  
\_\_\_\_\_  
Leann Guzman, City Attorney

  
\_\_\_\_\_  
Jannette S. Goodall, City Secretary

Adopted: September 19, 2023  
Effective: September 19, 2023



# **Supplemental Information**

# **Long Range Projections**

## Long Range Projections

## Long Range Financial Outlook

Annually, in the spring, the city holds a council strategic retreat. This time is used to review and reflect on current events, growth trends, issues affecting the City, service delivery, economic development and how we budget for the current and future needs of the city. All of this planning and prioritizing falls in line with a Long Range Financial Outlook which is also discussed during this time. This is a critical first step in the budgeting process. The Long Range Financial Outlook is a two year projection for the General Fund and is a forward-looking forecast to consider new data allowing us to adjust our operating and capital programming and build a solid, realistic budget. It identifies any potential risks and trends that may be impactful to city budgeting. Below is a concise long range plan for each of the city's annually recommended funds.

Governmental Funds							
	Projected Fund Balance at End of FY2024	Projected Revenues FY2025	Projected Expenditures FY2025	Projected Fund Balance at End of FY2025	Projected Revenues FY2026	Projected Expenditures FY2026	Projected Fund Balance at End of FY2026
<b>GENERAL FUND</b>							
General Fund	\$ 244,430,283	\$ 1,054,364,886	\$(1,054,364,886)	\$ 244,430,283	\$ 1,096,539,481	\$(1,096,539,481)	\$ 244,430,282
<b>SPECIAL REVENUE FUNDS</b>							
Alliance Maintenance Facility	(72,868)	8,281,374	(8,281,374)	(72,867)	8,612,629	(8,612,629)	(72,868)
Community Tree Planting	496,002	682,440	(682,440)	496,002	709,738	(709,738)	496,003
Crime Control & Prevention District	56,133,916	132,960,147	(135,956,759)	53,137,303	138,278,553	(141,395,029)	50,020,828
Culture & Tourism	27,286,438	56,306,758	(52,787,362)	30,805,835	58,559,028	(54,898,856)	34,466,007
Culture & Tourism 2% Hotel	11,091,772	9,979,104	(6,546,149)	14,524,728	10,378,268	(6,807,995)	18,095,001
Culture & Tourism Project Financing Zone	13,201,158	10,269,118	(3,709,581)	19,760,694	10,679,883	(3,857,964)	26,582,614
DFW Rev Sharing	14,626,084	12,605,049	(5,838,087)	21,393,046	13,109,251	(6,071,610)	28,430,687
Venue Operating	7,644,776	10,919,387	(9,325,813)	9,238,349	11,356,162	(9,698,846)	10,895,666
Environmental Protection	636,589	5,200,000	(5,200,000)	636,589	5,408,000	(5,408,000)	636,589
Economic Incentives	8,507,175	16,256,902	(16,860,454)	7,903,623	16,907,178	(17,534,872)	7,275,929
Municipal Golf	\$ 1,331,219	\$ 6,154,758	\$ (6,596,885)	\$ 889,093	\$ 6,400,948	\$ (6,860,760)	\$ 429,281
<b>Proprietary Funds</b>							
	Projected Fund Balance at End of FY2024	Projected Revenues FY2025	Projected Expenditures FY2025	Projected Fund Balance at End of FY2025	Projected Revenues FY2026	Projected Expenditures FY2026	Projected Fund Balance at End of FY2026
<b>ENTERPRISE FUNDS</b>							
Municipal Airport	\$ 3,148,071	\$ 16,431,158	\$ (16,431,158)	\$ 3,148,071	\$ 17,088,404	\$ (17,614,190)	\$ 2,622,285
Municipal Parking	2,475,874	8,404,722	(6,503,612)	4,376,983	8,740,911	(6,503,612)	6,614,282
Solid Waste	36,460,302	85,549,455	(83,796,173)	38,213,584	88,971,433	(83,796,173)	43,388,844
Stormwater Utility	17,231,589	60,525,191	(60,621,097)	17,135,683	62,946,199	(60,621,097)	19,460,785
Water & Sewer	\$ 255,692,998	\$ 599,397,632	\$ (599,397,632)	\$ 255,692,998	\$ 623,373,537	\$ (599,397,632)	\$ 279,668,903
<b>INTERNAL SERVICE FUNDS</b>							
Capital Projects Service	7,443,644	18,256,645	(18,701,146)	6,999,143	18,986,911	(18,701,146)	7,284,908
Fleet & Equipment Serv	5,310,938	36,154,198	(36,154,198)	5,310,937	37,600,366	(36,154,198)	6,757,106
Group Health Insurance	41,860,331	83,551,062	(86,094,128)	39,317,266	86,893,104	(86,094,128)	40,116,242
Risk Financing	\$ 48,778,402	\$ 34,961,988	\$ (34,961,988)	\$ 48,778,401	\$ 36,360,468	\$ (34,961,988)	\$ 50,176,881

### Assumptions

- Population Growth: Fort Worth's population is touted as one of the fastest growing in the nation. Residential and commercial growth are incorporated into each projection, from planning and developing, to providing services and infrastructure to accommodate such growth, as well as the revenue return to the City.
- Revenues: All areas of revenue are assessed for growth, the pause or expansion of services, and economic conditions expected for the City.
- Rate Increases: The projections shown here do not include rate adjustments or increases.
- Capital Infrastructure: The City is always planning ahead for these capital needs. Infrastructure can include new facilities, the expansion of facilities, roadway improvements, etc. Since infrastructure is a primary driver of bonded debt, a bond election is held typically every 4 years. When the City plans for bond implementation, additional operating and maintenance dollars are assessed alongside the capital funding to ensure the City maintains not only existing infrastructure but the new infrastructure being completed as well. The City funds capital through operating funds as well, which is referred to as Pay-as-you-go (Paygo). These paygo funds are included in each fund's operating budget as a transfer out, and you will also find the long term paygo plan in the 5-year CIP. Each operating estimate associated with a capital project is identified in the 5-year CIP and is also included in the operating fund's projections.
- Prior Year Commitments:
  - Wages increases are a key item included in projections to ensure appropriate coverage for Police's meet and confer agreement, Fire's Collective Bargaining agreement, and general employee pay per performances increases.
  - Long Term Liabilities such as pension obligations and other benefits are captured under prior year commitments.
  - Mayor & Council (M&C) Supplemental Appropriations increase annual budgets each year. If any of these M&C's require additional maintenance funding, such as mowing for added parkland, assumptions include these adds.
  - Contractual changes are captured to as prior year commitments to ensure the continuation of services.
- Debt Capacity: Debt capacity and finance planning include the scheduled issuance of bonds, revenue growth, and the debt obligations that accompany these large financing undertakings. For the general debt fund, this projection of capacity is closely interlaced with the general fund; as it affects the overall property tax rate.
- Financial Policy: While projecting fund activity, the ending fund balance of each fund is evaluated, to ensure compliance with internal fund balance reserve requirements. Each requirement is set to maintain sufficient health of the fund. If ever a fund is projecting to be insufficient, it is more closely evaluated so that remediation can occur to mitigate any deficits. Fund balance or net position may also include restricted equity, such as in the case of Solid Waste, which includes restricted cash set aside for the post closure costs of the City landfill.

As you can see, there are many variables that affect projecting revenues and expenses in City funds for future years. In addition to developing these long range financial outlooks, each year the City undergoes two formal forecasting exercises, which help identify any key variances that need to be addressed in the current year, but also provide insight into how future resources and use of funding may evolve. For example; if a fund projects a deficit in a future year, this planning process allows adequate time to develop a solution prior to a deficit actually occurring. No fund is allowed to consume resources that are not available.

After a current budget is adopted, and a full year of forecasting occurs, and planning meetings are had, it brings the City back full circle to the city council retreat. While the public is not able to actively participate, the retreat is televised for live viewing on the City website and historically can be found on Granicus through the City's website. [https://fortworthgov.granicus.com/player/clip/4224?view\\_id=5&redirect=true](https://fortworthgov.granicus.com/player/clip/4224?view_id=5&redirect=true).

Another valuable planning resource document produced by the City of Fort Worth, is the Comprehensive Plan. Long Range Projections factor heavily into this planning document and the Comprehensive Plan plays heavily in assumptions used for projecting. An excerpt from the Comprehensive Plan is as follows:

### PLANNING PROCESS (CONT)

The City's annual planning and budgeting processes are interwoven. The two processes are coordinated so as to enable City departments, the City Manager's Office, and the City Council to make budgeting decisions that are consistent with the Council's priorities as reflected in the Comprehensive Plan. The Plan is also intended to help City officials in formulating capital improvement budgets and bond packages. In 2008 the Mayor and City Council thoroughly reviewed the goals found in the 2008 Comprehensive Plan and revised the goals:

- Make Fort Worth the nation's safest major city.
- Improve mobility and air quality.
- Create and maintain a clean, attractive city.
- Strengthen the economic base, develop the future workforce, and create quality job opportunities.
- Promote orderly and sustainable development.

These strategic goals, along with the vision statement in the Comprehensive Plan and financial policies, help guide the City Manager in formulating an annual Consolidated Business Plan, which in turn provides the framework for department business plans and individual performance plans. Each City

department prepares an annual business plan describing their mission and vision, organization, budget, major initiatives, and performance measures. The business plan relates the department's activities to the City Council's strategic goals and to the City's organizational priorities: communication, customer service, and diversity. The business plan also relates the department's activities to the goals, objectives, policies, programs, and projects contained in the Comprehensive Plan. This strategic alignment of the planning and budgeting processes, combined with continuous public input, helps to ensure that the City of Fort Worth provides the best possible service to its citizens.

*The Comprehensive Plan guides the City's strategic business planning process.  
(Source: City Manager's Office, 2009.)*



For more information about the Comprehensive Plan, visit:

<https://www.fortworthtexas.gov/departments/planning-data-analytics/planning/comprehensiveplan>.

# Horizon Issues



## Horizon Issues

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### Overview

As part of the annual budget development process, departments within the City analyze their short-term budget needs in the context of its long-term goals and objectives. Choices made by the departments today impact future resources, so it is important for Council and staff to discuss how various horizon issues can best be anticipated. The summaries below focus on each department's future considerations based on expected outcomes, trends, and potential influences that must be managed. The various factors reviewed change annually as the City adjusts its plans to minimize negative impacts, the scenarios change, and new information is provided

### General Fund Departments

#### City Attorney's Office

Legislative Session 2023. Legal issues, changes to how we conduct business, increased involvement in drafting opposition letters for staff and Mayor's Office and drafting bill amendments encompassed a large amount time during the 2023 Legislative Session and will in any special called sessions, with the legislative changes made anticipated to impact City operations through FY 2024 and beyond.

The addition of two new Council members will increase the number of initiatives the City Attorney's Office will assist with, as well as have a ripple effect of impacts in other areas of the City, such as composition and membership on boards and commissions.

There has been a significant increase in the number of contracts entered into by the City. These contracts require attorney review which results in a need to dedicate additional resources to meet those demands.

The City is handling an increase in federal funds flowing to the City due to the ARPA Act which has created additional contracts and more legal work for our attorneys and is expected to continue through at least the end of CY2024 which is the end of the encumbrance period.

The shift of duties from Municipal Court staff to the Prosecutors has continued to result in additional work for our office (i.e.: obtaining police incident reports) and the need for additional staff to address problems with citations.

An increased focus on public safety is expected to continue as a major driver – with the creation of the One Second Collaborative and the anticipated juvenile diversion program being among key drivers in the need for resources. The recently hired Police Legal Advisor and Code attorney – both of which were added as approved overages in FY2023 and are the subject of improvement packages for the coming year's budget – are expected to assist in this focus area.

With the new Police Monitor starting soon in the Office of Police Monitor, the Public Safety Section and Employment Section will be working with the Police Monitor in the work of the Police Monitor.

The Employment Section will need to devote a majority of its time and resources to the defense of three whistleblower lawsuits brought by one attorney which are ongoing. These cases require significantly more work than most employment cases require, due to the voluminous pretrial discovery and evidentiary hearings; additional work will be required over the next year.

Commercial and economic activity in the City has increased while resources have not increased, leading to the need to dedicate additional resources to meet those demands.

There has been a marked increase in matters involving land use issues, ranging from a resurgence of special districts in the City's ETJ, and administrative and court proceedings regarding zoning and platting issues. Legislative changes from the recent Texas legislative session require changes to ordinances, policies, and procedures, all of which results in a need to dedicate more resources to these issues.

## Horizon Issues

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An increase in complex developer projects that cross multi-departmental lines and that do not have a single City project manager often necessitates that the attorneys act as the communications coordinator, inter-departmental liaison, meeting leader, and, at times, to perform a role that comes close to project management. This service is provided willingly by the attorneys in the name of providing exceptional customer service to internal clients, but it detracts from the attorneys' resource allocation to perform true legal services.

Management's work to start up the process improvement portion of the FWLab will result in a time investment for multiple attorneys to advise staff on the legalities and practicalities of process improvements.

The number of condemnation cases continues to increase, which limits the time that condemnation lawyers can devote to providing defense to the City on other cases. In 2023, the Law Department has received 11 from Jan-June, making the increase this year approximately 360% over the average for the last 7 years.

Departments are increasingly relying on the employment attorneys to investigate, evaluate, and provide guidance related to anticipated disciplinary actions and to provide additional supervisory training. The time invested in these matters takes away resources from contested matters such as disciplinary appeals and federal and state lawsuits, requiring other litigation attorneys to assist, taking away resources from other areas.

The number of "Michael Morton Act" discovery requests continue to increase in Municipal Court. The additional discovery in criminal cases continues to add to the Prosecutor's workload, requiring Prosecutor review of all discovery before release. The additional requests also increase the Legal Assistant workload, which has required the Legal Assistant to work more hours in the Prosecutor's Office which reduces the number of hours spent assisting other Legal Assistants with their workload.

Tax Increment Financing and Public Improvement District: The trend to create more Tax Increment Reinvestment Zones (TIRZ) and Public Improvement Districts (PIDs) continues at a rapid pace in the City; that trend is expected to continue for at least the next couple of fiscal years. The City plans to create at least one new operating PID, along with the Veale Ranch PID and overlapping TIRZ. Veale Ranch is novel to the City in that it will involve the creation of largest Capital PID in the City, with up to 50 sub districts, and an overlapping TIRZ to help offset public infrastructure costs and support economic development. The creation and implementation of the new TIRZs and PIDs will create significant increase in demand for both legal and staff resources.

An increase in both state and federal appeals has caused increased workloads, shifting attorney responsibilities to accommodate the litigation and diverting resources from other work.

An increase in the amount of injunction lawsuits related to Code Compliance and zoning have shifted attorney responsibilities to accommodate the litigation and diverted resources from other work.

Legal issues surrounding major downtown projects (new City Hall, convention center redevelopment, A&M campus, Omni expansion) that will take multiple years to complete.

Assisting the Development Services Department in creating a new miscellaneous projects program to assist developers with small-scale and infill projects to provide the development community with a new option for smaller scale projects that are not economically feasible for the development community to construct due to their small size. The addition work for our departments includes assisting with RFQs and RFPs, drafting the program policy and process documents, and drafting of contracts for construction contractors and engineering firms the City will hire for the program.

A dramatic increase in the number of nuisance abatement lawsuits and accord meetings have shifted attorney responsibilities to accommodate the litigation and diverted resources from other work.

## Horizon Issues

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Increased activity in environmental matters at the federal level have been and are expected to continue to be drivers for the City and our office. Our office is involved in advising Water, Code Compliance, and other departments regarding issues from the anticipated adoption of a currently draft rule setting maximum allowable amounts for PFAS in various contexts including water, sewer, and landfill runoffs. In addition, changes on the lead-copper rule regarding water service lines are expected to result in the City's Water Department making some customer-side improvements to remediate those materials, which is atypical; our office will be assisting in setting up any such program, including reviewing and advising on policies and drafting rights of entry and other necessary contractual documents.

The staff turnover and the highly competitive job market has impacted the delivery of services to departments. Departmental staff vacancies and the hiring of managers and staff unfamiliar with City practices and policies or Texas law increases the work load for attorneys, pushing attorneys into the role of manager or trainer in addition to legal advisor, resulting in a need for the City Attorney's Office to train and assist incoming individuals, serve as connective tissue on multi-departmental projects, and aid in providing insight regarding history and past practices.

### **City Auditor's Office**

Serves at the discretion of the Fort Worth City Council, with the city growth over the past fiscal year is looking forward to challenges regarding fluctuation of employees and practices.

Organizational changes have also occurred during the past fiscal year with new departments being created and others being moved within the City of Fort Worth. The City Auditors Office plans to tackle upcoming issues regarding annual audits assigned with direct financial, operational, compliance and information technology for city functions, activities and to perform analyses and investigations as assigned by the City Council and/or requested by the City Manager.

### **City Manager's Office**

Building on the success of Read Fort Worth, Mayor Parker is leading the City toward a comprehensive city-wide plan for quality early childhood education. This effort is focused on enhancing access to quality early childhood education ages 0 to 5 in every neighborhood in Fort Worth. Partnerships for this effort include: area foundations, early education providers, local ISDs, charter schools, Tarrant County Commissioners Court, Workforce Solutions of Tarrant County, Tarrant County College, and others.

The Education Strategies division is dedicated to fostering significant collaboration between the city of Fort Worth and its school districts. This collaboration holds the potential to bring about numerous benefits and propel our city toward even greater success.

By partnering with the school districts, Fort Worth can nurture a well-educated and highly skilled workforce. Aligning our goals and pooling our resources will enable us to assist the Independent School Districts in developing innovative educational partnerships that cater to the evolving needs of our students. Equipping them with the knowledge and skills required for the ever-changing job market. This will not only benefit our young learners but also contribute to the economic growth of our city. Businesses are more likely to invest in a location with a well-educated workforce, further enhancing Fort Worth's economic prospects.

Moreover, collaboration between the city and school districts can foster a sense of unity and community pride. When our government and educational institutions work hand in hand, we send a powerful message to our residents that their well-being and success are our utmost priority. Jointly organizing events, initiatives, and activities will create stronger bonds among residents, instill civic values, and promote a sense of belonging. These collaborative efforts will build a more vibrant and inclusive community, making Fort Worth an even more desirable place to live, work, and raise a family.

In addition, working together will allow us to improve the quality of life for all Fort Worth residents. By pooling our expertise and resources, we can effectively tackle issues such as poverty, inequality, and crime. Investing in our youth means investing in the future of our city.

## Horizon Issues

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Lastly, the collaboration between the city and school districts will enhance our reputation and attract talented individuals and families to Fort Worth. When potential residents and businesses observe our unwavering commitment to education, they will recognize the immense value we place on nurturing young minds and creating opportunities for success. This positive perception will not only attract skilled professionals but also encourage families to settle here, knowing that their children will receive a top-notch education.

In the Fall of 2023, OPOM welcomed Bonycle Sokunbi as its new Police Monitor. One of the priorities for Police Monitor Sokunbi will be to work in partnership with the Police Chief to develop and implement a mediation program to provide an alternative for community members with concerns about law enforcement but who would prefer to refrain from filing a formal complaint.

The actions taken by the State legislature continue to be of concern at the local level, due to the potential substantial impact on city services. The State legislature has the ability to reduce the level of revenues that a city can generate in order to pay for core services and programming requested by the citizens of Fort Worth, as currently experienced with the application of House Bill 2127.

Moreover, the legislature will attempt to pass bills to prevent local governments from protecting the people within its city limits by passing bills to impose additional restrictions and limitations on local governments without any consideration for the consequences of their actions.

In addition, it is expected that there will be major attempts to eliminate local government charters, home rule authorities, local government protections, and rule-making authority within local governments. City staff will be required to curtail any legislation that will be detrimental to the City Charter, ordinances, policies, and comprehensive plans, as adopted by the Mayor and Council.

During the legislative process, city staff will be required to protect the current funding received from the state and engage opportunities to seek additional funding that will enhance the Mayor and City Council's ability to govern. While the State legislature is not in session during FY2024, staff will have the ability to focus on the federal agenda, build relationships with legislators, and prepare for the 89th session in 2025.

### **City Secretary**

To capitalize on the implementation of a new Agenda Management System that will streamline business processes and enhance transparency and accessibility to the agendas. This will require additional technology and staff time.

To expand the new Agenda Management System to be used for Council Committee, Corporations and Board and Commission agendas.

Continued implementation and leveraging of the robust workflow of the city-wide Enterprise Information Management System (EIMS) as more and more of our processes become natively digital.

Continued improvement of citizen participation in the Council meetings to account for those who do not want to attend in person is a priority of the department.

Preservation of and access to Council approved documents through scanning that ensures the preservation but allows for increased accessibility to the documents for the public.

Continued planning and preparation of a succession plan for the Office that ensures continuity of service to Council, City Management and our residents.

## Horizon Issues

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### Code Compliance

In the fiscal year 2024, Fort Worth Animal Care and Control (FWACC) is confronted with ongoing national trends indicating a decline in live release rates. Contributing factors encompass issues like overpopulation and a shortage of prospective adopters. Viable solutions include the implementation of focused adoption campaigns, the exploration of new affiliations with rescue and transportation organizations, and active collaboration with the community through existing foster and rescue initiatives. Leveraging social media, which has proven effective in creating awareness about responsible pet ownership, publicizing adoption events, and enlisting volunteers, is a key strategy. The recent approval of the media services specialist position empowers FWACC to formulate a well-defined social media plan. This plan will involve regular updates, compelling content creation, and collaboration with influencers or community advocates to amplify the organization's message. FWACC's expanded online presence will not only facilitate the promotion of responsible pet ownership but also serve as a platform for disseminating information on the significance of spaying/neutering, regular veterinary care, and the substantial commitment required for responsible pet ownership.

Neighborhood Code Enforcement faces the same continuing residential growth challenges, but also sees the following future challenges:

- State Legislation may remove local control on issues such as short-term rentals
- Affordable housing policies may require changes to zoning ordinances that promote the development of affordable housing while maintaining safety and quality standards
- As more people are working from home, the city may need to reevaluate zoning regulations and address potential issues related to home-based businesses

### Communications and Public Engagement

Three of our department goals for the coming year could have financial implications.

Because CPE wants to increase our digital outreach for the City, we may need to identify and invest in new digital tools. We are currently adding an engagement portal to the website, but may need to look for other tools to meet this goal and the requests from staff and elected officials. We have also added to our video production team and new equipment and tools may be needed to enhance this communications option.

The department also wants to incorporate new technology and customer-focused strategies to improve customer service and responsiveness to residents. We have implemented several tools to do this, but may need to identify others to meet future needs.

With the addition of a full-time translator to the CPE team, we will need to evaluate our current programs to identify where we might need enhancements to meet our non-English speaking residents.

### Development Services

The Development Services Department foresees a continued demand to meet expected service levels and expanded growth with the need for enhanced/improved and more robust technology.

The demands for form-based codes, design overlays, historic districts, and conservation districts will continue along with requests for annexation, special district modifications, and municipal boundary adjustments. As the City continues to grow and diversify, ordinances need updating and integration to meet the demand for urban development types. Strategically adding capacity to the roadway network also becomes more critical, driving the need for adequate professional staff dedicated to proactive solutions and program management. The Department continues to see steady growth in permits and the number of inspections each year, while striving to meet ideal turnaround times and customer service satisfaction ratings.

Another issue on the horizon is the recruitment and retaining for specialized positions such as Engineers, Planners and Inspectors. The department is not alone in this issue as the city is competing with the private sector.

## Horizon Issues

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As the department is in the mist of a relocation to the new City Hall, it faces the dilemma of record retention schedule and policies for all public documents.

### **Diversity and Inclusion**

Horizon issues include updating the city ADA Self-Evaluation and Transition Plan, implementing Thriving Together Municipal Equity Plan department level and city level quality of life indicators through geospatial visualization, continuing to make progress on the community-generated Race and Culture Initiative expectations for building capacity of small local businesses through increased access to capital in underserved areas, and technical assistance and stabilizing staff turnover in specialized positions.

**The Americans with Disabilities Act (ADA) Self-Evaluation and Transition Plan:** Leading the citywide update of its 1992 ADA Self-Evaluation and Transition Plan for the safety and quality of life for all residents, especially those with disabilities. We are committed to creating accessible programs, policies, and services, in accordance with the ADA and Section 504 of the Rehabilitation Act. The ADA is a federal civil rights law that mandates equal opportunity for individuals with disabilities. It prohibits discrimination against people with disabilities in jobs, public accommodations, government services, public transportation, and telecommunications. Title II of the ADA requires state and local governments to make their programs and services accessible to persons with disabilities (28 CFR 35.149-35.151) to remain eligible for federal and state funds. This requirement extends not only to physical access at government facilities, programs, and events, but also to pedestrian facilities in public rights-of-way.

**Thriving Together Municipal Equity Visualization:** We define equity as creating conditions for ALL to thrive according to their needs in our growing and vibrant City. In order to measure our progress towards that goal, we developed a seven-step process that looks at both department level equity as well as city level equity across eleven performance areas that address future needs of a growing city like ours. We are taking proactive steps to study and analyze how past decisions in ordinance or policy language and process or procedure development may have contributed to current outcomes in planning sectors across the city. We explore the relationship between equity, high-quality municipal service delivery and fiscal responsibility with hard earned tax payer dollars. Using a geospatial storytelling approach, we are developing a community-friendly tool that will assist all city stakeholders in decision-making.

**Supporting an Inclusive Economic Ecosystem:** In continuing to make progress toward the access to capital goals set forth by the Fort Worth Race and Culture Task Force we are continuing to focus on building capacity and stabilizing small local businesses in our marketplace, especially our local business equity firms. As we continue to support the newly established CDFI Friendly Fort Worth access to capital model meet a \$250,000,000 in new capital goal by 2030. We are also supporting a more robust technical assistance network for our local small businesses through our Fort Worth Metropolitan Black Chamber of Commerce and Fort Worth Hispanic Chamber of Commerce partnerships with a focus of growing the availability of business equity firms in our marketplace that provide services and goods in areas where the City has issued waivers due to no availability.

**Reducing Staff Turnover:** As we look to stabilize staffing turnover challenges in highly specialized hard to fill positions within our department with assistance from Human Resources Department, we look to increase productivity in proactive Business Equity support for departments, and supporting resident quality of life in Fair Housing, Fair Employment, Public Accommodations, Title VI and ADA investigations and mediation.

### **Economic Development**

Despite impacts of COVID-19 in the past couple of years, Fort Worth has fared well and continues to sustain a multi-year trend of broad-based growth across sectors. Much of this business growth has been fueled by Fort Worth's reputation of being one of the fastest growing cities in the U.S. and one of the top places in the nation to live, work, and play.

The establishment of the Fort Worth Economic Development Partnership (FWEDP) as a separate entity from the Fort Worth Chamber represents a significant opportunity to address gaps in our economic development efforts. The formal role of the FWEDP is still in development, but it anticipates a stronger focus on proactive strategic recruitment, business retention efforts, and national marketing efforts.



## Horizon Issues

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As the City continues to grow at an exponential rate, the department remains focused on its goals of being proactive while striving to provide optimal internal and external customer service. Several major projects are on the horizon: the expansion of the Texas A&M's Downtown Campus; the potential of new TIFs in and around the city; the creation of a new Capital PID/TIF at Veale Ranch, and the ongoing commitment to establish development opportunities at Panther Island will shape and define our efforts for the next several years.

The aforementioned projects are critical because they will not only be key economic drivers within our City, but they will spur increases in tax revenues, job creation, and capital investment. Nonetheless, as we prepare for continued growth, we must stay cognizant of the possibility of an impending recession and the negative impacts that often come with rising interest rates and inflation. In order to address these growth opportunities, the department added three positions to ensure that we can continue meeting the growth objectives outlined by the City Manager and City Council.

Additionally, capital maintenance and/or improvement at the James E. Guinn Campus, including parking lot resurfacing, roof repair/replacement, foundation repair, and HVAC replacement, will need to be addressed as we continue to strive to offer a collective office space/campus for our small business development partners and a safe and inviting atmosphere for our customers who are hoping to get guidance from us and our partners on how to successfully start or open their own businesses.

### Environmental Services

Consumer Health Fee evaluations are needed to continue to support the current level of services and address future growth/service demand, as outlined in the FY2019 staffing study. Additionally, there is an ongoing need to monitor the State Legislative sessions for bills impacting all fees pertaining to the General Fund. There are two significant changes this year.

- Consumer Health will be impacted by House Bill 2878 which shifts the regulatory authority for most mobile food trucks annual health permitting and inspection to Tarrant County. This reduction in the issuance of Annual Health Permits may lower the revenues by ~\$250,000 in FY 24.
- Additionally, Senate Bill 577 prevents the collection of a reciprocal fee for Food Manager Certificates that Expediting/facilitating the deployment of 5G network facilities is a high priority for the City. The TPW ROW Management Division will continue to actively work with key City and private stakeholders to identify and implement best practices for permitting, installation, and inspection of these facilities.

### Financial Management Services

The Financial Management Services Department expects to address the following issues in FY2024 and beyond, which result in some level of budgetary and/or operational impact:

- Continue partnering with IT Solutions to conduct a holistic cyber and financial fraud analysis to identify organization-wide weaknesses and associated mitigation strategies;
- Continue to maintain existing internal controls and mitigate weaknesses where applicable;
- Continue educating departments on financial related concepts, processes and procedures;
- Increase procurement functions to include forecasting and partial contract management;
- Revise and update AR C-13 and make policy and processes more efficient and user-friendly;
- Implement enhanced technological solutions to promote efficiency in the procurement process;
- Revise and update Administrative Regulations for the procurement card purchases, capital projects (both Procurement and Accounts Payable), and revenue collections;
- Continue review and revision of the City's procurement program to maximize efficiency, competition, and cost-effectiveness, including centralizing critical procurement functions and continued engagement with user departments and vendors;

## Horizon Issues

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- Continue to drive departmental compliance with state purchasing laws and City policies;
- Perform enhanced monthly trial balance analysis for all funds;
- Work with departments to close grant projects w/in 60 days of liquidation;
- Implementation and maintenance of GASB94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements) and GASB 96 (Subscription Based IT Arrangements);
- Implement new financial reporting software;
- Serving as Lead, in coordination with CSO, Law and FWLab, to create a robust training program and updated guidelines for M&Cs;
- Continue to drive improvement with city-wide compliance with the State Prompt Payment Act;
- Maximize portfolio earnings based upon the City's risk tolerance and in compliance with the Texas Public Funds Investment Act;
- Drive awareness of the status regarding outstanding and delinquent billing invoices to departments that are serviced by FMS Treasury Central Revenue;
- Acquire and implement 3rd party service provider/online platform to improve the efficiency of Hotel Occupancy Tax collection and identification/ordinance compliance support of Short-term Rentals;
- Address staffing challenges within Central Payroll to support FMS as "Lead Agency" for city-wide payroll.

### Fire

To continue maintaining its place as one of the most progressive and innovative fire departments, some of the long-term opportunities and initiatives the Fire Department will be working towards include:

- Pursuing Fire Department accreditation;
- Expanding community risk reduction efforts;
- Supporting equity and diversity initiatives;
- Improve overall fleet management of fire apparatus;
- Planning facility needs and operationalizing new fire stations from the bond programs;
- Expanding cooperation agreements with adjacent communities for dispatching and emergency management programs;
- Enhancing the outdoor warning and mass notification systems;
- Using advancements in emergency medical services technology to improve patient outcomes;
- Replacing Fire Department IT capabilities, including replacement systems for Commercial Inspections and mobile data computing capabilities;
- Identifying and pursuing potential new revenue opportunities;
- Engaging a consultant in a study to assess service delivery and staffing levels;
- Support efforts to enter into a new collective bargaining agreement to be effective in FY2023.



## Horizon Issues

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### **FWLab**

On top of managing and developing annual budgets in excess of \$2.5B and carrying out comprehensive planning activities, the department is actively pursuing the initiatives and new responsibilities associated with the reorganization which created the FWLab from the old Planning and Data Analytics department.

A major multi-year goal for FWLab is to implement Priority-Based Budgeting (PBB) into the annual budget process. PBB began during the development of the FY2024 budget with three participating departments. In developing the FY2025 budget, six additional departments will take part for a total of nine. Each year, more departments will be involved in PBB as it becomes more holistically involved in the Fort Worth budget development process.

The creation of FWLab also resulted in a new data analytics team. This is to be a team of three which will implement data analysis strategies for Fort Worth departments or major projects across the City.

### **Human Resources**

Future issues that HR will look to address include:

- The competitive environment in finding high-quality candidates for positions;
- The rising cost of benefits – healthcare, pension, leave, etc.;
- The functionality of electronic systems/ability to automate processes/functions;
- Government regulation of pay and benefits;
- Health status of employees and retirees.

### **Information Technology Solutions**

IT Solutions is actively planning strategies for the following horizon issues in FY2024 and beyond. The strategies will address:

- The continual rise of sophisticated cybersecurity attacks (phishing, ransom, etc.);
- Planning for the new City Hall;
- Implementation of broadband infrastructure enhancements;
- Managing remote work on alternating schedules in reduced office space;
- Balancing IT resource availability versus technology needs.

### **Library**

On June 30, 2023, the Central Library closed to the public. The building has been sold and library services and staff will be relocated in the fall of 2023.

Through the 2022 Bond Program, a new library will be built near Sendera Ranch in the Far Northwest section of the city. The design of library will begin in the summer of 2023.

### **Municipal Court**

The following are the current identified Horizon Issues for the Municipal Court:

- Analysis of services provided at Vivian J. Lincoln Library
- 2023 State Legislature changes
- Effective 09/01/2023 – Age of exemption for jury service increases to 75
- Effective 01/0/2024– Introduces subchapter E. Youth Diversion – 1,427 pending non-traffic JV cases

## Horizon Issues

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- Effective 09/01/2023 – Juvenile curfew law repeal
- PSB Building Assessment
- Security plan for Future City Hall
- Operation impacts due to pods being closed beginning Oct. 1st for 12-18 months at the Tarrant County Jail
- Continue to monitor case filings and operational impacts
- PD staffing study impacts to case filings
- Vehicle and Watercraft replacement timeframe
- Economic impacts to all operations
- Recruiting and retaining top talent
- 2 Key Positions Open
  1. Chief Judge retiring in December
  2. Teen Court Coordinator resignation

## Neighborhood Services

The department continues to face the following challenges/opportunities:

### Communication Outreach

- Education outreach for NSD programs to assist low income residents

### Affordable Housing Development

- Address Rental Housing shortage of 32,000 units
- Address increased Cost for providing Home Owner Opportunities
- Keeping Pace of Growing Demand of Affordable Housing
- Shortage of Deeply Affordable/Permanent Supportive Housing Units
- Land Bank
- Community Land Trust

### Reliance on Grant Funds

- 60% grant funded services
- Increased demand over resources

### Pandemic Aftermath

- Increase Cost of Housing
- Attracting Qualified Staff

## Horizon Issues

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### Parks and Recreation

The park inventory will continue to increase with the continuous growth of the City. Due to numerous challenges related to quality and reliability of service provided by contractors, the Park & Recreation Department may need to consider the option of bringing community parks contract mowing in-house, which would result in increased costs.

As climate extremes continue, maintaining landscaped streetscape will and has become more challenging. Traditional plants and trees that historically thrived are succumbing to temperature and moisture extremes. This reality will require more research and field study to determine best streetscape plants and trees for the future. Additionally, watering needs must be considered. Plant replacement needs will result in additional budgetary impact.

In October/November of 2024, approximately 71% of the mow contracts for Park & Recreation Department will expire and go out to bid which may result into additional budgetary impact. The areas going to bid currently employ 10 contractors across 36 contracts representing 965 pieces of inventory. The FY2024 contract mowing budget increase of \$2,866,950 for increased service frequency may necessitate shuffling contracted areas sooner than fall 2024 due to existing purchasing agreement limits. Steps are being taken such as a 25% administrative increase of existing contracts not to exceed budget limits and adjustment of the number of cycles and services in attempt to retain existing contractors. Additionally, with the increased budget and the goal of a “So Safe. So Clean. So Green.” PARD should look at ways to optimize staff time versus contracted services. Contracting out more trash and litter services in parks might free staff time for more skilled services such as planting bed beautification and maintenance.

As put forth in the 2020 Park, Recreation & Open Space Master Plan, goals include providing new parkland and facilities to meet park, recreation, and open space needs in developing and redeveloping areas of the City. Park & Recreation will be impacted by the creation of the “Good Nature” program with a goal of 10,000 acres of open space over the next five years and must plan for how to best manage the natural resources and maintenance of these additional public properties.

The provision of special and traditional-use facilities to meet growing customer expectations, while achieving equitable service delivery for a diverse demographic population, will require deliberate emphasis and policy focus.

### Police

The Police Department expects to address the following issues in FY2024 and beyond, which may result in some level of budgetary and/or operations impact.

- Address sworn vacancies to ensure adequate time is available for patrol officer community engagement, problem-solving and substantial proactive work while still working to decrease response times.
- Continually monitor attrition projections and identify staffing efficiencies where possible. As the City continues to grow, increased staffing will be necessary to maintain current levels of service.
- Improve organizational effectiveness by implementing Fiscal Year 2023-2027 Department Strategic Plan objectives for the following priorities:
- ORGANIZATION - Provide the optimum level of well-trained and prepared employees to achieve objectives and meet the needs of a growing community.
- CULTURE - Create a culture in the department where all people are safe, healthy, and resilient.
- COMMUNICATION - Be a model for excellence in internal and external communication.
- CRIME REDUCTION - Continue to develop meaningful strategies that result in crime reduction.
- COMMUNITY POLICING - Continue to implement the best practices of community policing that enhance the safety of both officers and the public.
- Continue building community trust and increase professionalism through training, communication, and transparency.

## Horizon Issues

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- Respond to an increasing number of investigative cases and hours to process traditional and emerging crimes.
- Evaluate and keep pace with rapid technology and equipment advancements.
- Plan for aging city-owned and leased facilities that require annual maintenance, improvements, and/or replacement.
- Development of a fiscally sustainable long-term comprehensive plan for critical capital needs including Police facilities, technology and major equipment.

### Property Management

The following issues for FY2024 and beyond are expected to result in some level of budgetary and/or operational impact over the next one to five years. The issues listed are often in the preliminary or problem identification stage, could pose significant resource allocation challenges soon, and/or will require some sort of City Council action/decision to adequately address the issue.

**Facility Responsibility:** As the Property Management Department matures, more facility-related tasks are being moved from other departments to PMD without a corresponding increase in resources. Examples of this trend include responsibility for furniture in the common areas of Future City Hall, ice machines, and City Hall exterior landscaping. PMD has talented personnel who can perform a variety of different tasks, but continuing to add new functions without additional resources will spread the limited existing resources too thin to provide high-quality service in all areas.

**Facility Planning:** As City facilities continue to age and staffing levels remain plateaued, annual assessments on buildings has not occurred, which in turn has prohibited the development of a Maintenance Master Plan. Not assessing buildings with the appropriate frequency results in a limited ability to properly identify major maintenance needs and forecast costs in a timely manner. If regularly scheduled assessments continue to be deferred, buildings may experience major unforeseen failures that are more expensive to repair and may potentially result in safety risks. The FY2024 budget request included a decision package for the addition of three Facility Planner positions.

**Facility Maintenance:** As the City continues to grow its inventory of new facilities, including the purchase of the 20-story Future City Hall, increased staff is needed to adequately maintain the new and existing facilities. Facilities have been added to the far northern area of Fort Worth, and with highway construction and added traffic congestion, travel time between jobs has increased, which results in slower response time to routine work orders. The FY2024 budget request included a decision package for the addition of a four-person crew for maintenance of Future City Hall in preparation for the move to the new building.

**Facility Relocation:** During FY2024 PMD will initiate the reallocation of City Departments to the recently acquired Future City Hall. In addition, the building will continue to be occupied by two external tenants. The building is expected to be fully occupied by the end of FY2024, which will require increased service and maintenance levels. The FY2024 budget request included a decision package for additional funding to address increased service levels as departments move in.

**Real Property Management:** Since 2017, the average processing time to close out capital parcels and land acquisitions increased from 148 to 352 days due to a higher volume of capital parcels as well as difficult and complex acquisitions. Each year the number of parcels received varies, but the average since 2017 has been 287 each fiscal year. Due to persistent staffing shortages and increased turnover, on average, a total of 102 parcels are not completed on an annual basis. In the short-term, capital and land acquisition projects will not be delivered promptly and delay capital improvement, resulting in a backlog of parcels submitted for processing. City departments risk capitalizing on land acquisitions needed for future growth. In the long-term, the processing time delays will persist as the City continues to conduct an average of 185 real property transactions a year, compromising the City's development and future growth. During the FY2023 budget, two overage Land Agent positions were added to the Real Property Division. The FY2024 budget request included a decision package for the conversion of the two Land Agent positions to permanent.

## Horizon Issues

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**Property Lease Management:** Continue to manage 80+ property leases, license agreements, and third-party property management agreements, entering into new agreements when necessary, and assuring that existing leases and agreements are renewed timely so that City operations and community initiatives are met. The Lease administration section is working to identify various technology resources to provide efficiency and effectiveness in tracking the lease assets, assessing space needs, monitoring revenues and expenditures, and utilizing existing programs, such as the SharePoint database, to easily access current contracts, rent rolls, and other data. Additionally, one of the top priorities is to terminate 3rd party building leases to reduce the City's financial burden and transition those departments into the Future City Hall.

**Mineral Management:** The City has an estimated total of 11,400 mineral acres with approximately 10,187 mineral acres under lease. Leasing of any of the City's mineral acres for subsurface natural gas drilling is dependent upon the natural gas market. Assurance of accurate royalty revenue receipts requires consistent due diligence and review of the City's mineral interests, market prices, and gas well production related to the City's 483 current revenue producing oil and gas leases. The Mineral Management section continues to identify and implement improved technology systems and processes to optimize the management of the City's mineral assets.

**Lake Worth Leases:** The City is currently managing numerous residential and commercial leases around Lake Worth. Under the direction of the City Manager's Office and City Council approval, in FY2017, the City began to sell all residential leased lots to the current leaseholders. As sales progress, the rent revenue which offsets salaries and operating expenses in the General Fund will continue to be reduced; however, revenue from Ad Valorem taxes to the City's overall General Fund for these Lake Worth properties will be increased in the long term. The third and final area, known as "Block 9", requires platting. Staff is finalizing the cost necessary for the completion of platting to prepare the properties for sale. Additionally, the staff is in the process of implementing ParkMobile, an online system for the purchase of boat ramp stickers, which will automate the process, reduce cost, and generate additional revenue.

**Purchasing Responsibility:** The Purchasing Administrative Regulation shifts more responsibility to the administrative teams, including execution, renewal and additional audit of contracts. In FY2024 the department has also been required to establish 25 new contracts for appraisal services. With a four-person contract compliance team, that already manages 185 contracts, added responsibilities make it difficult for the team to complete daily tasks to ensure successful operations of all Property Management Divisions.

### Transportation and Public Works

With the pace of development currently occurring in the region, the Department is experiencing constraints in its supply chain for procurement of new vehicles and equipment as well as construction-related materials and activities; subsequently, such constraints continue to drive price increases in both labor, construction materials and equipment rental costs.

The ongoing adoption of the asset management system's advanced modules will greatly increase the capabilities of our asset management program for the transportation network by providing higher-quality decision-making for effective maintenance management practices.

Expediting/facilitating the deployment of 5G network facilities is a high priority for the City. The TPW ROW Management Division will continue to actively work with key City and private stakeholders to identify and implement best practices for permitting, installation, and inspection of these facilities.

The department has engaged industry asset management experts to assist in developing an Asset Management Strategy and Road Map to guide the department's asset management efforts over the next 3-5 years. We are currently in the second year of the adopted Asset Management Road Map.

## Horizon Issues

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### Special Revenue Funds

#### Alliance Maintenance Facility

The following issues for FY2024 are expected to result in some level of budgetary and/or operational impact over the next one to ten years. The issues listed are often in the preliminary or problem identification stage, could pose significant resource allocation challenges soon, and/or adequately addressing the issue may require some sort of City Council action/decision.

Central Utility Plant: Various capital improvements, such as the painting of exterior metals at the wastewater treatment facility, and the installation of a new boiler, fire pump and lift station, will be required.

#### Community Tree Planting

The Program uses 11 different pieces of equipment that range up to 26 years old. The FY2024 Adopted Budget included funding for three high-priority equipment replacements. While the FY2023 budget includes funding another high priority trailer replacement, additional funding will be requested in future fiscal years to replace the remaining equipment. Planning ahead is essential since once funding is approved, replacement still may take up to 5 years before the section receives the equipment.

The program also utilizes a 90-year old greenhouse for seed-starting and propagation. Funding was allocated in the FY2024 Adopted Budget, and will continue to be allocated in the next few fiscal years, to update and modernize the facility to better accommodate the hundreds of volunteers that help with the Program's tree production annually.

A city expanding in density and corporate limits necessitates additional parks and more trees. New trees in parks typically require weekly watering on a route utilizing two employees. A second truck may be employed to split up the route and accommodate more sites, but also requires two additional staff members. With a total staff of 4.40 FTE, operating two trucks yields little time for maintenance needs and production at the tree farm. To accommodate more sites and more trees, one or more solutions need to be employed to facilitate tree establishment in a growing city: more Program staff; additional equipment allowing a single staff member to water; automated irrigation installed in parks; and/or employing contract watering services. Additional funding and efficiencies will be addressed in future fiscal years to accommodate these needs.

#### CCPD Neighborhood Services

The department is in the process of restructuring the after-hours program to attract more youth, offer more career training and education that will lead them to self-sufficiency. Additionally, funding will be utilized to include support to the Rising Stars Leadership Academy (RSLA) in lieu of civil services overtime. RSLA is housed at Worth Heights Community Center but is open to any adolescent in the similar age group; 13 – 17 years of age. This program will provide a model to structure similar programs that serve teens and young adults served in FW@6.

#### CCPD Parks and Recreation

A new pool will open in the Stop Six neighborhood in FY2026, which will result in the need for an increased budget for the pool security program.

Due to the age of the existing equipment, such as pressure washers, equipment repair costs have increased significantly each passing year. The frequent repairs have resulted in longer repair times due to the heavy backlog of repairs on the schedule. This leads to the GAP equipment being out of service for extended periods which impacts productivity.

Due to an increase in graffiti over the years and having to find better products to abate graffiti, operating supplies expenditures have increased, which will require additional budget allocation in future years.

The proposed implementation of short-term murals, Artist-designed murals, and community-created polytab murals to complement the activities of the graffiti abatement program in the city will result in the need for an increased budget for the program.

## Horizon Issues

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### CCPD Police

The Police Department expects to address the following issues in FY2024 and beyond, which result in some level of budgetary and/or operations impact:

- Reduction of violent crime and gang-related activities through enhanced response activities and crime prevention programs
- Increased safety of residents and decreased crime throughout Fort Worth neighborhoods
- Increased safety of youth and reduced juvenile crime through crime prevention and intervention programs
- Enhancement of crime-fighting and prevention tools and efforts through diverse recruitment, training, retention of high-quality officers, technology, equipment, and capital improvements

### Culture and Tourism

Future issues to consider include:

- Reducing reliance on HOT taxes by the Culture and Tourism Fund;
- Reevaluating the PED Capital Improvement Program and FWCC Expansion;
- Return of events at Dickies and other locations;
- Continuation of GBAC STAR Accreditation Standards and Practices;
- Renewed focus on sales and marketing partnerships;
- Fully staffing the Department (the department has highest vacancies in the last 20 years);
- Managing increased supplies and materials costs.

Facilities continue to deal with unplanned repair and maintenance costs. PED will continue balancing the goal of maintaining fiscal strength and stability through long-term financial planning as careful stewards of the funds.

### Culture and Tourism 2% CY Tax

Awareness that there is always uncertainty about numerous factors that could unexpectedly impact the tourism industry, like the pandemic did, will continue to shadow the collection of hotel occupancy taxes into the future. Convention Center legacy debt will be fully repaid by 2026, which will allow for funds to be available for the expansion project.

### DFW Revenue Sharing

Travel and tourism businesses that generate tax revenue for DFW revenue sharing will continue to regain its footing, but as it has continued to outperform the budget, any regional increases only speed up paying off debt providing a source for debt service on the new 2023 A&B Special Tax Revenue Bonds for the Sheep and Swine Barn and other capital improvements at WRMC and ultimately contributing to the expansion of the FW Convention Center.

With the recovery from the pandemic, travel and tourism habits may have changed in ways that affect that DFW revenue streams. For example, mass transit and ride share options from DFW to Fort Worth and Dallas may have become less popular, thus increasing the revenue generated by rental cars. Short-term rentals are just one portion of shared revenues. The end of the pandemic and new business trends for this fund and others will have to be carefully monitored for the City to accurately manage this and other Culture and Tourism Funds.

### Culture Tourism Project Fin Zone

As new hotels open and current properties expand within the zone, revenues are anticipated to grow, allowing for additional funds to be allocated for the repayment of debt and capital improvements. The City's long-range plan has committed these funds to expand the Convention Center, which will be renewed using ARPA grant funding. Monitoring of the fund's performance will be critical to the debt service payment for Dickies Arena in addition to current and future phases of the Fort Worth Convention Expansion.



## Horizon Issues

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### **Arena Operating**

With the COVID-19 pandemic shutdown, a base year of collections for the venue taxes could not be established from which to measure anticipated future tax generation. Like the entire tourism industry, the rate of financial recovery from the pandemic and the impact at Dickies Arena made revenue projections tenuous for FY2023, so careful forecasting of the generation and collection of venue taxes will continue in FY2024. The Dickies venue operators are optimistic that FY2024 will continue to grow from the reestablished success of FY2023. year.

### **Environmental Protection**

Environmental planning, staffing studies, and organization structure of litter control programs have identified the need to evaluate the current EPF fee structure to meet current and future needs. Required programmatic changes to maintain compliance with regulated environmental wastes at sites where waste is generated has resulted in additional planned expenses and will require a budget increase. In addition, MS4 permit requirements and implementation of Total Maximum Daily Load (TMDL) requirements to control bacteria, as designated by the TCEQ, will also result in additional expenses in future years.

As a major, urbanized area and a keystone within the North Central Texas metropolitan area, the City of Fort Worth will continue to overcome challenges while creating and maintaining a clean and safe city. Environmental conditions can vary with weather, population growth, land use and similar factors over time. Unforeseen environmental project may also occur as the City of Fort Worth manages its facilities, assets or improvement projects. Environmental planning, staffing studies, and organizational structure changes may also contribute to adjustments to the Environmental Protection Fund in the future. Additionally, changes to federal and state rules and regulations for the City can occur from time to time. Examples of these include: regulations for hazardous materials and environmental wastes, Clean Water Act, Clean Air Act, and others. As the City continues to manage environmental programs to protect our natural resources, such as litter and Illegal dumping, there is also the potential for challenges that must be overcome in the future.

### **Municipal Golf**

The Municipal Golf Fund changed from an Enterprise Fund to a Special Revenue Fund in FY2015 and has received a subsidy from the General Fund each year. The goal is to reduce or eliminate the amount of that subsidy over time while providing for capital replacements to keep the courses in the best condition possible. Golf's challenge going forward will be identifying future funds to supplant diminishing gas well royalties that are utilized for PAYGo capital funding of infrastructure projects. As of the FY2024 Budget, the subsidy will be reduced by \$75,000 to \$245,000. Reductions are currently scheduled through FY2026.

In FY2022, nine full-time golf staff retired, increasing to 14 golf retirees. The Municipal Golf Fund subsidizes the retirees' health care costs. The large amount of FY2022 retirees increased the Municipal Golf Fund health care burden by \$37,158, or 55%, in the FY2024 Budget. In the next five years, seven golf staff will be eligible for retirement.

### **Enterprise Funds**

#### **Municipal Airports**

The Aviation Department strives to maintain a diverse portfolio of robust revenue streams by attracting new investments and businesses with the aviation industry and the City of Fort Worth community that focus on targeting industries and partnerships that align with the City of Fort Worth values and goals. Thus, the Aviation Department is focused on airport self-sustainability through prudent and sensible use of current resources and expansion of additional revenue streams through the development of airport property and other revenue generating methodologies.



## Horizon Issues

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For all three airports, self-sustainability is exhibited by:

- At Meacham: Increase leased occupancy of the Administration Building, development and leasing of the Midfield Redevelopment project, finishing design and beginning construction of the North Main Street Frontage Road Improvements project, beginning design and construction of the Taxi lane Juliet and Aprons Charlie & Delta Rehabilitation project.
- At Spinks: Beginning construction of the West Side Box Hangar project, beginning construction of the Airfield Lighting and Pavement Rehabilitation project, and beginning design and construction of the East Side T-Hangar project.
- At Alliance: Establishment of signatory and non-signatory landing rates, finalized Air Traffic Control Tower leasing rate with the FAA as well as the City of Fort Worth and Alliance Airport Management Agreement, updated agreements with Amazon Prime Air and FedEx Express, begin design and construction of new Gulfstream Aerospace service center and begin construction of Taxiway Papa extension.

New airport businesses and infrastructure are also enhanced by continuous focus in generating Federal and State funding, which is needed to maximize capital investment at all three airports. The City of Fort Worth is well positioned for available funding provided that the State of Texas is prioritized by the FAA for receiving assistance. Historically, Texas has not received an adequate share of funding based on capital improvements needs and the number of Texas airports within the National Plan of Integrated Airport Systems. However, with optimal focus on communication and partnerships with all interested stakeholders, the Aviation Department continually seeks to promote a safe, efficient and economical transportation system that aligns to meet the demands of the aviation industry as well as the City of Fort Worth community.

### Municipal Parking

#### Stockyards

- Stockyards Transportation Study completed in the 1st half of calendar year 2023. Amongst the recommendations is the implementation of metered On-Street parking. Such an implementation with the use of short term (2 or 3-hour time limit) parking would enable multiple turns of spaces and thus a maximization in the use of On-Street parking spaces. An appropriate pricing structure would result in a constant availability of spaces in excess of 20% that would encourage a steady stream of users into the District.

#### Near Southside & Magnolia District

- Active discussions are underway through the Near Southside organization as well as other stakeholder organizations in both the South Main and Magnolia areas for a parking and traffic study. Such a study would provide significant insight into short- to medium-term implications for commercial loading, metered parking, and residential permit parking programs in that area.

#### Electrical Vehicle Charging in public garages and in the public right of Way

- An agreement was completed with OBE Power Networks 1 LLC to fund, design, install, operate, and maintain new electric vehicle charging stations at selected sites on publicly accessible City right-of-way and off-street parking lots. Seven sites have been selected initially with five sites being On-Street metered locations and two sites off-street locations including the Houston Street Garage.

#### Expansion of the Residential Parking Program (RPP)

- Review of neighborhoods in close proximity to non-residential parking generators where potential upcoming changes in parking may create an overflow of such parking into these areas. Residential areas surrounding the Magnolia and Stockyards District may be interested in the path forward to obtain RPP designation.

#### Technology Implementation to Drive Process Improvements and Innovation and to Reduce Process Time

## Horizon Issues

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- Improve parking control equipment and systems across the Parking Fund garages (Houston Street and Commerce Street Garages) to enable the use of new technology and faster transaction times.

### Greater West 7th Urban Village Area

- Continue to monitor and assess demand for on-street metered parking areas as the area continues to develop with expanding residential and commercial development.

## Solid Waste

Revenue/Expense Balance: Build service-fund alignment and equity across all landfill uses (e.g., residential/commercial accounts, construction/demolition waste, and non-city waste).

Residential Rate Protection: Exhaust potential revenue options before pursuing residential rate adjustments.

Fund Solvency: Solid Waste Fund long term sustainability and fiscal stewardship to ensure programmatic and funding structures are in place for future needs (i.e., capital reserve for future landfill, future costs of disposal).

Amendments for the Southeast Landfill will be necessary to create and implement future landfill preservation aspects including but not limited to: increased diversion of material, landfill environmental fee rate adjustments, development of a high-BTU landfill gas to energy system, and preservation of safe and affordable solid waste disposal capacity for Fort Worth's residential waste stream until 2043 or beyond.

Solid Waste plans to expand the City's WAIT! recycling and supporting Recycling Partnership Feet-On-The-Street behavior-based education and enforcement grant funded program to reduce costly residential contamination levels. Both campaigns will improve sorted recycling material quality, increase the acceptable recycling volumes and minimize the negative impact of current market conditions as well.

Enhancements to the City's litter & nuisance abatement, illegal dumping enforcement and street sweeping programs are planned for implementation following the future revenue enhancement programs and potential residential rate increase in future years (FY2024 or beyond).

## Stormwater Utility

Due to the 6.5% Stormwater Utility Fee Increase approved by City Council in the fall of 2019, in September 2020, Stormwater was authorized issuance of \$53M in revenue bonds, which was the first issuance of the adopted estimated \$70M revenue bond program to accelerate the construction of high priority capital projects over the next 5 years. The second issuance initially estimated to be \$17M in Fall 2023 was moved to May 2023 and increased and authorized at \$43M totaling an authorized bond program of \$96M. However, while the amount of bond funding increased, the cost of projects also increased due to inflation, supply chain issues, contractor capacity constraints, and more detailed project development to firm up project cost estimates impacting overall project delivery goals set in 2019.

The \$96M of bonds helps mitigate high priority hazardous road overtopping, rehabilitate aging storm drain pipes proactively before sinkholes form, restores highly eroded channels impacting adjacent property and infrastructure, and mitigates flooding to homes and businesses. However, the need for each of these project types is significantly greater than the resources available. The need for large scale flood mitigation improvements, estimated to cost between \$40M to \$150M each in specific parts of town and over \$1B citywide, has been identified for many older areas of the city, especially within Loop 820, due to the lack of capacity and inadequate drainage infrastructure. The City needs to begin tackling these problems in phases, which continue to grow in cost, and directly impacts the livability of residents and businesses, emergency response, and city operations. City Council has expressed an interest in accelerating the delivery of costly, high priority flood mitigation projects and the Program will continue to evaluate potential utility fee increases to meet Program capital and maintenance needs as well as continue to evaluate applicable grant and partnership opportunities, and other potential funding sources to leverage existing resources.

## Horizon Issues

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If adopted, the implementation of the Non-FEMA Flood Risk Initiative recommendations will require changes in stormwater development review and communications. The Stormwater Program will continue to map Non-FEMA Flood Risk to more effectively warn, regulate, and identify potential capital improvements and maintenance needs based on risk.

The Stormwater Program is engaging with stakeholders to discuss the cumulative impact of the addition of impervious surface and fill in floodplains, currently allowed under existing stormwater regulations, on flood risk and will consider changes to stormwater development regulations. The impact of interim development conditions on flood risk is also being evaluated to identify potential changes to stormwater development regulations to better protect residents downstream of new development during the development process.

As the Storm Drain Rehabilitation Program moves further along, a greater understanding of the condition of the City's stormwater infrastructure will be achieved. The findings will help the Program better understand resource needs to address aging infrastructure due to the life safety risks that can be created from collapsing storm drain pipes. This initiative will also give the Program a better understanding of how to deal with drainage infrastructure that crosses private property, which can impact development and the drainage system. At this time, the condition of roughly 10% of the storm drain system is known.

Because the Program cannot mitigate all flood risks, an effective flood warning program is essential to improving the safety of the community during flood events. Current stakeholder engagement will continue into the future as the Program works toward developing a more robust and reliable real-time flood warning system with improved sensors, telemetry, flood forecasting, and outreach among other efforts.

Channel erosion impacts properties and infrastructure citywide and can be very expensive to mitigate. The Stormwater Program will be mapping erosion risk of creeks by setbacks based on a scientifically valid data driven methodology. The findings will help identify areas of erosion risk and be coordinated with a stakeholder group. The erosion mapping may influence future development regulations along channels to help protect residents from building next to erosive areas.

With the expansion of the citywide Customer Relationship Management (CRM) initiative, it is easier for citizens to access stormwater services by initiating a request for service through mobile applications using their smartphone or PC. CRM has resulted in a higher number of resident inquiries requiring increased customer service and response. The Program is continuing to monitor how the availability and use of the CRM system impacts the number of service requests and service level expectations.

As the City continues to grow and develop, the Program becomes responsible for more stormwater infrastructure. Maintenance needs continue to be identified and are outpacing program operational resources, creating a significant backlog of critical maintenance work.

As a part of the overall TPW, Asset Management Initiative, a roadmap outlining Stormwater specific asset management needs were identified. The Stormwater Program has begun to undertake the identified Stormwater Roadmap actions to provide long term direction, strategic resource optimization, reduce risk, and improve performance benefiting program investments and operations.

The Open Space Conservation Program and interdepartmental team continues to be led by the Stormwater Program without staff specifically dedicated to the program impacting service levels and delivery of both programs. The Open Space Program will be evaluating existing riparian area City regulations and policies in FY24, benchmarking other communities, and working with stakeholders to recommend updates to the Subdivision Ordinance to protect riparian areas in Fort Worth.

## Horizon Issues

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### Water and Sewer

**SCADA System Replacement:** The Utility recently completed an assessment of options to replace the current Supervisory Control and Data Acquisition (“SCADA”) system used in its five water treatment plants and Remote Terminal Units (“RTUs”) used in 130 remote sites in the distribution system. The current system has been in place since 1987 and is reaching the end of its useful life. The project scope will be to replace the SCADA system in the water plants and to replace all RTUs in remote sites. The assessment, including an evaluation and alternatives, was provided to the Utility in January 2020. Engineering/design and construction are expected to commence in Fiscal Years 2024 through 2027.

**Revised Lead and Copper Rule:** The Environmental Protection Agency issued major changes to this rule, with an effective date of December 16, 2021 and a compliance date of October 16, 2024. A major component of this rule is removing and replacing lead service lines. As of June 2023, the Utility has identified 1,891 lead service lines on the City's side, along with 10 on the customer side. The City has already replaced 1,881 of these lead service lines, with the remaining ten scheduled for completion in FY24. Some additional requirements of the revised rule include completing a service line inventory (100% complete), changes to the sample pool requirement for testing compliance, testing of all elementary schools and licensed daycares (a plan for sampling has been initiated), classification of galvanized service lines as lead if they were downstream of a lead service line (staff has started documenting), public outreach and mandatory public notification and replacement schedules, if there is an action level exceedance.

**Mary's Creek Water Reclamation Facility:** Wastewater originating from far west Fort Worth currently travels more than twenty miles via existing wastewater collection pipes, through the downtown area, before treatment at the Village Creek Water Reclamation Facility on the City's east side. As west Fort Worth continues to grow, many of these existing pipes will become undersized to handle the proposed wastewater loading. The decision was made to invest in the future Mary's Creek WRF that will divert the proposed wastewater flows originating from west Fort Worth. The wastewater will be treated to a high standard and either discharged into Mary's Creek or provide a reclaimed water source for developments interested in reuse. Land for the proposed WRF was purchased in 2011 and in January 2017, the City Council approved a contract to initiate the permitting process, which includes applying for a discharge permit with the Texas Commission on Environmental Quality (TCEQ). The Utility filed the permit application with the TCEQ in March 2018. TCEQ deemed the application administratively complete in May 2018 and issued a draft permit in FY2020. TCEQ held a public meeting in 2020 and provided a response to comments on July 23, 2021. The final permit for the Mary's Creek Water Reclamation Facility was issued in August 2022, and conceptual design for the new facility started in November 2022. During the conceptual design phase, influent flow and wastewater characteristics were established, treatment processes were evaluated and selected, and decisions on how to approach procurement for major equipment items were made. Detailed design of the plant will begin once conceptual design is complete in August 2023. Final Design should be complete in January 2025. The estimated start date for construction is summer 2025 with a target online date of fall of 2028.

**Cast Iron Pipe:** The Utility has prioritized the replacement of cast iron pipe in the water distribution system, as this pipe material is responsible for the vast majority of water main breaks each year. Cast iron pipe makes up less than 23% of pipe material in the system, but 88% of breaks in 2022 and 88% of breaks so far in 2023 are on cast iron lines. To address this issue and other water line rehabilitation projects, the Utility is increasing pay-as-you-go funding by 16% in FY2024 and anticipates about \$255 million to be directed towards water line rehabilitation and replacement as part of its five-year CIP.

## Horizon Issues

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**Weatherization:** During the February 2021 winter weather event, power failures affected numerous water facilities. The Utility immediately assessed its response to the event and, with the passage of Senate Bill 3 in the Texas Legislature, submitted a required Emergency Preparedness Plan by March 1, 2022. The Texas Commission on Environmental Quality approved the plan in February 2023. The plan calls for the addition of generators at five key pump stations and at the Westside, North Holly and South Holly water treatment plants. It also includes enclosing the high-service pump stations at two treatment plants, adding a fuel depot at the Holly Complex to support water and wastewater operations, and adding a dedicated electrical feed at the Eagle Mountain WTP. All the generators for the pump stations are ordered, the high-service pump station enclosures are under construction, and construction is in progress for the addition of power generation at the Westside WTP. Construction of power generation at the two Holly WTPs goes out for bid in Summer 2023. Oncor is designing the plans for a dedicated electrical feed at the Eagle Mountain WTP.

**PFAS:** Per- and polyfluoroalkyl substances (PFAS) are man-made chemicals manufactured and used around the globe since the 1940s. Studies have shown that PFOA and PFOS exposure can lead to adverse health outcomes for humans. These compounds are no longer manufactured in the United States. In 2023, the US Environmental Protection Agency proposed health standards for drinking water requiring monitoring to determine compliance for water utilities. When the proposed rule goes into effect in approximately 3 years, compliance will be mandated and water utilities will be required to meet PFOA and PFOS water quality standards impacting water and wastewater treatment.

## Internal Service Funds

### Capital Projects Service

With the pace of economic development occurring in the region at this time, we are seeing constraints in our supply chain for construction related materials and activities which is driving price increases for both labor and materials. Implementation of a new Capital Delivery Management system will go-live in FY2024, providing greater visibility into project performance and partner collaboration across our portfolio of capital projects. Vetting of candidate projects identified for the 2026 Bond Program will begin as the organization continues to develop the next bond program for citizens to approve.

### Fleet and Equipment Services

The following issues for FY2024 are expected to result in some level of budgetary and/or operational impact over the next one to five years. The issues listed are often in the preliminary or problem identification stage, could pose significant resource allocation challenges in the near future, and/or will require some sort of City Council action/decision to adequately address.

**Fleet Management Information System:** Fleet is challenged with the failure of the current Fleet and Fuel Management System (FASTER) to accurately integrate Fuel, Service, Parts, Acquisition, and AVL data. The resulting issue is multiple systems tracking, creating missed fuel and parts billing, work order integration issues, and manual entry requirements by the administration team. The Fleet Division is in the preliminary stages of evaluating a new Fleet Management System, which will alleviate the challenges currently experienced with FASTER.

**Equipment and Diagnostic Upgrades:** Fleet services is working to identify and replace equipment which can improve safety and efficiency. Equipment replacement needs include updating equipment lifts, A/C and tire changing equipment, diagnostic equipment for multiple manufacturer support, updated alignment and general replacement of aged equipment and updated inspection processes. In FY2023, a capital project was created to replace some of this equipment as it is being identified.

## Horizon Issues

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**Fuel Tank and Equipment Upgrades:** With ongoing development of an automated fuel system, many new technologies are being added to provide further support for departments and reduction of administrative needs. Pump volumizers, existing tank replacement, OPW Corporation Fuel Management Systems reporting equipment, and additional department fueling needs and storage are currently being reviewed and updated. Fuel transaction integration is a further priority. Implementation of a new Fuel Management System will address current deficiencies in transaction integration amongst the three currently used Fuel Systems: OPW, Fuel Warehouse and FASTER.

**Labor:** There is a nationwide shortage of technicians, according to the National Automobile Dealer Association, around 76,000 auto mechanic positions open up every year, compared to the only 39,000 workers coming out of technical colleges or training programs. The Fleet Services Division continues to be challenged with finding and retaining qualified candidates to fill vacancies. Candidates that are made an offer for vacant positions are declining them due to finding jobs in the private sector with more competitive pay rates. Additionally, candidates that are recruited have a lower skillset but require a higher wage compensation due to technician shortages in the field.

**Inflation and Maintenance Costs:** The effects of inflation are also having significant impacts on the Fleet Services Division and Citywide. The costs for outside repair contracts, maintenance parts and fuel have all increased over the past three years and are expected to continue to increase in FY2024. It is uncertain whether prices will decrease or stabilize any time soon. This creates a challenge for budgeting purposes and has resulted in significant increases in the Fleet Services budget for FY2023 and FY2024.

**Vehicles and Equipment Acquisition:** The City continues to face challenges with acquisition of new vehicles and equipment which results in continued aging of the existing fleet and increased maintenance costs Citywide. The shortage created as a result of the COVID 19 Pandemic, as well as continued supply-chain limitations, has created a backlog. During FY2023, Property Management partnered with the Financial Management Services Department to transition a portion of the Fleet Acquisition team under the leadership of the Purchasing Division, in an effort to streamline the vehicle acquisition process and expedite procurement of vehicles and equipment.

### Group Health and Life Insurance and Retiree Healthcare Trust

- Dallas/Fort Worth Metroplex is one of the most expensive healthcare markets in the United States
- Uncertainty in claims due to COVID 19 and the 'bounce back' post-pandemic
- Rising cost of benefits for employees, especially specialty drug cost and mental health support
- Health status of employees and the costs of their future care
- Medicare Advantage Plan and Transparency/ Concierge RFP's are out for an effective date of January 1, 2024. This has potential for price changes on these lines of coverage

### Risk Financing

- Increased legal expenses and liabilities/reserves
- Review of commercial insurance allocation methods
- Long-term provision of cyber insurance due to recent cyber security threats
- On-going funding for deductible structures
- Commercial Insurance – Due to an unstable market, we are anticipating an increase in insurance premiums and deductibles. For the current year we anticipate various claims (weather events, cyber, etc.), which may have negative impact on our projected premiums.

# **Financial Management Policies**





FINANCIAL MANAGEMENT SERVICES

200 Texas Street  
FORT WORTH, TEXAS 76102

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# Financial Management Policy Statements

Effective October 1, 2023



To establish and document a policy framework for fiscal decision-making, the City Manager will develop and maintain a comprehensive set of Financial Management Policy Statements. The aim of these policies is to ensure that financial resources are properly managed to meet the present and future needs of the citizens of Fort Worth. Specifically this policy framework mandates the pursuit of the following fiscal objectives:

- I. ***Revenues:*** Design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.
- II. ***Expenditures:*** Ensure fiscal stability and the effective and efficient delivery of services, through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditures of available resource.
- III. ***Fund Reserve Policies:*** Maintain the fund balance and net position of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position from emergencies.
- IV. ***Capital Expenditures and Improvements:*** Review and monitor the state of the City's capital assets, setting priorities for the addition, replacement, and renovation of such assets based on needs, funding alternatives, and availability of resources.
- V. ***Debt:*** Establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current revenues.
- VI. ***Interfund Loans:*** Establish guidelines for loans between funds.
- VII. ***Cash and Investment Management:*** Invest the City's cash in such a manner so as to ensure the safety of principal and interest, to meet the liquidity needs of the City, and to achieve the highest reasonable market yield
- VIII. ***Grants:*** Seek, apply for and effectively administer federal, state, and foundation grants-in-aid, which address the City's current priorities and policy objectives.
- IX. ***Fiscal Monitoring:*** Prepare and present regular reports that analyze, evaluate, and forecast the City's financial performance and economic condition.
- X. ***Accounting, Auditing and Financial Reporting:*** Comply with prevailing federal, state, and local statutes and regulations, as well as current professional principles and practices.
- XI. ***Retirement System and OPEB Health Care Trust:*** Ensure that the Employees' Retirement Fund is adequately funded and operated for the exclusive benefit of the participants and their beneficiaries.

- XII. *Internal Controls:*** Establish and maintain an internal control structure designed to provide reasonable assurance that City assets are safeguarded and that the possibilities for material errors in the City’s financial records are minimized.
- XIII. *E-Commerce:*** To fully utilize available technologies to expedite cash payments and receipts, enhance employee productivity, and provide customer satisfaction.
- XIV. *Donations:*** Establish guidelines for accepting gifts and donations in a responsible, transparent, and accountable manner that is consistent with the City’s strategic goals.
- XV. *Lease Policy:*** Define and provide guiding principles for financial management of leases and subscription-based information technology arrangements to ensure consistent lease practices and establish, maintain and enforce a sound system of operational procedures and internal controls.
- XVI. *Sponsorship Policy:*** Ensure consistent practices regarding payments made to support local festivals, special events, community projects or programs, and other similar activities that are not controlled or hosted by the City.
- XVII. *Glossary:*** An alphabetical list of terms or words found in or relating to the Financial Management Policies



## Revenue Policy

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### 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. Policy

#### A. 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.

#### B. 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



## Revenue Policy

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shall seek to recover full direct and 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.

C. 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.

D. 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.

E. Administrative Services Charges

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.

F. 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 revenues falling short of budget estimates during the year and should avoid mid-year service reductions.

G. 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 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.





## Revenue Policy

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### H. 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.

### I. DFW Airport Car Rental Revenue Sharing

All revenues derived from the DFW Airport car rental revenue sharing shall be dedicated to facility improvements of the Fort Worth Convention Center and the Will Rogers Memorial Center.

### J. Use of One-time Revenues

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

### K. Use of Unpredictable Revenues

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

### L. 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 Fund with the exception of investment income derived from the investment of bond or debt proceeds.

- Investment income derived from the investment of bond or debt proceeds shall be allocated to the applicable debt service fund.
- The City Manager is authorized to re-direct surplus Governmental Funds investment income derived from resources other than bond or debt proceeds to one-time initiatives, capital projects, or as a transfer to the General Debt Service Fund.

### M. Investment Income to Offset Debt 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. These expenditures include but are not limited to:

- Personnel costs (salaries and benefits) associated with the portion of time applicable to the execution of debt administrative and related compliance activities.



## Revenue Policy

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- Supplies
- Printing
- Training and Professional Development
- Professional and Consulting Services
- Technology (one-time or subscription)
- 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 will be determined annually in conjunction with the annual budget development process.



# Gas-Related Revenue & Expense/Expenditure Policy

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## 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 gas-related revenue and associated expenditures/expenses in order to ensure reliable, equitable, and diversified allocation and use of these funds. The goal for these funds is to strike a balance between current and future needs that are funded from a non-recurring and unpredictable resource.

## III. Scope

This policy addresses revenue derived from (i) ad valorem tax on mineral valuations; (ii) leases for the development of natural gas from under City-owned property; (iii) license or easement fees paid for the installation of gas gathering pipelines under City-owned property; and (iv) income of the Fort Worth Permanent Fund (Trust).

## IV. Glossary

See definitions related to this policy provided in the appendix.

## V. Revenue Allocation

### A. Trust/Endowment Fund

1. The City has established a Trust Fund that will be structured and governed in such a manner to achieve maximum investment flexibility, maximum investment protection, and professional investment management. The Trust will be managed to ensure the long-term preservation and growth of the trust principal.
2. The Trust will be managed by a corporate trustee appointed by the City Council in accordance with the City Charter and the State Local Government Code. The City’s Chief Financial Officer/Director of Finance



# Gas-Related Revenue & Expense/Expenditure Policy

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will be empowered to make fund management decisions and recommendations consistent with an adopted investment policy of the City Council. The Chief Financial Officer/Director of Finance shall serve as the financial guardian of the Trust ensuring fiscal stability, overseeing the trustee appointed by the City Council, monitoring fund performance and recommending to the City Council the amount of funds available for disbursement annually, in accordance with this policy and the trust documents. The Chief Financial Officer/Director of Finance shall be precluded from making specific expenditure decisions. Such decisions will be made by the City Council upon recommendation by the City Manager.

3. The Trust instrument may be substantively amended upon the completion of the process outlined within the trust documents.
4. To the extent not in conflict with common law or any other statutes applicable to the Trust Fund, the trustee shall retain all powers granted to trustees by the Texas Trust Code, and particularly is to have the power to invest and reinvest the trust estate in accordance with the goals and stipulations of the governing Trust instrument.
5. The determined percentage of bonus and royalty revenue from various sources are to be held in a consolidated account which will be divided into different sub-accounts including, but not limited to, the General Endowment Gas Lease Fund, the Aviation Endowment Gas Lease Fund, the Park System Endowment Gas Lease Fund, the Nature Center Endowment Gas Lease Fund, and the Water and Sewer Endowment Gas Lease Fund. Other sub-accounts may be created in order to account and track for funds as approved within this policy.

The goal of the Trust Fund is to produce income from investments and be a long-term income source for the benefit of both present and future Fort Worth citizens. The trustee, in close cooperation with the Chief Financial Officer/Director of Finance, will recommend to the City Council distribution procedures for the different funds of the Trust consistent with the goal to preserve, as well as increase, the trust principal. The amount of income available to be distributed each year from a particular fund of the Trust shall be determined by the trustee and the Chief Financial Officer/Director of Finance consistent with the Trust agreement approved by the Mayor and City Council.

The recommended distribution of available investment income generated from the Trust corpus shall be included in the annual operating and capital budgets as recommended by the City Manager. This distribution from the Trust will be determined annually each April with City Council authorization to occur in June.



# Gas-Related Revenue & Expense/Expenditure Policy



6. In the event investment regulations prohibit the intended growth and expansion of the Trust, a provision for dissolution of the Trust will be incorporated into the initial Trust instrument. Dissolution of the Trust will first require a determination and recommendation of the corporate trustee and the Chief Financial Officer/ Director of Finance.
7. To facilitate prudent management and reasonable returns and growth for the Trust Fund, during the 81st Legislative Session, the Public Funds Investment Act (Texas Local Government Code Chapter 2256) was amended. As amended the Act allows the Trust Fund to be managed in a flexible manner consistent with the Uniform Prudent Management of Institutional Funds Act (Texas Property Code Chapter 163).

## B. Revenue from Current Receipts

### 1. Ad Valorem Tax Revenue

The ad valorem receipts on mineral valuations will be allocated to the General Fund.

### 2. Water and Sewer Fund

Bonus, royalty and other natural gas-related fee revenue derived from Water and Sewer assets, including pipeline easements and license agreements, will generally be allocated in the manner outlined below, provided, however that no allocation may be made except in compliance with the Water and Sewer System's Master Ordinance and applicable Supplemental Ordinances and bond covenants. To the extent that gas-related revenues subject to this subsection are needed in order to comply with covenants and duties for the System's Outstanding Obligations, they shall be allocated first to such compliance.

#### Water and Sewer - Lake Worth Property

Funds from Water and Sewer property located in and around Lake Worth (except the Nature Center and Refuge) shall be designated for qualified expenditures in the development and execution of the 2007 Lake Worth Capital Improvement Implementation Plan, until such time as the plan projects are completed.

#### Water and Sewer – Other Property

All revenue derived from other Water and Sewer assets will be allocated as follows:

- a. Seventy-five percent (75%) to the Water and Sewer Gas Lease Capital Projects

# Gas-Related Revenue & Expense/Expenditure Policy

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## Fund

- b. Twenty-five percent (25%) of the revenues will be allocated to the Water and Sewer Endowment Gas Lease Fund.

## 3. Park land - Lake Worth

Funds from park land located in and around Lake Worth (except the Nature Center and Refuge) shall be designated for qualified expenditures in the development and execution of the 2007 Lake Worth Capital Improvement Implementation Plan, until such time as the plan projects are completed.

## 4. Park land - Fort Worth Nature Center and Refuge

### Allocation of Bonus

Bonus revenues from gas leases associated with the Nature Center will be allocated first to establish the Nature Center Endowment Gas Lease Fund such that a ten million dollars (\$10,000,000.00) corpus will be established within the Endowment Fund. Any remaining bonus funds will be allocated as follows:

- a. Fifty percent (50%) to the Nature Center Gas Lease Capital Improvement Program to implement the Nature Center Master Plan; and
- b. Fifty percent (50%) to the Park Gas Lease Capital Project Fund.

### Allocation of Royalties and Other Lease Revenues

Royalty and all other revenue from gas leases associated with the Nature Center will be allocated in accordance with the paragraphs below. Allocation shall vary depending on whether such allocation occurs before or after Full Funding of the Master Plan as defined in the following paragraph.

In 2009, the City Council adopted Resolution 3765-07-2009, which endorsed the allocation of \$62 million, adjusted for inflation, to provide full funding of the Nature Center Master Plan, which was incorporated into the City's Comprehensive Plan in February 2004 (M&C G-14276). In accordance with that Resolution, the term "Full Funding of the Master Plan" shall mean a total combined allocation to the Nature Center Endowment Gas Lease Fund and the Nature Center Capital Improvement Program of an amount that, as adjusted by the Consumer Price Index, represents the equivalent of \$62 million in 2009.

Until Full Funding of the Master Plan (as described above) has been achieved, all royalties and other revenue received from gas leases associated with the Nature Center will be allocated as follows:



# Gas-Related Revenue & Expense/Expenditure Policy

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- a. Twenty-five percent (25%) to the Nature Center Gas Lease Capital Improvement Program
- b. Twenty-five percent (25%) to the Park Gas Lease Capital Project Fund; and
- c. Fifty percent (50%) to the Park System Endowment Gas Lease Fund.

After Full Funding of the Master Plan (as described above) has been achieved, all royalties and other revenues received from gas leases associated with the Nature Center will be allocated as follows:

- a. Fifty percent (50%) to the Park Gas Lease Capital Project Fund; and
- b. Fifty percent (50%) to the Park System Endowment Gas Lease Fund.

## 5. Park land - Municipal Golf Courses

Bonus, royalty and other natural gas-related fee revenue derived from designated golf course property, including pipeline easements and license agreements, will be allocated solely to the Golf Gas Lease Capital Project Fund.

## 6. Park land - Bonuses

Unless otherwise specified in subsections 3-5 above, all bonus revenues from gas leases associated with park land will be recorded in the Park Gas Lease Capital Project Fund and will be designated for use for capital improvements within the park system.

## 7. Park land - Royalties and Fees for Federal/State Restricted Parks

With the exception of the Nature Center, royalties and other fees received from gas leases or license agreements associated with park land that has federal and/or state restrictions requiring proceeds to be spent within the park system shall be allocated as follows:

- a. Fifty percent (50%) to the Park Gas Lease Capital Project Fund; and
- b. Fifty percent (50%) to the Park System Endowment Gas Lease Fund.

This same allocation shall be used for all gas-related revenues generated from the Fort Worth Nature Center and Refuge that are not otherwise allocated under subsection 4 above.

# Gas-Related Revenue & Expense/Expenditure Policy

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## 8. Municipal Airports Fund

Bonus, royalty and other natural gas-related fee revenue derived from airport property, including pipeline easements and license agreements, will be allocated in the following manner:

1. Fifty percent (50%) to the Aviation Gas Lease Capital Project Fund for aviation capital improvement projects; and
2. Fifty percent (50%) to the Aviation Endowment Gas Lease Fund.

## 9. Pipelines in Public Rights of Way

Revenue derived from pipeline easements and license agreements in the public rights of way will be deposited to the General Fund to offset the staff costs associated with reviewing and managing the pipeline locations in relation to other utilities.

## 10. Property Owned by City-Affiliated Corporation

All gas-related revenues derived from property titled to any City-affiliated corporation, such as local development corporations, Alliance Airport Authority, or the Housing Finance Corporation, shall be provided to such City-affiliated corporation to support its lawful activities per the policies and oversight of its respective governing board.

## 11. All Other Revenue

Except as noted in prior sections, all other revenue from bonuses, royalties and fees from gas leases, pipelines or related activities located on all other City property, including unrestricted park land, will be allocated as follows:

1. Fifty percent (50%) of the revenue will be allocated to the General Gas Lease Capital Projects Fund; and
2. Fifty percent (50%) of the revenue will be allocated to the General Endowment Gas Lease Fund.

## 12. Minimum Payment Threshold

Notwithstanding anything in this policy to the contrary, if a gas-related revenue payment is \$500 or less, one hundred percent of the payment will be allocated



# Gas-Related Revenue & Expense/Expenditure Policy

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to the respective Gas Lease Capital Project Fund.

## 13. Interest Income

Interest earnings received from any Gas Lease Endowment Fund will be allocated solely to the respective fund's Gas Lease Capital Project Fund.

## VI. Expenditures/Expenses

Expenditures/Expenses of revenues derived from lease bonuses and royalties, other gas-related revenue, and distributions from the Trust/Endowment Funds shall be appropriated for one-time program initiatives and capital projects which meet one or more of the program and project criteria listed below:

1. Capital projects with a minimum ten (10) year useful life
2. To provide matching grant funds to leverage funds for capital projects;
3. Technology with a minimum five (5) year useful life;
4. Acquisition of equipment and fleet assets including contributions to a revolving replacement fund;
5. Capital equipment with a minimum ten (10) year useful life;
6. To fund one-time community-wide economic and neighborhood development initiatives and projects;
7. To fund labor and materials associated with production, distribution and establishment activities for trees on public property (including school and county property);
8. To periodically transfer funds to the General Fund to offset budgeted administrative costs associated with administering this policy and managing the City's gas leases and pipeline agreements, with the allocation of the cost being proportional among all gas revenue funds according to each fund's relative percentage of the total revenue collected in all funds (including the Trust/Endowment funds and City affiliated corporation funds) during that reporting period;
9. To periodically transfer Park funds from gas lease and pipeline revenues to the General Fund to offset program costs associated with leases, conversions, and pipelines;

# Gas-Related Revenue & Expense/Expenditure Policy

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10. To replenish the Unassigned Fund Balance (for the General Fund), Assigned Fund Balance (all other Governmental Funds except the General Fund), or Net Position (for Enterprise Funds), if necessary, in any designated City fund, to meet the minimum reserve requirements established for that fund;
11. To make payments in support of arts organizations provided, however, such payments may only be made using distributions from the General Endowment Gas Lease Fund and not from bonus, royalties, ad valorem tax revenues, or any other gas-related revenue. Notwithstanding, royalties received in the General Gas Lease Capital Project fund can be considered for allocation in support of the Fort Worth Public Art Collections Management (capital maintenance) Program. The annual payment amount from the General Endowment Gas Lease Fund in support of arts organizations will be limited to the approved contract budget subject to funds availability within the annual distribution.
12. To provide a minimum of one million dollars (\$1,000,000), subject to funds availability within the annual distribution, for the acquisition of land to serve as open space, green space, natural area or other similar properties that will preserve or increase the permeable surfaces in the city.





## Revenue Receipting Policy

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### **I. Authority**

The Fort Worth City Council is responsible for legislation, policy formulation, and overall direction setting of the 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 defines and provides the guiding principles with respect to Revenue Receipting, including the handling of cash, reconciling payments received, and reporting on receipting activity occurring within the City of Fort Worth (“City”). The objectives of this policy are to ensure consistent revenue receipting practices and to safeguard against loss, unauthorized use, or misappropriation of assets. Controls are created to establish, maintain, and enforce a sound system of operational procedures in accordance with industry best practices and internal control objectives. These controls address the decentralized nature of the processes associated with receipting and depositing revenue while also providing standards and minimally acceptable practices for these activities.

### **III. Applicability and Scope**

All employees of the City, including uniformed employees having revenue receipting, cash handling, and payment reconciliation responsibilities shall conduct all related activities in compliance with rules and guidelines set forth by this policy, and by their respective departmental cash handling and reconciliation procedures.

### **IV. Glossary**

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

### **V. General Policies**

- A. Each department is required to maintain a listing of the locations and the employees who perform revenue receipting activities. Each department shall provide this listing to the Department of Financial Management Services (“FMS”) on an annual basis. This list must include the name, employee ID, login ID, and department number of all staff that handle payments at each location.



## Revenue Receipting Policy

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- B. The number of employees with access to a change drawer shall be limited to staff that are required to handle payments as part of their job function. Separation of duties must exist between those employees receiving and receipting payments and those individuals who will perform the accounting and recordkeeping functions pertaining to revenue intakes.
- C. Where adequate separation of duties is precluded due to limited available personnel or other operational constraints, the Department Supervisor shall perform specific verification functions to discourage misappropriation and/or theft. The Supervisor shall not be involved in the original transaction steps subject to verification. Departments should confer with FMS to establish other mitigating controls where separation of responsibility is precluded.
- D. Generally, revenue receipted by all departments shall be deposited at the City's banking institution within twenty-four (24) hours of receipt. Departments, in conjunction with the CFO, shall assess the reasonableness, practicality, and security in determining deposit timing into the City's banking institution. Departmental receipts shall not be used to create or replenish other funds.
- E. All revenue receipted should be accurately recorded into the City's software systems real-time when such systems are available. Receipt of all payments should be recorded within the general ledger within one business day.
- F. Management review and approval of such recordings shall be completed within two business days of deposit.
- G. Employees performing payment receipting functions must use due diligence in handling City assets to ensure that reasonable protection is provided to those assets at all times. Employees must report to their department supervisor, who in turn should submit the report to FMS and the Internal Audit Department, of any instance where a City employee has knowledge or suspicion of a theft or dishonest act by another City employee.
- H. Employees receipting payments shall not knowingly accept counterfeit bills, foreign, or mutilated currency.
- I. Employees receipting payments shall not make adjustments to invoices. The departmental supervisor or designated authorized employee shall make any necessary corrections, changes, or adjustments to amounts billed to a City customer.





## Revenue Receipting Policy

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- J. Discrepancies between the amounts deposited at the City's financial institution, written receipts, and/or cash register or computer system generated receipts, must be recorded along with appropriate supporting documentation. The supervisor must review, on a daily basis, such documentation and follow up with the appropriate corrective action. Any cash overages/shortages must be recorded to the appropriate account in the general ledger. Cash overages should be promptly deposited and cash shortages should be promptly replenished. Department Directors have the ultimate responsibility to ensure discrepancies are identified and corrective measures are taken.
  
- K. Funds from Cash/Change Drawers or Imprest Funds, which are no longer necessary for departmental operations must be deposited into a City owned bank account within forty-eight (48) hours from the date the determination is made the Cash/Change Drawer or Imprest Fund is no longer necessary for departmental operations.

### VI. Cash/Change Drawer and Imprest Funds

#### A. Cash/Change Drawers

The following procedures will be maintained for all Cash/Change Drawers:

1. Each employee performing payment receipting functions and activities shall have their own Cash/Change Drawer from which to work.
2. Employees performing payment receipting functions on any given business day shall open their Cash/Change Drawer and reconcile to the pre-defined amount of cash/change assigned to the drawer before beginning revenue receipting activity.
3. At the end of the business day, all employees performing payment receipting functions will balance and close their Cash/Change Drawer through a review of the receipts and transactions recorded in an automated or manual point of sale system. All receipts shall be prepared for bank deposit.
4. The supervisor of the employee performing payment receipting functions shall verify the accuracy of the revenue received during the day through a review of the receipts and transactions recorded in an automated or manual point of sale system.
5. The ending balance of the Cash Drawer shall be the same as the beginning balance, and equal to the amount assigned to each respective drawer.



## Revenue Receipting Policy

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6. Completed daily deposits shall be kept in a locked combination vault or safe, or in a locked room in a locked drawer or file cabinet until it can be transmitted to the depository institution through an armored car service.
7. The amount of beginning cash within a Cash Drawer will be periodically evaluated based upon the number of transactions, the volume of cash versus other payment types, and the frequency change is forecasted to be needed in an average day.
8. Cash maintained for the purpose of making change must not be commingled with operational cash amounts and should not be used for any other purpose.

### **B. Imprest Funds**

Imprest Funds are designated amounts of cash held outside of the general treasury and the use of such funds is subject to the City of Fort Worth Police Department's operating procedures.

## **VII. Requesting a New and/or Increase in a Cash/Change Drawer or Imprest Fund**

Authority to establish or modify a Cash/Change Drawer or Imprest Fund must be initiated by a request from a Department Director and receive approval from the CFO. The CFO has the ability to delegate this function to appropriate staff within FMS. Departments shall collaborate with the CFO, or his/her designee, to establish and maintain a system of procedures, controls, and reporting activities associated with the receipting of payments and depositing of funds for all areas of their revenue receipting operations. Each Cash/Change Drawer and Imprest Fund shall be assigned an amount of cash as the beginning/opening balance. This amount shall be determined based upon the activity level of the department and the associated business operational requirement and should be maintained throughout the lifecycle of the Cash/Change Drawer or Imprest Fund.

## **VIII. Petty Cash**

The City of Fort Worth does not allow any department to own or operate Petty Cash funds.

## **IX. Training**

All new employees who have payment receipting responsibilities must successfully complete the City's Cash Handling Policies and Procedures course within thirty (30) days of





## Revenue Receipting Policy

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employment. Existing employees must contact the FMS Department to register to take the cash handling course upon obtaining the cash receipting responsibility. Employees performing payment receipting activities are required to complete the cash handling course annually, subsequent to the initial training. Successful completion of this course is defined as achieving at least a seventy percent (70%) passing grade on the test administered upon completion of the course.

It is the responsibility of the department to notify FMS when a new or transferred employee becomes responsible for payment receipting activities and whenever an employee is no longer responsible for payment processing. In addition, it is the responsibility of the operating department to ensure all staff responsible for payment receipting activities complete the City's Cash Handling training at least annually.

The FMS Department is responsible for providing all training related to Cash Handling and payment processing. The FMS Department, in conjunction with the IT Solutions Department, will notify employees when they are due for their annual training. Notwithstanding, the operational department(s) retain ultimate responsibility for ensuring that all employees with cash handling responsibilities successfully complete the training outlined herein.

The IT Solutions Department maintains training records for Cash Handling. Employees may access a list of courses completed in the system at any time.

### X. **Receipt of Payments**

#### A. Cash

1. The cashier should have complete control and responsibility when collecting and securing the cash received from customers.
2. The cash drawer must be securely locked when the cashier is away from the cash drawer.
3. To reduce the risk of error, all cash should be separated according to the denomination, and should be sorted face up in the same direction.



## Revenue Receipting Policy

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4. The cashier should test each negotiable instrument used to make a payment to the City of Fort Worth to ensure it is not counterfeit.

### B. Checks

1. Checks, money orders and other negotiable instruments must be made payable to the "City of Fort Worth" and shall be promptly endorsed upon being received.
2. All checks made payable to the City of Fort Worth shall be accepted only in the amount of the transaction. Checks may not be written for more than the amount due to the City.
3. When accepting a check for amounts due to the City, the cashier shall capture the following payer's information and note same at the top of the check:
  - (1) Driver's license number and state issuing the identification
  - (2) Physical home address
  - (3) Valid Telephone number
  - (4) Only accept checks drawn on a United States Bank and for U.S. dollars.
4. No temporary, post-dated, or third-party checks are to be accepted by the City.
5. Check cashing is strictly prohibited by this policy.

### C. Credit/Debit Cards

Employees taking payments are required to follow the information security procedures covered in the IT Security Administrative Regulations located on the City of Fort Worth Intranet. Employees are to be aware of and adhere to Payment Card Industry Data Security Standards ("PCI-DSS") practices at all times. Departments should exercise care with regard to credit card terminal and receipts in compliance with PCI-DSS requirements.

1. Employees should encourage customers to pay with a credit/debit card whenever possible. Credit/debit card use promotes a stronger internal control environment.
2. Employees should never write down or store a customer's credit card information.





## Revenue Receipting Policy

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3. Employees should request customer identification (i.e. Government issued Driver's License or Identification Card) to ensure the customer name matches the credit card provided for payment.

### **XI. Transaction Receipts**

Customers are entitled to, and should always be provided with, a receipt detailing information about the payment made. All departments with revenue receipting operations must maintain a permanent collection record such as a cash register tape or point of sale system report detailing all payment related transactions including voids, refunds, or cancellations. Receipts shall be sequentially numbered and unique to each transaction.

### **XII. Refunds and Overpayments**

Refunds from Cash/Change Drawers or Imprest Funds are prohibited unless the overpayment/void occurs within the same day as the original receipt. There must be a system to track and report any voided transaction(s) and the approval by the appropriate departmental supervisor. Refunds and voids relating to a prior day's activity may only be made through Accounts Payable and must be properly approved by the appropriate departmental supervisor. In situations where the department has a computerized system to process refunds/voids, the operating department is responsible for ensuring the accurate accounting and approval of refunds and voids through the computerized system.

### **XIII. Safeguarding**

Access to the Cash Drawer should be limited to one person. The Cash Drawer shall be counted and balanced before another person takes possession of the Cash Drawer. Both parties involved in the Cash Drawer transfer shall be present when cash is counted, and a receipt shall be signed by the person accepting custody of the Cash Drawer.

- A. All areas surrounding the cash handling sites shall be visible and without obstruction.
- B. Dual control over the processing and storage of all monetary intakes should be utilized.
- C. All funds shall be kept out of public view and shall be available for inspection by authorized City personnel such as the FMS Department, the City Auditor, or other authorized personnel as approved by the CFO.



## Revenue Receipting Policy

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- D. Physical protection of payments through the use of bank facilities, armored vehicles, vaults, locked cash boxes, tamper proof bags, or locked drawers shall be utilized at all times. Only assigned personnel shall have access to keys and vault combinations.
- E. Armored car services should be utilized based on a mutually agreeable schedule between the department and the CFO or his or her designee. The operating department and the CFO shall agree upon a schedule that promotes timely deposit of revenue, but does not create a cost for this service outweighing the benefit.
- F. Cash should never be transported to the City's banking institution by any method other than Armored Car service.

### **XIV. Liability for Loss**

Departments performing payment receipting activities retain the ultimate liability for misappropriation and loss or theft of all funds on hand (including, but not limited to cash and change drawers, daily receipts, imprest funds, equipment containing cash, etc.) until such time as the custody is transferred to an armored car service or to the Department of Financial Management Services through delivery of a deposit for processing. Departments are required to notify the Assistant Director over Treasury, the City Auditor, and the Risk Management Division, in writing, by the next business day, in the event any funds are lost or stolen. This written notification must include the date and amount of the loss in addition to an explanation and description of the sequence of events that lead to the discovery of the loss, and a copy of the police report.

### **XV. Monitoring Performance**

Departmental controls shall include a practical means for employees to report instances where system controls, processes and/or procedures are overridden that could increase the City's risk exposure. Department Directors, Assistant Directors, and Managers/Supervisors shall monitor and annually assess any risk areas and adopt appropriate strategies to manage these functions, thereby minimizing loss opportunities.





## Revenue Receipting Policy

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### **XVI. Audits**

The FMS Department will perform Cash/Change Drawer audits to determine whether each Cash/Change Drawer and Imprest Fund balance is in agreement with the associated balance on the City's General Ledger.

The operational department(s) are responsible for auditing and validating all Cash/Change Drawer and Imprest Fund balances on a quarterly basis and providing authorized FMS Department personnel full access to all funds at all revenue collecting locations.

The FMS Department is responsible for notifying the operational department(s), within a reasonable lead time, to ensure the person with authority is available during the audit. At the conclusion of each Cash/Change Drawer and Imprest Fund audit, the FMS department will provide a memo detailing the results of the audit which will include instruction for how to handle identified discrepancies.

### **XVII. Revision History**

<b>Changes</b>	<b>By</b>	<b>Date</b>
Created and adopted to administer and safeguard the City's financial resources. M&C G-19058	Financial Management Services Department	08/15/2017
Added clarification relating to the departmental responsibility. Added clarification relating to the timing of recording, reviewing, and approving deposits. Added more detailed instruction/requirements in the Liability for Loss section. M&C 19-0260	Financial Management Services Department/Treasury	10/22/2019

For additional information or questions concerning this policy, please contact the FMS Treasury Office at (817) 392-8500.



# PENALTY AND INTEREST WAIVER POLICY

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## 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 to define the request process, establish criteria and limitations, and grant approval authority to authorized personnel for penalty and interest waivers. The procedures related to penalty and interest waiver processes adopted by the Departments subject to this policy must be in conformance with this regulation.

## III. Scope

This policy shall apply to all penalty and interest waiver requests under the budgetary and fiscal control of the City Manager and the Mayor and City Council. This policy excludes accounts where an alternative waiver approval has been defined by law, ordinance, resolution, contract, or approved by the City Council.

## IV. Glossary

Approving Official – The Department Director or Department Director designee authorized to approve a waiver of penalties and interest.

Reasonable Cause - Reason(s) to qualify for penalty relief determined on a case by case basis considering all the facts and circumstances.

## V. Policy

### A. Waiver of Penalty or Interest

A total or partial waiver can be granted as a courtesy once every two years. Each request to reduce or waive the payment of a penalty and/or interest must be made in writing to the appropriate City Department accompanied by:





## PENALTY AND INTEREST WAIVER POLICY

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- (1) A written explanation of the facts and conditions why reasonable cause exists.
- (2) Supporting documentation.

The individual or business bears the burden of establishing reasonable cause. Each request will be evaluated on its own merits by the Department Approving Official. A waiver of penalty and interest waiver does not waive the underlying amount due.

If the underlying amount due for which a waiver is requested resulted in outsourcing collection of the underlying amount due to a third-party collector, the individual/business will not be considered for a waiver associated with the amount sent to the third-party collector.

### B. Authorization

The Department Director is ultimately accountable for approving and effecting a waiver of penalties and/or interest. The Department Director may assign this responsibility to a designee of his or her choosing but the Department Director retains ultimate accountability for waivers of penalties and/or interest associated with all cost centers within their department rollup.

All City Departments are required to submit a list of those authorized within their department each year to the Financial Management Services Department in connection with the annual financial close process. Submission instruction will be provided in the annual financial close memo.

The Approving Official may approve a total or partial penalty and/or interest waiver request. Any reduction or waiver in penalty and/or interest is at the sole discretion of the Approving Official based upon the delinquency status, compliance history, payment record, filing history, and circumstances resulting in the assessment of penalty.

### C. Limitations

Where the above criteria are met, Department Directors or Approving Officials have the authority to reduce or waive up to 60 days of penalty and/or interest.

Waivers of penalties and/or interest over \$100,000 requires City Council approval.

**PENALTY AND INTEREST  
WAIVER POLICY**

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**VI. Revision History**

<b>Changes</b>	<b>M&amp;C Reference</b>	<b>Date</b>
Initial policy adoption	M&C 23-0842	9/26/2023
Replaced the incorrect version of this policy that was inadvertently attached to M&C 23-0842	M&C 23-0849	10/17/2023



# Payments from Water and Sewer Fund to Other Funds



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## I. Authority

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

## II. Purpose:

The Water and Sewer Fund is an Enterprise Fund, with the Water and Sewer System operating similar to a business in the private sector. However, as a tax-exempt governmental unit, the Fund does not pay franchise fees or property taxes that would be required of a private utility. The purpose of this policy is to outline the assessment of charges and fees to the Water and Sewer Fund by the General Fund in order to provide revenue for general government services comparable to what would be received from a private utility. In addition, this policy is also intended to address contributions from the Fund in support of the City's Public Art Program.

## III. In General:

Payments from funds within the Water and Sewer System must comply with the Master Ordinance (Ordinance 10968), which establishes the revenue financing program that provides for issuance of System revenue bonds to finance capital improvements. The rate covenant in the Master Ordinance obligates the City to establish and collect rates "necessary to produce Gross Revenues and other Pledged Revenues sufficient (1) to pay all current Operating Expenses, (2) to produce Net Revenues for each Fiscal Year at least equal to the Annual Debt Service Requirements during such Fiscal Year of the then Outstanding Parity Obligations, and (3) to pay all other financial obligations of the System reasonably anticipated to be paid from Gross Revenues." To fully implement this policy, in designing rates the Water and Sewer System shall also take into account payments under this policy to the extent allowed by applicable law and current contracts.

Under the Master Ordinance, payments such as those outlined in this policy can only be made from Excess Pledged Revenues, which, generally speaking, consist of System revenues that remain available after all Operating Costs have been paid and all debt-related obligations have been met. The following paragraph describes in more detail the process for determining Excess Pledged Revenues under the Master Ordinance.

In accordance with the Master Ordinance, Gross Revenues of the Water and Sewer System are reduced by Operating Costs to determine Net Revenues, which, together with any other monies pledged to the payment of Parity Obligations, constitute Pledged Revenues. The City also has the right to pledge the Pledged Revenues in payment of, and as security for, debt obligations



# Payments from Water and Sewer Fund to Other Funds



that are subordinate to the Parity Obligations. Such subordinate lien obligations, which the City has issued and may continue to issue, are also considered Outstanding Obligations under the Master Ordinance. Under Section 11(b) of the Master Ordinance, provision must first be made for funds from Pledged Revenues to be deposited to the debt service, reserve, and other funds and accounts for ALL Outstanding Obligations as required by the Master Ordinance and applicable Supplemental Ordinances and bond covenants. If System funds remain available after these actions have occurred and provisions have been made for all Operating Expenses and debt-related payments, remaining System funds constitute Excess Pledged Revenues that can be used for other lawful purposes, including payments under this policy.

By adoption of this policy, the Mayor and City Council delegate to the Financial Management Services Department responsibility for determining and certifying the availability of Excess Pledged Revenues. The certification shall be provided to the Water Department, and a copy shall be maintained in the records of the Financial Management Services Department.

An initial determination of Excess Pledged Revenues shall be made in connection with the annual budget process to determine the extent to which revenues exist for budgeting purposes and for making payments under this policy. If it is determined that Excess Pledged Revenues are projected to exist but are not sufficient to make all three of the proposed payments in full, the amount of Excess Pledged Revenues that is certified to be available shall be allocated among the payments on a pro rata basis.

To ensure payments under this policy consist only of actual Excess Pledged Revenues, after the close of each fiscal year, in connection with preparation of the annual audit, staff shall conduct a “true up” process, recalculating Excess Pledged Revenues using actual, rather than budgeted, figures for Gross Revenues, Operating Expenses, and debt-related payments. If it is determined that actual Excess Pledged Revenues for the preceding fiscal year were not sufficient for the full amount of the payments that were made under this policy, the General Fund shall make a one-time payment to the Water and Sewer Fund in the amount of any shortfall so that the Water and Sewer Fund’s final audited figures for the year, as reported in the Comprehensive Annual Financial Report, reflect payments made solely from Excess Pledged Revenues.

In this context, gross service revenue is defined as (i) total revenues of the System excluding (ii) non-service revenues. Non-service revenues consist of funds that are not generated in connection with the provision of water or wastewater services; examples include Interest Earnings, Gain/Loss on Assets, Transfers from Other Funds, Transfers from Impact Fees, reimbursements for Water Main Capacity Charges and Sewer Per Acre Charges, Front Foot Charges, Refunds from external service providers, and proceeds from Sale of Capital Assets or Equipment.

#### **IV. Payment for Street Rental Fee:**

The Street Rental Fee payment to the General Fund is intended as an assessment in lieu of franchise fees that the General Fund would receive in return for use of the City’s streets and rights-of-way if the Water and Sewer System were a private utility enterprise.



## Payments from Water and Sewer Fund to Other Funds

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The Street Rental Fee shall be calculated as five percent (5%) of gross service revenue for Water and Sewer customers, unless specified otherwise by applicable wholesale contract.

For the purposes of cost recovery, the Street Rental Fee shall be treated as revenue in the General Fund and as an operating expense in the Water and Sewer Fund.

The amount of the Street Rental Fee assessed will be included in annual retail and wholesale water and wastewater cost of service studies performed by the Water Department and included in the annual operating budget. Street Rental fees will be assessed to Wholesale Water and Sewer Revenues as specified in the contracts with wholesale customers.

Because this Fee is based on actual gross service revenue, after the close of each fiscal year staff shall conduct a “true up” process in connection with preparation of the annual audit. If it is determined that actual gross service revenue for the most-recent preceding fiscal year differs from the budgeted amount, a one-time adjustment shall be made to offset such difference so that the Water and Sewer Fund’s final audited figures for the year, as reported in the Comprehensive Annual Financial Report, reflect a total for street rental payments based on actual gross service revenue.

### V. Payment-in-Lieu-of-Taxes:

The Payment-In-Lieu-of-Taxes (PILOT) to the General Fund is intended to offset the ad valorem taxes lost due to the tax-exempt status of the Water and Sewer System property.

The PILOT shall be calculated by applying the effective property tax rate to the net book value of the applicable capital assets. Capital assets subject to PILOT shall be limited to those classified as Plant and Property, including Construction Work in Progress, and shall exclude Transmission, Distribution and Collection Pipes and Hydrants.

An example of the PILOT calculation:

$(\text{Plant Assets} - \text{Accumulated Depreciation} + \text{Construction Work in Progress}) * \text{Current Tax Rate}$

For the purposes of cost recovery, PILOT shall be treated as revenue to the General Fund and as an operating expense of the Water and Sewer System. In any given year, the payments shall not exceed the PILOT calculation described above.

The amount of the PILOT assessed will be included in annual retail and wholesale water and wastewater cost of service studies performed by the Water Department and included in the annual operating budget. The PILOT will be assessed to Wholesale Water and Sewer Revenues as specified in the contracts with wholesale customers.

### VI. Contribution to Public Art:

Funding for the Fort Worth Public Art Program, which was established in 2001 with the adoption of Ordinance Number 14794, will be provided by the Water and Sewer Fund.

# Payments from Water and Sewer Fund to Other Funds

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Public Art funding shall be calculated in accordance with current City Code requirements and developed through the City's annual budget process. Since Texas law restricts the use of bond proceeds to those projects eligible to be funded with water and sewer revenue bond proceeds, any Public Art funding generated with bond proceeds MUST be used to finance water and sewer system related public art projects.

For the purposes of cost recovery, Public Art funding shall be treated as an operating expense of the Water and Sewer System. In any given year, the payment shall not exceed the calculation described above.

The amount of the Public Art funding will be included in annual retail water and wastewater cost of service studies performed by the Water Department and included in the annual operating budget.





## Expenditure/Expense Policy

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### I. **Authority**

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

### II. **Purpose:**

This policy is intended to establish guidelines for the management of certain City expenditures/expenses in order to ensure fiscal stability and the effective and efficient delivery of services. Through the identification of necessary services and the establishment of appropriate service levels, Departments are responsible for the careful administration of the expenditure/expense of available resources.

### III. **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 appendix.

### V. **Policy:**

#### A. ***Current Funding Basis***

The City shall operate on a current funding basis. Expenditures/expenses shall be budgeted and controlled so as not to exceed current revenues plus the planned use of fund balance/net position accumulated through prior year savings. (The Fund Balance/Net Position Policy Statements shall guide the use of reserves.)

#### B. ***Avoidance of Operating Deficits***

The City shall take immediate corrective actions if at any time during the fiscal year expenditure/expense and revenue re-estimates are such that an operating deficit



## Expenditure/Expense Policy

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(i.e., projected expenditures/expenses in excess of projected revenues) is projected at year-end. Corrective actions can include a hiring freeze, expenditure/expense reductions, fee increases, or use of fund balance/net position within the Fund Balance/Net

Position Policy Statements. Expenditure/expense deferrals into the following fiscal year, short-term loans, or use of one-time revenue sources shall be avoided to balance the budget.

### **C. *Maintenance of Capital Assets***

Within the resources available each fiscal year, the City shall strive to maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to continue service levels.

### **D. *Periodic Program Reviews***

The City Manager shall strive to undertake periodic reviews of City programs for both efficiency and effectiveness. As appropriate, the privatization and contracting of services with other governmental agencies or private entities will be evaluated as alternative approaches to service delivery. Programs that are determined to be inefficient and/or ineffective shall be redesigned, reduced in scope, or eliminated.

### **E. *Purchasing***

The City shall conduct its purchasing and procurement functions efficiently and effectively, fully complying with applicable State laws and City ordinances. Staff shall make every effort to maximize discounts and capitalize on savings available through competitive bidding and “best value” purchasing.



## Governmental Fund Reserve Policy

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### **I. Authority**

The Fort Worth City Council is responsible for legislation, policy formulation, and overall direction setting of the government. This includes the approval of financial policies that 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**

The City desires to maintain a prudent level of financial resources to guard its stakeholders against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures. In addition, this policy is intended to document the appropriate Reserve level to protect the City’s creditworthiness and provide adequate cash flow based upon the traditional operating cycle. The Government Finance Officers Association’s (GFOA) best practice for reserves recommend, at a minimum, that general-purpose governments, regardless of size, maintain an unassigned fund balance of no less than two months of regular operating revenues or operating expenses. Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities and to minimize the costs associated with short-term cash borrowing.

This policy establishes the amounts the City will strive to maintain in its General Fund, Special Revenue Funds, and General Debt Service Funds Reserves, how the Reserves will be funded, and the conditions under which the Reserves may be used.

### **III. Applicability and Scope**

This policy shall apply to the General Fund, all Special Revenue Funds, and the General Debt Service Fund under the budgetary and fiscal control of the City Manager and the City Council.

### **IV. Glossary**

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

## Governmental Fund Reserve Policy

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V. **Related Documents and References**

- A. Operating and Capital Budget Policy
- B. Long-Term Financial Planning Policy
- C. Capital Asset Investment and Management Policy
- D. Debt Management Policy

VI. **Policy**

**General Fund**

- A. Reserve Levels - The City will maintain an Unassigned Fund Balance in the General Fund equivalent to a minimum of two months (16.67 %); with a goal of three months (25%), of the next fiscal year budgeted operating expenditures.
- B. Committed Fund Balance – The City Council maintains the City’s highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is an item placed on the City Council’s agenda and approved at a City Council meeting. The action must either approve or rescind, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.
- C. Assigned Fund Balance – The City Council, through adoption of this policy, has authorized the City Manager or his/her designee and the CFO to jointly designate or commit assigned fund balances without further City Council approval. It should be noted that this authority only gives the ability to designate future “intended” uses of fund balance that are in excess of nonspendable, restricted, and committed amounts, and the minimum required reserve. It does not vest additional spending authority in the City Manager or his/her designee or CFO. Subsequent appropriations of fund balance would continue to require City Council approval.

Spending Priorities - When expenditures are incurred for the purposes for which both restricted and unrestricted fund balance are available, the City will consider restricted funds to be spent before unrestricted funds. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, and the City will consider committed funds to be spent before assigned funds, and will consider assigned funds to be spent before unassigned funds.



## Governmental Fund Reserve Policy

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### **Special Revenue Funds**

- D. Reserve Levels – The City will maintain a combined Restricted and Assigned Fund Balances in Special Revenue Funds equivalent to two months (16.67%) of the next fiscal year budgeted operating expenditures.

### **General Debt Service Fund**

- E. Reserve Levels – The City will maintain a level of Restricted, Committed, and Assigned Fund Balances in each governmental Debt Service Fund equivalent to three months (25%) of the highest projected debt service (principal and interest) over the succeeding debt service schedule. Amounts used in this calculation shall not include any amounts allocated for other purposes by the City Council.

## **VII. Monitoring Performance:**

- A. The City will measure its compliance with this policy on an annual basis as of September 30<sup>th</sup> each year or as soon as practical after final fiscal year-end financial information becomes available. During the fiscal year, the Financial Management Services and FWLab departments shall closely monitor the City's revenues and expenditures to ensure Reserves are not used beyond any planned usage.
- B. If the target level of Reserves is not met at fiscal year-end, a written restoration plan is required to be submitted to FMS by January 31<sup>st</sup> and will be incorporated into the Reserve Requirement Supplement. The CMO, in coordination with FMS and FWLab, is required to develop the restoration plan for the General Fund. For all other funds, the responsible department must work with the FWLab in developing the restoration plan. Generally, departments should seek to replenish their fund balance within one to three years. Specifically, factors influencing the replenishment time horizon include:
1. The budgetary reasons behind the fund balance targets;
  2. Recovering from an extreme event;
  3. Political continuity;
  4. Financial planning time horizons;
  5. Long-term forecasts and economic conditions;
  6. External financing expectations.
- C. Funding the Reserve – Funding of Reserve targets will generally come from excess revenues over expenditures or one-time revenues, non-recurring revenues, and budget surplus. Year-end surpluses are an appropriate source for replenishing fund balance.



## Governmental Fund Reserve Policy

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- D. Periodic Review of the Targets – At a minimum, during the annual financial planning/budget process staff shall review the current and five-year projected Reserves to ensure that they are appropriate given the economic and financial risk factors the City is subject to.

### **VIII. Conditions for Use of Reserves:**

#### **General Fund and Special Revenue Funds**

It is the intent of the City to limit the use of General Fund and Special Revenue Fund Reserves to address unanticipated, non-recurring needs. Reserves shall not be applied to recurring annual operating expenditures. Reserves may, however, be used to allow time for the City to restructure its operations in a deliberate manner (as might be required in an economic downturn), but such use will only take place in the context of an adopted long-term plan.

#### **Debt Service Funds**

The City intends to limit the use of Debt Service Reserves to address the repayment of any outstanding debt.

### **IX. Excess of Reserves:**

In the event Reserves exceed the minimum balance requirements, at the end of each fiscal year, any excess Reserves may be used in the following ways:

#### **General Fund and Special Revenue Funds**

1. Fund accrued liabilities, including but not limited to debt service, pension, and other post-employment benefits as directed and approved within the long-term financial plan and the annual budget ordinance. Priority will be given to those items that relieve budget or financial operating pressure in future periods;
2. Appropriated to move to the General Debt Service Fund to lower the amount of bonds or increase the pay-as-you-go contributions needed to fund capital projects in the City's Capital Improvement Plan;
3. One-time expenditures that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs; or



## Governmental Fund Reserve Policy

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4. Start-up expenditures for new programs provided that such action is approved by the City Council and is considered in the context of multi-year projections of revenue and expenditures as prepared by the Financial Management Services department.
5. The reserve requirement does not apply to special revenue funds that were created under Federal and State Law and/or Texas Local Government Code for managing the revenue used to pay for costs associated with construction and debt-financing activities.

### **General Debt Service Funds**

1. Use to repay any outstanding debt or obligations.

### **X. Authority over Reserves:**

The City Council may authorize the use of Reserves. The Financial Management Services and FWLab departments will regularly report both current and projected Reserve levels to the City Manager and City Council.

### **XI. Quality Control and Quality Assurance:**

It is the responsibility of the Chief Financial Officer/Director of Finance to ensure the presence of procedures that provide sufficient guidance to affected City personnel to fulfill the intent of this policy.

These policies will be reviewed at least annually and updated on an as-needed basis.

### **XII. Basis:**

Budgetary basis is used for calculating the reserve level for Governmental Funds Reserve.

# Proprietary Fund Reserve Policy

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## I. Authority

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

## II. Purpose

The City desires to maintain a prudent level of financial resources to guard its stakeholders against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenses. In addition, this policy is intended to document the appropriate Reserve level to protect the City's creditworthiness and provide adequate cash flow based upon the traditional operating cycle. The Government Finance Officers Association's (GFOA) best practice for Working Capital Targets for Enterprise Funds recommends that local governments adopt a target amount of working capital to maintain in each enterprise fund. Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities and to minimize the costs associated with short-term cash borrowing.

This policy establishes the amounts the City will strive to maintain in its Proprietary Fund Reserves, how the Reserve will be funded, and the conditions under which the Reserves may be used. This policy is intended to supplement, but not supersede, provisions of ordinances of the City governing the issuance or incurrence of bonds or other obligations secured in whole or in part by revenues or credited to a Proprietary Fund.

## III. Applicability and Scope

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

## IV. Related Documents and References

- A. Operating and Capital Budget Policy
- B. Long-Term Financial Planning Policy
- C. Capital Asset Investment and Management Policy



# Proprietary Fund Reserve Policy

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## V. Policy

### Enterprise Funds

Reserve Levels - The City will maintain the following goal reserve levels in each Enterprise Fund, consistent with State law and the terms of ordinances pursuant to which obligations have been issued or incurred that are secured in whole or in part by revenues held in or credited to an Enterprise Fund:

1. A goal of Working Capital in Enterprise Funds equivalent to three months (25%) of the next fiscal year budgeted operating expenses, excluding intrafund transfers out to funds within the same reporting group (e.g. transfer out from Water and Sewer Operating Fund to its Capital Projects Fund or Debt Service Fund). This calculation shall be performed against the operating fund only.
2. A Reserve of 100 Days cash on hand with a goal of 150 Days Cash on Hand. This calculation shall be performed against the operating fund only on Generally Accepted Accounting Principles (GAAP - Full Accrual) basis.
3. The City's goal is that no Enterprise Fund shall have a negative Unrestricted Net Position. This calculation shall be performed by using all of the funds for the respective reporting group.
4. In addition, the City acknowledges that initially, not all funds will meet the minimum requirement for Working Capital and/or Days Cash on Hand outlined in this policy. A fund will be considered compliant with this policy as long as the financial position shows continuous improvement each fiscal year.

# Proprietary Fund Reserve Policy

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## Internal Service Funds

Reserve Levels for Internal Service Insurance Funds - The City will maintain the following minimum reserve levels in all Internal Service Insurance Funds:

1. A goal of Working Capital in Insurance Funds three months (25%) of the next fiscal year budgeted operating expenses, excluding intrafund transfers out to funds within the same reporting group (e.g. transfer out from Water and Sewer Operating Fund to its Capital Projects Fund or Debt Service Fund). This calculation shall be performed using the operating fund only.
2. No Insurance Fund shall have a negative Unrestricted Net Position. This calculation shall be performed by using all of the funds of the respective reporting group of the specific insurance related internal service fund.
3. In addition, the City acknowledges that initially, not all funds will meet the minimum requirement for Working Capital outlined in this policy. A fund will be considered compliant with this policy as long as the financial position shows continuous improvement each fiscal year.

Reserve Levels for Non-Insurance Internal Service Funds - The City will maintain the following minimum reserve levels in all Internal Service Insurance Funds:

1. A goal of Working Capital in Non-Insurance Internal Service Funds equivalent to ten percent (10%) of the next fiscal year budgeted operating expenses, excluding intrafund transfers out to funds within the same reporting group (e.g. transfer out from Water and Sewer Operating Fund to its Capital Projects Fund or Debt Service Fund). This calculation shall be performed using the operating fund only.
2. No Internal Service Fund shall have a negative Unrestricted Net Position. This calculation shall be performed by using all of the funds for the respective reporting group funds of the specific non-insurance related internal service fund.
3. In addition, the City acknowledges that initially, not all funds will meet the minimum requirement for Working Capital outlined in this policy. A fund will be considered compliant with this policy as long as the financial position shows continuous improvement each fiscal year.



## Proprietary Fund Reserve Policy

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### **VI. Monitoring Performance**

- A. For purposes of this calculation, Working Capital will include long-term investments that can be liquidated within five business days. The City will measure its compliance with this policy on an annual basis as of September 30<sup>th</sup> each year or as soon as practical after final fiscal year-end financial information becomes available. During the fiscal year, the Financial Management Services and FWLab departments shall closely monitor the City's revenues and expenses to ensure Reserves are not used beyond any planned usage.
- B. If the target level of Reserves is not met at fiscal year-end, the department is required to submit a written restoration plan to FMS by January 31<sup>st</sup> of the next year to be incorporated into the Reserve Requirement Supplement. Departments must work with the FWLab in developing the restoration plan. Generally, departments should seek to replenish their reserves within one to three years. .
- C. Funding the Reserve - Funding of Reserve targets will generally come from excess revenues over expenditures or one-time revenues, non-recurring revenues, and budget surplus. Year-end surpluses are an appropriate source for replenishing fund balance.
- D. Periodic Review of the Targets - At a minimum, during the annual financial planning/budget process staff shall review the current and five-year projected Reserves to ensure that they are appropriate given the economic and financial risk factors the City is subject to.

### **VII. Conditions for Use of Reserves**

The City intends to limit use of Proprietary Reserves to address unanticipated, non-recurring needs. Reserves shall not be applied to recurring annual operating expenses. Reserves may, however, be used to allow time for the City to restructure its operations deliberately (as might be required in an economic downturn), but such use will only take place in the context of an adopted long-term plan.

# Proprietary Fund Reserve Policy

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## **VIII. Excess of Reserves**

In the event Reserves exceed the minimum balance requirements, at the end of each fiscal year, any excess Reserves may be used in the following ways:

1. Fund accrued liabilities, including but not limited to debt service, pension, and other post-employment benefits as directed and approved within the long-term financial plan and the annual budget ordinance. Priority will be given to those items that relieve budget or financial operating pressure in future periods;
2. Appropriated to lower the amount of bonds or increase the pay-as-you-go contributions needed to fund capital projects in the City's Capital Improvement Plan;
3. One-time expenses that do not increase recurring operating costs that cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs; or
4. Start-up expenses for new programs, provided that such action is approved by the City Council and is considered in the context of multi-year projections of revenue and expenses as prepared by the Department of Finance.

## **IX. Authority over Reserves**

The City Council may authorize the use of Reserves. The Financial Management Services and FWLab departments will regularly report both current and projected Reserve levels to the City Manager and City Council.

## **X. Quality Control and Quality Assurance**

It is the responsibility of the Chief Financial Officer/Director of Finance to ensure the presence of procedures that provide sufficient guidance to affected City personnel to fulfill the intent of this policy. This policy will be reviewed at least annually and updated on an as-needed basis.

## **XI. Basis:**

Generally Accepted Accounting Principles (GAAP - Full Accrual) basis is use for calculating the reserve level for Proprietary Funds Reserve.





## Capital Expenditures and Improvements Policy

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### **I. Authority**

The Fort Worth City Council is responsible for legislation, policy formulation, and overall direction setting of the government. This includes the approval of financial policies which establish and direct the operations of the City of Fort Worth. 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 Department of Finance. This policy shall be administered on behalf of the City Manager by the Chief Financial Officer / Director of Finance.

### **II. Purpose:**

This policy is intended to establish guidelines for the management of certain City capital expenditures, to review and monitor the state of the City's capital assets, setting priorities for the addition, replacement, and renovation of such assets based on needs, funding alternatives, and availability of resources.

### **III. 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 appendix.

### **V. Policy:**

#### **A. Capital Improvements Planning**

The City shall annually review the needs for capital improvements and equipment, the current status of the City's infrastructure, replacement and renovation needs, and potential new projects. All projects, ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. For every capital project, all operation, maintenance, and replacement costs shall be fully costed.

#### **B. Replacement of Capital Assets on a Regular Schedule**

The City shall annually prepare a schedule for the replacement of its non-infrastructure capital assets. Within the resources available each fiscal year, the City shall replace these assets according to the aforementioned schedule.



## Capital Expenditures and Improvements Policy

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### C. Capital Expenditure Financing

The City recognizes that there are three basic methods of financing its capital requirements. It can budget the funds from current revenues (pay-go funding); it can take the funds from unassigned fund balance, assigned fund balance, or Net Position as allowed by the Unassigned/Assigned Fund Balance or Net Position Policy Statements; or it can borrow money through the issuance of debt. Debt financing includes general obligation bonds, revenue bonds, certificates of obligation, lease/purchase agreements, certificates of participation, commercial paper, tax notes, and other obligations permitted to be issued or incurred under Texas law. Guidelines for assuming debt are set forth in the Debt Policy Statements.

### D. Lake Worth Expenditures

Proceeds from the sale of Lake Worth leases shall be escrowed and designated for water and wastewater improvements within the area of the City of Fort Worth surrounding and adjoining Lake Worth.

### E. Surplus Bond Funds (M&C G-14441, July 27, 2004)

A "Restricted Residual Account" shall be established to record and manage surplus project funds. Surplus project funds may become available after the completion of a specific, voter-approved bond project or may result when a bond project is modified or eliminated without being simultaneously replaced by another eligible project.

Funds in the Restricted Residual Account may be used for projects consistent with the voted purpose of the bonds to:

- Finance cost overruns on bond projects within the same bond proposition;
- Reduce outstanding debt at the end of the bond program; and
- Fund newly identified projects within the voted purposes of an approved bond proposition only after all voter-approved projects /categories within the same proposition are substantially complete. A project would be considered substantially complete when design has been fully completed, construction is substantially underway, and staff has prepared cost projections that include ample contingencies to complete the project in the event unforeseen costs should arise.





## Capital Expenditures and Improvements Policy

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### F. Spending Priority of Capital Project Funding Sources (excluding grants)

Many capital projects that are administered by the City of Fort Worth have multiple funding sources, which can include internal and external sources. Spend funding in the following order: (e.g., Priority One, then Priority Two, then Priority Three, and lastly Priority Four)

Priority One: Proceeds from any type of debt issuance, including tax notes, bonds, loans, etc. Use proceeds from oldest to newest (i.e., 2002 GO Bond proceeds before 2014 Bond proceeds, or 2014 before 2018 proceeds). Per IRS regulations, 85% of all Bond proceeds must be spent within three years. Failure to spend Bond proceeds timely could result in the bonds sold being deemed taxable.

Priority Two: Source of funds that include projects where a source external to the City is funding a portion or all of the project in the order listed below:

1. Intergovernmental Agreements (Once verified as Non-Grant)
2. Contribution from an outside source (e.g., cash donation)
3. Developer contributions

Priority Three: Internally committed funding sources. Internal commitments exist due to an action taken by the Mayor and Council (M&C), such as the adoption of the Financial Management Policy Statements which designate the use of specific revenues for specific purposes, e.g., DFW Airport Sharing Revenue to the Culture and Tourism activity, Gas Well Lease income for specific purposes, or Transfers-In.

Priority Four: Other funding sources appropriated by Budget that do not fall into the three above categories. These funds should always be spent last due to the ability to re-program any remaining funds when a project is completed to other identified needs within the City.

### G. Spending Priority of Grant Related Capital Projects

The funding priority identified above for non-grant capital projects should generally be followed for grant funded projects, as long as the priorities and methodologies are consistent with the grant requirements. Where the grant requirements differ from the above identified City priorities, the grant priorities should prevail.



## Capital Assets Policy

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### **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 defines and provides the guiding principles with respect to the financial management of capital asset for the City of Fort Worth (“the City”). The objectives of this policy are to ensure consistent capital asset practices in accordance with Generally Accepted Accounting Principles (GAAP) and applicable regulatory agencies and to safeguard against loss, unauthorized use, or misappropriation of assets. Controls are created to establish, maintain, and enforce a sound system of operational procedures in accordance with industry best practices and internal control objectives. These controls address the decentralized nature of the processes associated with capital assets while also providing standards and minimally acceptable practices for these activities.

### **III. Applicability and Scope**

All employees of the City, including uniformed employees in positions who are responsible for performing fiscal operations described herein, shall apply the principles of this policy. This may include, but not be limited to, staff who purchase, receive, monitor or dispose of capital assets. Further, this policy shall cover all funds and capital assets under the control of the Mayor and City Council.

### **IV. Glossary**

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

### **V. General Information**

The Governmental Accounting Standards Board (GASB) provides the following authoritative definition of capital assets for state and local governments:





## Capital Assets Policy

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The term capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Capital assets should be recorded at original cost or, if the cost is not readily determined, at estimated original cost. Cost shall include applicable ancillary costs necessary to place the asset in its intended location and condition for use. All costs should be documented, including methods and sources used to establish any estimated costs.

The City acquires capital assets in one of the following ways:

1. Purchased assets – The recording of purchased assets should be made on the basis of actual costs, excluding some ancillary costs\*, based on vendor invoice or other supporting documentation. \*See Section VII-A for further explanation.
2. Constructed assets – Direct costs (including labor) associated with the construction project should be included in determining the asset valuation. For Community Facilities Agreements, City of Fort Worth inspection costs are no longer capitalized as part of the project effective 06-01-2019 associated with fund 30114 (CFA Developer).
3. Donated assets – Capital assets acquired by donation should be valued based on the acquisition value at the time of receipt and capitalized in accordance with the threshold value for each asset category. Please refer to the City of Fort Worth's Donations Policy for guidance on acceptance of donations.

### **VI. Responsibility / Authority**

City-wide Department responsibilities:

- A. Serve as custodians of capital assets including land, land improvements, vehicles, machinery and equipment (including rolling stock), that are assigned to their departments.
- B. Ensure full departmental compliance with the established capital asset policy in order to maintain adequate records of the City's capital assets.



## Capital Assets Policy

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- C. Each department head must appoint a Capital Assets Coordinator that has knowledge and experience in capital purchasing and management of project expenditures. Department Capital Assets Coordinator responsibilities include but are not limited to:
- Attend the required AM100 training provided by the City of Fort Worth.
  - Perform a monthly review of the department's purchased, donated, and constructed assets added into PeopleSoft Asset Management (PSAM) and communicate with the Capital Assets Team regarding any discrepancies.
  - Identify capital asset transfers, impairments, and disposals, and provide the Capital Assets Team documentation within 30 days of the occurrence.
  - Identify all constructed assets in use, and provide the Capital Assets Team documentation within six months or before the current fiscal year ends, whichever comes first for capitalization (Refer to Section XIV).
  - Review and update the department's non-financial asset information in the PSAM system.
  - Coordinate the department's review of the current capital asset register and complete the Annual Physical Inventory for Capital Assets.

### FMS responsibilities:

- A. The Capital Asset Team, Financial Services Manager, and Assistant Finance Director over Accounting shall ensure that all capital assets belonging to the City are properly identified and recorded in the PeopleSoft General Ledger module and that the PSAM module is reconciled, at least monthly, to general ledger balances.
- B. The Capital Asset Team is responsible for maintaining a current listing of Capital Assets Coordinators from all City departments.
- C. The Capital Asset Team must oversee the review of all transactions related to capital assets at least monthly and update the PSAM system, as required, upon validation of the transactions or corrections.
- D. The Capital Asset Team, Financial Services Manager, and Assistant Finance Director over Accounting are responsible for ensuring that journal entries and





## Capital Assets Policy

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monthly depreciation expense are properly recorded in the general ledger and financial changes noted by the Capital Assets Coordinators are recorded in the PSAM system.

- E. FMS is responsible to provide department representatives with the necessary support in capital asset management to effectively fulfill their duties and responsibilities under this policy.

### **VII. Asset Classification**

The City categorizes capital assets into the following:

#### A. Land

Land includes all land parcels purchased or otherwise acquired by the City for building sites, streets, right of way, permanent easement, recreation, future use, etc. This does not include land held for resale, which is accounted for as inventory.

Land is frequently associated with some other asset (e.g., land under a building or road). Land should always be treated and accounted for separately. The cost of the land should include not only the acquisition price, but also the cost of initially preparing land for its intended purpose, provided these preparations have an indefinite useful life, like the land itself. The recorded cost of land includes (1) the contract purchase price; (2) the costs of closing the transaction and obtaining title, including commissions, options, legal fees, title search, insurance, and past due or current taxes; And (3) the cost of preparing the land for its particular use such as clearing and grading. If the land is purchased for the purpose of constructing a building, all costs incurred up to the excavation for the new building should be considered land costs. Removal of an old building, clearing, grading and filling are considered land costs because they are necessary to get the land in condition for its intended purpose. Any proceeds obtained in the process of getting the land ready for its intended use, such as salvage receipts on the demolition of the old building or the sale of cleared timber, are treated as reductions in the price of the land. Capitalization of land costs may include, but are not limited to, the following:

- Original contract price
- Brokers' commissions
- Legal fees for examining and recording title



## Capital Assets Policy

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- Cost of title guarantee insurance policies
- Cost of excavation, grading or filling of land and razing of an old building
- Payment of noncurrent taxes accrued on the land at date of purchase, if payable by purchaser

\*Excluded costs may include payroll charges, advertising, process services, appraisal fees, and surveys, as they typically are not able to be accurately and timely associated with the land purchase at closing.

Improvements other than buildings (land improvements) are used for permanent (i.e., non-moveable) improvements, other than buildings, that add value to the land, but do not have an indefinite useful life. Examples include, fences, retaining walls and parking lots.

### B. Buildings

All permanent structures are included in the classification of buildings. The costs of an improvement (or betterment) are normally added to the cost of the related structure, rather than being treated as a separate asset. The same is true of restoration costs following a capital asset impairment. Capitalization of costs related to buildings include, but are not limited to, the following:

- Original contract price of the asset acquired or cost of design and construction
- Expenses incurred in remodeling, reconditioning, or altering a purchased building to make it available for the purpose for which it was acquired.
- Expenses incurred for the preparation of plans, specifications, blueprints, etc.
- Cost of building permits
- Payment of noncurrent taxes accrued on the building at date of purchase, if payable by purchaser
- Architects' and engineers' fees for design and supervision
- Costs of temporary facilities used during the construction period



## Capital Assets Policy

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### C. Infrastructure

Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage systems, water and sewer systems, dams and lighting systems.

### D. Machinery and equipment

This classification includes construction and maintenance equipment, office equipment and furnishings, etc. above the capitalization threshold. Capitalization of equipment costs may include, but are not limited to, the following:

- Original contract or invoice cost
- Freight, acquisition fees, import duties, handling and storage costs
- Specific in-transit insurance charges
- Installation charges

### E. Vehicles

A motor vehicle is a self-propelled road vehicle that is used for the transportation of passengers, or passengers and property. The capitalization amount includes the total purchase price less any applicable discounts and any ancillary payments required to place the asset in its intended state of operation.

### F. Intangible Assets

Intangible assets are those that lack physical substance, are non-financial in nature and have an initial useful life extending beyond a single reporting period. Intangible assets must be identifiable, meaning they are either capable of being separated by means of sale, transfer, license or rent, or that they arise from contractual or other legal rights.

Intangible assets acquired or developed by the City could include customized software, internally generated software, works of art and historical treasures. Other examples of intangible assets the City may own include water rights, timber rights, patents and trademarks.



## Capital Assets Policy

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### G. Construction Work in Progress (CWIP)

Construction work in progress represents capitalized costs related to a capital asset that is not yet substantially ready to be placed in service. For construction work in progress assets, no depreciation is recorded until the asset is placed in service. When the asset is placed in service, the asset is reclassified to the correct category and depreciation begins.

## VIII. Capitalization

### A. Capitalization Thresholds

1. Land must be capitalized regardless of the value or cost.
2. Buildings must be capitalized regardless of the cost.
3. Infrastructure must be capitalized when the useful life is 3 years or greater and the cost is \$100,000 or more.
4. Betterments and Improvements qualifying as a capital asset is defined as a single item with a useful life of 2 years or greater with an acquisition cost of:
  - a. Building Improvements at \$100,000 or more
  - b. Infrastructure Improvements at \$100,000 or more
  - c. Machinery and Equipment Improvements at \$25,000 or more
5. Machinery and Equipment qualifying as a capital asset is defined as a single item with an acquisition cost of \$25,000 or more and has a useful life of 2 years or greater. This includes items designed for off road.
6. Vehicles must be capitalized when the useful life is 4 years or greater, the cost is \$5,000 or greater and it meets both of the following criteria:
  - a. Self-propelled
  - b. Primary use is on public streets and the unit is street legal
7. Intangible assets must be capitalized when the useful life is 3 years or greater and the cost is \$100,000 or more with the exception of works of art and historical treasures, which are capitalized regardless of life or cost.
8. Bulk machinery and equipment per lease contract will be capitalized if the total amount is over \$500,000 for the life of the lease.





## Capital Assets Policy

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### B. Contributed or Donated Assets

Contributed or donated assets must be recorded at acquisition value. Refer to the Donations Policy for capitalization thresholds per category. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date. With regard to donated land, an appraisal must be no older than five (5) years in order to be used to determine a value for the land. If an appraisal is greater than five (5) years old or an appraisal does not exist, then appropriate effort must be made to determine a reasonable per acre value of the land in question. Work with Accounting to establish the appropriate value.

## IX. **Betterments, Improvements and Repair and Maintenance**

### A. Betterments

A betterment materially renovates or enhances a previously capitalized asset without introduction of a completely new unit. Alterations that change the physical structure of assets (e.g., cutting new entry and exit openings or closing old ones; erecting new walls, windows and partitions or removing old ones) but neither materially add value to the asset nor prolong its useful expected life should be charged to maintenance expense. Examples of betterments include:

- Enhancement of an old shingle roof through the addition of modern, fireproof tiles
- “Major catch-up” repair to or rehabilitation of an existing neglected asset that extends the useful life or substantially increases the value of the asset.

A betterment that meets the capitalization threshold in Section VIII should be capitalized.

### B. Improvements

Improvements include additions of new components to previously capitalized assets that either increase the assets’ value, extend the useful life, increase the normal rate of output, lower the operating cost, or increase the efficiency of the existing asset. Replacements of components of existing capitalized assets with improved or superior units, such that the value of the assets is increased, are also classified as improvements.

Examples include:



## Capital Assets Policy

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- Installation of an air condition system where there previously was none
- Installation of a crane on a truck that did not previously have one
- Removal of a major part or component of equipment and the substitution of a new part or component that increases either the value or useful life
- Addition of a new wing on a building
- An improvement that meets the capitalization threshold in Section VIII should be capitalized.

### C. Repair and Maintenance

Maintenance and repairs can be distinguished from betterments and improvements in that maintenance and repairs are not intended to alter or change the asset or to increase the useful life of the asset, but rather to sustain the asset in its present condition. A cost will qualify as maintenance if any of the following are true:

- Recurs on an ongoing basis (scheduled maintenance) and keeps the asset in a useable condition.
- Does not add substantially to the value of the asset (i.e., it does not meet the requirements in Section VIII to be capitalized).
- Simply restores a capital asset to its former condition, addressing normal wear and tear associated with the use of an asset.
- Facilitates asset utilization for its original useful life

Examples include:

- Painting and similar activities
- Engine overhaul in a vehicle
- Resurfacing a roof with similar materials
- Remodeling and rearrangement costs

Expenditures attributable to repair and maintenance after the asset has been placed in service will not be capitalized and will instead be charged to maintenance expense.





## Capital Assets Policy

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### **X. Depreciation**

Depreciation is defined as a reduction in the value of an asset with the passage of time, due in particular to wear and tear. Depreciation will be calculated and recorded monthly for the City's depreciable assets in accordance with GAAP. FMS is responsible to record depreciation on a monthly basis.

The City uses the straight-line method of depreciation and a full month of depreciation is taken in the original month of acquisition or capitalization. To calculate depreciation expense using the straight-line method:

$$\text{Annual Depreciation} = \frac{\text{Cost} - \text{Salvage Value}}{\text{Asset Useful life (in years)}}$$

Salvage value is an estimate of the amount that will be realized at the end of useful life of a depreciable asset. The City may assume that salvage value will be insignificant and therefore, will not use it in the depreciation calculation.

Asset must be depreciated according to the useful life guidelines established by the City. These guidelines are summarized below:

- Buildings: 20 - 50 years
- Infrastructure: 20 - 60 years
- Machinery and Equipment: 2 - 20 years
- Vehicles: 4 - 15 years
- Runways and Taxiways: 20 - 30 years
- Water and Sewer Equipment: 5 - 30 years
- Water and Sewer Infrastructure: 25 - 70 years

The following capital assets are not depreciated:

- Land
- Intangible assets with indefinite useful lives
- Construction Work in Progress





## Capital Assets Policy

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### **XI. Retirement**

All capital assets that are sold, exchanged, traded in, donated, stolen, damaged beyond repair or in any way removed from service and disposed of during the current fiscal period should be recorded as retirements in the PSAM system.

Departments are responsible for coordinating with the Fleet and Auto Pound departments if the asset will be auctioned off through a current City contractor auctioneer. The department will complete the Auction Master Template form which is approved by the Director or an Assistant Director. This form will be forwarded to the Purchasing department coordinator for FID validation and confirmation of wire transfers. Upon confirmation, all relevant information will be sent to the Capital Asset Team for proper accounting treatment.

When retiring an asset, the Department that had custody of the asset must complete and submit a Capital Asset-PMD-Fleet Status Change Request Form to the Capital Assets Team. This electronic form will be routed for proper approval and signatures. This form is located in the Forms Portal under Financial Management Services.

### **XII. Surplus (Salvage Sales)**

Departments are responsible for maintaining a listing of all non-capital assets. Upon determination that, a non-capital asset is either no longer needed or found to be unserviceable, the department will determine the appropriate method of disposal.

Methods of disposal:

- Internal City posting
- Auction

The approved Auction Master Template will then be sent to the Purchasing department coordinator as referenced in the Retirement section.

### **XIII. Impairment**

A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. The Department Capital Assets Coordinator is responsible for determining whether an asset is possibly impaired. The Capital Asset team in FMS is available to assist in the determination.

In order to determine impairment, one or more of the following conditions must apply:



## Capital Assets Policy

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- Evidence of physical damage (building damaged by fire or flood, restoration efforts are needed to restore service utility)
- Enactment or approval of laws or regulations or other changes in environmental factors
- Technological development resulting in a change of the expected duration of use of a Capital Asset
- A change in the manner or expected duration of use of a Capital Asset
- Construction stoppage (stoppage of construction of a building due to lack of funding)

If the asset is not impaired, Department Capital Assets Coordinator should re-evaluate the remaining useful life and salvage value (if any). All impairment should be analyzed and estimated by the Department Capital Assets Coordinator, and submit to the FMS Department Assistant Director or Director for final review and approval.

#### **XIV. Transfers**

When an asset is exchanged between departments, the Capital Asset Team will transfer the asset in the PSAM system. The Capital Asset Transfer Form shall be used to identify an asset transfer between City departments. The transfer must be approved by both the transferor and transferee departments before an asset is transferred.

#### **XV. Placed In Service Assets**

When a capital improvement project is substantially completed and an asset is used for its intended purpose, the Capital Assets Coordinator will provide the Capital Asset In-Service form to the Capital Asset Team once the asset is in use. For the Water department only; the Capital Assets Coordinator will provide the Capital Asset In-Service form to the Capital Assets Team within six months or before the current fiscal year ends, whichever comes first. The Capital Asset Team will transfer the cost of the asset from Construction Work in Progress (CWIP) to the appropriate asset category in the PSAM system. When the capital improvement project is closed, the Capital Assets Coordinator will provide the Capital Asset Completion form to the Capital Asset Team, and the Capital Asset Team will transfer any remaining costs to the previously created asset.



## Capital Assets Policy

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**XVI. Physical Inventory**

Each department must perform an Annual Asset Physical Inventory. The Capital Assets Coordinator is responsible for verifying the accuracy of the assets recorded in PSAM based on their physical observation of the department's assets. Exclude lands, buildings, and infrastructures.

**XVII. Acquisition of Capital Assets**

Capital assets shall be acquired by the City of Fort Worth, following all required federal, state, and local purchasing requirements. Assets acquired by the City shall be budgeted and purchased only in capital project funds. No assets are to be acquired from operating funds.

For additional information or questions concerning this policy, please contact the FMS Capital Asset team at (817) 392-2460.



# Debt Policy

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## **I. Authority**

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

## **II. Purpose:**

This policy is intended to establish guidelines and principles associated with the management of the City's issuance of debt transactions to finance the acquisition, repair, or construction of capital assets.

## **III. Scope:**

This policy shall apply to all debt issued by the City of Fort Worth and any revenue pledged to debt payments which are 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 appendix.

## **V. Policy:**

### **A. Use of Debt Financing**

Debt financing, to include general obligation bonds, revenue bonds, certificates of obligation, certificates of participation, commercial paper, tax notes, lease/purchase agreements, and other obligations permitted to be issued or incurred under Texas law, shall only be used to purchase capital assets and equipment that cannot be prudently acquired from either current revenues, assigned fund balance, or Net Position, and to fund infrastructure

## Debt Policy

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improvements and additions. The useful life of the asset or project shall exceed the payout schedule of any debt the City assumes.

### B. Assumption of Additional Debt

The City shall not issue more long-term debt than it retires each year without first conducting an objective analysis as to the City's ability to assume and support additional debt service payments. When appropriate, self-supporting revenue bonds shall be considered before general obligation bonds.

To the extent permitted by State law, commercial paper may be utilized and/or issued in the City's tax-supported and revenue-supported bond programs in order to: (1) provide appropriation authority for executing contracts on bond-funded projects; (2) provide interim construction financing; and (3) take advantage of lower interest rates in the short-term market; all of which provide the City with flexibility in timing its entry into the long-term fixed rate market.

### C. Affordability Targets

#### 1. General Obligation Bonds

The City shall use an objective analytical approach to determine whether it can afford to issue new general purpose debt (General Obligation bonds, tax notes, public property finance contractual obligations and Certificates of Obligation) beyond what it retires each year. This process shall take into consideration any potential impact to the City's credit ratings, the growth in the City's taxable assessed value, applicable State laws and the targeted debt service tax rate. The process shall also examine the direct costs and benefits of the proposed expenditures. The decision on whether or not to issue new debt shall be based on these costs and benefits, the current conditions of the municipal bond market, and the City's ability to "afford" new debt as determined by the aforementioned standards.





## Debt Policy

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### 2. Revenue Bonds

Revenue bonds are secured solely by the revenues of an operating fund. As a result, the credit markets look at the type of and history of collections and volatility on revenue securing the payment of debt service on the bonds to determine the level of security necessary for the purchase of the bonds.

Whether revenue bonds can be secured with gross revenues of the operating fund or net revenues (i.e., those revenues remaining after paying costs of operation and maintenance) is often determined by state law. Coverage requirements, and the need for and level of reserve funds to provide additional security in support of revenue bonds, are subject to rating agency review and market standards.

Generally, for the City to issue additional water and sewer revenue bonds, net revenues, as defined in the ordinance authorizing the revenue bonds, shall be a minimum of 125% of the average annual debt service and 110% of the debt service for the year in which requirements are scheduled to be the greatest, but should be at least 150% of the annual debt service for financial planning purposes. Annual adjustments to the City's rate structures will be made as necessary to maintain a minimum 150% coverage factor. Exceptions to these standards must be fully explained and justified.

Generally, for the City to issue additional stormwater revenue bonds, gross revenues, as defined in the ordinance authorizing the revenue bonds, shall be at least of 150% of the maximum annual debt service, however net revenues (after operations and maintenance expenses) should be at least 150% of the annual debt service for financial planning purposes. Annual adjustments to the City's rate structures will be made as necessary to maintain a minimum 150% coverage factor using net revenues.

Revenue bonds that may be issued to finance improvements for other activities (e.g., airports or convention center facilities) will necessitate the consideration of coverage and reserve fund requirements unique to the operating fund, such that the revenue bonds will be creditworthy and marketable.

## Debt Policy

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### 3. Certificates of Obligation

Certificates of Obligation may be issued without a public election to finance any public work project or capital improvement, as permitted by State law. However, it is the policy of the City to utilize Certificates of Obligation to finance public improvements only in special circumstances and only after determining the City's ability to assume additional debt based on the standards identified above. Those special circumstances in which Certificates might be issued include, but are not limited to, situations where:

- Cost overruns on a general obligation bond-financed capital improvement have occurred;
- "Emergency" conditions require a capital improvement to be funded rapidly;
- Financial opportunities unexpectedly arise to leverage funds from other entities and reduce the City's capital cost for a community improvement;
- A capital improvement is a revenue-producing facility, but due to the nature of the project or the time it takes for the facility to become operational and produce revenues, the improvement may not generate sufficient revenues throughout the life of the improvement to support the indebtedness secured solely by the revenues to be produced by the improvement;
- It would be more economical to issue Certificates of Obligation rather than issuing revenue bonds; and
- The timing of the construction of a capital improvement and the expense of calling a bond election for a single proposition would, in the opinion of staff and with the approval of the Council, warrant the issuance of Certificates of Obligation to finance the capital improvement.



## Debt Policy

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### 4. Tax Notes

Tax notes may be issued without a public election to finance the construction, acquisition, and expenses associated with placing a capital asset into service. Under State law, the issuance of tax notes must be approved as to legality by the State Attorney General, and must mature no later than the seventh anniversary of the date that the Attorney General approves the tax notes. Tax notes will be issued considering the useful life of the capital asset to be financed, and consideration of the economies that the City may achieve through the issuance of obligations with a shorter term of maturity than that typically associated with a bond amortization structure (see D. Debt Structure, below). The issuance of tax notes may be substituted for the issuance of Certificates of Obligations; however, the same principles apply.

### D. Debt Structure

General obligation bonds, certificates of obligation, and tax notes may be structured with level principal or level debt service, with a preference towards level principal. Revenue bonds will typically be structured with level debt service. With respect to the issuance of revenue bonds for a stand-alone or self-supporting project, the term of the debt and debt service structure shall be consistent with the useful life of the project and the revenue-generating capability of the project.

There shall be no debt structures, which include increasing debt service levels in subsequent years, with the exception of the first and second year of a payment schedule. Revenue bonds may have an amortization exempt from this provision; however, they should be structured to provide uniform coverage levels across the life of the bonds. There shall be no "balloon" bond repayment schedules, which consist of low annual payments and one large payment of the balance due at the end of the term. There shall always be at least interest paid in the first fiscal year after a bond sale and principal starting generally no later than the second fiscal year after the bond issue. In the case of a revenue generating project, principal repayment should begin no later than the first full year after the project has been placed in service. Normally, there shall be no capitalized interest included in the debt structure unless there are no historical reserves upon which to draw.



## Debt Policy

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### E. Call Provisions

Call provisions for bond issues shall be made as short as possible consistent with the lowest interest cost to the City. When possible, all bonds shall be callable within ten years and without any call premium.

### F. Sale Process

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue or market conditions warrant a negotiated sale. The City shall attempt to award the bonds based on a true interest cost (TIC) basis. However, the City may award bonds based on a net interest cost (NIC) basis when the NIC basis can satisfactorily determine the lowest and best bid.

### G. Timing of Sales

The City may use the cash received through the issuance of notes pursuant to, or the appropriation authority that may be available in accordance with the commercial paper programs, to begin capital projects approved under those programs. The City may also use reimbursement resolutions and its own cash to initiate certain projects. Consideration should be given to any lost interest earnings on the City's cash compared to the anticipated interest expense associated with the issuance of obligations by the City. This process will improve the City's ability to time its entry into the long-term fixed rate market and to manage its debt issuances and debt payments in order to minimize the impact on tax rates and utility rates.

### H. Underwriting Syndicates

When a negotiated sale is deemed in the best interest of the City, underwriters shall be selected from a procurement process designed to yield the most qualified and experienced firms for the transaction, performed in line with the City's administrative regulations (procurement of goods and services). City staff will recommend the structure of underwriting syndicates, which will be effective for the type and amount of debt being issued. The City will consider its M/WBE goals in structuring syndicates.





## Debt Policy

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### I. Rating Agencies Presentations

Full disclosure of operations and open lines of communication shall be made to the rating agencies. City staff shall prepare the necessary materials and presentation to the rating agencies. Credit ratings will be sought from one or more of the nationally recognized municipal bond rating agencies, currently Moody's Investors Service, S&P Global Ratings, Fitch Ratings, and Kroll Bond Rating Agency.

### J. Continuing Disclosure

The City is committed to providing continuing disclosure of financial and pertinent credit information relevant to the City's outstanding securities and will abide by the provisions of Securities and Exchange Commission (SEC) Rule 15c2-12 concerning primary and secondary market disclosure. City staff will undertake to update financial and pertinent credit information within six months of the end of the City's fiscal year and at such other times as may be indicated by material changes in the City's financial situation.

### K. Debt Refunding

City staff shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the net present value savings of a particular refunding should exceed 3.0% of the par amount of the refunded maturities. A current refunding may be undertaken with net present value savings less than 3.0%, especially if another bond is being issued concurrently.

### L. Interest Earnings

Interest earnings received on the investment of bond proceeds shall be used to assist in paying the interest due on bonds issued, to the extent permitted by law.

### M. Lease/Purchase Agreements

Over the lifetime of a lease, the total cost to the City will generally be higher than purchasing the asset outright. As a result, the use of lease/purchase agreements and certificates of participation in the



## Debt Policy

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acquisition of vehicles, equipment, and other capital assets shall generally be avoided, particularly if smaller quantities of the capital asset(s) can be purchased on a "pay-as-you-go" basis.

N. Proposals from Investment Bankers

The City welcomes ideas and suggestions from investment bankers and will seek to gain information and knowledge from those firms which submit unique and innovative ideas.

## Debt Monitoring Policy

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### I. Authority

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

### II. Purpose

As a municipal government, the City issues both tax-exempt and taxable securities in the form of tax notes, certificates of obligations, general purpose bonds, public property finance contractual obligations and revenue bonds in support of the City's Vision to be the most livable and best managed city in the county. The proceeds from these debt transactions are utilized to fund the City's comprehensive Capital Improvement Program for multiple sectors of our operation. It is considered best practice for the City, as part of the issuance of tax-exempt obligations, to adopt written procedures outlining how the City will maintain compliance with federal guidelines. The current version of such procedures was adopted on July 24, 2012, as Exhibit C - *Written Procedures Relating to Continuing Compliance with Federal Tax Covenants* to the City's 23<sup>rd</sup> Supplemental Ordinance authorizing the issuance and sale of the City's Water and Sewer Revenue Refunding Bonds, Series 2012 (Ordinance No. 201301-07- 2012). This policy is intended to supplement such *Written Procedures*, as the same may be updated from time to time by action of the City Council.

### III. Applicability and Scope

This policy shall apply to all debt issuances under the fiscal control of the City Manager and the City Council and issued by the City of Fort Worth (the "City" or "Issuer"). Sections V through IX pertain only to tax-exempt debt issuances by the City (the "Obligations").

### IV. Glossary

See Definitions related to this policy provided in the appendix.

### V. Arbitrage Compliance



## Debt Monitoring Policy

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Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. "Arbitrage," in this context, refers to any profit earned from investing the proceeds from the issuance of any Obligations at a yield that is higher than that on such Obligations.

Federal income tax laws restrict Arbitrage via two separate mechanisms: "yield restriction" and the "rebate requirement." Yield restriction prohibits the *investment* of bond proceeds at a rate higher than the yield on the related Obligations. The rebate requirement requires an issuer to *rebate* to the federal government any Arbitrage earned from the investment of Obligations.

Federal income tax laws provide exceptions to the yield restriction and rebate requirement rules, the most common of which are applicable to bond proceeds allocated to construction expenditures. Certain procedures related to these exceptions are set forth in Section VII below (see procedures A and B, related to exceptions from yield restriction, and procedure C, related to exceptions from the rebate requirement). The exceptions must be evaluated independently, as the applicability of an exception from yield restriction does not guarantee an exception from the rebate requirement. Bond Counsel should be consulted in determining the available exceptions and procedures with respect to Obligations issued for construction projects involving timelines in excess of those described below.

The Responsible Person will review the Closing Documents and Section VII below periodically (at least once a fiscal year) to ascertain compliance with Arbitrage restrictions and applicable exceptions.

### VI. Review of Federal Tax Certificate for Each Issuance

The Issuer's Director of Finance/Chief Financial Officer (such officer, together with other employees of the Issuer who report to such officer, are, collectively, the "Responsible Person") will review and track the federal tax certificate prepared in connection with each issuance of Obligations.

### VII. Compliance Procedures Applicable to Obligations Issued for Construction and Acquisition Purposes

With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Responsible Person will:

- A. Instruct the appropriate person who is primarily responsible for the construction, renovation or acquisition of the facilities financed or refinanced with the Obligations

## Debt Monitoring Policy

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(the "Project") that (i) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations must be entered into within six months of the date of closing of the Obligations (the "Issue Date") and that (ii) the Project must proceed with due diligence.

- B. Monitor progress to ensure that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within three years of the Issue Date.
- C. Monitor to ensure proceed expenditures from project Obligation issuances comply with one of the following applicable schedules<sup>1,2,3</sup>:
  - a) Six-Month Expenditure Schedule. All proceeds must be spent within six months.
  - b) Eighteen-Month Expenditure Schedule:
    - i. By six (6) months following receipt of the proceeds, fifteen percent (15%) of the proceeds (together with any amounts received from investments thereof) must have been spent on the designated projects.
    - ii. By twelve (12) months following receipt of the proceeds, sixty percent (60%) of the proceeds (together with any amounts received from investments thereof) must have been spent on the designated projects.
    - iii. By eighteen (18) months following receipt of the proceeds, one hundred percent (100%) of the proceeds (together with any amounts received from investments thereof) must have been spent on the designated projects.
  - c) Two-Year Expenditure Schedule. The two-year expenditure schedule is available only for proceeds used to fund construction projects. A project will qualify as a construction project if at least 75% of the proceeds will actually be used for actual construction (versus acquisition) costs. The two-year expenditure exception requires expenditure of the proceeds within the following schedule:
    - i. By six (6) months following receipt of the proceeds, ten percent (10%) of the proceeds (together with any



## Debt Monitoring Policy

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- amounts received from investments thereof) must have been spent on the designated projects.
- ii. By twelve (12) months following receipt of the proceeds, forty-five percent (45%) of the proceeds (together with any amounts received from investments thereof) must have been spent on the designated projects.
  - iii. By eighteen (18) months following receipt of the proceeds, seventy-five percent (75%) of the proceeds (together with any amounts received from investments thereof) must have been spent on the designated projects.
  - iv. By twenty-four (24) months following receipt of the proceeds, one hundred percent (100%) of the proceeds (together with any amounts received from investments thereof) must have been spent on the designated projects.
- D. Monitor the yield on the investments purchased with proceeds of the Obligations to ensure the yield of such investments is restricted to the yield on the Obligations after three years of the Issue Date;
  - E. Monitor the investment of all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the interest and sinking fund or debt service fund, to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding twelve-month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding twelve-month period; and
  - F. The Responsible Person will ensure that funds transferred to a debt service fund are expended within thirteen months from the date of transfer.
  - G. Ensure no more than 50% of the Obligation proceeds are invested in an investment with a guaranteed yield for four years or more.

1 For more information regarding these expenditure schedules, please refer to McCall Parkhurst & Horton, L.L.P.'s Memorandum entitled *Arbitrage Rebate Regulations*, attached to the Federal Tax Certificates for the Obligations at issue.

2 The spending requirements do not generally apply to amounts held in a reasonably required reserve fund, except in certain cases related to the two-year exception period.

3 "Proceeds" as used in this Section VII(b) generally includes investment earnings, but excludes funds held in a bona fide debt service fund

## Debt Monitoring Policy

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### VIII. Procedures Applicable to Obligations with a Debt Service Reserve Fund

If the Issuer issues Obligations that are secured by a debt service reserve fund, the Responsible Person will assure that the maximum amount of any reserve fund for the Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date.

### IX. Procedures Applicable to Escrow Accounts for Refunding Issues

In addition to the foregoing, if the Issuer issues Obligations and proceeds are deposited to an escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person will:

- A. Monitor the actions of the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;
- B. Contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed; and
- C. Monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at a yield that does not exceed the yield on the refunding obligations or otherwise applied.

### X. Procedures Applicable to All Tax-Exempt Obligations

For all issuances of Obligations the Responsible Person will:

- A. Maintain any official action of the Issuer (such as a reimbursement resolution) stating the Issuer's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- B. Ensure the applicable information return (e.g., Form 8038-G, 8038-GC, or any successor forms) is filed timely with the Internal Revenue Service (the "IRS"); and
- C. Ensure, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at



## Debt Monitoring Policy

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such time and in such manner as directed by the IRS (1) at least every five years after the Issue Date and (2) within 30 days after the date the Obligations are retired.

### XI. Private Business Use:

Generally, to be tax-exempt, only an insignificant amount of the proceeds of each issue of Obligations can benefit (directly or indirectly) private businesses. The Responsible Person will review the Closing Documents periodically (at least once a fiscal year) for the purpose of determining that the use of the Project does not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Person will:

- A. Develop procedures or a "tracking system" to identify all property financed with tax-exempt debt;
- B. Monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended;
- C. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, affiliates of the Issuer or members of the general public, has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the Project;
- D. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, affiliates of the Issuer or members of the general public, has a right to use the output of the Project (e.g., water, gas, electricity);
- E. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, affiliates of the Issuer or members of the general public, has a right to use the Project to conduct or to direct the conduct of research;
- F. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the Project or any other contractual right granting an intangible benefit;
- G. Monitor and record whether, at any time the Obligations are outstanding, the Project is leased, sold or otherwise disposed of; and
- H. Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance authorizing the tax-exempt obligations used to finance the Project.

### XII. Record Retention:

## Debt Monitoring Policy

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The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-exempt Obligations, such records shall be maintained until the three years after the refunding Obligations are completely extinguished. Such records can be maintained in paper or electronic format.

### XIII. Responsible Persons:

Each Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the Project financed or refinanced with the proceeds of the Obligations. The foregoing notwithstanding, each Responsible Person shall report to the City Council whenever experienced advisors and agents may be necessary to carry out the purposes of these instructions for the purpose of seeking City Council approval to engage or utilize existing advisors and agents for such purposes.



## Interfund Loan Policy

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### **I. Authority**

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

### **II. Purpose:**

This policy is intended to establish guidelines for the management of interfund loans between City funds. Interfund loans are amounts provided between funds and component units of the City of Fort Worth with a requirement for re-payment.

### **III. 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 appendix.

### **V. Policy:**

#### **A. Review and Approval**

In accordance with the City of Fort Worth Charter, any movement of funds from one fund to another requires the approval of City Council. Additionally, all Interfund loan proposals must be reviewed and approved by the Chief Financial Officer/Director of Finance and the City Manager or the designee thereof (who shall not be the Chief Financial Officer/Director of Finance).

#### **B. Funding Source for Loans**

The funding source of all interfund loans must be idle cash on deposit in a fund. During the term of the loan, the outstanding balance at any time must not be needed to finance normal operations. Adequate documentation, i.e. cash flow analysis, is required to support the requirement that loaned funds are idle.



## Interfund Loan Policy

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C. Use of Loan Proceeds

Interfund loans must only be made to finance short-term capital needs of the borrowing fund. Short-term is defined as a period up to five (5) years. The exception to this policy is loans from the General Fund to other funds.

D. Repayment Source

The borrowing fund must have an identified revenue stream for the repayment of all principal and interest incurred from the loan. Management must provide documentation of the ability to repay the obligation, and the department/fund incurring the loan must execute an agreement described in paragraph F, below. Loans will not be approved if the obligor fund cannot substantiate the ability to finance current business and capital operations, make agreed upon loan repayments, and maintain sufficient cash to meet emergency cash needs.

E. Repayment Term

All interfund loans must be repaid in no more than five (5) years from the date loan documents are executed.

F. Legal Documentation

All interfund loans shall be approved by the City Council by official action, and are consummated by loan agreements. Those agreements will stipulate the loan purpose, the loan amount, the term, repayment source, interest rate, and other information as required to fully document the transaction.

G. Repayment

Interfund loans are interest bearing except for advance funding for grants, reimbursement resolutions, or when senior management finds it appropriate to forego the payment of interest. The interest rate charged and paid must comply with all applicable laws and regulation. At a minimum the rate charged will equal the return earned on the City's short-term investment portfolio.

H. Water and Sewer Fund Loans

In accordance with the Water and Sewer System Master Ordinance, excess pledged revenues can be used to make loans to other City Departments/Funds. Before making that determination, the Water and Sewer fund must cover all obligations for Operation and Maintenance Expenses,



## Interfund Loan Policy

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Debt Service Expenses, Debt Service Coverage, Transfers to the General Fund, Transfers to the Debt Service Funds, and Operating Reserve Requirement (from Net Position).

### I. Year-End

Nothing contained within this policy is intended to require Mayor and Council approval, or City Manager approval, for booking interfund loans at the end of the year in order to prevent a fund or fund group from reporting a deficit cash position. Such entries shall be made under the guidance and approval of the Chief Financial Officer / Director of Finance and shall be immediately reversed in the subsequent fiscal year. If a fund has a recurring deficit cash position, it shall be the responsibility of the Department of Financial Management Services to coordinate discussion with the department responsible for the fiscal administration of the fund in order to develop a plan to mitigate this deficit cash position.



# Cash Management Policy

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## **I. Authority**

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

## **II. Purpose:**

This policy is intended to establish guidelines to manage the City's cash in such a manner so as to ensure the safety of principal and interest, to meet the liquidity needs of the City, and to achieve the highest reasonable market yield.

## **III. 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 appendix.

## **V. Policy:**

The Chief Financial Officer / Director of Finance shall administer the management of the City's cash as required under the Public Funds Investment Act (Texas Local Government Code Chapter 2256) and the Collateral for Public Funds Act (Texas Local Government Code 2257). Specifically, this policy mandates the pursuit of the following overall goals and objectives for cash management:

1. All aspects of cash management operations shall be designed to ensure the safety and integrity of the City's financial assets.
2. Cash management activities shall be conducted in full compliance with prevailing local, state, and federal regulations. Furthermore, such activities shall be designed to adhere to guidelines, standards, and practices promulgated by such professional organizations as the American Institute of Certified Public Accountants (AICPA), the Governmental Accounting Standards Board (GASB), and the Government Finance Officers Association (GFOA), whenever practicable.
3. Operating within appropriately established administrative and procedural parameters, the City shall aggressively pursue optimum financial rewards, while simultaneously controlling its related expenditures. Therefore, cash management functions that engender interaction with outside financial intermediaries shall be conducted in the best financial and

# Cash Management Policy



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administrative interests of the City. In pursuit of these interests, the City will utilize competitive bidding practices wherever practicable, affording no special financial advantage to any individual or corporate member of the financial or investment community.

4. The City shall design and enforce written standards and guidelines relating to a variety of cash management issues, such as the eligibility or selection of various financial intermediaries and counterparties, documentation and safekeeping requirements; philosophical and operational aspects of the cash management function; and such other functional and administrative aspects of the cash management program which necessitate standard setting in pursuit of appropriate prudence, enhanced protection of assets or procedural improvements.





# **City of Fort Worth**

## **Department of Finance**

### **Investment Policy and Strategy**

#### **General Portfolio**

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#### **I. Introduction**

It is the policy of the City of Fort Worth, Texas (the "City") that the administration of its funds and the investment of those funds shall be handled in a manner that promotes the highest public trust. Investments shall be made in a manner which will provide the maximum security of principal by setting guidelines for investment diversification by both type and maturity while meeting the daily cash flow needs of the City. The Investment Policy and Strategy is established to define the parameters within which investments are to be managed and to implement reasonable standards for the City's cash management and investment operations.

The purpose of this document is to establish overarching investment policy, provide investment strategy and guidelines, and set specific rules and parameters governing investment practices. This policy formalizes the framework for the City's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of its funds. The guidelines are intended to be broad enough to allow the Investment Officer(s) to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

#### **II. Governing Authority**

All investment and cash management activities shall be conducted in full compliance with applicable City ordinances as well as state and federal rules and regulations. Specific statutory regulations for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). All investments will be made in accordance with this statute. Collateral requirements are established in Texas by the Public Funds Collateral Act, Chapter 2257, Texas Government Code, for all public Texas funds deposits.

Under the direction of the City Manager, the Chief Financial Officer/ Director of Finance and the Investment Officers are authorized to promulgate reasonable procedures to ensure effective and judicious management of City funds which align

with this policy.

### **III. Scope**

This policy applies to all public funds in the custody of the City that are not required by law to be deposited in the state treasury and that the City has authority to invest. These funds are reported in the City's Annual Comprehensive Financial Report (ACFR).

Funds held by trustees or retirement funds are excluded from this policy; however, all funds are subject to regulations established by the State of Texas. These excluded funds may also be reported in the City's Annual Comprehensive Financial Report (ACFR) based upon standards promulgated by the Governmental Accounting Standards Board (GASB).

### **IV. Objectives**

The City shall manage and invest its assets with the following four major objectives, listed in order of priority:

#### **1. Safety**

Consistent with the requirements of the Act, safety of principal is the foremost objective of the City's investment program. All aspects of cash and investment management operations shall be designed to ensure the safety and integrity of the City's financial assets. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolios, mitigating credit and interest rate risk. Each investment transaction shall be conducted in a manner to minimize principal losses. All cash and investment management activities shall be done in a manner that promotes and is reflective of public trust.

#### **2. Liquidity**

The investment portfolios shall be structured to timely meet expected cash flow needs and associated obligations in a manner that results in the lowest cost to the City. This objective shall be achieved by matching investment maturities with forecasted cash outflows and maintaining an additional liquidity buffer for unexpected liabilities.

#### **3. Diversification**

The portfolios shall be diversified by market sector and maturity in order to

manage market risk.

#### **4. Yield**

The investment portfolios shall be designed with the objective of attaining a reasonable market rate of return throughout economic cycles, taking into account the investment risk constraints of safety and liquidity needs. The benchmarks for the portfolios shall be designed for their comparability to the expected average cash flow patterns of the portfolios. The investment program shall seek to augment returns above the applicable benchmark consistent with risk limitations identified herein and prudent investment policies and practices.

#### **V. Strategies**

To the extent feasible under prevailing market conditions, the City will strive to maintain and manage two portfolios in which funds are pooled for investment purposes: a Short-Term Portfolio and a Long-Term Portfolio. The Short-Term Portfolio would be used to manage that portion of the City's assets that, based on analysis of historic cash flow patterns, is projected to be needed within the five year planning and forecast horizon to meet the City's cash flow needs. The Long-Term Portfolio would be used to manage that portion of the City's assets that, based on analysis of historic cash flow patterns and current projections, is not needed to meet the City's cash flow needs within the five-year planning and forecast horizon and is therefore available and suitable for longer term investment. In general, the Investment Officers shall manage investments to ensure that if an unexpected cash need arises, the City will be able to liquidate sufficient investments to meet its needs without incurring adverse consequences. When prevailing market conditions do not offer adequate returns on long-term investments to compensate for the corresponding interest-rate risk and loss of liquidity, the Investment Officers, in consultation with the Investment Advisor, are authorized to focus investments in the Short-Term Portfolio and forgo adding to the Long-Term Portfolio.

Operating within appropriately established administrative and procedural parameters outlined in this Investment Policy and Strategy, the City should pursue optimum financial rewards in both portfolios, while simultaneously controlling related expenditures. Cash management functions shall be conducted in a manner that promotes the best financial and administrative interests of the City. Except for money in certain restricted and special funds, the City commingles its available cash and investments across all funds to maximize investment earnings and to increase investment efficiencies with regard to pricing, safekeeping and administration. The strategies used are intended to ensure compliance with the statutes and address suitability of the investments, preservation of principal,

liquidity, marketability of securities, diversification controls and reasonably attainable yield. The strategies will utilize competitive bidding practices and other controls as established by this policy for all transactions.

The investment strategy for each portfolio incorporates the specific considerations and the unique characteristics of the fund groups represented in that portfolio. Both portfolios shall be invested in high credit quality investments. For the Short-Term Portfolio the City shall pursue a strategy which fully utilizes its cash assets to obtain a competitive yield while also allowing the City to meet projected cash flow needs, to minimize the cost of liquidity, and to maintain the objectives set forth in this policy. The investment strategy for the Long-Term Portfolio will be focused on appreciation while also meeting the objectives set forth in this policy.

At all times the City shall maintain a cash buffer to meet daily anticipated liquidity requirements by structuring the Short-Term Portfolio to maintain approximately 10% in liquid investments. Based upon the analysis of historic cash flow patterns, the Short-Term Portfolio shall not exceed a weighted average maturity (WAM) of two and one-half (2.5) years, and no security in this portfolio shall exceed a maximum stated maturity of five (5) years. In the Long-Term Portfolio the maximum WAM shall not exceed seven and one half (7.5) years, and no security shall exceed a maximum stated maturity of ten (10) years. Notwithstanding the foregoing, if state law and/or this policy provides for a lower maximum stated maturity for a particular type of investment, that more restrictive requirement shall control.

Investment earnings from both portfolios shall be allocated to the various participating funds based on each fund's pro rata ownership in the portfolio and in accordance with generally accepted accounting principles. Investment earnings will be allocated to the participating funds or their corresponding debt service funds as determined in the City's annual budget process.

Securities may be sold before they mature if market conditions present an opportunity for the City to benefit from the sale. The Investment Officer(s) and/or Investment Advisor will continuously monitor the contents of each portfolio, the available markets, and the relative value of competing instruments to adjust each portfolio in response to market conditions.

Securities lending, as more fully described in Authorized Investments (Section IX), may be used to add incremental income to both portfolios when it proves to be beneficial to the City.

## **VI. Standard of Care**

The standard of prudence to be used for all City investments shall be the

"prudent person" standard as established by the Act and shall be applied in the context of managing the overall portfolios. The "prudent person" standard states that:

“Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of their capital and the probable income to be derived.”

Investment Officer(s) acting in accordance with promulgated procedures and this Investment Policy and Strategy and exercising due diligence shall be held accountable for any individual security's credit risk or market price changes but shall not be personally liable for deviations from expectations so long as deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

## **VII. Responsibility and Delegation of Authority**

### **A. City Council**

By law, the City Council retains ultimate fiduciary responsibility for the portfolios. The Council is to receive quarterly reports and annually review and adopt the Investment Policy and Strategy. In addition, the Council is responsible for designating one or more individuals to serve as Investment Officer(s). In accordance with the Act, the Council may retain responsibility for reviewing and approving authorized broker/ dealers and investment training sources or designate those two responsibilities to the Investment Committee.

### **B. Investment Officer(s)**

In accordance with the Act, by adoption of this policy, the City Council designates and appoints the individuals holding the following positions to serve as Investment Officers to serve in accordance with state law and be responsible for the investment of City funds consistent with this Investment Policy and Strategy: the City's Chief Financial Officer/ Director of Finance, the Finance Department Assistant Director for Treasury Services, and the Treasury Supervisor.

The City may contract with a registered Investment Advisor to provide guidance in the management of the portfolios; however, the Investment Officer(s) will be responsible for investment decisions and activities. The Investment Officer(s) and Advisor shall seek to act responsibly as custodians of the public trust. No Investment Officer may engage in an investment transaction except as provided under the terms of this policy and procedures adopted in accordance with this



## Investment Policy and Strategy.

The Investment Officer(s) and Investment Advisor are responsible for creating and maintaining the portfolios in accordance with this policy, providing timely quarterly reporting to the City Council, and establishing procedures and controls for the process and financial counter-parties (brokers, banks, pools). The Investment Officer(s) and Investment Advisor shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this Investment Policy and Strategy.

### **Training**

In accordance with the Act, all Investment Officer(s) shall attend ten hours of training within twelve (12) months after assuming investment duties and shall attend eight hours of training every two years thereafter, with the first such two-year period beginning on the first day of the City's fiscal year after the year in which the Investment Officer takes the initial training. Training shall be provided by professional organizations authorized in accordance with state law and designated by the Investment Committee.

### **Ethics and Disclosures**

Officer(s) and employees involved in the investment process shall refrain from any personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Investment Officer(s) shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the City.

The City Code requires the Chief Financial Officer/Director of Finance to complete and file a financial disclosure statement with the City Secretary.

In addition, all Investment Officer(s) shall file disclosure statements with the Texas Ethics Commission and the City Council if:

- a. the officer has a personal business relationship with a business organization offering to engage in an investment transaction with the City (as defined in Section 2256.005 (i)(1-3) of the Act); or
- b. the officer is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with the entity.

### **C. Investment Committee**

In adopting this policy, the City Council authorizes the creation of an Investment Committee to provide guidance to the Investment Officer(s) and Investment

Advisor. In accordance with the Act, the City Council hereby delegates to the Committee the authority to approve the annual broker/ dealer list and to authorize organizations to provide the training required under state law. **No other decision-making authority is transferred to the Committee.** The Committee will meet periodically to review the investment portfolio performance, to provide feedback on the portfolios, and to discuss investment strategies. This Committee will periodically review this Investment Policy and Strategy and recommend possible changes to the City Council.

The Committee will be comprised of the Chief Financial Officer/ Director of Finance, the Finance Department Assistant Directors for Treasury and Accounting, a representative of the Water Department, the Investment Officer(s), the Investment Advisor (as applicable), a representative of the Law Department, and other appropriate persons chosen by the Committee.

#### **D. Investment Advisor**

The City may engage the services of a Securities and Exchange Commission (SEC) registered Investment Advisor (registered under the Investment Advisors Act of 1940) to assist in the management of the investment portfolios in a manner consistent with the City's objectives and policies. All security transactions will be approved by the City prior to the Investment Advisor taking action. Approval may be in the form of a phone call, email, facsimile or other written communication. The Investment Advisor may not be granted total discretion in the management of funds.

The Investment Advisor shall make recommendations to the Investment Committee which support and align the investment vehicles with this policy and ensure that its support activities are consistent with the City's established policies, rules and regulations.

### **VIII. Authorized Financial Institutions, Depositories, and Broker/Dealers**

A list of financial institutions, broker/ dealers, and depositories authorized to provide investment services will be maintained by the Investment Officer(s). All counter-parties will be selected through a process of due diligence. Due diligence requires competitive transactions and delivery versus payment settlement.

The City will furnish counter-parties with the City action authorizing the Investment Officer(s) or Investment Advisor to establish and maintain accounts for the purpose of purchasing and selling securities authorized under Texas law and this policy.

#### **Certification**

Section 2256.005(1) of the Act requires that any business organization offering to engage in an investment transaction with the City must be provided with a copy of this Investment Policy and Strategy with “business organization” defined as “an investment pool or investment management firm under contract with an investing entity to invest or manage the entity’s investment portfolio that has accepted authority granted by the entity under the contract to exercise investment discretion in regard to the investing entity’s funds.” That provision also requires the business organization must provide the City with a written instrument (in a form acceptable to both parties) executed by a representative of the business organization that substantially acknowledges that the business organization has:

- a. Received and reviewed the City's Investment Policy and Strategy; and
- b. Implemented reasonable procedures and controls in an effort to preclude investment transactions with the City that are not authorized by the City's Investment Policy and Strategy.

Any material changes to the Investment Policy and Strategy will require re-certification by all authorized firms.

### **Security Broker/Dealers**

In accordance with the authority delegated by the City Council, the Investment Committee will at least annually review and adopt a list of broker/dealers who are authorized to engage in investment transactions with the City. If the City engages a firm to act as an investment advisor or as an investment manager, the firm will have the responsibility to ensure all broker/dealers comply with the provisions of this policy.

Authorized broker/dealers may include "primary" or regional dealers as well as brokers. No broker/dealer may hold City securities because all transactions must be settled delivery versus payment (DVP). An entity is disqualified and will not be authorized to serve as a broker/dealer if the entity is (a) a banking services depository that acts as safe keeper of City securities in order to perfect the DVP process or (b) a brokerage subsidiary of a depository identified in (a).

Each broker/dealer must supply the following documents which will be maintained by the Investment Officer(s) or Investment Advisor.

- annual audited financial reports
- Financial Industry Regulatory Authority (FINRA) registration
- Central Registration Depository Number (CRD)
- proof of Texas State Securities registration
- City broker/dealer questionnaire
- Investment Policy and Strategy review certification

Banks acting in a brokerage capacity must supply the following documents to be maintained by the Investment Officer(s) or Investment Advisor.

- annual audited financial reports
- proof of Texas State Securities registration
- City broker/dealer questionnaire
- Investment Policy and Strategy review certification

At a minimum the Investment Officer(s) or Investment Advisor shall review the performance, financial condition and registration of all qualified financial institutions and broker/dealers annually. Results are to be provided to the Investment Committee for review and consideration in the annual approval of the broker/dealer list.

#### **IX. Existing Investments**

Except as provided by Texas Government Code Chapter 2270, the City is not required to liquidate investments that were authorized investments at the time of purchase.

#### **X. Authorized Investments**

The Act lists all possible authorized investments available to Texas public entities. The City shall invest only in those investments authorized below as such investments are further defined by the Act. If this policy provides for a lower stated maximum maturity or other more restrictive condition on an authorized investment, the more restrictive requirement controls. If changes are made to the Act to allow for additional possible authorized investments, such investments will not be authorized by the City until this policy is modified and adopted by the City Council. All investment transactions will be made on a competitive basis.

1. Direct obligations of the United States Treasury.
2. Obligations of United States government agencies and instrumentalities, including mortgage-backed securities and collateralized mortgage obligations (CMO) which pass the Federal Reserve's bank test.
3. FDIC-insured and/or collateralized certificates of deposit as allowed by law.
4. Commercial paper rated A1/P1 or equivalent by two nationally recognized rating agencies, with a maximum stated maturity of three-hundred sixty five (365) days.

5. AAA or equivalent rated, constant dollar, Texas local government investment pools as defined by the Act.
6. AAA-rated, SEC-registered money market mutual funds which strive to maintain a \$1 net asset value.
7. FDIC-insured brokered certificates of deposit securities from a bank in any US state, delivered versus payment to the City's safekeeping agent. Before purchase, the Investment Officer(s) or Investment Advisor must verify the FDIC status of the bank to ensure that the bank is FDIC insured.
8. General debt obligations of any state or political subdivision of any US state, rated AA or higher.
9. Fully collateralized, direct repurchase agreements executed through a primary government securities dealer. A Bond Market Association Master Repurchase Agreement and independent third party safekeeping are required. A flex repurchase agreement used for bond funds must match the expected expenditure schedule of the bonds.
10. Banker's acceptances with a maximum stated maturity of one-hundred twenty (120) days accepted by a US registered bank rated not less than A1/ P1 by two nationally recognized rating agencies.
11. Reverse repurchase agreements executed for investment purposes with a primary securities dealer. The proceeds may not be invested in any security with a maturity date longer than the maturity date of the reverse repurchase agreement.
12. Securities Lending Transactions under a written agreement with a primary securities dealer lending the City's investment securities with the collateralization/ substitution of securities with a minimum 102% margin and safe kept by an approved custodial bank in an account in the City's name. Transaction documentation and collateral reports are to be provided to the City daily.
13. Investment Pools as allowed by law which must also be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one (1) nationally recognized rating service. A public funds investment pool that uses amortized cost or fair value accounting must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at \$1.00 net asset value, when rounded and expressed to two decimal places.

## **XI. Collateralization**

### **Time and Demand Pledged Collateral**

All time and demand deposits shall be secured above FDIC coverage by pledged collateral. In order to anticipate market changes and provide a level of security for all funds, collateral will be maintained and monitored by the pledging depository at 102% of market value of principal and accrued interest on the deposits. The bank shall monitor and maintain the margins on a daily basis. All collateral shall be subject to inspection and audit by the City or its auditors. To allow for compliance verification by the City, monthly reports of pledged collateral shall include, at a minimum, information for each security that identifies its (i) type, (ii) CUSIP number, and (iii) face value.

Collateral pledged to secure deposits shall be held by an independent financial institution outside the holding company of the depository, approved by the Investment Officer(s), in accordance with a safekeeping agreement executed under the terms of the Financial Institutions Resource and Recover Enforcement Act (FIRREA).

### **City Owned Collateral**

Each counter party to a repurchase transaction is required to execute the Bond Market Master Repurchase Agreement and to provide collateral, at a 102% margin, that must be held by an independent third party custodian approved by the Investment Officer(s). The Master Agreement must be fully executed before any transaction is initiated. Collateral will be evidenced by safekeeping reports/receipts clearly denoting City ownership from the safekeeping agent and include information as to each position (security type, CUSIP number, face and market value).

### **Authorized Collateral**

As authorized by the Public Funds Collateral Act and further restricted by this policy, acceptable collateral for time and demand deposits and repurchase agreements shall include only:

Obligations of the U.S. Government, its agencies and instrumentalities, including mortgage-backed securities and CMO that pass the *bank* test, and Obligations of any U.S. state, city, county or authority rated at least A by two nationally recognized statistical rating organizations.

## **XII. Diversification**

The City recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification. The strategies for diversification are dependent upon market conditions and cash flow needs and

targeted diversification may change in accordance with these conditions.

Guidelines for target investment diversification for the combined Short-Term and Long-Term Portfolios are as follows:

US Obligations	80 %
US Agencies/Instrumentalities	80 %
Any one issuer	35 %
Depository Certificates of Deposit	30 %
Any one bank	10%
Commercial Paper	20 %
Any one issuer	5 %
Local Government Investment Pools	80 %
Money Market Mutual Funds	80 %
Brokered Certificate of Deposit Securities	10%
Municipal Obligations	35 %
Any one issuer	5 %
Repurchase Agreements	50 %
Flex in one specific bond fund (100 %)	
Bankers Acceptances	15%

Fluctuations in cash flows may cause the portfolios to vary. Comparison to these diversification targets will be reported as part of all regular monthly and quarterly investment reports. Securities need not be liquidated to realign the portfolios.

The following table provides a guideline for targets in laddering maturities in the Short-Term Portfolio. Market calls and advantageous trades prior to maturity swaps may cause the portfolio to deviate from these guidelines. Securities need not be liquidated to realign the portfolios so long as the weighted average maturity for the overall portfolio remains at or below the maximum two and one half (2.5) year limitation.

Maturity Range

Liquidity	10%
1 month – 1 year	30%
1 year – 2 year	15%
2 year – 3 year	15%
3 year – 4 year	15%
4 year – 5 year	15%

**XIII. Internal Controls**

The Investment Officer(s) have the responsibility of establishing and maintaining an internal control structure designed to provide reasonable assurance that assets



are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and, the valuation of costs and benefits requires ongoing estimates and judgments by management.

The internal controls shall address the following points at a minimum:

- Control of collusion;
- Separation of transaction authority from accounting and record keeping;
- Custodial safekeeping;
- Clear delegation of authority;
- Written documentation on all transactions; and
- Review, maintenance, and monitoring of security procedures.

In accordance with the Act, a compliance audit of management controls on investments and adherence to this policy shall be conducted in conjunction with the City's annual external financial audit.

The Investment Officer(s) will develop and maintain internal procedures, describing use of bank balances, calculation of the City's liquidity needs, daily investment procedures, investment transaction documentation, and distribution of reports, at a minimum.

### **Competitive Transactions**

The Investment Officer(s) or Investment Advisor shall obtain competitive bid information on all transactions and maintain documentation thereof. A competitive bid/ offer must involve at least three separate brokers/institutions or use of a nationally recognized electronic trading platform with three bids/offers.

For transactions involving new issue agencies or securities for which there is no readily available competitive offering on the same specific issue, then the Investment Officer(s) or Investment Advisor shall document quotations for comparable or alternative securities.

### **Delivery vs. Payment**

The Act requires that all trades of marketable securities be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the City's safekeeping institution prior to the release of funds.

### **Cash Flow Forecasting**

Cash flow forecasting is designed to protect and sustain the City's ability to meet its cash flow requirements. Supplemental to the financial and budgetary systems, the Investment Officer(s) will maintain a cash flow forecasting process designed to monitor and forecast cash positions to assist in determining appropriate laddering

of investment maturities to meet projected liquidity needs.

### **Monitoring Credit Ratings**

The Investment Officer(s) or Investment Advisor shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolios based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by the Act or by policy, the Investment Officer(s) or Investment Advisor shall notify the Investment Committee within two business days of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available. All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating. However, The City is not required to liquidate investments that were authorized investments at the time of purchase.

### **Monitoring FDIC Status for Mergers and Acquisitions**

The Investment Officer(s) or Investment Advisor shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CD securities owned by the City based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer(s) or Investment Advisor shall immediately liquidate any brokered CD securities which places the City above the insured FDIC insurance level.

### **External Audits**

An annual review of the quarterly investment reports will be made by the City's external auditors. Such audit will include tests deemed appropriate by the auditor to ensure compliance with the Act and this policy.

## **XIV. Safekeeping**

All security transactions will be settled on a delivery versus payment basis.

Securities owned by the City will be held by the City's depository or other City contracted safekeeping institution independent from any security transactions. All safekeeping contracts will be executed in writing. The safekeeping agent shall provide documentation of all securities and evidenced by safekeeping receipts/reports indicating ownership by the City.

## **XV. Reporting**

### **Quarterly Reporting**

In accordance with the Act, no less than quarterly the Investment Officer(s) or Investment Advisor will prepare and submit a report to the City Council. The

report will comply with the Act and will contain, at a minimum, the following information for each portfolio (Short-Term and Long-Term):

- a. a detailed description of each investment position as of the date of the report, including book and market values and purchase yield;
- b. individual transactions (buy/sell, maturities, calls) during the period;
- c. summary statements for the total portfolios including:
  - (1) beginning and ending book value for the reporting period,
  - (2) beginning and ending market value for the reporting period,
  - (3) change in market value (volatility measure) for the reporting period,
  - (4) total earnings for the reporting period,
  - (5) WAM at the beginning and end of the period, and
  - (6) portfolio yield and benchmark yield for the reporting period.
- d. securities lending income stated as a separate amount and also expressed as a part of the overall portfolio-yield calculation, with overall yield shown in comparison to benchmark.
- e. asset allocation by maturity and market sector with comparison to policy guidelines, and
- f. compensating balances maintained at depositories at its earned credit rate (ECR) stated as a separate amount and also expressed as a part of the overall portfolio-yield calculation, with overall yield shown in comparison to benchmark.
- g. overall blended yield (taking into account both securities lending and ECR revenues) in comparison to benchmark.

The quarterly report shall include a statement of compliance for each portfolio as it relates to the City's Investment Policy and Strategy and shall be signed by each Investment Officer and Investment Advisor. In order to maintain the transparency of the program, the reports shall be made easily available and clear and concise for the reader.

Prices used for calculation of market values will be obtained from an independent source.

### **Benchmarks**

The benchmarks for the performance of the City's investment portfolios will be (a) for the Short-Term Portfolio the comparable period average of the yield of the portfolio and the ICE BoAML 0-5 year US Treasury Index and (b) on the Long-Term Portfolio the comparable period average yield of the portfolio and the ICE BoAML 0-10 year US Treasury Index. The City's objective is to match or exceed the benchmarks through active portfolio management.

## XVI. Investment Policy Adoption

The Investment Policy and Strategy shall be reviewed and adopted by the City Council at least annually. The adopting instrument shall identify any changes made to the policy.

### Policy Reviewed and Approved:

Date	M&C Reference	Comments
February 5, 2013	G-17801	Restated and Revised Policy Adopted
December 3, 2013	G-18067	Policy Approved – No Changes
May 5, 2015	G-18466	Policy Approved – No Changes
September 15, 2015	G-18552	Training requirements revised to reflect amended state law
April 19, 2016	G-18720	Short-Term / Long-Term; WAM; investment duration; defining yield
January 24, 2017	G-18922	Amended investment types and minor technical corrections
September 26, 2017	G-19116	Amended Section VIII, subsection Security Broker/Dealers
September 11, 2018	G-19361	Training requirements revised to reflect amended state law; Ethics and Disclosures by Investments Officers revised to clarify and strengthen policy; added new Section IX. Existing Investments; Authorized Investments subsection 13. Investment Pools revised to clarify policy; Re-numbered existing Sections IX to XVI due to addition of new Section IX. Existing Investments
September 10, 2019	19-0144	Amended Authorized Investments, Subsection 4, Commercial Paper maximum maturity changed from 270 days to 365 days
September 22, 2020	20-0686	Amended Section V. Strategies, first and second paragraphs; Amended Section VII. Responsibility and Delegation of Authority, Subsection B. Investment Officer(s), second paragraph updated wording; Amended Section XV. Reporting, Benchmarks; Changed Short-Term Portfolio benchmark from the two-year Treasury Note to ICE BoAML 0-5 year US Treasury Index and changed the Long-Term Portfolio benchmark from seven-year Treasury Note to ICE BoAML 0-10 year US Treasury Index; Corrected typos and spelling errors
August 24, 2021	21-0593	Amended Section XIII. Internal Controls Strategies/Monitoring Credit Ratings, clarified options available if an investment’s credit rating falls below minimum rating requirements

<b>Date</b>	<b>M&amp;C Reference</b>	<b>Comments</b>
September 13, 2022	22-0661	References throughout the document to the "Comprehensive Annual Financial Report" and its acronym were changed to "Annual Comprehensive Financial Report" or "ACFR" in accordance with Governmental Accounting Standards Board issued Statement No. 98. Additionally, the title of the City's Chief Financial Officer/Director of Finance was corrected throughout the IPS document.

City of Fort Worth  
Department of Finance  
Investment Policy and Strategy  
Fort Worth Permanent Fund

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## **I. INTRODUCTION AND SCOPE**

It is the policy of the City of Fort Worth, Texas (the "City") that the administration and investment of all City funds shall be handled in a manner that promotes the highest public trust. The City Council has designated that certain funds obtained from mineral rights owned by the City be placed in a trust for benefit of the City, with such trust to be known as the Fort Worth Permanent Fund (the "Permanent Fund") and to be invested in accordance with this Policy. Those funds that have been obtained from mineral rights but not designated as part of the Permanent Fund will be managed as part of the City portfolio under the City's General Portfolio Investment Policy and Strategy.

This Fort Worth Permanent Fund Investment Policy and Strategy (the "Policy") sets specific investment and strategy guidelines for funds placed in the Permanent Fund and establishes controls to ensure effective and judicious fiscal and investment management. The guidelines are intended to be broad enough to allow active investment within the Policy parameters yet specific enough to adequately safeguard the assets.

## **II. GOVERNING AUTHORITY**

All Permanent Fund investment activities shall be conducted in full compliance with applicable City ordinances as well as state and federal regulations. Statutory regulations generally applicable to the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), with a specific provision applicable solely to municipal funds for the management and development of mineral rights found in Sec. 2256.0202 of the Act, which incorporates by reference The Texas Trust Code (Subtitle B, Title 9, Property Code). All investments of monies in the Permanent Fund will be made in accordance with these statutes and this more restrictive Policy. Collateral requirements are established in Texas by the Public Funds Collateral Act, Chapter 2257, Texas Government Code.

## **III. OBJECTIVES**

The Permanent Fund, some portion of which may be maintained as permanent funds as determined by the City, is to be managed and invested in general accordance with the Act and follow four major investment objectives: safety, liquidity, diversification and yield.

Safety of principal is the foremost objective of the City's overall investment program, and safety of principal shall be an objective with respect to the investment of the Permanent Fund as well. Investment transactions and strategies shall address and consider the preservation of capital and minimization of capital loss as well as growth. Liquidity is not critical in the Permanent Fund because these funds are not to be used for ongoing operational expenses, expenditures, or liabilities. Diversification in portfolio structure is intended to further protect the Permanent Fund from over- concentration. Growth and income will be the primary objectives for the Permanent Fund after all other objectives have been achieved.

#### **IV. STRATEGY**

The Permanent Fund is to be invested in designated sub-accounts as per the Gas-Related Revenue & Expense/Expenditure Policy. Operating within appropriately established administrative and procedural parameters, the Trustee shall pursue growth and returns within Policy parameters. Withdrawals from the Permanent Fund may be made annually pursuant to the terms of the Trust and will require coordination and planning to minimize having to recognize unrealized losses. No cash buffer is required on the portfolio.

The Permanent Fund shall be managed proactively in high credit quality investments. Securities lending may be used to add incremental income. Strategies shall utilize competitive bidding where appropriate and other controls as established by this Policy for all transactions pursuant to the terms of the Trust.

Securities may be sold or swapped if an opportunity exists to benefit from the trade. All transactions, including swaps must be documented. The Trustee will continuously monitor the contents of the portfolio, the available markets, and the relative value of competing instruments to adjust the portfolio in response to market conditions.

#### **V. STANDARD OF CARE**

The standard of care to be used shall be the "prudent person" standard as established by the Act and shall be applied in the context of managing the overall Permanent Fund. The "prudent person" standard states that:



“Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.”

In determining whether a Trustee has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration: (1) the investment of all funds, or funds under the Trustee’s control, over which the Trustee had responsibility rather than a consideration as to the prudence of a single investment; and (2) whether the investment decision was consistent with this written investment Policy.

## **VI. DELEGATION OF AUTHORITY AND RESPONSIBILITY**

### **City Council**

By law, the City Council retains ultimate fiduciary responsibility for the Permanent Fund regardless of management assignment. The Council shall receive quarterly reports and annually review and adopt this Policy. The Investment Committee designated by the City Council is responsible for reviewing and authorizing all broker/dealers.

### **Chief Financial Officer**

The Chief Financial Officer/Director of Finance (the “CFO”) is responsible for monitoring the portfolio and reports submitted by the Trustee.

### **Trustee**

The Trustee (the “Trustee”) will be responsible for monitoring and controlling the portfolio in accordance with the terms of the Trust Agreement for the Fort Worth Permanent Fund, as amended. The Trustee, with approval of the City, may engage the services of a Securities and Exchange Commission (SEC) registered Investment Adviser (registered under the Investment Advisers Act of 1940) or a National Bank exempt from registration to provide the investment management of the Permanent Fund in a manner consistent with the Policy. The Trustee and the selected Investment Adviser or National Bank may be affiliated.

The Trustee shall provide timely monthly and quarterly reports to the CFO and Investment Committee in accordance with the Act and establish internal procedures and controls for the investment process and financial counter-parties.

In managing the Permanent Fund, the Trustee’s use and acceptance of soft dollars shall be limited by the terms of this paragraph. For purposes of this paragraph “soft dollar” shall refer to non-monetary credit offered by an executing broker/dealer in connection

with a purchase or sale. Soft dollar credits may only be used and accepted by Trustee or a sub-advisor to acquire research for use in the investment decision-making process for the benefit of the Permanent Fund. As set out in Section 28(e) of the Securities Exchange Act of 1934, prior to accepting or utilizing any soft dollars the Trustee or sub-advisor receiving the soft dollar credit must have first determined in good faith that the commissions to be paid on the securities transaction are reasonable in relation to the value to the Permanent Fund of the brokerage and research provided. If the trade is executed through Trustee's selected broker/dealer, Trustee will receive the soft dollar credit. The Permanent Fund may, as a result, pay somewhat higher commissions for the securities transaction than what might have been obtainable on a non-soft dollar basis. Trustee may not utilize or accept soft dollars except in strict compliance with the foregoing terms.

The Trustee shall refrain from activity that could conflict with the proper execution and management of the Permanent Fund or that could impair their ability to make impartial investment decisions. Any business or personal relationships with investment counterparties shall be disclosed to the CFO and the Texas Ethics Commission.

### **Investment Committee**

The City's Investment Committee will perform a strategy and performance review at least semi-annually. The Committee will review and act on any potential need for refinement or revision of the Permanent Fund's policies or strategies. Annually the Committee will approve all broker/dealers in accordance with the Act.

## **VII. AUTHORIZED COUNTER PARTIES**

### **Certification**

The Act requires

(1) that a written copy of the investment policy be presented to a business organization offering to engage in an investment transaction with the Permanent Fund with "business organization" defined as "an investment pool or investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio that has accepted authority granted by the entity under the contract to exercise investment discretion in regard to the investing entity's funds."

and

(2) that the person or business organization receiving the policy provide a written Policy Certification, acceptable to both the investing entity and the business organization and executed by a representative of the business firm, substantially acknowledging that the business organization has:

- a. received and reviewed the Fort Worth Permanent Fund Investment Policy and Strategy; and
- b. implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Permanent Fund and the organization that are not authorized by the Policy.

If the City retains self-management of the Permanent Fund, copies of this Policy will be provided to all business organizations offering to engage in an investment transaction with the Permanent Fund on an annual basis, and a Policy Certification from each such business organization must be received by the City. If the City engages a corporate Trustee to serve as an investment management firm under contract, a copy of this Policy shall be provided to the corporate Trustee, and a Policy Certification will be obtained from a qualified representative of the Trustee.

No transaction (other than mutual funds) may be completed except in compliance with this section.

### **Security Broker/Dealers**

The Council appointed Investment Committee will at least annually review and adopt a list of broker/dealers which will then be authorized to engage in investment transactions concerning the Permanent Fund. If the City engages a corporate Trustee to serve as an investment management firm under contract, the investment management firm will have the responsibility to ensure all broker/dealers comply with the provisions of this policy.

No broker/dealer or independent Adviser may safe-keep Permanent Fund securities or funds. All security transactions shall be settled delivery versus payment (DVP) to the Permanent Fund account. In order to perfect the DVP process, neither the Trustee nor the safekeeping depository (nor their brokerage subsidiaries) will be approved as a broker/dealer.

The Trustee will perform due diligence and maintain information on each broker/dealer, including a process to ensure best execution. The Trustee shall review the performance, financial condition and registration of all qualified counter-parties on an ongoing basis. Results will be provided to the Investment Committee for review upon request.

## **VIII. AUTHORIZED INVESTMENTS**

The Permanent Fund shall be invested only in the investments authorized below and further defined by the Act and Trust Code. If additional types of potential authorized investments are created by changes made to the controlling statutes, they will not be

authorized until this Policy is amended and adopted by the City Council. All investment transactions will be placed in an effort to achieve a fair and reasonable return under all circumstances and in light of other investment alternatives available.

1. Obligations of the United States Government, its agencies and instrumentalities including mortgage backed securities and collateralized mortgage obligations (CMO) which pass the Federal Reserve's bank test, with a maximum stated maturity of twenty (20) years.
2. FDIC insured and/or collateralized depository certificates of deposit from banks in the United States, with a maximum maturity of three (3) years.
3. Commercial paper rated A1/P1 or equivalent by two nationally recognized rating agencies, with a maximum maturity of 365 days.
4. AAA or equivalent rated constant dollar, Texas local government investment pools as defined by the Act.
5. AAA-rated United States Institutional government money market mutual funds.
6. Debt obligations of any state or political subdivision of any US state, rated A or better with a stated maturity not to exceed ten (10) years.
7. Fully collateralized, direct repurchase agreements executed through a primary government securities dealer, with a maximum maturity of one (1) year. A Bond Market Association Master Repurchase Agreement, 102% margin, and independent third party safekeeping are required. (See section IX)
8. Banker's acceptances with a maximum maturity of 120 days accepted by a US registered bank with a short term rating of not less than A1/P1 by two nationally recognized rating agencies.
9. Domestic bond mutual funds with a maximum weighted average maturity of ten (10) years with a Morningstar rating of at least two stars if available. If a fund is less than three years old and lacks a Morningstar rating, that fund may be selected only if it has been recommended by an investment management firm under contract as Trustee of the Permanent Fund.
10. International bond mutual funds with a maximum weighted average maturity of fifteen (15) years with a Morningstar rating of at least two stars if available. If a fund is less than three years old and lacks a Morningstar rating, that fund may be selected only if it has been recommended by an investment management firm under contract as Trustee of the Permanent Fund.

11. Domestic or international equity and preferred stock mutual funds with a Morningstar rating of at least two stars if available. If a fund is less than three years old and lacks a Morningstar rating, that fund may be selected only if it has been recommended by an investment management firm under contract as Trustee of the Permanent Fund.
12. US or international stocks.
13. Real assets, including real estate, commodities and real estate investment trusts (REITS).
14. Alternative Investments to include hedge funds.
15. Corporate and asset backed securities rated A, or better with a stated maturity not to exceed ten (10) years.

### **Securities Lending**

If the City has an active securities lending agreement, the Permanent Fund securities may also be lent by Trustee utilizing the City's agreement as determined by the City under their written agreement and conditions only.

## **IX. COLLATERALIZATION**

### **Time and Demand Pledged Collateral**

All time and demand deposits placed by the Permanent Fund that exceed the limits of coverage provided by Federal Deposit Insurance Corporation (FDIC) shall be transferred to a money market fund or otherwise collateralized in accordance with the Texas Public Funds Collateral Act with collateral pledged to the Permanent Fund. In order to anticipate market changes and provide a level of security for all funds, collateral shall be maintained and monitored by the pledging depository at 102% of market value of principal and accrued interest on the deposits. The pledging bank shall monitor and maintain the margins on a daily basis. All collateral shall be subject to inspection and audit by the City or its internal and external auditors.

Collateral pledged to secure deposits of the Trust Fund assets shall be held by an independent financial institution outside the holding company of the depository, as approved by the Trustee, and in accordance with a safekeeping agreement executed under the terms of the Financial Institutions Resource and Recover Enforcement Act (FIRREA).

### **Permanent Fund Owned Collateral Under Repurchase Agreements**

Each counter party to a repurchase transaction is required to execute the Bond Market Master Repurchase Agreement and to provide collateral at a 102% margin and held by an independent third party custodian approved by the Trustee. The Master Repurchase Agreement must be fully executed before any transaction is initiated. Collateral will be evidenced by safekeeping reports/ receipts clearly denoting Permanent Fund ownership from the independent safekeeping agent.

**Authorized Collateral**

As authorized by the Public Funds Collateral Act and further restricted by this Policy, acceptable collateral for time and demand deposits and repurchase agreements shall include only:

- obligations of the U.S. Government, its agencies and instrumentalities including mortgage backed securities and CMO that pass the bank test, and
- obligations of any US state, city, county or authority rated at least A by two nationally recognized statistical rating organizations.

Collateral will be monitored at least monthly by the Trustee, and each month Trustee will send City a document listing any current collateral and its market value.

**X. DIVERSIFICATION**

The City as beneficial owner of the Permanent Fund recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification. The strategy for diversification will be guided by the circumstances then prevailing but will generally be:

	Range	Target
<b>Cash, Cash Equivalents, and Fixed Income</b>	<b>30-55%</b>	<b>39%</b>
US Obligations		
US Agencies/Instrumentalities		
Depository Certificates of Deposit		
Commercial Paper		
Local Government Investment Pools		
Money Market Mutual Funds		
Municipal Obligations		
Corporate Obligations (Max. 20.00%)		
Asset Backed Securities (Max 10.00%)		
Repurchase Agreements		

Bankers Acceptances  
 Domestic Bond Mutual Funds (Max.10.00%)  
 International Bond Mutual Funds (Max. 10.00%)  
 Preferred Stock Mutual Funds

<b>Equities</b>	<b>30-55%</b>	<b>37%</b>
U.S. Large Cap		14.00%
U.S. Mid Cap		5.00%
U.S. Small Cap		3.00%
Int'l Developed Markets Equity Mutual Funds		9.00%
Int'l Emerging Markets Equity		6.00%
<b>Real Assets</b>	<b>2-12%</b>	<b>12%</b>
Global Public REITS		8.00%
Private Real Estate		2.00%
Commodities		2.00%
<b>Alternative Investment</b>	<b>2-22%</b>	<b>12%</b>
Hedge Funds - Relative Value		3.00%
Hedge Funds - Macro		3.00%
Hedge Funds - Event Driven		2.00%
Hedge Fund - Equity Hedge		2.00%
Private Equity		2.00%

The diversification percentage guidelines will be measured based on market value. Fluctuations in cash flows may cause the portfolio to exceed these maximum percentages for a particular asset class subsequent to the purchase. Securities need not be liquidated to realign to match the portfolio diversification guidelines.

Because of its tax-exempt nature, the Permanent Fund shall not be invested based on tax optimized strategies with the goal of improving after-tax returns through active tax loss harvesting.

## **XI. INTERNAL CONTROLS**

The CFO and Trustee are responsible for mutually establishing and maintaining an internal and external control structure designed so that assets are reasonably protected from loss, theft, or misuse.



### **Competitive Transactions**

All investments will be made in an effort to achieve a fair and reasonable return under market circumstances and in light of other investment alternatives available and shall utilize market competition where appropriate.

In general, in buying or selling equity or fixed income securities, Trustee shall utilize electronic communications networks, exchanges, and market makers using the National Best Bid/Offer consolidated quote system pricing to solicit terms from multiple industry-recognized third party registered broker/dealers that are included on the then-current list of approved broker/dealers. The Trustee shall evaluate all transactions and brokers for best execution, taking into account a variety of factors including price, execution and commission costs, size of the order and other unique trading characteristics, value of research provided, financial responsibility, and the responsiveness of the brokers.

All bids and offers for fixed income shall be completed using at least three broker/dealers whenever possible to make certain of fair and competitive pricing in the market. In the event three bids cannot be obtained, Trustee shall use market variables to determine best price, including but not limited to: competitive pricing, market condition, sector, liquidity, and credit conditions. The Trustee shall not use margin accounts.

### **Delivery vs. Payment**

All trades of marketable securities shall be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the Permanent Fund safekeeping institution prior to the release of funds.

### **Monitoring Credit Ratings**

The Trustee shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by this Policy, the Trustee shall (i), within two business days of downgrade, notify the CFO of the loss of rating within two business days of the occurrence and (ii), within four business days of downgrade, notify the CFO of conditions affecting the rating and available liquidation options, including associated loss of principal, before any action is taken, provided however, that in extreme situations where the Trustee determines in the exercise of its reasonable discretion that immediate liquidation is prudent, Trustee shall be authorized to liquidate immediately but shall be required to provide the City with notice of such liquidation by the close of the following business day.

## **XII. SAFEKEEPING**

All security transactions will be settled on a delivery versus payment basis and held in the Permanent Fund by the Trustee, the City's depository or other Trustee-contracted safekeeping institution independent from any security transactions or trade counterparties. All safekeeping functions will be performed by the Trustee. The Trustee as safekeeping agent shall provide monthly statements on all security positions held by the Permanent Fund.

## **XIII. REPORTING**

### **Monthly Reporting**

No less than monthly, the Trustee will submit a report to the CFO and Investment Committee. The report will, at a minimum, comply with the statutory requirements for quarterly reporting below.

### **Quarterly Reporting**

No less than quarterly, the Trustee will prepare and submit a report to the Investment Committee. The report will comply with provisions of the Act governing Internal Management Reports and will contain, at a minimum, the following:

- a. detailed description of each investment position as of the date of the report including market values, market yield and earnings;
- b. summary statements for the Permanent Fund including:
  - (1) amortized book value for individual fixed income securities, market values, market yield, and earned income,
  - (2) beginning and ending market value for the reporting period,
  - (3) change in market value (volatility measure) for the reporting period,
  - (4) yield for the fixed income portion of the portfolio for the reporting period,
  - (5) total return for the entire portfolio for the reporting period,
  - (6) weighted average maturity, as applicable, and
  - (7) asset class returns and benchmark returns for the reporting period.

The quarterly report shall include a statement of compliance for the portfolio as it relates to the Fort Worth Permanent Fund Investment Policy and Strategy and be signed by the CFO and Trustee.

Prices used for calculation of market values will be obtained from an independent source.

### **Benchmark: Risk Measurement**

The benchmarks for risk measurement and performance of the Permanent Fund portfolio will be divided among the asset classes as outlined below.

- The benchmark for the fixed income portion shall be the Barclays' 1-5 Year Government/Credit Index for the comparable period.
- The benchmark for the equity portion shall be a total return equal to a composite of the total return of S&P 500 for stocks and the EAFE for international investments comparable to the then-current makeup of the portfolio for the comparable period.
- The benchmark for the real assets portion shall be the FTSE NAREIT All Equity REIT Index for the comparable period.
- The benchmark for the commodities portion shall be the Dow Jones UBS Commodities Index for the comparable period.
- The benchmark for the alternative investment portion shall be the HFRX Global Hedge Fund Index for the comparable period.

#### XIV. ADOPTION

The Fort Worth Permanent Fund Investment Policy and Strategy shall be reviewed by the Investment Committee and adopted by the City Council at least annually. The adopting resolution shall include any changes made to the Policy.

Policy Adopted:

<b>Date</b>	<b>M&amp;C Reference</b>	<b>Comments</b>
April 16, 2013	G-17857	Policy Adopted
July 15, 2014	G-18244	Policy Approved – No Changes
May 5, 2015	G-18466	Policy Approved – No Changes
September 15, 2015	G-18552	Policy Approved – No Changes
September 26, 2017	G-19117	Policy Approved –Amended Authorized Investments and diversification requirements and guidelines
September 11, 2018	G-19359	Policy Approved – No Changes
September 10, 2019	19-0142	Policy Approved –Amended Section III. Objectives and Section VIII. Authorized Investments, item 3 Commercial Paper maximum maturity changed from 90 days to 365 days
September 22, 2020	20-0685	Policy Approved – No Changes
August 24, 2021	21-0592	Policy Approved –Amended Section X. Diversification to include revised ranges for Cash, Cash Equivalents, Fixed Income, and Equities
September 13, 2022	22-0661	Policy Approved – No Changes
September 26, 2023	23-0793	Policy Approved – No Changes

City of Fort Worth  
Department of Finance  
Investment Policy and Strategy  
OPEB Trust

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**I. OVERVIEW AND PURPOSE**

This investment policy and strategy applies to all accumulated assets for the City of Fort Worth Other Post-Employment Benefits Trust ("Trust") created by the Fort Worth City Council by Resolution No. 3779-08-2009, and its consultants, agents, investment managers, advisory boards, Trustees, Trust Administrator and assigned staff.

All investment activities shall be conducted in full compliance with applicable City ordinances as well as state and federal rules and regulations.

The purpose of this document is to provide the Trustee and its Sub Advisors with a set of objectives, parameters and guidelines to assist in the administration of the Trust; to guide investment managers in structuring portfolios consistent with desired performance result and acceptable risk levels; to assure the assets are managed in a prudent fashion and to serve as the framework for all investment activities related to the Trust.

**II. INVESTMENT POLICY AND OBJECTIVES**

The primary obligations of the City's governing body in investing assets are to do so for the exclusive benefit of the beneficiaries. Emphasis must be placed upon the consistent protection of the Trust's assets and growth performance, i.e., the achievement of adequate investment growth must not be at the expense of the protection of the assets over the investment horizon. Specific objectives of investment activities carried out by the Trustee and its Sub Advisors include the following:

- A. The expected annual rate of return for the portfolio will be equal to the actuarial assumption, until amended by the City Council ("Council").
- B. Individual investment managers will not be measured against the aggregate fund objective stated in section II. A., but will be compared to appropriate market indices and a blended Plan Target Benchmark outlined in Section III, subsection 7 of the Policy.

## 1. AUTHORITY AND OVERSIGHT PROCEDURES

A. By law, the City Council retains ultimate fiduciary responsibility for the OPEB Trust Fund regardless of management assignment. The Council shall receive quarterly reports and annually review and adopt this Policy. The Investment Committee designated by the City Council is responsible for reviewing and authorizing all broker/dealers. The City Council has delegated the responsibility for conducting investment transactions with the Trustee and its Sub Advisors. The Trustee and its Sub Advisors will provide investment information to the Council concerning investment decisions, including rebalancing asset allocation, and portfolio performance on a quarterly basis.

B. The Chief Financial Officer/Director of Financial Management Services is responsible for monitoring the portfolio and reports submitted by the Trustee and its Sub Advisor.

C. The Trustee and its Sub Advisor shall maintain responsibility for investing the assets in the Trust. All assets will be held by the Trustee. The advisor will provide performance analysis that will include, but not be limited to, a strategic analysis including a report on asset allocation, risk analysis, and appropriate, if any, changes to the percentages therein. This study will be used to assist the Chief Financial Officer/Director of Financial Management Services and Investment Committee in the determination of the appropriate investment Policy.

D. Any business organization offering to engage in an investment transaction with the Trust must be provided with a copy of this Investment Policy and Strategy, with "business organization" defined as "an investment pool or investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio that has accepted authority granted by the entity under the contract to exercise investment discretion in regard to the investing entity's funds." The business organization must provide the City with a written instrument (in a form acceptable to both parties) executed by a representative of the business organization that substantially acknowledges that the business organization has: (a) received and reviewed this Investment Policy and Strategy; and (b) implemented reasonable procedures and controls in an effort to preclude investment transactions with the Trust that are not authorized by this Investment Policy and Strategy. Any material changes

to this Investment Policy and Strategy will require re-certification by each business organization.

E. The City's Investment Committee will perform a strategy and performance review at least semi-annually. The Committee will review and act on any potential need for refinement or revision of the OPEB Trust's policies or strategies.

## **2. STANDARDS OF CARE**

The standard of care to be used shall be the "prudent person" standard as established by the Act and shall be applied in the context of managing the overall OPEB Trust Fund. The "prudent person" standard states that,

"Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived."

In determining whether a Trustee has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration: (1) the investment of all funds, or funds under the Trustee's control, over which the Trustee had responsibility rather than a consideration as to the prudence of a single investment; and (2) whether the investment decision was consistent with this written investment Policy.

## **3. ETHICS AND CONFLICTS OF INTEREST**

Employees of the City of Fort Worth, the Trustee or its Sub Advisors involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Also, employees of the City of Fort Worth involved in the investment process shall disclose any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the City's investment program.

# **III. INVESTMENT GUIDELINES**

## **1. EXISTING INVESTMENTS**

Except as provided by Texas Government Code Chapter 2270, the City is not required to liquidate investments that were authorized investments at the time of purchase.

## 2. AUTHORIZED INVESTMENTS

Investments consistent with the objectives contained in Section II, herein, other than those specifically prohibited shall be authorized. Equities will comprise a diversified portfolio of domestic small, mid and large cap equity, Real Estate Investment Trusts (“REITs”), and international equity investments.

### **Permitted Asset Classes and Security Types**

#### **Equity Securities**

- Domestic listed securities
- Equity and equity-related securities of non-US corporations, in the form of American Depository Receipts (“ADRs”)
- Equity Mutual Funds and Exchange Traded Funds (ETFs)
- Large Cap
- Mid Cap
- Small Cap
- International
- Emerging Markets
- REITs

#### **Fixed Income Securities**

- Fixed Income Mutual Funds and Exchange Traded Funds (ETFs)
- Corporate
- Government
- High Yield
- International
- Bank Loan

If individual fixed income securities are purchased, the following parameters will be followed:

#### **Eligible Securities:**

- Debt obligations of the U.S. Government, its agencies, and Government Sponsored Enterprises
- Mortgage-Backed Securities (MBS)



- Asset Backed Securities (ABS)
- Collateralized Mortgage Obligations (CMO)
- Commercial Mortgage-Backed Securities (CMBS)
- Corporate debt securities issued by U.S. or foreign entities including, but not limited to, limited partnerships, equipment trust certificates and enhanced equipment trust certificates
- Securities issued under SEC Rule 144A
- Municipal Bonds

### **Quality**

The portfolio will maintain a minimum weighted average effective quality of A- at all times. At the time of purchase, individual securities shall have a minimum effective quality rating of BBB-. Note, high yield fixed income can be purchased only in a diversified mutual fund or exchange traded fund.

For purposes of determining an effective rating, when three agencies rate a security (S&P, Moodys, Fitch) the middle rating will be used. When only two of the three agencies rate a security the lower of the two ratings will be used. When only one agency rates a security that rating will be used.

### **Duration**

The manager will maintain the portfolio duration within +/- 25% of the Bloomberg Barclays U.S. Aggregate Bond Index duration at all times.

### **Diversification**

No more than 5% of the portfolio assets may be invested in any individual issuer with the exception of securities issued or guaranteed by the U.S. Government, its agencies, and Government Sponsored Enterprises.

No more than 30% of the portfolio may be invested in securities issued under Rule 144A without registration rights (no limit on Rule 144a securities with registration rights).

## **3. MATURITY AND LIQUIDITY**

The OPEB trust assets shall provide sufficient liquidity, if necessary, for payment of direct medical benefits and expenses.

## **4. PORTFOLIO COMPOSITION, RISK AND DIVERSIFICATION**

Assets of the OPEB Trust Fund shall be invested in a broadly diversified portfolio consisting of equity, debt, and cash equivalent securities. The portfolio shall also

be structured in a manner to provide diversification within each asset class and be allocated within the ranges specified below:

	<u>Range</u>	<u>Target</u>
Equities	20%-40%	30%
Fixed Income	50%-80%	65%
Cash and Cash Equivalents	0%-20%	<5%

The Trustee and its Sub Advisor is authorized by this policy to make asset allocation decisions to reallocate or redirect either contributions or investments held by the OPEB Trust Fund in order to take advantage of changing market conditions. Any move that will cause the allocation of the investment classes to vary from the above allocation percentages of any asset class requires approval by the City Council.

**The following are prohibited purchases/transactions:**

1. More than 5% of the total equity allocation invested in individual equity securities of any one company at market value
2. More than 5% of the total debt allocation invested in debt instruments in any single issuer with the exception of US Treasuries and agencies
3. Short sales
4. Margin or leveraged purchases
5. Commodities
6. Real estate (with the exception of REITs)
7. Art objects or collectables
8. Options
9. Warrants
10. Derivative investments
11. Oil and Gas Leases
12. Hedge Funds
13. Private Equity Funds
14. Precious Metals
15. Privately negotiated investment agreements with financial institutions
16. Other investments classified as 'alternative'

**5. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS**

Purchases and sales of authorized investments will only be made through financial institutions that are qualified as public depositories by the State of Texas or are "primary dealers" as designated by the Federal Reserve Bank of New York or are

broker/dealers that qualify under Securities and Exchange Commission, or by direct purchases of an approved open-ended mutual fund family.

The Trustee will perform due diligence and maintain information on each broker/dealer, including a process to ensure best execution. The Trustee shall review the performance, financial condition and registration of all qualified counter-parties on an ongoing basis. Results will be provided to the Investment Committee for review upon request.

#### **SAFEKEEPING AND CUSTODY**

All securities purchased by the Trustee or its Sub Advisors shall be properly designated as an asset of the OPEB Trust Fund and held by the Trustee, chartered by the United States Government or the State of Texas, and/or a financial institution approved by the National Association of Security Dealers. No withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the City Council or Trust Administrator.

The City Council or the Trustee will execute third party custodial agreements with banks or financial institutions. Such agreements will include details as to the responsibilities of each party, the costs to be borne by each party, notification of security purchases, sales, delivery, repurchase agreements and wire transfers, safekeeping and transaction costs, and procedures in case of unforeseen circumstances.

#### **6. BID REQUIREMENTS FOR DEBT INSTRUMENTS**

After the Trust Administrator and/or the investment manager has selected one or more optimal types of investments based on maturity date(s) to meet cash flow needs and market conditions, a minimum of three qualified brokers and/or dealers will be contacted and asked to provide bids on the securities to be purchased.

In most situations the competitive bid process shall be utilized, except when securities are purchased as an initial offering. The investment manager will choose the appropriate brokers or dealers from among those on the approved broker/dealer list based on expertise, competitiveness and the ability to execute the transaction and deliver the securities on a timely basis. A minimum of three (3) bids will be obtained.

- A. Bids will be held in confidence until the best bid is determined and awarded,

- B. Documentation will be retained for all bids, with the winning bid clearly identified,
- C. If for any reason the highest bid (on sales of investments) or the lowest bid (on purchases of investments) is not selected, then the reasons leading to that decision will be clearly documented.

## **7. PERFORMANCE MEASURES**

The Investment Committee will meet with the Trustee or its Sub Advisor at least annually to review portfolio performance. The Trustee or its Sub Advisor will review results quarterly to confirm adherence to the policy guidelines; compare the investment results with funds using similar policies and benchmarks; and identify risks and opportunities occurring in the equity and debt markets.

The following events indicate risk to the safety and performance of the Trust. Failure to appropriately address risk may result in termination of the Trustee or its Sub Advisor.

- A. Consistent under-performance of the stated target index for three consecutive quarters.
- B. Material changes in the managers' organization including personnel, ownership, acquisitions or losses of major accounts.
- C. Substantial changes in basic investment philosophy.
- D. Failure to observe any guidelines as stated in this policy.

The City of Fort Worth blended benchmark will be defined as the target portfolio return, based on the following allocation targets:

### **Portfolio Blended Benchmark**

- 15.50% S&P500 Index
- 3.00% Russell Mid-Cap Index
- 4.50% Russell 2000 Index
- 2.00% MSCI Emerging Market Index
- 4.00% MSCI EAFE Index
- 1.00% Wilshire REIT Index
- 51.00% Bloomberg Barclays Capital US Aggregate Index
- 14.00% ML 1-3 Year US Corp/Gov't
- 5.00% Citi 1Mth T-Bill.

## **IV. INTERNAL CONTROLS**

The Chief Financial Officer/Director of Financial Management Services and Trustee are responsible for mutually establishing and maintaining an internal and

external control structure designed so that assets are reasonably protected from loss, theft, or misuse. Such internal controls shall consist, at a minimum, of the following:

- A. All securities purchased or sold will be transferred only under the “delivery versus payment” (DVP) method to ensure that funds or securities are not released until all criteria relating to the specific transaction are met,
- B. The Trustee is authorized to accept, on behalf of and in the name of the City of Fort Worth OPEB Trust Fund, securities in return for investment of funds,
- C. Securities transaction confirmations shall fully describe the various securities held. The receipt or confirmation shall state that the investment is held in the name of Trustee, or its depository nominee name, for the benefit of the City of Fort Worth OPEB Trust, and
- D. The written system of internal controls and operational procedures shall be subject to review by the City’s internal and external auditors as part of the annual financial audit.

## **V. REPORTING**

Quarterly reports concerning the investment activities, investment portfolio and performance will be submitted to the Investment Committee and placed on the agenda of the City Council. Other information may include recent market conditions, economic developments, and anticipated investment conditions.

## **VII. POLICY REVIEW**

The Fort Worth OPEB Trust Investment Policy shall be reviewed by the Investment Committee and adopted by the City Council at least annually. The adopting resolution shall include any changes made to the Policy. Any modification to the Investment Policy shall be provided to the Trustee and its Sub Advisor and acknowledged in writing via Appendix A.

Policy Adopted:

Date	M&C Reference	Comments
October 10, 2017	G-19127	Policy Adopted
September 11, 2018	G-19362	Policy Approved – No Changes
September 10, 2019	19-0116	Section II. Investment Policy and Objectives, item B updated and Section III. Investment Guidelines added new section “Existing Investments”
September 22, 2020	20-0687	Policy Approved – No Changes
August 24, 2021	21-0594	Section III. Investment Guidelines, item 1. Existing Investments, Quality Section III. Investment Guidelines, item 1. Existing Investments, Duration Section III. Investment Guidelines, item 1. Existing Investments, Diversification, Second paragraph
September 13, 2022	22-0661	Policy Approved – No Changes
September 26, 2023	23-0793	Policy Approved – No Changes

## Appendix A

### Trustee, Sub Advisor or Investment Manager's Acknowledgment

I, the undersigned, acknowledge that I have received the investment policy for City of Fort Worth OPEB Trust Fund, dated\_\_\_\_\_. I affirm that I have read and understand said Policy, and do hereby agree to abide to the guidelines expressed in the Policy.

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Name of Trustee

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Signed

Date

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Name of Sub Advisor

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Signed

Date





## Grants Management Policy

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### **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**

The purpose of this policy is to:

- A. Define practices and provide the guiding principles for grant management, including the application, approval, set up, management, accounting, and reporting of grant activity performed by the City.
- B. Ensure that City personnel seek and apply for federal, state and other grants-in-aid that address the City’s current priorities and policy objectives, and administer them in accordance with applicable federal and state laws and regulations, City policies, and contractual obligations.
- C. Establish controls to maintain, and enforce a sound system of operational procedures in accordance with industry best practices and internal control objectives. These controls address the operational nature of the processes associated with grant management.
- D. Require procedures related to the grant management process be in conformance with this policy.

### **III. Applicability and Scope**

All employees of the City, including uniformed employees, having grant management or accounting responsibilities must conduct all related activities in compliance with rules and guidelines set forth by this policy and by their respective departmental grants procedures.



## Grants Management Policy

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### IV. Glossary

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

Administering Department – The City of Fort Worth Department responsible for applying for and overseeing the activities of a grant-funded program.

Indirect Costs – Expenditures the City will incur for managing the grant program. Any eligible indirect costs shall be calculated and included in each grant application and shall be specified in the Mayor and Council Communication (M&C) seeking approval to proceed with a grant application or award. If a waiver of indirect costs is sought by the Administering Department, such waiver must quantify the estimated amount, explain the reasoning behind the request, and be approved by the Mayor and Council.

### V. Policy

#### A. Grant Identification, Application, Acceptance

1. Each respective department of the City of Fort Worth may research and identify grant opportunities that facilitate the City's overall goals, mission, and initiatives and provide supplemental or alternative funding sources for either capital expenses/expenditures or operating programs.
2. If grant opportunities are identified, departments are responsible for obtaining approval from the corresponding Assistant City Manager.
3. Potential grant opportunities shall be evaluated for administrative burden and compliance costs prior to application. Where the amount likely to be received does not exceed the cost of applying for and administering the grant, the City should not seek the grant. Where the amount awarded does not exceed the cost of administering the grant, the City should not accept the grant.
4. Prior to application, the Administering Department must:
  - a. Complete an agenda item on a regularly scheduled City Council meeting wherein approval to apply and accept, if awarded, the grant is requested,
  - b. The M&C requesting application and acceptance approval, including the following components:
    - a. Name of grant,
    - b. Grantor,
    - c. Dollar award of grant along with the identification of required matching funds, including the source of such matching funds,
    - d. Overview of the grant program, including how the City will use





## Grants Management Policy

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- e. the funds in support of City goals and priorities.
  - e. Required appropriation ordinances and language for the full amount of the grant, including match costs and program income, if any,
  - f. Title and salary/fringe information for any and all grant-funded positions, including the percentage of salary funded per position and language defining a transition plan for each position in the event the grant is not awarded or at the end of the grant period,
  - g. Dollar value of indirect costs being applied for in the grant, calculated based on the indirect cost study in effect at the time. Where reimbursing the general fund for the indirect cost burden would impact program services, the department should weigh the City's priorities in deciding whether to allocate additional resources to the program from other sources, and
  - h. Statements regarding responsibilities for collecting revenue and ensuring that funds are available prior to obligation.
5. The M&C shall be routed through the FMS Grant Accounting Team for review prior to being placed on a City Council Agenda for consideration. This is accomplished by checking the "Includes Any Federal, State, Interlocal or Grant Funding" box on the "General" tab of a draft M&C.
  6. After City Council approval, the Administering Department, in coordination with FMS Grant Accounting, will prepare all documents required in the application process and submit the same to the granting agency.
  7. Applications must include a budget for all indirect costs allowable under the grant if a waiver of indirect costs has not been approved by Council.
  8. The Administering Department shall enter basic application information into the Grant Application Repository in the PeopleSoft ERP system (the City's system of record for all financial data) to enable tracking and monitoring of grant application status and subsequent award or denial.
  9. It is acknowledged that grant application deadlines may not allow for approval by the Mayor and Council prior to being due. In these instances, ratifying Mayor and Council Communications shall be completed utilizing the same process as non-ratifying M&Cs.
  10. Once a grant is awarded, the Administering Department is responsible for accepting the award and, in concert with the City Attorney's Office, seeing that the corresponding contract is correct and fully executed, including all provisions required under 2 CFR 200 of the Code of Federal Regulations or the Texas Grant Management Standards.



## Grants Management Policy

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11. In instances where the City needs to further evaluate whether a grant meets the City's objectives, mission, goals, and initiatives, it is acceptable to submit an M&C for approval to apply for the grant only. In these instances, a supplemental M&C is required in order to accept the grant and appropriate funds.

### **B. Grant Set-Up**

1. FMS Grant Accounting will not set up any grant award in PeopleSoft prior to the award of the grant by the granting agency. Upon award of a grant by a granting entity and notification of the grant award from the Administering Department FMS Grant Accounting shall schedule a Grant Kick-Off meeting with the Administering Department. The Grant Kick-Off meeting is to clarify grant management and accounting roles and responsibilities specific to that particular grant, and should be attended by management representatives of the Administering Department and FMS Grant Accounting (and, where applicable, FMS Capital Assets).
2. The Administering Department is then responsible for completing and/or collecting the following documents, with assistance and support from FMS Grant Accounting, and submitting them to FMS Grant Accounting to be entered into PeopleSoft:
  - a. The Grant Information Form (GIF),
  - b. A balanced Grant Project Budget,
  - c. The approved M&C,
  - d. The award notification from the Grantor,
  - e. The funding location (FID) for any required matching expenditures, and
  - f. Any Combo Codes necessary to process expenditures.
3. FMS Grant Accounting is responsible for setting up the award in PeopleSoft, including entry of operating and financial reporting schedules. Grant Accounting shall then provide the Administering Department with the PeopleSoft project (grant) number.
4. The Administering Department and FMS Grant Accounting are responsible for understanding grant conditions, including allowable costs for each grant. This includes personnel expenditures and whether salaries, overtime and/or fringe benefits are allowable. The Administering Department, with the support and assistance of FMS Grant Accounting, is responsible for determining and using the appropriate vehicle to ensure personnel charges are distributed to the grant as accurately as possible. This may entail the use of ePARs, tasks groups/task profiles and/or Combo Codes. The Administering Department should ensure that grant-funded personnel understand how to code their time for accurate





## Grants Management Policy

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accounting.

5. The Administering Department, with assistance and support from FMS Grant Accounting, submits any Combo Code requests, which are reviewed by FMS Grant Accounting and set up by FMS Financial Systems Management. Any Task Groups/Task Profiles are submitted through ITSM Self-service at <http://itsm.cfwnet.org>.
6. The Administering Department is responsible for providing a copy of the fully executed award agreement or contract to FMS Grant Accounting upon receipt.

### **C. Grant Management**

1. The Administering Department shall manage awards in accordance with 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Texas Grant Management Standards, applicable State laws and/or regulations, and corresponding contractual agreements. FMS Grant Accounting will provide assistance and serve as a resource for clarification of any questions regarding 2 CFR 200 and/or the Texas Grant Management Standards.
2. If the grant has subrecipients:
  - a. The Administering Department, with assistance and support from FMS Grant Accounting, must perform a risk assessment for each subrecipient before passing along awarded funds, in accordance with 2 Code of Federal Regulations (CFR) §200.331, "Requirements for pass-through entities," and formulate a risk mitigation plan based on identified risk factors.
  - b. The Administering Department, with assistance and support from FMS Grant Accounting, shall perform subrecipient monitoring in accordance with §200.330, "Subrecipient and Contractor Determinations," and §200.331, "Requirements for Pass-Through Entities," and document such monitoring.
3. The Administering Department will monitor contractors to ensure compliance with all contract provisions.
4. All grant-related procurement activities must be conducted in accordance with all applicable City policies and State and federal laws and regulations (e.g., Davis-Bacon Act).
  - a. If a capital asset is purchased or created with grant funds, FMS Grant Accounting and FMS Capital Assets should be notified.



## Grants Management Policy

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- b. For federal grants, no local purchasing preference can be given.
  - c. For federal grants, cost plus a percentage of cost and percentage of construction cost methods are prohibited.
  - d. The City is responsible for full compliance with the procurement regulations contained in 2 CFR 200 (200.317-200.326).
5. Vendors shall be checked against the list of debarred/suspended vendors on SAM.gov prior to awarding any contract and annually thereafter, at a minimum, and evidence of SAM searches retained.
6. The Administering Department shall ensure supervisor (or supervisor's designee) or the appropriate FMS Grant Accountant reviews all fiscal and program data required to be reported to the granting agency prior to submission, and that documentation is retained to evidence the review, including who performed the review and the review date.
7. The Administering Department shall submit project status reports in accordance with the award agreement, and provide copies of such reports, including evidence of review and approval, to FMS Grant Accounting to be attached in PeopleSoft.
8. Where financial reports—including financial status reports (FSRs), requests for reimbursement (RFRs) or drawdowns, or close-out reports—are filed by the Administering Department, the Administering Department should submit a draft of the submission to FMS Grant Accounting five (5) business days prior to the due date for review and concurrence. Where such financial reports are filed by FMS Grant Accounting, they should be submitted to the Administering Department five (5) business days prior to the due date for review and concurrence.
9. The Administering Department must create and maintain adequate documentation for all program operations and expenditures (activity reports, invoices, procurement card receipts, purchase orders, receipt documentation, etc.).
10. The Administering Department must ensure all staff charging worked time to a grant provide general details of grant activities performed in the comment fields of the employee's timecard. This requirement will be in addition to any work-effort documentation required by the Grantor.
11. The Administering Department and FMS Grant Accounting will create and maintain all pertinent award-related documentation in accordance with §200.333 Retention Requirements for Records and applicable State law as specified in City records management policies and supply it as requested to authorized grant monitors.





## Grants Management Policy

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12. FMS Grant Accounting shall ensure awards are accounted for in accordance
13. with 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Texas Grant Management Standards, other applicable State regulations, and City policies and procedures.
14. The Administering Department and FMS Grant Accounting will, at a minimum, review and analyze grant financials monthly. This review must include a process to verify that all costs are allowable and appropriate and that all revenues earned have been recognized.
15. As determined and documented in the Grant Kick-off Meeting, either the Administering Department or FMS Grant Accounting will submit financial reports in accordance with the award agreement.
16. Grant funds shall not be used to purchase gift cards or other cash-equivalent items for distribution to recipients. All disbursements of funds and/or assets shall follow standard City procedures to ensure accountability and compliance.
17. Other roles and responsibilities for the Administering Department:
  - a. Ensure funding is managed according to the terms and conditions of the award,
  - b. Request award extension and/or agreement amendments, if necessary,
  - c. Prepare M&Cs for grant amendments, if necessary,
  - d. Submit budget transfers requests and correcting journal entries to FMS Grant Accounting in a timely manner, and
  - e. Monitor grant terms and conditions for any changes throughout the performance period (with support from FMS Grant Accounting).
18. Other roles and responsibilities for FMS Grant Accounting:
  - a. Ensure that all appropriate grant documentation is attached to PeopleSoft Project Definitions and/or journal or budget entries,
  - b. Maintain all other appropriate grant-related documentation in the City's physical or virtual storage,
  - c. Review grant amendment-related M&Cs for completeness and correctness,
  - d. Serve as point of contact for financial matters and grant questions,
  - e. Attach and maintain copies of operating and financial reports in PeopleSoft, and
  - f. Enter and approve budget transfers.

### **D. Grant Accounting**

1. All grant-related financial activity must be accounted for in the City's primary accounting system of record (PeopleSoft).





## Grants Management Policy

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2. Direct and indirect costs must be clearly identified and separated. City contributions (matching) and grantor funds must be clearly identified and separated.
3. The Administering Departments and/or FMS Grant Accounting are responsible for submitting all financial reports required by grantor agencies, as determined and documented in the Grant Kick-off Meeting.
4. The Administering Departments and FMS Grant Accounting must ensure that grant budgets set up in PeopleSoft are correct, appropriate, and allowable. FMS Grant Accounting shall review submitted budgets for balance and correctness. Multi-year grants pose special challenges, and, in conjunction with FMS Grant Accounting, Administering Departments should decide how various time periods and activities are to be handled before the grant is initially set up. This should be decided and documented as part of the Grant Kick-off Meeting.
5. The Administering Departments and FMS Grant Accounting must be aware of the particular requirements of reimbursement, advance payment, or fee-for-service grants as they apply to each award.
6. The Administering Departments, with support from FMS Grant Accounting, must be familiar with, comply with, and document compliance with all contractual requirements for applicable grants.
7. FMS Grant Accounting is responsible for reviewing PeopleSoft financials for each grant each month and communicate any issues encountered to appropriate grant staff.
8. Expenditures/Expenses:
  - a. The Administering Departments, in conjunction with the Purchasing Division of the Financial Management Services Department, must ensure that all grant-related procurement is handled in accordance with Financial Management Policy Statements, City purchasing standard operating procedures (SOPs), and all applicable state and/or federal grant regulations and contractual requirements.
  - b. The Administering Departments are responsible for ensuring that grant-related funds are only obligated/expended when there is budgetary authority to do so.
  - c. The Administering Departments are responsible for monitoring grant budget status to ensure that necessary budget modifications are made before expenditures are needed.
  - d. The Administering Department, with support and assistance from FMS Grant Accounting, is responsible for ensuring that all expenditures are necessary, reasonable, allowable, and appropriately allocated.



## Grants Management Policy

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- e. The Administering Departments and FMS are responsible for ensuring that all disbursements are correct, and that any required retainage or cash held by other entities is accounted for properly.
9. Revenues:
  - a. The Administering Departments must provide FMS Grant Accounting with copies of any request for reimbursement (RFR) or drawdown request each time they are submitted.
  - b. FMS Grant Accounting is responsible for making any journal entries to recognize the revenue and create a receivable.
  - c. FMS Grant Accounting is responsible for monitoring bank account activity, and, when ACH deposits hit the appropriate bank account, making entries (eRDDs) to reflect the sums received.
  - d. FMS Grant Accounting is responsible for reconciling receivables and payments received.
10. Journal Entries:
  - a. The Administering Departments are responsible for making all grant-related journal entries corresponding to a particular accounting period (month) no later than the deadline specified in each month's published close schedule. Nothing herein shall prohibit FMS Grant Accounting from identifying entries that need to be made and making them on behalf of departments when necessary to ensure compliance with City policy, grant requirements, or Generally Accepted Accounting Principles (GAAP).
  - b. FMS Grant Accounting is responsible for reviewing and posting any such journal entries.
  - c. For large journal entries better handled by uploading, the Administering Department will provide FMS Grant Accounting with the necessary data and back-up, and FMS Grant Accounting will upload, review, and post the journal entries.
  - d. FMS Grant Accounting is responsible for City fiscal year-end entries such as accruals, adjusting entries, etc.
  - e. At the close of each grant, the Administering Department, with support and assistance from FMS Grant Accounting, is responsible for ensuring that all applicable revenues, expenditures, and transfers are reflected in PeopleSoft.
11. FMS Grant Accounting will serve as the point of contact for the annual Single Audit and coordinate and provide responses to the City's external auditors.
12. FMS Grant Accounting will prepare the annual Schedule of Expenditures of Federal Awards (SEFA) and Schedule of Expenditures of State Awards





## Grants Management Policy

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(SESA), and will coordinate with the City's external auditors to file the results with the Federal Audit Clearinghouse (FAC).

### **E. Grant Closeout**

1. After completion of all required performance period activities, the Administering Department and FMS Grant Accounting shall perform grant closeout tasks in accordance with §200.343 Closeout or corresponding State regulations, City policies, and contractual requirements.
2. The Administering Department and FMS Grants Accounting will ensure the PeopleSoft grant project is closed within 60 days of the latter of the end of the grant performance period or liquidation period.
3. The Administering Department and FMS Capital Assets shall ensure property purchased, donated, or constructed in relation with grant funding is accounted for in accordance with §200.310 - §200.316 and §200.329.
4. The Administering Department is responsible for final performance reports required by the terms and conditions of the award and shall provide copies to FMS Grant Accounting for attachment in PeopleSoft.
5. The Administering Department and FMS Grant Accounting are responsible for preparing final financial reports required by the terms and conditions of the award. The Administering Department and FMS Grant Accounting are responsible for collecting and maintaining all appropriate back up documentation for financial reports.
6. The Administering Department will notify FMS Grant Accounting to close the grant in City's financial system and provide all required closeout documentation:
  - a. Project Closeout Checklist,
  - b. Request to inactivate Combo Codes (where applicable), and
  - c. Request to inactivate or redirect Payroll Task Profiles (where applicable).
7. The Administering Department or FMS Grant Accounting (per the signed Grant Kick-off Checklist) must ensure final reimbursement request is submitted. FMS Grant Accounting shall verify that final reimbursement has been received.
8. The Administering Department and FMS Grant Accounting will ensure that all financial activities are recorded, that revenues balance to expenditures, and that revenues and expenditures balance to budget figures.
9. FMS Grant Accounting shall complete the grant-closeout process in PeopleSoft.



## Grants Management Policy

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### **F. Post-Close**

1. The Administering Departments and FMS Grant Accounting are responsible for ensuring that their records are maintained in accordance with applicable City policy, State law, and federal regulations.
2. The Administering Departments are responsible for any programmatic reporting required by the grant, regardless of performance period.
3. The Administering Department and FMS Grant Accounting are responsible for responding to and cooperating with auditors, monitors, and other grantor personnel, as well as the City's independent or internal auditors.

# Fiscal Monitoring Policy

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**I. Authority**

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

**II. Purpose**

The fiscal monitoring policy is intended to serve as a tool, providing Council, management, and the public with the insight required to address issues impacting the City's financial condition. Furthermore, this policy is intended to describe particular elements or aspects of fiscal monitoring such long-term planning programs within the City and to memorialize this financial practice into a formal policy. The outcome of this policy is to prepare and present regular reports that analyze, evaluate, and forecast the City's financial performance and economic condition.

**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. Policy:**

**A. Financial Management Reports**

The Department of Financial Management Services shall make available through the City's PeopleSoft Enterprise Resource Planning System a series of on-demand reports that facilitate access to financial data which allows departments to analyze financial performance.

**B. Status Reports on Capital Projects**

The Department of Financial Management Services shall make available through the City's PeopleSoft Enterprise Resource Planning System a series of on-demand reports that facilitate access to financial



## Fiscal Monitoring Policy

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data which allows departments to analyze financial performance.

### C. Commitment to Long-Term Financial Planning

The LTFP process evaluates known internal and external issues impacting the City's financial condition. Such issues are identified, presented, and mitigated when and where possible. The process begins by identifying critical areas which have, or are expected to have, an impact on the financial condition of the City over the next five years. Once the issues are identified, specific goals and objectives are developed for each structural deficiency. The LTFP is a constantly changing and evolving plan, which will be routinely updated and presented on an ongoing five-year rolling basis. The LTFP will be incorporated into the City's Business Planning Process and presented to the City Council and staff throughout the formulation of the annual financial plan and budget. The LTFP is intended to help the City achieve the following:

1. Ensure the City can attain and maintain financial sustainability;
2. Ensure the City has sufficient long-term information to guide financial decisions;
3. Ensure the City has sufficient resources to provide programs and services for the stakeholders;
4. Ensure potential risks to on-going operations are identified in the long-term financial planning process and communicated on a regular basis;
5. Establish mechanisms to identify early warning indicators; and
6. Identify changes in expenditure/expense or revenue structures needed to deliver services or to meet the goals adopted by the City Council.

### D. Scope of the Plan

1. Time Horizon- The LTFP will forecast revenues, expenses or expenditures (as applicable), and financial position including Reserves for at least five years into the future or longer where specific issues call for a longer time horizon.
2. Comprehensive Analysis- The LTFP will provide meaningful analysis of key trends and conditions, including but not limited to;

## Fiscal Monitoring Policy

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- a. Analysis of the affordability of current services, projects , and obligations:
  - i. An analysis of the City's environment in order to anticipate changes that could impact the City's service and/or financial objectives.
  - ii. Revenue and expense or expenditure projections (as applicable), including the financial sustainability of current service levels over a multi-year period.
  - iii. The affordability of current debt relative to affordability ratios prescribed by City policy and/or State law.
  - iv. The affordability of maintaining and replacing the City's current capital assets.
  - v. The ability to maintain Reserves within the target ranges prescribed by City policy over a multi-year period.
  - vi. The impact of non-current liabilities on the city's financial position.
- b. Analysis of the affordability of anticipated service expansions or investments in new assets:
  - i. The operating costs of any new initiatives, projects, or expansion of services where funding has been identified through alternative sources (CIP, grants, debt issuance, etc.) or adopted or approved by the City Council through other actions. Service delivery of administrative services and functions shall be included to the extent needed proportionately with the expansion of other services.
  - ii. The affordability of the City's long-term CIP, including operating and maintenance costs for new assets.
  - iii. The affordability of other master plans that call for significant financial investment by the City.



## Fiscal Monitoring Policy

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- c. Synthesis of the above to present the City's financial position:
  - i. A clear presentation of the resources needed to accomplish the capital improvements identified in the City's CIP and to maintain the existing capital assets.
  - ii. A clear presentation of the resources needed to maintain services at their present level in addition to the expansion of services as may have been identified through the analysis described above.
  - iii. Identification of imbalances between the City's current direction and the conditions needed for continued financial health.
- 3. Solution-Oriented- The LTFFP will identify issues that may challenge the continued financial health of the City, and the plan will identify possible solutions to those challenges. Planning decisions shall be made primarily from a long-term perspective and structural balance is the goal of the planning process. For the purpose of this policy, structural balance means that annual revenues equal expenses / expenditures and year end reserves meet the minimum levels prescribed by City Reserves policies.
- E. Continuous Improvement- City staff will regularly look for and implement opportunities to improve the quality of the forecasting, analysis, and strategy development that is part of the planning process. These improvements will primarily be identified through the comparison of projected performance with actual results.
- F. Structural Balance- A Long-term structural balance is the goal from long-term financial planning. Should the long-term forecasting and analysis show that the City is not structurally balanced over the five-year projection period, staff would make recommendations during the annual budget process, on how the plan can be brought into alignment.
- G. Non-Current Liabilities- The LTFFP will address strategies for ensuring that the City's long-term liabilities remain affordable. The City Council supports efforts to ensure that critical long-term liabilities like debt service, asset maintenance, pensions, and other post-employment benefits remain affordable.



# Accounting, Auditing, and Financial Reporting Policy

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## **I. Authority**

The Fort Worth City Council is responsible for legislation, policy formulation, and overall direction setting of the 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 to manage and direct the City’s accounting, auditing, and financial reporting activities. Specifically, under this policy, the City shall comply with prevailing federal, state, and local statutes and regulations, as well as current professional standards, principles, and practices.

## **III. 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. Policy**

### **a. Conformance to Accounting Principles and Recommended Practices**

The City’s accounting practices and financial reporting shall conform to Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

### **b. Popular Reporting**

In addition to issuing an Annual Comprehensive Financial Report (ACFR) in conformity with GAAP, the City may supplement its ACFR with a simpler, “popular” report designed to assist those citizens who need or desire a less detailed overview of the City’s financial activities. This report should be issued no later than six months after the close of the fiscal year.



# Accounting, Auditing, and Financial Reporting Policy

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## c. Selection of Auditors

Every five years, the City shall request proposals from qualified firms, including the current auditors if their past performance has been satisfactory, and the Council shall approve the selection of an independent firm of certified public accountants to perform an annual audit of the books of account, records and transactions, opining of the Annual Comprehensive Financial Report and Single Audit Report and reporting the results and recommendations to the Council.

## d. Audit Completion

The City seeks to have its ACFR and Single Audit Report audited and available within 180 days after the close of its previous fiscal year, which ends September 30. In the event the presentation of the ACFR and Single Audit is delayed beyond the first Council meeting in April, the City Manager or his/her designee, shall provide a report on the status of the audit and the expected completion date of the ACFR and Single Audit to the City Council at its first meeting in April.

## e. Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting (ACFR program) to encourage state and local governments to go beyond the minimum requirements of generally accepted accounting principles by preparing comprehensive annual financial reports that evidence the spirit of transparency and full disclosure. The City will participate in the program yearly by submitting its ACFR for review and implement recommended changes, as appropriate.



## Retirement System and OPEB Health Care Trust

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### **I. Authority**

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

### **II. Purpose:**

This policy is intended to establish guidelines to ensure that the Employees' Retirement Fund is adequately funded and operated for the exclusive benefit of the participants.

### **III. 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 appendix.

### **V. Policy:**

Retirement System:

#### 1. Benefit Improvements and Reductions

The City will complete an actuarial impact study of any proposed benefit improvements or reductions, including changes in contribution levels before they are implemented.

#### 2. Qualified Plan

The City and the Retirement Fund will maintain the qualified status of the Retirement System. As deemed necessary from time to time, the City and/or the Retirement Fund will request a "determination letter" from the IRS relative to whether or not the City's retirement system conforms to the Internal Revenue Code in order to assure the tax-exempt status of the income earned on the Retirement Fund's investments, the retiree pension payments, and the accrued benefits for active employees.

#### 3. Funding Level

The City shall progressively monitor contribution levels of both the City and employees,



along with retirement benefits, to ensure that the Retirement Fund is sufficiently funded and benefits can be paid as they become due. If funding levels are insufficient, staff will update the City Council of the deficiency and make recommendations for corrective action.

Health Care Trust:

4. Benefit Improvements

Staff shall routinely present to the City Council the actuarial impact of any proposed benefit improvements, reductions, or changes. The City will also obtain an independent actuary who will certify the actuarial impact of any proposed benefit improvements or changes.

5. Funding Level

The City shall continue to monitor retiree healthcare benefits, to ensure that the Health Fund is sufficiently funded and City Council-approved benefits can be paid according to the approved benefit program. If funding levels are insufficient, staff will update the City Council of the deficiency and make recommendations for corrective action.



# Internal Controls

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## **I. Authority**

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

## **II. Purpose:**

This policy is intended to establish guidelines to maintain an internal control structure designed to provide reasonable assurance that City assets are safeguarded and that the possibilities for material errors in the City's financial records are minimized.

## **III. 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 appendix.

## **V. Policy:**

### **A. Proper Authorizations**

Procedures shall be designed, implemented and maintained to ensure that financial transactions and activities are properly reviewed and authorized.

### **B. Separation of Duties**

Job duties will be adequately separated to reduce, to an acceptable level, the opportunities for any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of assigned duties.

### **C. Proper Recording**

Procedures shall be developed and maintained that will ensure financial transactions and events are properly recorded, and that all financial reports may be relied upon as accurate, complete and up-to-date.

## Internal Controls

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D. Access to Assets and Records

Procedures shall be designed and maintained to ensure that adequate safeguards exist over the access to and use of financial assets and records.

E. Independent Checks

Independent checks and audits will be made on staff performance to ensure compliance with established procedures and proper valuation of recorded amounts.

F. Costs and Benefits

Internal control systems and procedures must have an apparent benefit in terms of reducing and/or preventing losses. The cost of implementing and maintaining any control system should be evaluated against the expected benefits to be derived from that system.



# E-Commerce Policy

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## I. Authority

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

## II. Purpose:

To fully utilize available technologies to expedite cash payments and receipts, enhance employee productivity, and provide customer satisfaction.

### A. *Fully Integrated Financial Systems*

All E-Commerce systems and procedures must fully and transparently integrate with the City's financial and accounting systems, its depository bank systems, and any other City information system which interfaces with an E-Commerce system.

### B. *Emerging Technologies*

The City will work closely with its depository bank and other financial partners to evaluate and implement the standard industry accepted technologies that prove to be efficient and effective in pursuit of the City's E-Commerce goals.

### C. *Vendor E-Payments*

The City will actively migrate vendor payments from paper checks to other forms of payment, including but not limited to: 1) Automated Clearing House (ACH) payments; 2) Wire transfers; and 3) Procurement Card payments.

### D. *Direct Deposits*

The City will actively migrate payroll payments from paper checks, to electronic formats, including but not limited to: 1) Direct deposits and 2) Electronic pay cards.

### E. *Internet Payment Options*

Working with its depository bank and other financial partners, the City will seek to develop and implement internet payment options of best practices which will allow customers and citizens to pay bills due the City conveniently and securely.

**F. *Information Security***

The City will employ security measures consistent with best practice and the City's information security policy to ensure the integrity and confidentiality of customer and citizen data that is stored or is a component of transactions utilizing the City's information technology infrastructure or that of its service providers.



# Donations Policy

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## **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 provide guidelines for accepting gifts and donations in a responsible, transparent, and accountable manner that is consistent with the City’s strategic goals. Donations of every type are offered to the City of Fort Worth (“City”) for general or specific purposes. Uniform criteria and procedures guide the review and acceptance of such donations, confirm that the City has relevant and adequate resources to administer such donations, and ensure that the City appropriately acknowledges the generosity of the donor.

## **III. 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**

### Definitions (to be incorporated into the glossary)

**Beneficiary Department Head:** shall mean the Director of the City department, or his/her designee, for which a donation is designated or intended. The CFO shall act as the Beneficiary Department Head if no department is designated or intended.

**Donation or Gift:** shall mean a monetary (cash) contribution, endowment, personal property, real property, financial securities, equipment, in-kind goods or services, or any other asset that the City has accepted and for which the donor has not received any goods, services, or any other form of tangible compensation in return. For purposes of this policy, “donation” or “gift” shall be synonymous.

**Donor:** shall mean a person or other legal entity that proposes or provides a donation or gift to the City.

**Endowment:** shall mean donations that are restricted to the extent that only earnings and not principal may be used for a particular purpose, City department, or location.



## Donations Policy

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Restricted Donation: shall mean donations or gifts designated in writing by the donor for a specific or particular City department, location, or purpose. It shall also mean donations or gifts received for specific programs or activities established by the City. The receiving department shall have the responsibility to ensure the restrictions placed upon the donation are fulfilled.

Unrestricted Donation: shall mean a donation to the City without any limitations being placed upon its use. Unrestricted donations shall be recorded in the General Fund.

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

### V. Policy

#### A. Specific Objectives

1. To establish and guide relationships with donors who share the City's commitment to provide a high quality civic environment;
2. To enrich our community by responsibly and efficiently managing donations; and
3. To generate revenue to fund new and existing facilities, projects, programs, and activities for the benefit of the residents of the City.

#### B. General Principles

1. This Policy is intended to guide the manner in which City staff accepts donations or gifts on behalf of the City.
2. Donations do not become the property of the City until accepted by the City consistent with this Policy.
3. Only City officials authorized by this Council Policy may accept donations.
4. The City has no obligation to accept any donation proposed by a donor.
5. All donations will be evaluated by the City prior to acceptance to determine whether the donation is in the City's best interest and is consistent with the applicable City laws, policies, ordinances, and resolutions.
6. The City does not provide legal, accounting, tax or other such advice to donors. Each donor is ultimately responsible for ensuring the donor's proposed donation meets and furthers the donor's charitable, financial, and estate planning goals. As such, each donor is encouraged to meet with a professional advisor before making any donation to the City.
7. The City must determine whether an expenditure of City funds, either a direct outlay



## Donations Policy

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of City funds or the use of City staff and/or materials, is associated or required with the acceptance of the donation prior to acceptance.

8. The donation must be used for official City business.
9. A donor may restrict a donation for a particular City department, location, or purpose, but not designate the City official who may use the donation.
10. The Beneficiary Department Head is responsible for acknowledging receipt of and thanking, on behalf of the City, all donors.
11. The City shall comply with all applicable laws and regulations of the Internal Revenue Service regarding the acceptance of donations.
12. Donations or gifts received or accepted by the Mayor, City Council Members, or appointed officials from representatives of foreign or domestic governments, business leaders, Sister Cities and their affiliates, or other parties intending to express appreciation or foster diplomatic exchange and goodwill and/or symbolize a significant event or relationship with the City shall be exempt from this policy.

### C. Policy

#### Types of donations

Donations or gifts may be received in the form of cash, financial securities, or real or personal property. Donations may be Restricted or Unrestricted.

The procedure for accepting donations or gifts shall be as follows:

- Cash donations shall be accepted as follows:
  - Amounts equal to or less than \$5,000.00 may be received by each Department Director and shall be deposited by the participating department into the Special Donations Fund;
  - Amounts equal to or less than \$100,000.00 may be received by each Assistant City Manager and shall be deposited by the participating department into the Special Donations Fund;
  - Amounts greater than \$100,000.00 must be accepted by the Mayor and City Council through an agenda item considered at a regularly scheduled City Council meeting.
- Any and all non-cash donations resulting in a capital asset as outlined within the City's Capital Asset Policy shall be accepted through an agenda item adopted by the Mayor and Council at a regularly scheduled City Council meeting.
- Donations of non-cash items not meeting the capitalization thresholds within the City's Capital Asset Policy shall be accepted under the same terms and thresholds identified above for cash donations.





## Donations Policy

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- Any donations requiring the City to sign an agreement for acceptance should be reviewed by the participating department head and the City Attorney's Office prior to execution.
- Donations from Trust and Perpetuity Funds: Donations from trust and perpetuity funds shall be administered by the receiving department pursuant to the terms of the donation placed upon the trust by the donor.
- Donations of Publicly Traded Equity and Debt Securities: Once accepted and received by the City, the Department of Financial Management Services will immediately liquidate the donation of a publicly traded equity or debt security. Sale proceeds will then be made available to the receiving department.
- Donations of Cash and Real Goods: Donations of cash and real goods may be accepted upon completion of the following processes:
  1. The Beneficiary Department Head shall evaluate whether the donation:
    - a. Is in the City's best interest and is consistent with applicable City laws, policies, and resolutions;
    - b. Has any special restrictions and if so, if those restrictions are acceptable to the City;
    - c. Obligates the City to make an immediate or initial City expenditure which has not been included in the approved budget for the appropriate fiscal year; and
    - d. Creates a new, one-time or an on-going general maintenance obligation of the City.
  2. The City will maintain one Governmental Special Donations Fund to record governmental fund related donations activities. Proprietary fund related donations activities shall be recorded in the primary operating fund of the Department.
  3. The Governmental Special Donations Fund will be treated as a special revenue project fund. The Department shall be responsible for requesting appropriation through the annual budgeting process or through an M&C for new donations received.
  4. Restricted Donations that are not expended at the conclusion of the project and/or activity shall be transferred to the General Fund for the general use of the City.
  5. Restricted donations that do not meet the requirements of a Special Revenue Fund shall be reported in the beneficiary Department's primary fund or the General Fund
  6. Unrestricted Donations do not meet the requirements of a Special Revenue Fund and therefore should not be reported in the Donations Fund, which is a Special

## Donations Policy

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Revenue Fund. Unrestricted Donations shall be reported in the beneficiary Department's primary fund or the General Fund.

7. Any donations remaining unencumbered and unspent three (3) years after acceptance will be removed from the donation fund and deposited to the department's operating fund (General Fund or respective annual operating fund)
- Donations of real property: Donations of real property may be accepted upon completion of the following process:
    1. The receiving department shall work with the Property Management Department to determine the approximate value of the donation and to ensure that the donation is in the City's best interest. Acceptance shall be consistent with applicable City laws, policies, ordinances, and resolutions.
    2. When seeking City Council approval for a donation of real property, the associated agenda item shall report:
      - a. The appraised value of the donation;
      - b. Any expenditures or maintenance obligations for the City associated with the short-term and long-term ownership of the donation;
      - c. Potential liabilities associated with the donation, such as hazardous conditions or environmental concerns;
      - d. Whether the donation has any special restrictions, and if so, if those restrictions are acceptable to the City; and
      - e. Any recommendations for conditions of acceptance.
  - Any and all Restricted Donations received by the City shall be accompanied by a document indicating the nature and purpose of the restriction.

### VI. **Exclusions**

This policy is not intended to govern donations made to the City under the following programs:

- a. Water / Garbage Fee Assistance and Plumbing Repair Programs
- b. Developer Contributions of Infrastructure under a Community Facilities Agreement, Development Agreement, Platting Process, or Annexation
- c. City Ethics Policy with respect to food and meals

Receipts for these programs will be administered by the documents governing their existence.



## Lease Policy

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### **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 defines and provides the guiding principles with respect to the financial management of leases and subscription-based information technology arrangements (“SBITAs”) for the City of Fort Worth (“City”). The objectives of this policy are to ensure consistent lease practices in accordance with Generally Accepted Accounting Principles (“GAAP”) and applicable regulatory agencies in the setting up and reporting of leases meeting the Governmental Accounting Standards Board (“GASB”) standards. Controls are created to establish, maintain, and enforce a sound system of operational procedures and internal control objectives. These controls address the decentralized nature of the processes associated with leases and SBITAs while also providing standards and acceptable controls for these activities.

### **III. Applicability and Scope**

All employees of the City, including uniformed employees in positions who are responsible for performing fiscal operations described herein, shall apply the principles of this policy. This may include, but not be limited to, staff who enters into a lease and/or SBITA, receives right to use assets and monitor use. Further, this policy shall cover all funds and right of use assets under the fiscal control of the City Manager, Mayor and City Council.

### **IV. Glossary**

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

### **V. General Information**

This policy utilizes the definition of a lease as defined under GASB Statement 87, as a contract or agreement which conveys control of the right to use another entity’s nonfinancial asset (the underlying asset) as specified in the contract/agreement for a period of time in an amount equivalent to the value of the asset. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any agreement that meets this definition will be accounted for under the lease guidance, unless specifically excluded.

Under GASB 96, a SBITA is a contract or agreement which conveys control of the right to use another party’s IT software alone, or in combination with tangible capital assets (underlying IT assets), as specified in the contract/agreement for a period of time in an exchange or exchange-like transaction. For an amount equivalent to the value of the asset. Any agreement that meets this definition will be accounted for under the lease guidance, unless specifically excluded.



## Lease Policy

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### Lessee Accounting

A lessee will recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability will be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset will be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. A lessee will reduce the lease liability as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee will amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The notes to financial statements will include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

### Lessor Accounting

A lessor will recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor will not derecognize the asset underlying the lease. The lease receivable will be measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources will be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. A lessor will recognize interest revenue on the lease receivable and an inflow of resources (for example, revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease. The notes to financial statements will include a description of leasing arrangements and the total amount of inflows of resources recognized from leases.

### Regulated Leases

A regulated lease is one in which external laws, regulations, or legal rulings establish ALL of the following:

- Lease rates cannot exceed a reasonable amount (reasonableness subject to determination by an external regulator)
- Lease rates will be similar for lessees that are similarly situated
- Lessor cannot deny potential lessees right to enter into leases if facilities are available (lessee's use of the facilities has to comply with generally applicable use restrictions).

Federal Aviation Administration guidance distinguishes aeronautical use from nonaeronautical use as follows:

- Aeronautical use: "... any activity that involves, makes possible, is required for the safety of, or is otherwise directly related to the operation of aircraft. Aeronautical use includes services provided by air carriers related directly and substantially to the movement of passengers, baggage, mail and cargo on the airport. Persons, whether individuals or businesses, engaged in aeronautical uses involving the operation of aircraft, or providing flight support directly related to the operation of aircraft, are considered to be aeronautical users."



## Lease Policy

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- Nonaeronautical use: Any activities not associated with the direct transport of passengers or cargo. Such activities generally involve the operation of facilities that do not need to be located at an airport, including airline headquarters and reservation centers; flight kitchens; hotels; public parking, and rental car operations.

### Software Based Information Technology Arrangements

The SBITAs have a subscription term which would include the period during which the City has a noncancelable right to use the underlying IT assets and would include periods covered by an option to extend (if it is reasonably certain the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain the government or SBITA vendor will not exercise that option). At the subscription's commencement, the City will assess all relevant factors to determine the likelihood of exercise options, whether contract-based, asset-based, market based, or government-specific. The following factors will be considered in evaluating the likelihood of option exercise:

- A significant economic incentive, such as favorable contractual terms and conditions for the optional periods compared with the current market
- A potential change in technological development that significantly affects the technology used by the IT asset
- A potential significant change in the government's demand for the SBITA vendors' IT assets
- A significant economic disincentive, such as costs to terminate the SBITA and sign a new SBITA, i.e., negotiation costs, costs of identifying another suitable IT asset or another suitable SBITA vendor, implementation costs, or a substantial cancellation penalty
- Option exercise history
- The extent to which the SBITA's IT assets are essential to the provision of government services

A rolling month-to-month SBITA or a SBITA that continues into a holdover period until a new contract is signed would not be enforceable if both the government and the SBITA vendor have an option to terminate and either could cancel the SBITA at any time. Provisions that allow for termination of a SBITA as a result of either payment of all sums due or default on subscription payments are not considered termination options.

A fiscal funding or cancellation clause allows the City to cancel a SBITA typically on an annual basis—if the government does not appropriate funds for the subscription payments. That type of clause will affect the subscription term only if it is reasonably certain that the clause will be exercised.

## VI. Responsibility/Authority

City-wide Department responsibilities:

- Serve as custodians of right of use assets that are assigned to their departments
- Ensure full departmental compliance with the established lease policy in order to maintain adequate records of the City's right of use assets

## Lease Policy

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- Each department head must appoint a department designee that has knowledge and experience in lease contracts. Department designee responsibilities include but are not limited to:
  - Identifying potential new leases
  - Notify FMS of any change or cancellation to a lease
  - Marking the Mayor and Council Communication (M&C) as a potential lease
  - Including the Finance Lease Coordinator in the collaboration of the M&C
  - Having the Purchasing module designate the contract as a lease
  - Emailing the Finance Lease Coordinator providing all information needed to determine eligibility and when none of the above would apply

### FMS responsibilities:

- The Finance Lease Coordinator, Financial Management Services Manager and Assistant Finance Director over Accounting shall ensure that all leases entered into by the City are properly identified, recorded and reconciled in the Leasing software, PeopleSoft Asset Management, Purchasing, and General Ledger modules monthly.
  - Maintain a master lease spreadsheet to determine the lease type (short-term, scope exclusion or GASB 87/96).
  - Complete the entry of the lease details in the Leasing software once the lease type is determined to be GASB 87/96 or Regulated leases.
- The Finance Lease Coordinator is responsible for maintaining a current listing of all leased Asset Designees from all City departments.
- The Finance Lease Coordinator must oversee the review of all transactions related to leased assets at least monthly and update the Leasing software, PSAM system, PSGL system as required, upon validation of the transactions or corrections.
- The Finance Lease Coordinator, Financial Management Services Manager and Assistant Finance Director over Accounting are responsible for ensuring that journal entries and monthly amortization expense are properly recorded in the general ledger and changes noted by the department designees are recorded in the PSAM and PSGL system.
- FMS is responsible to provide department representatives with the necessary training in lease asset management to effectively fulfill their duties and responsibilities under this policy.

## VII. Asset Classification

The City categorizes capital assets into the following:

- Land Lease
- Building Lease
- Infrastructure Lease
- Machinery and Equipment Lease
- Vehicle Lease
- Parking
- Airport Hangar
- Intangibles (SBITAs)

## VIII. Capitalization

### Capitalization Thresholds



## Lease Policy

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- Land must be capitalized regardless of the value or cost.
- Buildings must be capitalized regardless of the cost.
- Infrastructure must be capitalized when the useful life is 3 years or greater and the cost is \$100,000 or more for the life of the lease.
- Machinery and Equipment qualifying as a capital asset is defined as a single item with an acquisition cost of \$25,000 or more and has a useful life of 2 years or greater. This includes items designed for off road for the life of the lease.
- Vehicles must be capitalized when the useful life is 4 years or greater, the cost is \$5,000 or greater for the life of the lease and it meets both of the following criteria:
  - Self-propelled
  - Primary use is on public streets and the unit is street legal
- Furniture, fixtures, and equipment (FF&E) will not be capitalized no matter the amount.
- Bulk machinery and equipment per lease contract will be capitalized if the total amount is over \$500,000 for the life of the lease.
- Intangible assets - SBITAs must be capitalized when the term of the agreement is greater than 12 months and the cost is greater than \$100,000 for the agreed term.

### **IX. Amortization**

A leased asset will be amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The amortization of the leased asset will be reported as an inflow or outflow of resources (for example, amortization expense), which may be combined with depreciation expense related to other capital assets for financial reporting purposes.

### **X. Initial Measurement**

#### Lease Liability

For all leases meeting the GASB standards the lessee will record a lease liability. The lease liability will be measured at the present value of future lease payments expected to be made during the lease term and include the following:

- Fixed payments – Payments established at specific amounts in the lease contract for which the lessee is obligated to make
- Variable payments that depend on an index or rate—such as the Consumer Price Index (CPI) or a market interest rate—initially measured using the index or rate as of the lease term’s commencement and assumed to stay in effect throughout the lease term
- Variable payments that are fixed in substance
- Amounts that are reasonably certain of being required to be paid by the lessee under residual value guarantees (RVG)
- The exercise price of a purchase option if it is reasonably certain that the lessee will exercise that option
- Payments for penalties for terminating the lease if the lease term reflects the lessee exercising (1) an option to terminate the lease or (2) a fiscal funding or cancellation clause
- Any lease incentives receivable from the lessor
- Any other payments that are reasonably certain of being required based on an assessment of all relevant factors

#### Lease Receivable

## Lease Policy

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A lessor initially will measure the lease receivable at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Measurement of the lease receivable include the following:

- Fixed payments
- Variable payments that depend on an index or rate, initially measured using the index or rate as of the lease term's commencement
- Variable payments that are fixed in substance
- RVG payments that are fixed in substance
- Any lease incentives payable to the lessee

### **XI. Payments**

- Fixed payments
- Variable payments that depend on an index or rate, initially measured using the index or rate as of the lease term's commencement
- Variable payments that are fixed in substance

#### Lessee

Fixed rate payment is an unchanging rate charged on a liability, such as a loan or mortgage and receivable, such as a rent from a property owned. It might apply during the entire term of the loan or for just part of the term, but it remains the same throughout a set period.

Variable payment depends on the lessee's future performance or usage of the underlying asset do not have a baseline measurement at lease term commencement and are excluded from the initial liability, e.g., copier lease payments contingent on copier usage or rental car payments dependent on miles incurred. However, any minimum guarantee amounts or other portions of variable payments that are fixed in substance, i.e., they can be readily measured, are to be included in the lease liability.

#### Lessor

Fixed rate payment will record a lease receivable and recognize inflows of resources, e.g., revenue, at the time a not-fixed-in-substance RVG's guarantee payment is required as agreed to by the lessee and lessor and the amount can be reasonably estimated. Amounts to be received for the exercise price of a purchase option or penalty for lease termination will be recognized as a receivable and an inflow of resources, e.g., revenue, when those options are exercised.

Variable payments will be recognized as inflows of resources, e.g., revenue, in the period to which those payments relate. Examples include variable payments based on a percentage of airport terminal restaurant sales or vendor stall sales at government-owned sports stadiums.

### **XII. Discount Rate**

The discount rate is applied to all leases that meet the GASB standards set out in this policy.

As the Lessee, the discount rate is established by using the interest rate at which time the transaction is made which may be the rate implicit in the lease contract. Consistent with current guidance, if the lease's implicit interest rate is not readily determinable within the contract, the City's estimated incremental borrowing rate will be used. Determining the incremental borrowing rate entails estimating the interest rate the Lessee would be charged for borrowing the lease payment amounts during the lease term.



## Lease Policy

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As the Lessor, the discount rate will be determined by the interest rate that is charged to the lessee—including implicit rates—and will use this rate to discount the future lease payments. If the contract does not include a stated interest rate, a calculation, of the implicit interest rate, will need to be performed. The City will need a market value for the related property. A valuation specialist might be needed to apply a cost, income or market approach—or some combination of these approaches—to arrive at a lease’s supportable implicit rate.

The discount rate will only be updated—and receivable or payable remeasured—if there is a change in the lease term or interest rate the lessor charges the lessee, provided the changes individually or in the aggregate are expected to significantly affect the lease receivable or payable amount. At that time, the receivable or payable will be remeasured using the revised rate. The deferred inflow and outflows of resources balance generally will be adjusted by the same amount as any changes resulting from remeasurement of the lease receivable or payable.

### **XIII. Remeasurement/Modification**

The lease liability/receivable will be remeasured at subsequent reporting dates if one or more of the following occurs, presuming the changes individually or in the aggregate are expected to significantly affect the lease liability/receivable since the last measurement:

- The lease term changes
- Based on an assessment of all relevant factors, the likelihood of a residual value guarantees being paid or purchase option being executed changes from “reasonably certain” to “not reasonably certain” or vice versa
- The estimated remaining payments change from the amount included in the lease liability/receivable measurement
- The rate the lessor charges the lessee changes, if used as the initial discount rate
- Remeasurement is required when a contingency—upon which some or all of the variable payments expected to be made over the lease term’s remainder are based—is resolved such that those payments meet the criteria for inclusion in the lease liability/receivable, i.e., an event occurs causing variable payments contingent on the underlying asset’s performance or use has occurred, causing the payments to become fixed or fixed in substance

If remeasurement is triggered, the liability/receivable also must be adjusted for changes to the index or rate used to determine variable payments, if the change is expected to significantly affect the previous measurement’s liability/receivable amount. Changes in an index or rate used to measure variable payments do not—in and of themselves—require liability/receivable reassessment. The lessee is not required to remeasure the lease liability/receivable or reassess the discount rate solely because of changes in its incremental borrowing rate.

Lessees will adjust the lease asset by the same amount as the corresponding lease liability, except if the lease asset’s carrying value is reduced to zero. If this occurs, any remaining amount will be reported in the resource flows statement as a gain.

For additional information or questions concerning this policy, please contact the FMS GASB 87/96 Core Team at (817) 392-2455 or email [zz\\_Fin\\_GASB\\_Core team@fortworthtexas.gov](mailto:zz_Fin_GASB_Core_team@fortworthtexas.gov).



## Sponsorship Policy

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### **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 defines and provides the guiding principles with respect to the financial management of sponsorships requested of the City of Fort Worth (“the City”). The objectives of this policy are to ensure consistent practices regarding payments made to support local festivals, special events, community projects or programs, and other similar activities that are not controlled or hosted by the City. Controls are created to establish, maintain, and enforce a sound system of operational procedures in accordance with industry best practices and internal control objectives.

### **III. Applicability and Scope**

All employees of the City, including uniformed employees in positions who are responsible for performing fiscal operations described herein, shall apply the principles of this policy. Further, this policy shall cover all funds under the control of the Mayor and City Council.

### **IV. Glossary**

- Sponsorship: When the City decides to donate cash to an event or program hosted by a third party.

See definitions related to this policy provided in the Glossary for Financial Management Policies for other defined terms.

### **V. General Information**

Article III, Section 52 of the Texas Constitution prohibits the legislature from authorizing political subdivisions to lend their credit or to grant public money. As a general rule, this means that a City is prohibited from making a donation or gift using public funds. However, if the City determines that a particular expenditure accomplishes a valid public purpose, and despite the fact that one or more individuals or corporations might incidentally benefit, the expenditure will still be valid. The key question is whether a valid public purpose is





## Sponsorship Policy

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being directly accomplished by the expenditure. *City of Corpus Christi v. Bayfront Assoc. Ltd.*, 814 S.W.2d 98 (Tex. App. – Corpus Christi 1991, writ den.).

However, there is no precise definition as to what constitutes a public purpose other than to state that, if an object is beneficial to the inhabitants and directly connected with the local government, it could be considered a public purpose. *Davis v. City of Taylor*, 67 S.W.2d 1033, 1034 (Tex. 1934).

In order for a donation or gift of public funds to be lawful, the City Council must (1) make the determination of whether a certain expenditure meets the public purpose test, and (2) also ensure that sufficient controls are placed on the transaction to ensure that the public purpose will be carried out. The City Council's determination is subject to judicial review.

Council's approval of this policy is the City Council's findings of the noted public purpose for the items listed below and requires certain controls for each activity to ensure that the public purpose is carried out.

### **VI. Responsibility / Authority**

City-wide Department responsibilities:

- A. Department Directors must ensure that each Sponsorship paid by their department conforms with this policy.
- B. City Officials must ensure that each Sponsorship paid by their staff conforms with this policy.
- C. City personnel must retain documentation sufficient to show compliance with this policy.
- D. In the event that a Department or City Official is unsure whether a Sponsorship is approved through this policy or must be separately approved by the City Council, the Department or City Official should consult with the City Attorney's Office for guidance.

### **VII. Policy**

- A. A Sponsorship is approved if it qualifies under subsection (B), (C), or (D) of this Section VII and funding is available in the department's or official's previously approved budget.



## Sponsorship Policy

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### B. Approved Sponsorships (No Further Council or City Manager Approval):

The City Council finds that Sponsorships in the following categories serve the public purpose of furthering City objectives and goals and that adequate controls are in place, provided that this policy is followed:

- i. Sponsorships on the Approved List of City Sponsorships, which shall be created and maintained by the City Manager.
- ii. Sponsorships that meet all of the following Criteria:
  - The Sponsorship aligns with the City's core values and enhances the local and regional communities with a specific focus in the following areas:
    - o Quality of Life
    - o Education
    - o Arts
    - o Economic Development
    - o Programs that provide direct development and improvement to underserved communities
  - The Sponsorship is related to the typical business or work of the sponsoring City Department;
  - The event is held by an organization based in the United States, has at least one year of documented operating history, and is a governmental entity or is verifiable through the Internal Revenue Service (IRS) as a tax-exempt organization;
  - The organization hosting the event must directly impact the City of Fort Worth or the greater Dallas/Fort Worth region;
  - The event conforms to all applicable laws, ordinances, or other regulations;
  - The event is not held to promote a political position or figure;
  - The event is not held to promote a religious message or belief. Providing secular community service programs, such as soup kitchens, shelters for the homeless, job banks, etc., are eligible even though sponsored by





## Sponsorship Policy

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religious organizations if the broader public is served and services are not limited to members of the same religion;

- The organizer includes the City logo on all materials showing event sponsors, if the sponsorship purchased includes acknowledgement of the sponsoring entity;
- The amount of the Sponsorship is \$5,000 or less; and
- The organization does not meet any of the following criteria:
  - o Operates or supports activities counter to the policies of the City of Fort Worth;
  - o Is a social, labor union, alumni, or trade association, fraternal or political organization (including candidates, causes, and campaigns), or organization (civic leagues, business leagues) that serves a limited constituency that is unrelated to a legitimate purpose that aligns with a City goal or value;
  - o Is an organization or team raising funds on behalf of another benefiting group (e.g., walk-a-thons, contests, pageants, ambassador programs, scholarships, etc.);
  - o Is an organization that is actively engaged in highly controversial issues or that use controversial tactics to advocate their position;
  - o Publications, films, television programs, or social media production, but this shall not exclude placing advertisements in periodicals;

iii. For Sponsorships made pursuant to VII(B)(i) or VII(B)(ii), departments must comply with Section VII(E)(ii).

### C. Sponsorships that Require Approval from the City Manager's Office – Departments Only

i. In the event that a Sponsorship does not meet the criteria in VII(B), the department must receive approval to move forward with the Sponsorship from their assigned Assistant City Manager or the City Manager. Departments should retain documentation showing compliance with this section. This section does not apply to City Officials.



## Sponsorship Policy

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ii. If the Assistant City Manager or the City Manager approves the sponsorship, the department must determine whether separate City Council approval is required.

- a. Separate City Council approval is not required for the purchase of tickets for city personnel and/or for tables at functions, regardless of the cumulative amount donated by the City for individual tickets and/or for a table that are approved under this subsection.
- b. Any other sponsorship will require City Council approval pursuant to VII(D).

### D. Sponsorships that Require Separate City Council Review and Approval

All Sponsorships that do not meet the criteria listed above in VII(B) or VII(C) must be submitted to the City Council for approval prior to payment being made. Approval may take up to one month; so advanced notice of Sponsorships is highly encouraged to ensure adequate time to seek the necessary authorizations. The City Council must find (1) a public purpose and (2) that adequate controls are in place in order for a Sponsorship to be funded, and such findings must be made before the Sponsorship payment is made.

### E. Application Process

i. Requests should be submitted to the Department Director, Assistant City Manager, City Manager, or City Official via letter or email on organizational letterhead at least 30 days in advance of the event. The letter shall include, at a minimum, details of the type, nature, and beneficial impact of the request along with relevant City acknowledgments, desired key leadership participation, and other elements crucial to the review process.

ii. The City representative that received the request shall review the request and this policy. If the Sponsorship is authorized under VII(B), the City representative shall, in order to ensure that multiple sponsorships are not unintentionally made to the same event, email [CFW\\_DepartmentHeads@fortworthtexas.gov](mailto:CFW_DepartmentHeads@fortworthtexas.gov) and [Assistant\\_Directors@fortworthtexas.gov](mailto:Assistant_Directors@fortworthtexas.gov) and include the following information (1) the department making the sponsorship, (2) the organization hosting the event, (3) the name, date, and time of the event, (4) the sponsorship being provided, and (5)





## Sponsorship Policy

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in the event a table or seats are being purchased, who will be attending the event. Departments should coordinate to maximize the impact of the sponsorship and ensure there is no waste.

iii. In the event the City representative is unsure whether the Sponsorship requires separate City Council approval, the representative shall receive a determination from the City Manager or Assistant City Manager on any necessary City Council approval. The City Attorney's Office, if so requested by the City Manager or Assistant City Manager, shall provide advice to the City Manager or Assistant City Manager on whether the Sponsorship requires City Council approval. In no event can a Sponsorship be paid without City Council approval, either separately or under this policy.

### F. Unapproved Sponsorships

Any payments to organizations that do not comply with this policy or that do not have prior City Council approval are unapproved and will be required to be reimbursed by the City personnel or City Official that approved the Sponsorship.

For additional information or questions concerning this policy, please contact the FMS- Purchasing at (817) 392-2462.

# Financial Management Policies

## Glossary

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- a. **Accrual Basis of Accounting** - A basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows. For example, in accrual accounting, revenue that was earned on April 1 but for which payment was not received until July 10, is recorded as revenue on April 1<sup>st</sup> regardless of the timing of when the payment is received.
- b. **Annually Completed Actuarial Report** - An Actuarial Report includes a type of appraisal which requires making economic and demographic assumptions in order to estimate future liabilities.
- c. **Approving Official** - Supervisors or above granted with approval authority by the Department Director.
- d. **Auction Master Template** - A form used by City departments to identify assets that will be disposed.
- e. **Beneficiary Department Head** - The Director of the City department, or his/her designee, for which a donation is designated or intended. The CFO shall act as the Beneficiary Department Head if no department is designated or intended
- f. **Business Plan** - A department-level plan. In this plan, departments outline each division's Service Areas and associated key performance indicators, and priority initiatives for each. This document is meant to serve as a high-level annual performance plan, in which measures are periodically updated to facilitate continuous observation, trend analysis, and improvement of department activities and services.
- g. **Capital Improvement Plan (CIP)** - A plan that describes the capital projects and associated funding sources the City intends to undertake in the current fiscal year plus four successive fiscal years, including the acquisition or construction of capital facilities and assets, and the maintenance thereof.
- h. **Capital Projects Fund** - A governmental fund established to account for resources used for the acquisition of large capital improvements and non-recurring expense other than those acquisitions accounted for in proprietary or trust funds.
- i. **Cash Flow** - The net cash balance at any given point. The Chief Financial Officer/Director of Finance shall prepare a cash flow analysis which projects the inflow, outflow, and net balance of cash reserves on a daily/weekly/monthly / annual basis.
- j. **Days Cash on Hand** - A measure of cash saved that is not earmarked or designated



## Financial Management Policies

### Glossary

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for any purpose (unrestricted cash) which calculates the number of days a system can pay expenses associated with daily operations and maintenance before complete depletion of unrestricted cash occurs. Days Cash on Hand is calculated by dividing unrestricted cash by the system's average daily cost of operations (annual operating expenses, excluding depreciation, divided by 365).

- k. Debt Service - The cash that is required for a particular time period to cover the repayment of interest and principal on a debt. Debt Service is projected on an annual basis.
- l. Debt Service Fund - a fund established to accumulate resources and to account for revenues and expenditures used to repay the principal and interest on debt.
- m. Deferred Inflows of Resources - resources that flow into a fund during the fiscal year, but are related to a future period. Deferred Inflows have a negative effect on net position, similar to liabilities. (Examples include: property taxes levied in the current year to finance the subsequent year's budget.
- n. Deferred Outflows of Resources - resources that flow out of a fund during the fiscal year, but are related to a future period. Deferred Outflows have a positive effect on net position, similar to assets. (Examples include: resources provided to a grantee before the grantee has met related time requirements, but after all other eligibility criteria have been met).
- o. Department of Finance - includes the references in the City Charter to the Department of Finance and the Department of Financial Management Services. For purposes of this policy, the Department of Finance is the department responsible for the corporate financial operations of the City.
- p. Donation or Gift: A monetary (cash) contribution, endowment, personal property, real property, financial securities, equipment, in-kind goods or services, or any other asset that the City has accepted and for which the donor has not received any goods, services, or any other form of tangible compensation in return. For purposes of this policy, "donation" or "gift" shall be synonymous.
- q. Donor - A person or other legal entity that proposes or provides a donation or gift to the City.
- r. Endowment - Donations that are restricted to the extent that only earnings and not principal may be used for a particular purpose, City department, or location.

## Financial Management Policies Glossary

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5. Unassigned Fund Balance - Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund. Unassigned amounts are technically available for any purpose.
- y. General Fund - One of five governmental fund types. The General Fund typically serves as the chief operating fund of a government. The General Fund is used to account for all financial resources not accounted for or restricted to another fund.
- z. Governmental Fund - funds generally used to account for tax-supported activities. There are five different types of governmental funds including: General Fund, Special Revenue Funds, General Debt Service Fund, Capital Project Funds, and Permanent Funds.
- aa. Incurred but not Reported Claims - Claims/and or events that have transpired, but have not yet been reported.
- bb. Internal Service Fund- Proprietary fund type used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.
- cc. Long-Term Financial plan (LTFP) - A Long-Term Financial Plan includes an analysis of the financial and economic environment, long-term forecasts, debt analysis, and financial strategies.
- dd. Modified Accrual Basis of Accounting - The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under this basis of accounting, revenues are recognized when they become both “measurable” and “available” to finance expenditures in the current period. For example, revenue that is earned and measurable on April 1, is billed on April 30<sup>th</sup>, and paid on May 1<sup>st</sup> would not be recorded as revenue until payment is received on May 1<sup>st</sup>.
- ee. Net Position - Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in a proprietary fund.
- ff. Non-Capital Asset - Assets with an acquisition cost of 25K or less per unit. Examples include tables, chairs, file cabinets, library books, and miscellaneous equipment.
- gg. Non-Recurring Item - An expenditure that has not occurred in the previous two years and is not expected to occur in the following year.





## Financial Management Policies Glossary

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- hh. Operating Expenditures (Governmental Funds) - An expenditure incurred in carrying out the City's day-to-day activities. Operating Expenditures include such things as payroll, employee benefits and pension contributions, transportation and travel.
- ii. Operating Expenses (Proprietary Funds) - An expense incurred in carrying out the City's day-to-day activities. Operating Expenses include such things as payroll, employee benefits and pension contributions, transportation and travel, amortization and depreciation. Notwithstanding the foregoing, with respect to a City Enterprise for which obligations, secured in whole or in part by the revenues of such Enterprise (such as the City's Water and Sewer System), have been issued or incurred, Operating Expenses shall be determined in accordance with State law and terms of the ordinances pursuant to which such obligations were issued or incurred.
- jj. Pay As You Go Financing - The use of currently available cash resources to pay for capital investment. It is an alternative to debt financing.
- kk. Pooled Cash - The sum of unrestricted cash and investments of several accounting funds that are consolidated for cash management and investment purposes. Investment income or expenditure is allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
- ll. Program - A set of activities, operations, or organizational units designed and directed to accomplish specific service outcomes or objectives for a defined customer.
- mm. Proprietary Fund - A class of fund types that account for a local government's businesslike activities. Proprietary funds are of two types: enterprise funds and internal service funds. Both use the accrual basis of accounting and receive their revenues from charges to users. (Enterprise Fund examples: Water and Sewer Fund, Stormwater Utility Fund, Municipal Parking Fund; Internal Service Fund examples: Equipment Services, Information Systems Fund).
- nn. Purchasing Department Coordinator - FMS Purchasing Division designee responsible for validation of the sale of assets and wire transfers.
- oo. Reasonable Cause - Reason(s) to qualify for penalty relief determined on a case by case basis considering all the facts and circumstances.
- pp. Reserve (Governmental Funds) - Reserve refers only to the portion of Fund Balance

## Financial Management Policies

### Glossary

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- that is intended to provide stability and respond to unplanned events or opportunities. See associated Reserve Policy for specific details.
- qq. Reserve (Proprietary Funds) - Reserve refers only to the portion of Working Capital that is intended to provide stability and respond to unplanned events or opportunities. See associated Reserve Policy for specific details.
- rr. Restricted Donation - Donations or gifts designated in writing by the donor for a specific or particular City department, location, or purpose. It shall also mean donations or gifts received for specific programs or activities established by the City. The receiving department shall have the responsibility to ensure the restrictions placed upon the donation are fulfilled.
- ss. Special Revenue Fund- Governmental fund type used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purpose other than debt service or capital projects and exclusive of resources held in trust for individuals, private organizations, or other governments.
- tt. Sponsorship - When the City decides to donate cash to an event or program hosted by a third party.
- uu. Unrestricted Donation - A donation to the City without any limitations being placed upon its use. Unrestricted donations shall be recorded in the General Fund.
- vv. Unrestricted Net Position - The portion of a fund's net position that is not restricted for a specific purpose.
- ww. Working Capital - An accounting term defined as current assets less current liabilities in a proprietary fund. Working Capital is used to express the Reserves available in proprietary funds for use.



# City Profile

## City Profile

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### LOCATION AND HISTORY

Fort Worth, incorporated in 1873, is a political subdivision and municipal corporation of the State of Texas, located in Tarrant, Denton, Parker, Wise, and Johnson Counties. The City covers approximately 359 square miles and serves a population of 956,709. Situated on the Trinity River, Fort Worth is approximately 75 miles south of the Oklahoma state line and 270 miles northwest of the Gulf of Mexico. The city is a cultural gateway into the American West.

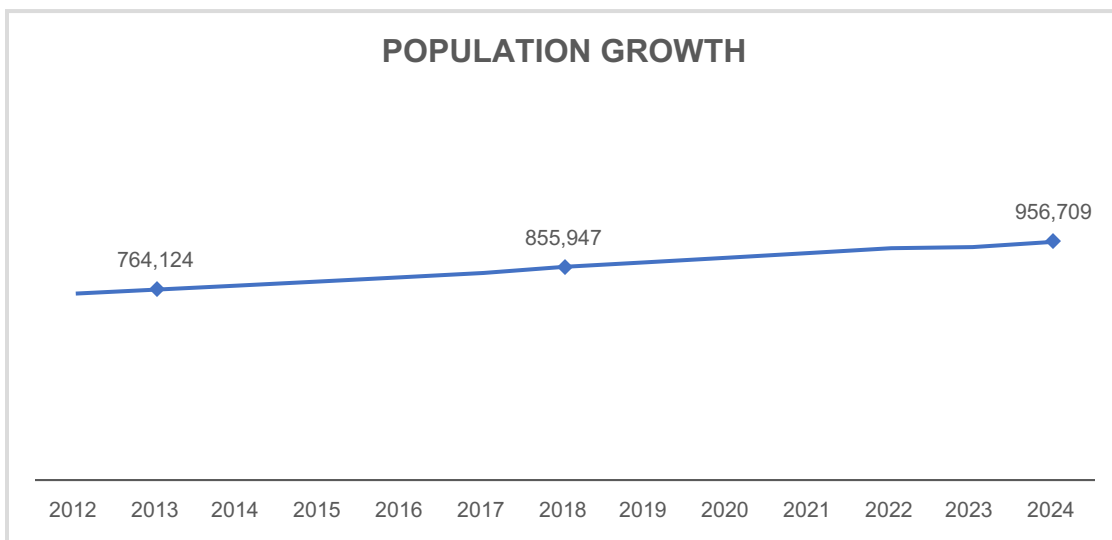
Fort Worth was established as a frontier army post in 1849 by Major Ripley Arnold and named after General William Jenkins Worth, who distinguished himself in the War with Mexico. The outpost became a stopping place on the famous Old Chisholm Trail and a shipping point for the great herds of Longhorn cattle being driven to northern markets. Progressive city leadership brought the first of nine railroads to Fort Worth in 1876 and with the subsequent West Texas oil boom, guided the city into a metropolitan county of more than 2.1 million people. Fort Worth's economy has always been associated with cattle, oil, finance, and manufacturing. Since World War II, Fort Worth has also become an aerospace, education, high-tech, transportation, and an industry service center. For the third time in nearly half a century, Fort Worth was named one of the National Civic League's All-American Cities in 2011. Fort Worth also won the award in 1964 and 1993.

### GOVERNMENT

Fort Worth operates under the Council-Manager form of municipal government. A mayor voted in by an at-large popular vote and a ten-member, single-district council is elected to two-year terms. In turn, the Mayor and City Council appoint the city manager, who is the chief administrative and executive officer. The City Council is also responsible for the appointment of the city attorney, municipal judges, city secretary, and the city auditor.

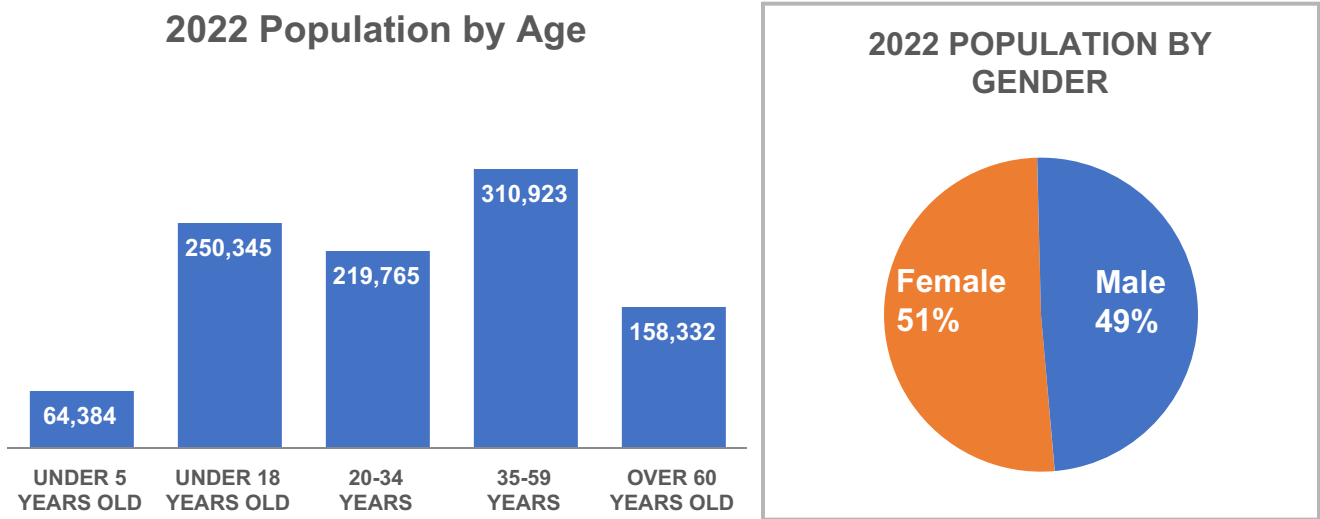
### AREA AND POPULATION

According to the U.S. Census Bureau, the 2011 Census population count for Fort Worth was 764,124 and the official Census count as of July 1, 2022 for Fort Worth is 956,709. From 2011 to 2022, Fort Worth's total population increased by 192,585 persons, equating to a 25% growth over that period. This represents an average annual growth rate of 2.50% per year. Due to this substantial growth, Fort Worth is now ranked as the 13<sup>th</sup> largest city in the country, up from 15<sup>th</sup> largest in 2010. The following chart shows Fort Worth's population growth over the last decade.

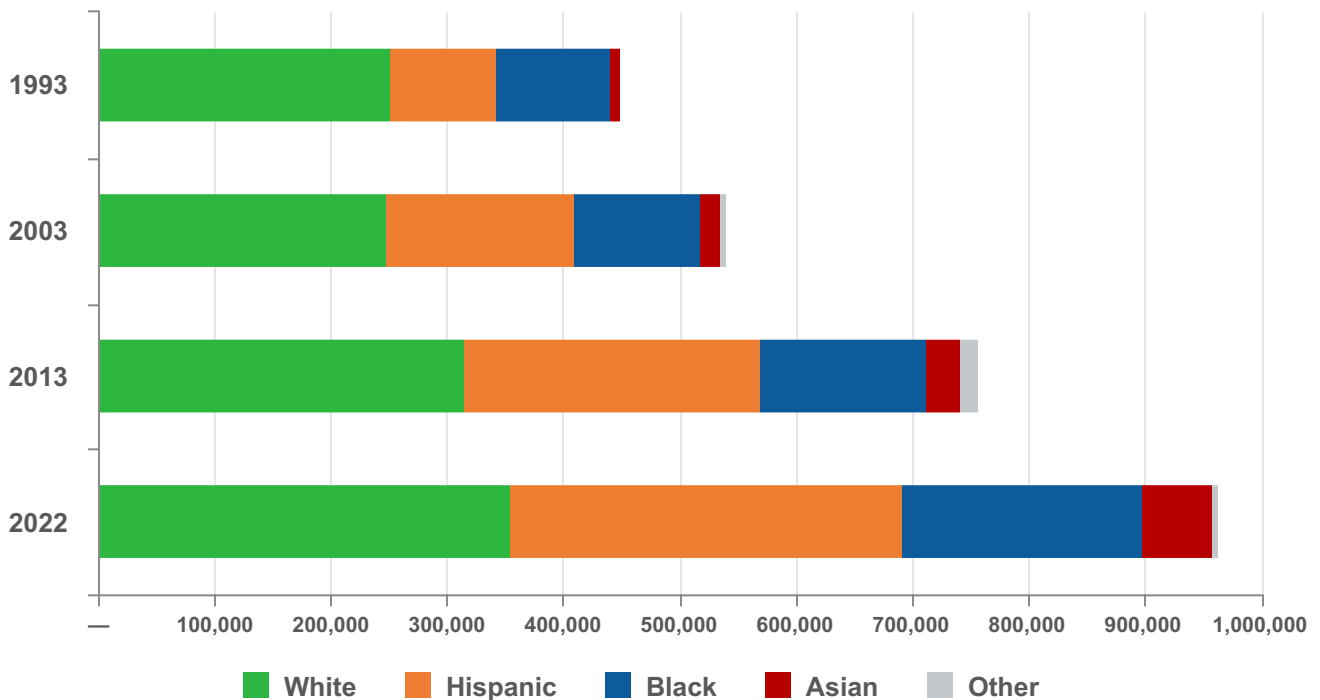


## City Profile

According to the U.S. Census Bureau 2022 American Community Survey (ACS) Estimates, Fort Worth's population by age and gender are:



According to the U.S. Census Bureau 2022 American Community Survey (ACS), the race and ethnicity in Fort Worth have become more diverse throughout its history:



Note: The most up-to-date information via the Census Bureau has been provided at the time of book publication

## City Profile

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### TRANSPORTATION

The Dallas/Fort Worth International Airport (the "Airport" or "DFW") is the fourth busiest airport in the world in terms of logistical operations and ranks 15th in the world based on passengers. The Airport is the principal air carrier facility serving the Dallas/Fort Worth metropolitan area. First opened on January 13, 1974, the Airport is located halfway between the cities of Dallas and Fort Worth, Texas. Pre-COVID, DFW International flew over 664,000 global flights in one year and served more than 69 million passengers as of the end of 2018. DFW provides service to 192 active/announced domestic and 67 active/announced international destinations. Recently, DFW received a high honor as the 2019 airport of the year.

Also, the city owns three general aviation airports, each with all-weather capability. Meacham International Airport is centrally located 5 miles from downtown Fort Worth and is equipped with parallel runways, the longest of which is a 7,500 ft. runway. Fort Worth Spinks Airport, a general aviation airport located along I-35 in the south portion of the city is equipped with a 6,000 ft. runway. Alliance Airport is located on I-35 to the north, serves the needs of industrial, business, and general aviation users, and is equipped with a 9,600 ft. runway and an 11,000 ft. runway. Alliance Airport is home to the annual Bell Helicopter Fort Worth Alliance Air Show.

Three interstate highways (Interstate 20, Interstate 30, and Interstate 35), combined with five federal and four state highways, provide all-weather routes within the Fort Worth area and the rest of the nation. Interstate 820, which encircles the city, allows quick access to all parts of the Fort Worth area. The Texas Highway Commission has completed a master highway construction plan for Tarrant County to provide for transportation needs through the foreseeable future.

Fort Worth is served by six major railroad systems, one of which, BNSF (Burlington Northern/Santa Fe Railroad), has its corporate headquarters in Fort Worth. Rail passenger service is provided through Fort Worth, including AMTRAK service on the Texas Eagle to Chicago, St. Louis, Little Rock, Dallas, San Antonio, and Los Angeles and on the Heartland Flyer to Oklahoma City. Fort Worth's position as a major southwest distribution center is supported by the presence of 75 regular route motor carriers with over 750 schedules. Local transit service is provided by Trinity Metro, including the TEXRail commuter rail line to DFW International Airport and the TRE line to downtown Dallas. Greyhound Lines, Inc. furnishes Fort Worth with transcontinental bus passenger service.

### EDUCATION

The Fort Worth Independent School District serves a major portion of Fort Worth. The 140 schools in the District operate on the 5-3-4 plan in which the elementary schools (81) teach grades 1-5; middle schools and sixth-grade centers (21), grades 6-8; and senior high schools (21), grades 9-12. The District also has 17 special campuses. The Fort Worth School District employs over 5,000 classroom teachers (full-time equivalents) to instruct over 74,850 students. Special education programs are provided for the blind, handicapped, mentally disabled, brain-injured, emotionally disturbed, and those who require speech and hearing therapy in seven special schools. Bilingual programs are also offered at the primary and secondary levels. While Fort Worth is served primarily by Fort Worth Independent School District, it is also serviced by fifteen other districts.

Tarrant County has 42 college and university campuses with an enrollment of more than 100,000 students in both undergraduate and graduate programs. Included in these colleges and universities are Southwestern Baptist Theological Seminary; Tarleton State University-Fort Worth Campus; Tarrant County College- Trinity River, South, Northeast, Southeast, and Northwest Campuses; Texas Christian University; Texas Wesleyan University; Texas A&M University School of Law; the University of Texas at Arlington; and the University of North Texas Health Science Center.

In Spring 2022, construction started on an A&M Research Center. The building will be located next to the pre-existing A&M Law building and will further assist in developing "Aggieland North". This partnership between the City and A&M will continue to build the Convention Center District of Fort Worth.

### HEALTH SERVICES

With award-winning medical care and community-wide wellness programs, Fort Worth offers the full spectrum of health options and medical care. Each of the award-winning six major hospitals in Fort Worth functions as a lead institution for a network of health care facilities, providing the full range from acute care to neighborhood clinics and affiliated physicians. Fort Worth hospitals have received awards and recognition for their specialties, from the Level 1 Trauma Center and Comprehensive Level 1 Stroke Center at John Peter Smith Hospital; to the award-winning general services offered by Texas Health Harris Methodist Hospital, ranked number 5 in the Dallas-Fort Worth region overall by US News and World Report 2017-2018 Hospital Rankings; to the specialized care offered by Cook Children's, with top rankings for children's cancer treatment, cardiology, neurology, and orthopedics.

Fort Worth's Medical District houses the region's single largest concentration of medical jobs. Throughout Tarrant County, there are approximately 46 conveniently located hospitals with 6,245 beds, including one children's hospital licensed for 457 beds and four public hospitals.

### MILITARY

Fort Worth is the home of the Naval Air Station (NAS) Fort Worth, Joint Reserve Base, a navy reserve base since October 1994. Fort Worth has a proud history of supporting military facilities, missions, and families back to the establishment of the early fort that gave the city its name and Camp Bowie during World War I. Today, NASFW JRB operates approximately 40 separate commands with over 10,000 active duty military, Guardsmen, Reservists, and civilian employees. The Texas Comptroller estimates that the NAS contributes \$6.6 Billion to the Texas economy through over 47,000 direct and indirect jobs. Service, retail, and construction businesses around the base continue to grow to serve the region. Within the base, the PX Mart continues to operate the Base Exchange store and the grocery store for the benefit of active duty military and retired military in the Metroplex.

The Naval Air Station Fort Worth, Joint Reserve Base has the capacity for additional units. Soon, multiple additional missions are expected to move to the base from other stations which will increase its economic influence. Housing units will be needed for the growth in direct and indirect employment. Multiple infrastructure projects including recently improved access onto the base and the planned redevelopment of major roads further the investment in the area. As a major cultural, social, and economic core in the region, the City of Fort Worth and surrounding cities continue to fully support the health of the base and the strength of its missions.

### THE ECONOMY

Fort Worth is continuing a sustained multi-year trend of broad-based growth across sectors. Much of this business growth has fueled and been fueled by Fort Worth's status as one of the top places in the nation to live, work, and play. With a growing workforce, top educational facilities, low cost of doing business, high quality of life, prime location, and climate, the City is an attractive choice for companies looking to expand their operations.

Major employers in Fort Worth include Lockheed Martin Corp., Dallas Fort Worth International Airport, General Motors Arlington Assembly Plant, Naval Air Station Joint Reserve, Burlington Northern Santa Fe Rail, Facebook, University of Texas at Arlington, John Peter Smith Hospital, Alcon Laboratories, GM Financial Corporate HQ, Texas Health Harris Methodist Hospital, Texas Health Resources, American Airlines Group, Bell Textron, Six Flags, Fidelity Investments, and Sabre Corporate Headquarters. Manufacturing and distribution remain an important part of the Fort Worth economy. The list of companies in distribution and manufacturing operations include Acme Brick, Alcon Labs, RS Americas, Inc, ATC Logistics & Electronics, Haggar Clothing, Federal Express, J.C. Penney's, Mother Parker's Tea and Coffee, Coca-Cola Enterprises, Bell Textron, Ben E. Keith Co., Miller Coors LLC, Williamson-Dickie, Pratt Industries USA, Inc., NGC Renewables, LLC, Carolina Beverage Group, LLC, GE Manufacturing Solutions, and Danone North America.

## City Profile

A released economic impact study by The Perryman Group credits oil and natural gas exploration for adding \$11.8 billion in gross product per year and more than 107,650 permanent jobs to the North Texas region. Oil and gas production, driven by the Barnett Shale, has provided a number of economic benefits from exploration, drilling and related activity. Covering approximately 5,000 square miles and 25 counties the annual tax impact to municipalities, counties and other governmental entities is hundreds of millions of millions of dollars, with an even greater tax impact to the state of Texas. The Barnett Shale has yielded over 15 trillion cubic feet of natural gas with about 18,000 wells in the shale since 2001. That's 66 percent more than the 9 trillion cubic feet in 2011 despite only 1 rig operating in the Barnett as of July 21, 2023. The study credited almost 40 percent of the region's incremental growth since 2001 as a direct result of Barnett Shale activity. Despite tepid pricing for natural gas and the 2018 decision by XTO to consolidate their Fort Worth offices in new facilities in The Woodlands (Houston area), the energy industry remains a strong and important segment of the local and regional economy.

The City's industry clusters remain diverse with trade, transportation, and utilities making up the largest percentage of the Fort Worth-Arlington Metropolitan Division (MD) industry composition at 24%. Since 2020 trade, transportation, and utilities companies have grown considerably, adding over 43,000 jobs to the area. Trade, Transportation, and Utilities; Education & Health Services; Professional & Business Services; Leisure & Hospitality; and Manufacturing make up the five established sectors that play a key role in the Tarrant County economy. As a group, these five established sectors account for more than 80% of employment in Tarrant County with over 797,343 people employed. The City's Economic Development Department has identified five key emerging economic sectors which demonstrate significant future growth potential: Mobility, Aerospace & Defense, Energy, Culture, and Anchors & Innovators.

Key indicators show that growth and development in the Fort Worth-Arlington-Grapevine area is expected to occur at a pace significantly faster than the nationwide rate. Employment is projected to grow by roughly 112,000 net new positions through 2027, led by the service sector.

## LABOR FORCE

The Fort Worth-Arlington MD boasts a strong labor force of more than 1.2 million that continues to grow. The Fort Worth- Arlington MD has experienced positive annual employment growth since summer 2010 up until the Covid-19 pandemic in early 2020. In the wake of the crisis, the city's unemployment rate of 7.9% was slightly higher than the 6.8% state unemployment rate but below the 8.4% national unemployment rate through August 2020. In 2021, the City's unemployment rate decreased dramatically to 4.8% which was lower than the state unemployment rate of 5.6% and equal to the national employment rate. Currently the unemployment rate is at 3.6%, compared to 4.2% at the start of last year.

The chart below shows annual labor force data for the City of Fort Worth and Tarrant County, with 2023 representing statistics as of September 30<sup>th</sup>, 2023.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>City of Fort Worth</b>												
Labor Force	357,927	369,718	377,123	384,170	390,430	393,352	404,789	414,163	427,892	439,544	436,496	455,244
Unemployed	28,441	27,628	24,301	22,982	19,258	16,303	16,984	15,865	15,562	14,941	34,063	22,008
Unemployed Rate	7.9 %	7.5 %	6.4 %	6.0 %	4.9 %	4.1 %	4.2 %	3.8 %	3.6 %	3.4 %	7.9 %	4.8 %
<b>Tarrant County</b>												
Labor Force	924,951	950,514	966,259	981,537	991,015	990,682	1,009,291	1,033,317	1,062,733	1,082,571	1,072,941	1,110,275
Unemployed	75,375	71,788	62,944	59,367	49,829	41,169	40,130	37,978	37,114	35,655	80,815	50,373
Unemployed Rate	8.1 %	7.6 %	6.5 %	6.5 %	5.0 %	4.2 %	4.0 %	3.7 %	3.5 %	3.3 %	7.6 %	4.5 %

Source: Texas Workforce Commission, Labor Market Information. <https://texaslmi.com/LMIbyCategory/LAUS>



## City Profile

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### TOURISM

Tourism is big business in our local economy. A record 10.8 million people visited last year for business and fun, generating \$3 billion in local economic impact, according the 2023 annual report by Visit Fort Worth. This activity supported 30,000 jobs in the local hospitality industry. Tax revenue generated by visitor spending contributes to city projects by generating \$125 million in local tax revenues, saving the average homeowner \$709 in property taxes per year.

During the recovery from the pandemic, visitors flocked to attractions such as the Botanic Garden and new Mule Alley. Fort Worth hosted dozens of sports events, many at the new Dickies Arena, worth an estimated \$100m in economic impact. In 2021, Fort Worth landed on Travel & Leisure's "Top 50 Destinations" List for the first time.

Visitors come to Fort Worth for many reasons: vacations, sports events, concerts and cultural events, museums, conventions and meetings our food scene and more. The Fort Worth Herd's twice-daily cattle drive is a bucket-list item for anyone visiting Texas. The city's neighborhoods and districts drawing high interest include downtown and Sundance Square, the Cultural District, Near Southside, Panther Island and the Stockyards National Historic District.

Downtown Fort Worth, Inc. (DFWI) is a nonprofit organization dedicated to the promotion and redevelopment of downtown Fort Worth. Coordinated efforts by DFWI have resulted in new entertainment, housing, and retail facilities throughout downtown Fort Worth. The city joined this partnership in 1995 with the creation of the Downtown Tax Increment Financing District to provide public infrastructure to support the private investment within this development.

The Fort Worth Convention Center is located in the heart of Downtown Fort Worth and is surrounded by hotels, restaurants, shopping and nightlife. According to Visit Fort Worth in 2021 the Fort Worth Convention Center hosted 47 International, National, and State Conventions that produced 114,522 room nights for various hotels and generated \$142,128,638 in economic impact for the city. The total number of events held in the building was 125 with an attendance of 767,356. In 2022 that number rose by 36%, with a total attendance of nearly 1 million visitors. In response to public demand, the expansion of the Fort Worth Convention Center and the addition of a convention center hotel is currently underway. Renovations are expected to be complete by 2026, and the expansion will double the number of events and conventions that Fort Worth is able to host.

The Will Rogers Memorial Center, located two miles west of downtown in the Cultural District, draws 2.4 million visitors per year from all 50 U.S. states, Canada, Mexico, and many other countries and plays host to some of the top international equestrian competitions which generate over \$75 million in annual economic impact. This 135-acre event facility was recently named the 2018 Facility of the Year by the League of Agricultural & Equine Centers and one of the 8 Best Equestrian Facilities in America by the Sports Planning Guide. With the opening of the 14,000-seat Dickies Arena in late 2019, Fort Worth is now home to a state-of-the-art entertainment facility capable of hosting large concerts, athletic events, and equestrian competitions. In 2023, Dickies Arena was even honored as Billboard's #1 Venue in the World in the 10,001 – to 15,000-capacity category. Between November 2022 and September 2023, the venue hosted 110 shows and over 929,000 guests, grossing \$70.5 million in ticket sales.

## City Profile

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### CITY DEVELOPMENTS

Fort Worth continues to grow in all varieties of development, spurred by population and employment growth as part of the Dallas-Fort Worth Metropolitan Area. Notably, large clusters of commercial development focused on manufacturing, distribution, and warehousing are being developed near state and interstate highways. The Alliance Texas development in far north Fort Worth continued to grow and add people, businesses, and homes. The Perot Field Fort Worth Alliance Airport is the the world's first industrial airport designed for cargo, corporate and military aviation.

South of Alliance, along Interstate 35, over 600,000 square feet of warehousing was added at North Quarter 35. Closer to Meacham International Airport and Loop 820, the Mark IV Commerce Park constructed three buildings designated for manufacturing. Carter Logistics and Carter Distribution constructed seven buildings at the intersection of Interstate 20 and Interstate 35. Over 1,600,000 square feet of warehousing has begun leasing in 2021.

Medical innovation is also on the rise, as the Medical Innovation District, south of Downtown, also grows with the expansion of Cook Children's Medical Center. Further growth in this district is anticipated with the announcement of the TEX Rail expansion to the proposed Medical District station, which will spur further investment. A new medical education building for the Anne Burnett Marion School of Medicine will be developed at Texas Christian University.

Downtown Fort Worth also saw its share of development, including two hotels. The newly constructed Avid Hotel located in north Downtown adds approximately 100 rooms in close proximity to Panther Island and Sundance Square. The historic W.T. Waggoner building will be retrofitted from office space to 240 Sandman Signature hotel rooms in the heart of downtown. Owners of the building, which is listed on National Register of Historic Places, seek to complete associated public improvements with the assistance of the Lancaster Tax Increment Financing District (TIF).

The Lancaster TIF District is also instrumental in the development of a new residential development in downtown. The Deco 969 broke ground in October 2021. In addition to 27 floors of residential units, retail and restaurant space will also be included. In the northeast quadrant of downtown, more housing is being developed at The Huntley. This multifamily development will provide 51% of its units as affordable housing. The vacant lot to be developed is located just a few short blocks from the Trinity River and the Tarrant Count College – Trinity River Campus.

The Central City Flood Control Project and Panther Island continue to develop. The White Settlement Bridge, the first of three bridges constructed to provide access to Panther Island, was completed in April 2021. The North Main Street Bridge opened in June, followed by the Henderson Street Bridge in October 2021. These three bridges will greatly increase connectivity between Panther Island and the rest of the city.

The City of Fort Worth will be occupying the former Pier 1 imports headquarters next year. Renovations included constructing new public meeting spaces and reconfiguring offices. The the new City Hall will overlook the Trinity River and is located in downtown Fort Worth and West Seventh Street. An interdepartmental steering team of city employees will guide the vision and transition for the new City Hall.

South of downtown, the Near Southside continues add new development and repurpose historic structures at a brisk pace. A new mixed-use development is underway in the Magnolia Urban Village at the corner of Magnolia and Hemphill. This project includes retail, office space, and structured parking. In the nearby South Main Urban Village, more adaptive reuse projects and new mixed-use buildings have been added along the reconstructed South Main Street and adjacent local streets. The recently completed Broadstone Southside building added 180 pedestrian-oriented multifamily units in the neighborhood. A new park known as "The Skinny" provides additional gathering spaces for the many new residents of this active and engaging urban neighborhood.

## City Profile

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New suburban subdivisions continue to add thousands of new homes to the Fort Worth housing market to accommodate population growth. New developments under construction, such as Trails of Elizabeth and Bar C Ranch, will add over 1,000 new homes each. The recently completed subdivisions of Marine Creek Hills and Marine Creek Ranch in the Far Northwest, and Primrose Crossing and Summer Creek Ranch Addition in the Far Southwest, are indicative of the large amounts of growth at the edges of the city.

The City of Fort Worth continues to invest in public infrastructure to improve quality of life for residents. The City of Fort Worth and Tarrant County are collaborating with the Texas A&M System to construct two additional campus buildings over four city blocks owned by the A&M System. The first building broke ground this year with a first-of-its-kind public-private collaboration intended to boost the economy.

Growth continues in education projects to serve the City's growing population. Berkshire Elementary is a new school built to accommodate growth in the Far Northwest of Fort Worth, providing an additional 100,000 square feet in the two-story school. Berkshire is Northwest Independent School District's 20th elementary campus and will accommodate 850 students. Rolling Hills Elementary is the first project in Fort Worth ISD's \$1.2 billion bond from 2021. Once complete the two story, 120,000 square foot will be the biggest elementary school in Fort Worth ISD with accommodating 1,000 students although the school will open with about 400 students.

In addition, Fort Worth is also providing access to high-quality schools with Rocketship Texas building a network of public charter schools. Construction is now underway in Eastside Fort Worth on the second campus for Rocketship Public Schools Texas and the first campus opened in Fall 2022 with the flagship campus Rocketship Dennis Dunkins Elementary.

## MISCELLANEOUS

Water, sewer, and solid waste services are furnished by the City of Fort Worth and natural gas service is provided by Atmos Energy. Electricity, telephone, and other service utilities are provided by various providers.

The Fort Worth Public Library system consists of 16 branch libraries, and one satellite library. The Central Library closed its doors on June 30, 2023 with plans of relocation still pending for a search of an interim library space ranging from 5,000-15,000 square feet. The Reby Cary Youth Library opened on August 14th, 2021. In April 2019, the Library added 202 additional open hours per week across the city, including Saturday, to become more welcoming to all families. More than 400 churches, with 45 denominations, synagogues, mosques and temples in Fort Worth contribute vitally to the lives of city residents.

The city is also world-famous for its many museums and performance halls. The Nancy Lee and Perry R. Bass Performance Hall, now recognized as one of the best performance halls in the world, is a state-of-the-art \$70 million performing arts hall funded entirely from private donations. The Fort Worth Convention Center offers exhibit and meeting space of over 185,000 square feet, including a 13,500 seat arena. Will Rogers Memorial Center is located in the heart of Fort Worth's Cultural District and includes Will Rogers Coliseum Auditorium, the new Multi- Purpose Equestrian Center, and Amon G. Carter Jr. Exhibits Building. Dickies Arena, a 14,000-seat multipurpose arena, opened in October 2019 to host a range of concerts, athletic events, and equestrian competitions. Dickies Arena is located at Harley Avenue and Gendy Street between Montgomery Street and Trail Drive in west Fort Worth. The arena for concerts seats up to 14,000 people and varies between 9,000-13,300 for sports and other local events.

## City Profile

### CITY OF FORT WORTH BUILDING PERMITS

Number of Issued Building Permits by Type

Fiscal Year Ended 9/30	New Residential	New Commercial	Additions	Remodels	TOTAL PERMITS
FY2012	3,891	669	819	4,595	9,974
FY2013	3,433	721	949	4,707	9,810
FY2014	3,861	779	788	4,575	10,003
FY2015	4,540	835	676	4,525	10,576
FY2016	4,828	1,031	646	4,330	10,835
FY2017	5,260	857	603	4,602	11,322
FY2018	4,899	1,061	586	5,779	12,325
FY2019	6,138	1,058	576	5,671	13,443
FY2020	6,977	857	732	5,374	13,940
FY2021	6,426	873	546	3,703	11,548
FY2022	6,481	787	607	4,338	12,213
FY2023	7,289	188	685	6,647	16,509

Source: Development Services, FY2024

Dollar Value of Building Permits Issued

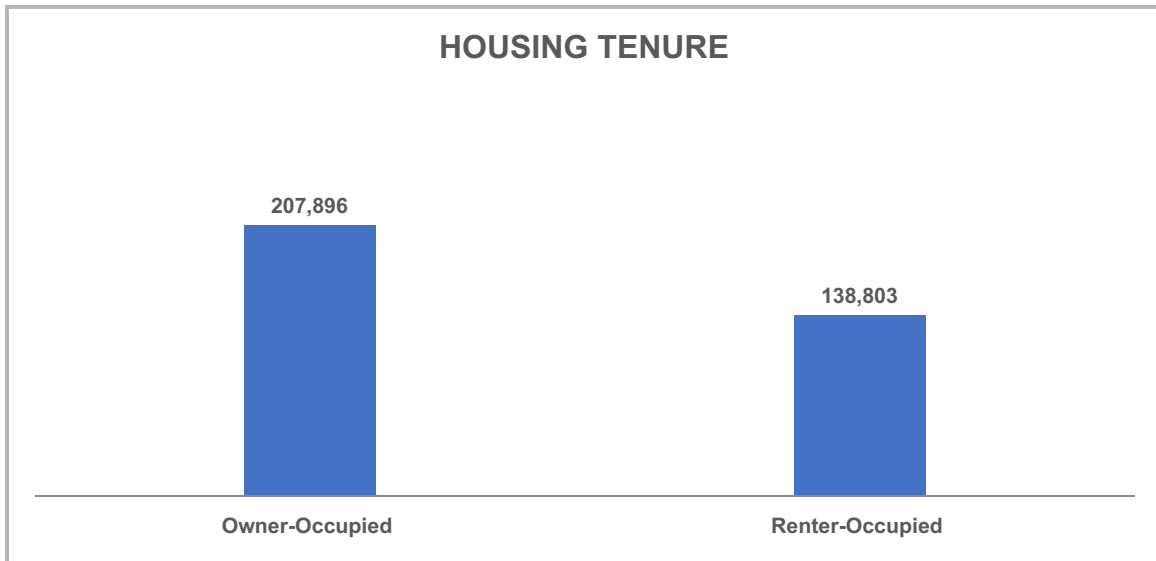
Fiscal Year Ended 9/30	New Residential	New Commercial	Additions	Remodels	TOTAL PERMITS
FY2012	449,663,304	740,594,972	95,498,713	392,421,899	1,678,178,888
FY2013	395,395,022	573,784,677	144,681,007	238,577,958	1,352,438,664
FY2014	432,754,592	629,082,573	65,067,950	328,012,060	1,454,917,175
FY2015	557,615,578	1,218,617,199	57,346,267	406,518,978	2,240,098,022
FY2016	584,324,940	1,137,494,082	68,260,165	353,410,831	2,143,490,018
FY2017	754,786,787	875,805,327	119,305,417	437,114,798	2,187,012,329
FY2018	599,046,500	1,474,404,342	133,927,426	546,584,389	2,753,962,657
FY2019	852,242,817	2,368,350,621	242,545,372	472,288,247	3,935,427,057
FY2020	954,984,162	1,888,212,491	104,547,129	562,950,978	3,510,694,760
FY2021	973,862,299	1,601,325,699	116,454,908	433,184,176	3,124,827,082
FY2022	1,135,933,940	2,766,598,102	264,946,354	696,015,882	4,863,494,278
FY2023	1,152,787,576	1,979,372,086	343,107,235	978,632,654	4,453,899,551

Source: Development Services, FY2024

### HOUSING TENURE

According to Housing Occupancy data from the U.S. Census Bureau, the number of total housing units in Fort Worth is estimated at 346,699 of which 91.4 percent are occupied and the remaining 8.6 percent vacant. In terms of housing tenure, the survey estimated that out of the 346,699 occupied housing units, 60 percent were owner-occupied and 40 percent were renter-occupied.

## City Profile



Source: U.S. Census Bureau

## CITY OF FORT WORTH EXTRATERRITORIAL JURISDICTION AND ANNEXATION POLICY

Under the provisions of State law, incorporated cities in Texas have the power to exercise certain controls in unincorporated areas adjacent to their city limits. For a city the size of Fort Worth, these adjacent areas extend a distance of five (5) miles from its city limits. This adjacent unincorporated area within five miles is known as the extraterritorial jurisdictional area (“ETJ”). The ETJ encompasses approximately 313 square miles.

## PERSONAL INCOME AND BUYING POWER

	Median Household	Mean Household
<b>Fort Worth</b>	\$ 71,527	\$ 95,151
<b>Tarrant County</b>	\$ 76,210	\$ 105,037

Source: U.S. Census Bureau, 2022 American Community Survey, 1-Year Estimates

## HOUSEHOLD INCOME

Income Level	2020		2021		2022	
	Fort Worth	Tarrant County	Fort Worth	Tarrant County	Fort Worth	Tarrant County
\$34,999 or less	30.3 %	24.9 %	29.5 %	18.4 %	22.8 %	20.3 %
\$35,000 - \$49,999	12.8 %	12.2 %	12.7 %	13.5 %	11.9 %	11.6 %
\$50,000 - \$74,999	17.5 %	18.6 %	18.7 %	20.6 %	17.4 %	17.5 %
\$75,000 or more	39.4 %	44.4 %	39.2 %	47.5 %	48.0 %	50.6 %

Source: U.S. Census Bureau, 2022 American Community Survey

## City Profile

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### THE MUNICIPAL AIRPORT SYSTEM

Fort Worth has a long-standing commitment to aviation. From the landing of the first airplane in Fort Worth in 1915 to today, Fort Worth has understood and served the needs of the aviation industry. The city is home to Lockheed, American Airlines, Bell Helicopter Textron, Naval Air Station Joint Reserve Base Fort Worth, and hundreds of other aviation-related businesses. Dallas/Fort Worth International Airport, owned jointly by the two cities and operated by the Dallas/Fort Worth International Airport Board, stands as a symbol of excellence to which the city is committed.

An integral part of this dedication is exhibited by the City of Fort Worth's Aviation Department which consists of three municipal airports. These airports and their characteristics are as follows:

#### **Fort Worth Meacham International Airport**

In operation since 1925, Meacham was Fort Worth's first general aviation airport. Situated on 900 acres and located 5 miles to the north of downtown Fort Worth, the airport has become North Texas's premier corporate facility. With two runways, the longest being 7,502 feet in length, it can accommodate up to a Boeing 747. Airport amenities include US Customs office, major aircraft maintenance and storage, flight training, 24/7 air traffic control tower, dedicated fire station, 24 hour aviation services and two award-winning fixed based operators. With over 316 based aircraft, the airport manages and holds 152 leases for facilities. Meacham ranks 7th in total flight operations out of 278 general aviation airports in Texas, behind only commercial air service airports such as DFW, Houston Intercontinental and Austin Bergstrom. Meacham's strategic location combined with its considerable amenities is a key factor to the City of Fort Worth's economic vitality.

#### **Fort Worth Spinks Airport**

Established in 1988, Spinks is situated on 822 acres and is located 13 miles south of downtown Fort Worth. Spinks has a 6,000 foot long paved runway and a 3,600 foot long turf runway, an air traffic control tower, aircraft paint and maintenance services, flight training, and a fixed based operator. Spinks has 220 based aircraft and 135 facility leases. For Fiscal Year 2021, \$3.4M investment is being made in 12 box hangers to help alleviate aircraft storage demand in Fort Worth. It has seen a 22% increase in flight operation in the last 5 years. Bypassing DFW Class B airspace and easy access to I-35W in the I-35 south industrial corridor, Spinks airport is well-positioned to serve south Fort Worth and surrounding communities.

#### **Alliance Airport**

Opening in 1989, Alliance airport is the world's first industrial airport and is the centerpiece of a 26,000 acre master-planned development known as Alliance Texas. The airport was built to primarily accommodate large industrial and cargo operators but also serves the general aviation community. Owned by the City of Fort Worth and operated under a management agreement by Alliance Air Services; a subsidiary of Hillwood Development Company, LLC., Alliance boasts two 11,000 foot long runways and sits on 1,200 acres of land. Amenities include a US Customs office, a fixed base operator, air traffic control tower, and maintenance and repair facilities. The airport has seen a 131% increase in air cargo carrier operations, jumping from 5,338 to 12,355 over the last 4 years, in large part as a result of two significant sorting and package delivery service providers, Federal Express and Amazon. Strategically located between I-35W and BNSF railway, Alliance is poised for growth in the upcoming years.



## City Profile

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### **EMPLOYEE RELATIONS**

Under the laws of the State of Texas, municipal employees cannot strike, be forced to join a union, pay dues for union membership, or collectively bargain for wages, hours, or working conditions; however, they may form associations for the presentation of grievances. State law, however, provides for local referenda on collective bargaining for police and firefighters. Under prior elections, police officers have the right to meet and confer and firefighters have the right to collectively bargain with the city, each group through their own recognized associations under the State's laws. Overall, employee relations are considered by the city to be good.

# **Glossary and Acronyms**

## Glossary and Acronyms

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### Glossary

The Annual Budget and Program Objectives document contains specialized and technical terminology that is unique to public finance and budgeting. To help both city departments and citizens understand the terminology used during the budget process, this glossary is provided as a reference.

**Account:** A seven-digit numerical code of which the first character defines the specific classification of dollar values in the financial records, i.e., assets, liabilities, equities, revenues, and expenditures/expenses. The remaining digits provide a further breakdown of account types into specific character and object groupings.

**Accounting System:** The methods and records established to identify, assemble, analyze, classify, record, and report a government's transactions and to maintain accountability for the related assets and liabilities.

**Accrual Basis of Accounting:** A basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows. For example, in accrual accounting, revenue that was earned on April 1, but for which payment was not received until July 10, is recorded as revenue on April 1st regardless of the timing of when the payment is received.

**Activity:** Activities are the major tasks performed to create outputs. One or more activities could be deemed critical for achieving *Council goals*.

**Ad Valorem Tax:** A tax based on value (e.g., a property tax).

**Agency Fund:** A fund is normally used to account for assets held by a government as an agent for individuals, private organizations, or other governments and/or other funds.

**Annual Financial Report (AFR):** Previously known as the Comprehensive Annual Financial Report until FY 2021, this document is a thorough and detailed presentation of a government's financial condition. It reports on the government's activities and balances for each fiscal year. The AFR is presented in three sections: 1. introductory section – includes a transmittal letter with a financial overview, discussion of the overall economy, and organization charts of the entity. 2. Financial Section – includes the independent auditor's report, management's discussion and analysis, government-wide financial statements, notes to the financial statements, required supplemental information, combining financial statements and schedules. 3. The statistical section – includes additional financial, economic, and demographic information on a multi-year basis.

**Appraisal Cap:** Limitation on value increases of residential homesteads from year to year.

**Appraised Value:** Either the market value or value is determined by using another method of valuation according to the Property Tax Code Chapter 23.

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

**Appropriation Ordinance:** The official enactment by the City Council to establish legal authority for city officials to obligate and expend resources.

**Assessed Valuation:** A value that is established for real or personal property for use as a basis for levying property taxes.

**Assessor:** A person either elected or appointed by the governing body that calculates taxes and prepares the tax bills.

## Glossary and Acronyms

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

**Authorized Position (A.P.):** A position included in the budget document, authorized by the City Council as part of the total authorized strength of a department. Positions are specifically approved by designated classification titles and corresponding salary levels, based on an analysis by the Human Resources Department of the tasks to be performed.

**Balanced Budget:** A budget in which planned expenditures can be met by current income from taxation and other central government receipts.

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

**Basis of Accounting:** A term used to refer to when revenues, expenditures, expenses, and transfers - and the related assets and liabilities - are recognized in the accounts and reported in the financial statements. Specifically, the basis of accounting relates to the timing of the measurements made, regardless of the nature of the measurement, through either the cash method or the accrual method.

**Benchmark:** A standard or point of reference against which processes, results, or data may be compared or assessed. Benchmarks may be internal or external.

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

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

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

**Budget Document:** The instrument used by the city staff to present a comprehensive financial program to the City Council.

**Budget Message:** The opening section of the Budget Document that provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the City Manager. The Budget Message is also referred to as the City Manager's Message or Budget Transmittal Letter.

**Budgetary Control:** The control or management of a governmental unit or enterprise with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

**Budgeted Funds:** Funds that are planned for certain uses but have not yet been formally or legally appropriated by the legislative body. The budget document that is submitted for City Council approval is comprised of budgeted funds.

**Business Plan:** A department-level plan; in this plan, departments outline each division's Service Areas and associated key performance indicators and priority initiatives for each. This document is meant to serve as a high-level annual performance plan, in which measures are periodically updated to facilitate continuous observation, trend analysis, and improvement of department activities and services.

**Business Unit Department:** A numerical code that details financial responsibility for revenues and expenditures. The center specifically shows the department-division-section for operating funds, department-fund-project for bond funds, and department-project for grants and other capital project funds.

## Glossary and Acronyms

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**Capital Assets:** Long-lived tangible assets obtained or controlled as a result of past transactions, events, or circumstances. Capital assets include buildings, equipment, infrastructure, improvements other than buildings, and land. In the private sector, these assets are referred to most often as "property," "plant," and "equipment."

**Capital Expenditures:** Expenditures resulting in the acquisition of, or in addition to, the government's general capital assets.

**Capital Improvement Program (CIP):** A program that describes the capital projects and associated funding sources the city intends to undertake in the current fiscal year plus four successive fiscal years, including the acquisition or construction of capital facilities and assets, and the maintenance thereof.

**Capital Improvement Program Budget:** A Capital Improvement Program (CIP) Budget is a section of the budget. Items in the CIP are usually construction projects designed to improve the value of government assets. Examples of capital improvement projects include new roads, sewer lines, buildings, recreational facilities, and large-scale remodeling.

**Capital Projects Fund:** A governmental fund established to account for resources used for the acquisition of large capital improvements and non-reoccurring expenses other than those acquisitions accounted for in proprietary or trust funds.

**Cash Accounting:** A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

**Cash Balance:** The amount of cash on hand and cash equivalents at any point in time, net of inflows and outflows.

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

**Categories:** A basis for distinguishing types of expenditures; the three major categories used by the City of Fort Worth are: salary & benefits, general operating & maintenance, capital, debt service, and transfer out & other. Below provides more detail on these three with the addition of capital and debt service:

- **Salary & Benefits** consist of the costs associated with compensation to individuals providing services to the city as employees and includes all salary, supplemental costs, and indirect and non-cash compensation paid to an employee such as social security, unemployment compensation, workers compensation, health insurance, life insurance, medical plan, paid vacation, pension, and gratuity.
- **General Operating & Maintenance** includes items such as the following:
  - **Professional and Technical Services** represent costs associated with services or activities performed under-expressed or implied costs and charges for professional, specialized, or trade services rendered. This category includes services provided to city departments through Internal Service Funds such as computer technical support, copy and mailroom services, vehicle fleet maintenance services, per-capita-allocated service costs such as insurance, healthcare, legal, and administrative services.
  - **Utilities, Repairs, and Rentals** consist of items and supplies that are necessary to perform public service duties.
  - **Other Purchased Services** are expenses that may be required in connection with a public works project meeting the definition of public work.

## Glossary and Acronyms

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- **Supplies** consist of the costs associated with goods that are consumed or used in connection with providing city services and that are of either limited cost or have a limited useful life. Examples include basic office supplies; minor electronic equipment; books and magazines; construction raw materials; postage; uniforms; vehicle fuel and accessories; and library books.
- **Capital** is expenses and outlays related to the acquisition or construction of fixed assets. The city's fixed assets fall primarily into the following categories: 1) Land; 2) Improvements other than buildings; 3) Buildings; 4) Equipment.
- **Debt Service** expenses refer to money paid as interest and principal on loans received or public securities issued by the city as borrower or issuer.
  - Principal refers to the unpaid balance of funds borrowed, excluding any interest or other fees.
  - Interest refers to money that is paid in exchange for borrowing or using another person's or organization's money.
- **Transfer Out & Other** is an approved movement of monies from one separate fund to another fund. Budgets can call for Transfers-In to the General Fund to pay for centralized expenditures such as utilities, insurance, or fringe benefits. Transfers Out from the General Fund may be required to subsidize new special activity funds or those with insufficient or unreliable revenue sources.

**Certificate of Obligation:** Debt that local government may use to fund public works without voter approval unless 5 percent of qualified voters within the jurisdiction petition for an election on the spending in question. The debt is supported by property taxes or other local revenues and is often issued to take advantage of lower interest rates.

**Collector:** A person who collects and accounts for the property taxes for the taxing unit.

**Commitment:** The pledge of appropriated funds to purchase an item or service. Funds are committed when a requisition is issued through the Purchasing Division of the city.

**Community Indicator:** Use of citizen survey response data to evaluate city progress toward *Council goals*. Community indicators can be used as *key performance indicators* for strategic-level *objectives*, but they must be used in coordination with internal measures.

**Contribution to Fund Balance:** Refers to the allocation of money from revenues received during the fiscal year in a Governmental Fund that the city receives, does not expend, and carries forward for future use.

**Contribution to Net Position:** Refers to the allocation of money from revenues received during the fiscal year in a Proprietary or Fiduciary Fund that the city receives, does not expend and carries forward for future use.

**Core Objective:** The broad, continuous goals of the city as identified in the management plan. Core objectives are established to assist departments in aligning their activities with Council goals.

**Council Goals:** Goals set by City Council, based on citizen input, that all management plan core objectives, department objectives, programs, and initiatives strive to attain.

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

**Debt:** An obligation resulting from the borrowing of money or the purchase of goods and services. Debts of governments include bonds, time warrants, and notes. See Accounts Payable, Bond, Note Payable, Long-Term Debt, and General Long-Term Debt.

**Debt Rate:** For all taxing units, the debt rate portion of the voter-approval tax rate is the current year's debt payments divided by the current year's property values. The debt rate may rise as high as necessary to cover debt expenses.

**Debt Service:** The cash that is required for a particular period to cover the repayment of interest and principal on a debt. Debt Service is projected on an annual basis.



## Glossary and Acronyms

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**Deficit:** (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period, or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

**Delegated Authority:** The City Council authorizes and delegates to the City Manager, or his designee, the authority to transfer appropriations within and among departments and funds, in a cumulative amount not to exceed the total amount appropriated for each purpose. This authority is used for items such as separation pay, contractual services, elections, and training initiatives.

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

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

**Depreciation:** The process of estimating and recording the lost usefulness or expired useful life from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve to replace the item at the end of its useful life.

**Disbursement:** Payment for goods and services in cash or by check.

**Effective Rate:** The rate that would generate the same amount of levy as last year's rate based on the current year's values. This terminology is now known as the No-New-Revenue Tax Rate.

**Effectiveness:** A measure of how adequately the intended purpose is accomplished and the intended or expected results are produced.

**Encumbrance:** The commitment of appropriated funds to purchase an item or service. Committed funds become encumbered when a purchasing requisition becomes an actual purchase order.

**Enterprise Fund:** Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services. Enterprise funds within the City of Fort Worth are established for services such as water and sewer, parking facilities, airports, and solid waste management.

**Estimated Revenue:** The amount of projected revenue to be collected during the fiscal year. It may also be defined as the proposed financing sources estimated to finance the proposed projected expenditure.

**Exemption:** Excluding all or part of property value from taxation.

**Expenditure (Governmental Funds):** Decreases in the use of net financial resources other than through inter-fund transfer. Expenditures include current operating expenses requiring the present or future use of net current assets; debt service and capital outlays; and intergovernmental grants, entitlements, and shared revenues.

**Expenses (Proprietary Funds):** Outflow or other depletion of assets or incurrence of liabilities during a specific period that results from the delivery or production of goods, rendering of services, or carrying out other activities that constitute the entity's ongoing major central operations.

**External Indicator:** External entity data that is used to evaluate city progress toward *Council goals*. External indicators can be used as *key performance indicators* for strategic-level *objectives*, but they must be used in coordination with internal measures. Data sources could include TXDOT (Texas Department of Transportation), the T (the Fort Worth Transportation Authority), TCEQ (Texas Commission on Environmental Quality), TRWD (Texas Regional Watering District), NCTCOG (North Central Texas Council of Governments), or the Chamber of Commerce.

**Fiduciary Funds:** Fiduciary funds are used to account for assets that the city holds in trust for the benefit of other specified entities or individuals and that are unavailable for the city's purposes.

## Glossary and Acronyms

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**Financial Resources:** Cash and other assets that, in the normal course of operations, will become cash.

**Fines and Forfeitures:** Refers to payments as a result of or in connection with an alleged violation of the law and includes deferred disposition fees, penalty fees, traffic fines, general fines, court service fees, and truancy court fees.

**Fiscal Year:** The twelve-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The City of Fort Worth's fiscal year is October 1 through September 30.

**Fixed Assets:** Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

**Forecast:** Process of taking year-to-date financial information, using that information to project future financial performance for the remainder of the fiscal year, then comparing the result to the fiscal year budgeted amount as a way to gauge financial performance. The forecast process takes place for months five and eight of the fiscal year for most funds.

**Full-Time Equivalent (FTE):** Hours worked by one employee on a full-time basis. An FTE is considered to be 2,080 hours on an annual basis which is calculated as eight hours per day in a five-day workweek.

**Function:** A group of related programs crossing organizational (departmental) boundaries and aimed at accomplishing a broad goal or major service.

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

**Fund Accounting:** An accounting system emphasizing accountability rather than profitability, used by non-profit organizations and governments. In this system, a fund is a self-balancing set of accounts, segregated for specific purposes following laws and regulations or special restrictions and limitations. State and local governments use three broad categories of funds: governmental funds, proprietary funds, and fiduciary funds. Governmental funds include the following fund types: General Fund, Special Revenue Funds, Capital Projects funds, debt service funds, and permanent funds. Proprietary funds include the following types: enterprise funds and internal services funds. Fiduciary funds include pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

**Fund Balance:** The difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

**Fund Type:** Any one of three categories into which all funds are classified in governmental accounting. The fund types are general, special revenue, debt service, capital projects, permanent, enterprise, internal service, private-purpose trust, pension trust, investment trust, and agency.

**Generally Accepted Accounting Principles (GAAP):** Uniform minimum standards and guidelines for financial accounting and reporting. These principles govern the form and content of the financial statements of an entity and encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. Including not only broad guidelines of general application but detailed practices and procedures, these principles provide a standard by which to measure financial presentations. The primary authoritative body for the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

**Governmental Accounting Standards Board (GASB):** The authoritative accounting and financial reporting standard-setting body for government entities.

## Glossary and Acronyms

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**General Debt Obligation:** Refers to revenues generated from the sale of public securities.

**General Debt Service Funds:** Funds used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**General Fund:** The largest fund within the city that accounts for all financial resources of the government except for those required to be accounted for in another fund. General Fund revenues include property taxes, licenses and permits, local taxes, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance, public health, parks and community services, libraries, public works, and general administration.

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

**General Obligation Bonds:** Bonds that finance a variety of public projects such as streets, buildings, and improvements. The repayment of these bonds is usually made from the debt service portion of the city's property tax, and these bonds are backed by the full faith and credit of the issuing government. General obligation bonds are issued with the belief that a municipality will be able to repay its debt obligation through taxation or revenue from projects.

**Goal:** The result or achievement towards which an effort is directed and intended to accomplish.

**Governmental Funds:** Governmental Funds are used to account for activities traditionally associated with the government and that are primarily funded from tax revenues. Examples of such activities include public safety services, acquisition or construction of infrastructure and other capital assets, and the servicing of general long-term debt.

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

**Initiative:** A department action or project with a timeline and measurable *outcomes* that pursues a department *objective*. Initiatives are measured by *milestones* which are generally *qualitative*.

**Interest and Sinking Fund Tax:** Assets and their earnings are earmarked for the retirement of bonds or other long-term liabilities. A fund arising from particular taxes, imposts, or duties, which is appropriated toward the payment of interest and principal on a public loan.

**Intergovernmental Revenue:** Revenue received from another governmental entity for a specified purpose. Examples of these are funds from Tarrant County, the State of Texas, and recovery or reimbursement of indirect costs from federal and state agencies.

**Internal Service Fund:** A fund used to account for the financing of goods or services provided by one department to another department on a cost-reimbursement basis. Examples of some of these funds are as follows: the Fleet & Equipment Services Fund and the Risk Financing Fund.

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

**Invoice:** A bill requesting payment for goods or services by a vendor or other governmental unit.

**Key Performance Indicator (KPI):** A strategic level performance measure that demonstrates how well the city is achieving Council goals and management plan core objectives.

**Key Performance Measure (KPM):** A performance measure that demonstrates how effective a department is at achieving management plan core objectives. These may also be identified as key performance indicators by city management.

## Glossary and Acronyms

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**Levy:** To impose taxes, special assessments, or service charges for the support of city activities. Also, the amount of tax for an individual property or the sum of all individual amounts of tax.

**Liabilities:** Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or to provide services to other entities in the future as a result of past transactions or events; what you owe.

**Licenses and Permits:** Payments received in connection with the city's regulatory activities and its review and issuance of permission to undertake an activity or pursue an occupation; they include utility franchise fees; building, electrical, and plumbing permit fees; parking permit fees; health and safety permit fees; and occupational license charges.

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

**Long-Term Debt:** Any un-matured debt that is not a fund liability and at the same time has a maturity of more than one year.

**Maintenance and Operations (M&O):** Taxes that are generated by the taxing unit for general expenses.

**Major Fund:** Funds whose revenues, expenditures/expenses, assets, or liabilities are at least 10 percent of the total for their fund category (governmental or enterprise) and 5 percent of the aggregate of all governmental and enterprise funds in total.

**Management Plan:** A high-level strategic plan developed by the city's executive-level staff that communicates overall guidance and direction on Council goals and the organizational actions required to pursue those goals. This plan assists departments in aligning their activities with Council goals.

**Milestone:** A task, event, or critical decision point related to an initiative or project. Milestones can be tracked to evaluate achievement or level of completion of an initiative or project.

**Mission:** A statement describing an organization's fundamental purpose.

**Modified Accrual Accounting:** Modified Accrual Basis of Accounting – The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under this basis of accounting, revenues are recognized when they become both “measurable” and “available” to finance expenditures in the current period. For example, revenue that is earned and measurable on April 1, is billed on April 30<sup>th</sup>, and paid on May 1<sup>st</sup> would not be recorded as revenue until payment is received on May 1<sup>st</sup>.

**Municipal Bonds:** Debt securities issued by a state, municipality, or county to finance its capital expenditures. Municipal bonds are exempt from federal taxes and most state and local taxes, especially if you live in the state in which the bond is issued.

**Net Income:** Proprietary fund excess of operating revenues, non-operating revenues, and operating transfers in over operating expenses, non-operating expenses, and operating transfers out.

**Net Position:** Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in a proprietary fund.

**No-New-Revenue Rax Rate:** Enables the public to evaluate the relationship between taxes for the prior year and for the current year, based on a tax rate that would produce the same amount of taxes if applied to the same properties taxed in both years.

**Objective:** The reason for making specific efforts or taking deliberate actions with the intent to attain or accomplish an identified goal, targeted level, or meet a defined purpose; the broad, continuous goals of a department.

## Glossary and Acronyms

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**Operating Budget:** The portion of the budget concerning daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel and the proposed means of financing them.

**Operating Fund:** A fund that records activity on a single fiscal year basis.

**Operating Revenue:** Revenues from regular taxes, fees, fines, permits, charges, for service, and similar sources. Operating Revenues exclude proceeds from long-term debt instruments used to finance capital projects and other financial sources.

**Operating Statement:** The financial statement disclosing the financial results of operations of an entity during an accounting period in conformity with Generally Accepted Accounting Principles (GAAP). In governmental financial reporting, operating statements and statements of changes in fund equity are combined into "all-inclusive" operating statement formats.

**Operating Transfers:** Interfund transfers (e.g., legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended) where there is no intent to repay. See Interfund Transfers and Residual Equity Transfers.

**Other Local Taxes:** Refers to specialized taxes that are limited to certain products, activities, or occupations; they include alcoholic beverage and other product-specific taxes, hotel occupancy taxes, and communication provider taxes.

**Other Revenue:** Refers to miscellaneous receipts that fall outside of the other listed categories and include third-party reimbursement for labor costs and include some internal service charges.

**Outcome:** The actual effects, impacts, or results of programs, projects, or initiatives. Outcomes can be measured based on their efficiency or effectiveness.

**Pay-As-You-Go (PAYG) Financing:** The use of currently available cash resources to pay for capital investment. It is an alternative to debt financing.

**Performance Budget:** A budget that focuses on activities rather than line items. Workload and unit cost data are collected to assess the efficiency of services. Typical data collected might include miles of streets paved per year, cost of paved streets per mile, tons of garbage collected per employee hour, or cost per employee hour of garbage collection.

**Performance Measure (PM):** A *quantitative*, tracked assessment of a department activity or process that logs achievement, change, or performance over an interval of time. There are four basic categories of performance measures.

- **Inputs:** The resources needed to complete an activity. Some inputs include FTEs, budget, and material data already in place in the department. Other inputs are equipment or information associated with each transaction.
- **Outputs:** The immediate results of activities. These are measures of units provided, services provided, or people served by a program or department. Output measures are usually expressed in the past tense and are usually within the city's control.
- **Efficiency measures:** A type of outcome measure that focuses on the city's view of performance, by measuring the cost to the organization in time and resources. Measuring efficiency tells us how well we are using resources to provide city services.
- **Effectiveness measures:** A type of outcome measure that focuses on the customer's view of performance by measuring how well activity or service meets the customer's expectations.

**Personal Property:** Items that can be owned but are not real property – divided into two types: tangible and intangible.

## Glossary and Acronyms

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**Program Budget:** A budget that focuses upon the goal and objectives of an agency or jurisdiction rather than upon its organizational budget units or object classes or expenditures.

**Projected Beginning Fund Balance:** Refers to monies in a Governmental Fund that are expected to be collected and on hand at the beginning of the fiscal period.

**Projected Beginning Net Position:** Refers to monies in a Proprietary or Fiduciary Fund that is expected to be collected and on hand at the beginning of the fiscal period.

**Projected Ending Fund Balance:** Refers to monies in a Governmental Fund that are expected to have been collected and be on hand at the end of the fiscal period.

**Projected Ending Net Position:** Refers to monies in a Proprietary or Fiduciary Fund that is expected to have been collected and be on hand at the end of the fiscal period.

**Property Tax:** Taxes levied on both real and personal property according to the property's valuation and the tax rate.

**Proposed Rate:** The rate that is under formal consideration by the governing body for the current year.

**Proprietary Fund:** A class of fund types that account for a local government's businesslike activities. Proprietary funds are of two types: enterprise funds and internal service funds. Both use the accrual basis of accounting and receive their revenues from charges to users. Examples of Enterprise Fund: Water and Sewer Fund, Stormwater Utility Fund, Municipal Parking Fund; Internal Service Fund examples: Equipment Services, Information Systems Fund.

**Qualitative Data:** Non-numeric information collected through interviews, focus groups, observation, and the analysis of written documents. Qualitative data can be quantified to establish patterns or trends.

**Quantitative Data:** Information that is counted, or compared on a scale.

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

**Regular Employees:** This is referred to as full-time employees working 40 hrs. /week. They make up the total Authorized/Approved Positions (AP) adopted by the City Council every fiscal year. They are divided into two categories:

- General (civilian) employees: All classification other than Police and Fire ranks. Their salary is charged to 5110101 "REGULAR EMPLOYEE SALARIES". Police and Fire trainees are considered General employees until they graduate from the academy and join the ranks.
- Civil Service Employees: Pertains to Police and Fire all ranks. Their salary is charged to 5115101 "CIVIL SERVICE BASE PAY".

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

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

**Revenue:** Increases in the net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers, and increases in net total assets of a proprietary fund type from other than expense refunds, capital contributions, and residual equity transfers. Included are such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income.



## Glossary and Acronyms

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**Revenue Bonds:** Bonds are usually sold for constructing a project that will produce revenue for the government. All or part of the revenue is used to pay the principal and interest of the bond. A revenue bond is a special type of municipal bond distinguished by its guarantee of repayment solely from revenues generated by a specified revenue-generating entity associated with the purpose of the bonds, rather than from a tax. Revenue bonds may be issued to construct or expand upon various revenue-generating entities, including Water and Sewer utilities; toll roads and bridges; airports, seaports, and other transportation hubs. Generally, any government agency or fund that is run like a business, generating operating revenues and expenses (sometimes known as an enterprise fund), can issue revenue bonds.

**Risk Management:** This is an organized attempt to protect a government's assets against accidental loss, utilizing the most economical methods.

**Rollback Rate:** This is a limiting rate. If a governing body adopts a rate that exceeds the rollback rate, the voters may be able to force the taxing unit to roll back or lower the rate to this limit. This terminology is now known as the Voter-Approval Tax Rate.

**Salary Savings:** The amount of salary expense that is saved when a position is vacant or filled at a lower salary level than the budgeted level.

**Sales Tax:** Tax based on the value of most goods and services sold or consumed in the city. Sales tax is the second-largest revenue source for the General Fund.

**Scorecard:** A tabular display of department performance measures and initiatives that highlights the current status and overall progress.

**Service Charges:** Payments received as a result of administrative services such as inspections associated with the issuance of building and other permits, automobile impoundment, private-property mowing, athletic league administration, and library charges.

**Single Audit Report (SAR):** An annual publication that provides information about the government's expenditures of Federal and State awards. The Single Audit Report also includes Auditor's reports on internal control and compliance as well as findings and questioned costs relating to financial statements and Federal financial assistance programs. The SAR consists of 6 major sections. 1. The introductory section consists of the purposes and contents of the report, letter of transmittal, and overview. 2. Auditor's report on internal control over financial reporting, and report on compliance for each major federal and state program 3. Schedule of expenditures of federal and state awards, and notes to the schedule of expenditures of federal and state awards. 4. Schedule of findings and questioned costs. 5. Corrective action plan. 6. Status of prior audit findings.

**Source of Revenue:** Revenues are classified according to their source or point of origin.

**Special Revenue Fund:** Governmental fund type used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for a specified purpose other than debt service or capital projects and exclusive of resources held in trust for individuals, private organizations, or other governments.

**Supplemental Appropriation:** A legal procedure utilized during the fiscal year by the city staff and City Council to revise a budget appropriation. The City of Fort Worth's City Charter requires City Council approval through the adoption of a supplemental appropriation ordinance (which specifies both the source of revenue and the appropriate expenditure account) for any interdepartmental or inter-fund adjustments. City staff has the prerogative to adjust expenditures within a departmental budget.

**Target:** A quantifiable, desired result to be achieved within a stated time, against which actual results can be compared. Targets may be based on regulatory or industry standards, policy decisions, historical data, or benchmark data.

**Tax Levy:** The total property taxes imposed in a year.

**Tax Rate:** The number when multiplied by taxable value gives the amount of tax.

**Taxable Value:** The appraised value is shown on the appraisal roll minus any applicable exemptions.

**Taxing Unit:** A local government that levies a property tax.

**Total Exemption:** An exemption that exempts all of a property's value-form taxation.

**Total Taxable Value:** The sum of the taxable values of all properties on the appraisal roll for a taxing unit.

**Transfers:** Amounts transferred from one fund to another.

**Trust Funds:** A fund held by a trustee for the specific purposes of the trust; in a more general sense, a fund which, legally or equitably, is subject to be devoted to a particular purpose and cannot, or should not, be diverted therefrom.

**Unencumbered Balance:** The amount of an appropriation that is neither expended nor encumbered. It is the amount of money still available for future purchases.

**Use of Fund Balance:** Refers to an allocation of money in a Governmental Fund that the city previously received from some source and did not expend. This category differs from all other listed categories because the amounts in question are the result of past receipts rather than projected income during the fiscal year.

**Use of Money and Property:** Refers to money generated from the sale, loan, or rental of the city's tangible and intangible assets and includes interest earned on invested cash, short-and long-term rental income, concessionaire payments, and proceeds from the sale of surplus or abandoned property.

**Use of Net Position:** Refers to the allocation of money in a Proprietary or Fiduciary Fund that the city previously received from some source and did not expend. This category differs from all other listed categories because the amounts in question are the result of past receipts rather than projected income during the fiscal year.

**Vision:** A description of an organization's desired future state. The vision describes where the organization is headed, what it intends to be, or how it wishes to be perceived in the future.

**Voter-Approval Tax Rate:** A calculated maximum rate allowed by law without voter approval. Most taxing units calculate a voter-approval tax rate that divides the overall property taxes into two categories - M&O and debt service. The voter-approval tax rate provides cities and counties with about the same amount of tax revenue it spent the previous year for day-to-day operations plus an extra three and a half percent for operations and sufficient funds to pay debts in the coming year.

**Voucher:** A document indicating that a transaction has occurred. It usually specifies the accounts related to the transaction.

## Glossary and Acronyms

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### Acronyms

ACEC	American Council of Engineering Companies
AFR	Annual Financial Report
AHAS	Accessible Hazard Alert System
AICPA	American Institute of Certified Public Accountants
AP	Authorized positions
AR	Administrative Regulations
ARB	Appraisal Review Board
ARC	Annual required contribution
ATB	Across the Board
ATS	American Traffic Solutions
BDE	Business Diversity Enterprise
BMPs	Best Management Practices
BNSF	Burlington Northern/Santa Fe Railroad
BRASS	Budget Reporting and Analysis Support System
CAO	City Attorney's Office
CAD	Computer Aided Dispatch
CAP	Community Action Partner
CCPD	Crime Control and Prevention District
CDBG	Community Development Block Grant
CFDA	Catalog of Federal Domestic Assistance
CFO	Chief Financial Officer
CFW	City of Fort Worth
CIP	Capital Improvement Program
CMO	City Manager's Office
CO	Certificates of Obligation
COP	Citizen on Patrol
CPI	Consumer Price Index
CPMS	Capital Project Management System
CRM	Customer Relationship Management
CRS	Community rating system
CSO	City Secretary's Office
CVB	Convention and Visitor's Bureau
DAL	Dallas Love Field
DFW	Dallas/Fort Worth International Airport
DFWI	Downtown Fort Worth Inc.
DOL	Department of Labor
ECC	Environmental Collection Center
EEOC	U.S. Equal Employment Opportunity Commission
EIMS	Enterprise Information Management System
EPA	Environmental Protection Agency
ERP	Enterprise Resource Planning
ERU	Equivalent Residential Unit
ESD	Equipment Services Department
ETJ	Extraterritorial Jurisdictional Area

## Glossary and Acronyms

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FAA	Federal Aviation Administration
FEMA	Federal Emergency Management Agency
FF&E	Furniture, Fixtures, and Equipment
FHAP	Fair Housing Assistance Program
FMPS	Financial Management Policy Statements
FMS	Financial Management Services
FTE	Full-Time Equivalent
FWCC	Fort Worth Convention Center
FWHFC	Fort Worth Housing Finance Corporation
FWISD	Fort Worth Independent School District
FWTV	Fort Worth TV
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geospatial Information Systems
GO	General obligation
HAP	Homebuyer Assistance Program
HED	Housing and Economic Development Department
HESG	Housing Emergency Solutions Grant
HOPWA	Housing Opportunities for Persons with HIV/AIDS
HIV/AIDS	
HOT	Hotel and Motel Occupancy Tax
HUD	U.S Department of Housing and Urban Development
I&S	Interest and Sinking
ICMA	International City/County Management Association
ITS	Information Technology Solutions
KPI	Key Performance Indicator
LDC	Local Development Corporation
LHRD	Lead Hazard Reduction Demonstration Grant
LM	Lane miles
M&C	Mayor & Council; Also refers to Mayor & Council Communications
M&O	Maintenance and Operations
MBE	Minority Business Enterprise
MD	Metropolitan Division
MSA	Metropolitan Statistical Area
MYFF	Multi-Year Financial Forecast
NALHFA	National Association of Local Housing Finance Agencies
NAS	Naval Air Station
NASJRB	Naval Air Station Joint Reserve Base Fort Worth
NEZ	Neighborhood Empowerment Zone
NFIP	National Flood Insurance Program
NIC	Net Interest Cost
NIS	Neighborhood Improvement Strategy
NIMS	National Incident Management System
NOE	Notice of Enforcement

## Glossary and Acronyms

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NOV	Notice of Violations
O&M	Operating and Maintenance
OEM	Office of Emergency Management
OPEB	Other Post-Employment Benefits
OPW	Ohio Pattern Works
PAYG	Pay as You Go Capital
PACS	Parks and Community Services
PARD	Park and Recreation Department
PE	Public Events
PID	Public Improvement District
PILOT	Payment In Lieu Of Taxes
PIRs	Public Information Requests
PMA	Pavement Management Application
PQI	Pavement Quality Index
RevPAR	Revenue Per available room
RFID	Radio frequency identification technology
RFW	Read Fort Worth
RIM	Records Information Management
RRBG	Rental Rehabilitation Block Grant
RRPI	Rental Rehabilitation Program Income
SAR	Single audit report
SBE	Small Business Enterprise
SCBA	Self-contained breathing apparatus SEC
SIR	Self-Insured Retention
TALHFA	Texas Association of Local Housing Finance Agencies
TFW	TechFortWorth
TIBS	Temporary Income Benefit Supplement
TIC	True interest cost
TIF	Tax Increment Financing
TIRZ	Taxing Increment Reinvestment Zone
TPDES	Texas Pollutant Discharge Elimination System
TPW	Transportation and Public Works
TPWA	Texas Public Works Association
TRWD	Tarrant Regional Water District
TWC	Texas Workforce Commission
UDAG	Urban Development Action Grant
USDA	United States Department of Agriculture
VITA	Volunteer Income Tax Assistance
WAP	Weatherization Assistance Program
WBE	Women Business Enterprise

# Tax Calculation



# 2023 Tax Rate Calculation Worksheet

## Taxing Units Other Than School Districts or Water Districts

Form 50-856

City of Fort Worth

817/392-1234

Taxing Unit Name

Phone (area code and number)

200 Texas Street

fortworthtexas.gov

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

**GENERAL INFORMATION:** Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

### SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	<b>2022 total taxable value.</b> Enter the amount of 2022 taxable value on the 2022 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). <sup>1</sup>	\$ 96,951,526,907
2.	<b>2022 tax ceilings.</b> Counties, cities and junior college districts. Enter 2022 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step. <sup>2</sup>	\$ 7,652,463,756
3.	<b>Preliminary 2022 adjusted taxable value.</b> Subtract Line 2 from Line 1.	\$ 89,299,063,151
4.	<b>2022 total adopted tax rate.</b>	\$ 0.712500 /\$100
5.	<b>2022 taxable value lost because court appeals of ARB decisions reduced 2022 appraised value.</b>	
	A. Original 2022 ARB values:.....	\$ 12,028,259,968
	B. 2022 values resulting from final court decisions:.....	-\$ 10,451,136,659
	C. 2022 value loss. Subtract B from A. <sup>3</sup>	\$ 1,577,123,309
6.	<b>2022 taxable value subject to an appeal under Chapter 42, as of July 25.</b>	
	A. 2022 ARB certified value:.....	\$ 2,812,982,350
	B. 2022 disputed value:.....	-\$ 1,109,481,491
	C. 2022 undisputed value. Subtract B from A. <sup>4</sup>	\$ 1,703,500,859
7.	<b>2022 Chapter 42 related adjusted values.</b> Add Line 5C and Line 6C.	\$ 3,280,624,168

<sup>1</sup> Tex. Tax Code §26.012(14)

<sup>2</sup> Tex. Tax Code §26.012(14)

<sup>3</sup> Tex. Tax Code §26.012(13)

<sup>4</sup> Tex. Tax Code §26.012(13)



Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	<b>2022 taxable value, adjusted for actual and potential court-ordered adjustments.</b> Add Line 3 and Line 7.	\$ 92,579,687,319
9.	<b>2022 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2022.</b> Enter the 2022 value of property in deannexed territory. <sup>5</sup>	\$ 0
10.	<b>2022 taxable value lost because property first qualified for an exemption in 2023.</b> If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2023 does not create a new exemption or reduce taxable value.  <b>A. Absolute exemptions.</b> Use 2022 market value:..... \$ 9,065,223  <b>B. Partial exemptions.</b> 2023 exemption amount or 2023 percentage exemption times 2022 value:..... + \$ 1,287,206,817  <b>C. Value loss.</b> Add A and B. <sup>6</sup>	\$ 1,296,272,040
11.	<b>2022 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2023.</b> Use only properties that qualified in 2023 for the first time; do not use properties that qualified in 2022.  <b>A. 2022 market value:</b> ..... \$ 310,817  <b>B. 2023 productivity or special appraised value:</b> ..... - \$ 1,494  <b>C. Value loss.</b> Subtract B from A. <sup>7</sup>	\$ 309,323
12.	<b>Total adjustments for lost value.</b> Add Lines 9, 10C and 11C.	\$ 1,296,581,363
13.	<b>2022 captured value of property in a TIF.</b> Enter the total value of 2022 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2022 taxes were deposited into the tax increment fund. <sup>8</sup> If the taxing unit has no captured appraised value in line 18D, enter 0.	\$ 4,651,034,729
14.	<b>2022 total value.</b> Subtract Line 12 and Line 13 from Line 8.	\$ 86,632,071,227
15.	<b>Adjusted 2022 total levy.</b> Multiply Line 4 by Line 14 and divide by \$100.	\$ 617,253,507
16.	<b>Taxes refunded for years preceding tax year 2022.</b> Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2022. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding tax year 2022. <sup>9</sup>	\$ 12,908,966
17.	<b>Adjusted 2022 levy with refunds and TIF adjustment.</b> Add Lines 15 and 16. <sup>10</sup>	\$ 630,162,473
18.	<b>Total 2023 taxable value on the 2023 certified appraisal roll today.</b> This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. <sup>11</sup>  <b>A. Certified values:</b> ..... \$ 111,039,849,195  <b>B. Counties:</b> Include railroad rolling stock values certified by the Comptroller's office:..... + \$ .....  <b>C. Pollution control and energy storage system exemption:</b> Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:..... - \$ 0  <b>D. Tax increment financing:</b> Deduct the 2023 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2023 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below. <sup>12</sup> ..... - \$ 5,208,297,342  <b>E. Total 2023 value.</b> Add A and B, then subtract C and D.	\$ 105,831,551,853

<sup>5</sup> Tex. Tax Code §26.012(15)  
<sup>6</sup> Tex. Tax Code §26.012(15)  
<sup>7</sup> Tex. Tax Code §26.012(15)  
<sup>8</sup> Tex. Tax Code §26.03(c)  
<sup>9</sup> Tex. Tax Code §26.012(13)  
<sup>10</sup> Tex. Tax Code §26.012(13)  
<sup>11</sup> Tex. Tax Code §26.012, 26.04(c-2)  
<sup>12</sup> Tex. Tax Code §26.03(c)



Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
19.	<p><b>Total value of properties under protest or not included on certified appraisal roll.</b> <sup>13</sup></p> <p><b>A. 2023 taxable value of properties under protest.</b> The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. <sup>14</sup>..... \$ 3,613,096,704</p> <p><b>B. 2023 value of properties not under protest or included on certified appraisal roll.</b> The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. <sup>15</sup>..... + \$ 689,994,192</p> <p><b>C. Total value under protest or not certified.</b> Add A and B. \$ 4,303,090,896</p>	
20.	<p><b>2023 tax ceilings.</b> Counties, cities and junior colleges enter 2023 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step. <sup>16</sup></p>	\$ 7,366,474,716
21.	<p><b>2023 total taxable value.</b> Add Lines 18E and 19C. Subtract Line 20. <sup>17</sup></p>	\$ 102,768,168,033
22.	<p><b>Total 2023 taxable value of properties in territory annexed after Jan. 1, 2022.</b> Include both real and personal property. Enter the 2023 value of property in territory annexed. <sup>18</sup></p>	\$ 109,454,192
23.	<p><b>Total 2023 taxable value of new improvements and new personal property located in new improvements.</b> New means the item was not on the appraisal roll in 2022. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2022 and be located in a new improvement. New improvements <b>do</b> include property on which a tax abatement agreement has expired for 2023. <sup>19</sup></p>	\$ 3,478,977,360
24.	<p><b>Total adjustments to the 2023 taxable value.</b> Add Lines 22 and 23.</p>	\$ 3,588,431,552
25.	<p><b>Adjusted 2023 taxable value.</b> Subtract Line 24 from Line 21.</p>	\$ 99,179,736,481
26.	<p><b>2023 NNR tax rate.</b> Divide Line 17 by Line 25 and multiply by \$100. <sup>20</sup></p>	\$ 0.635374 /\$100
27.	<p><b>COUNTIES ONLY.</b> Add together the NNR tax rates for each type of tax the county levies. The total is the 2023 county NNR tax rate. <sup>21</sup></p>	\$ _____ /\$100

**SECTION 2: Voter-Approval Tax Rate**

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
28.	<p><b>2022 M&amp;O tax rate.</b> Enter the 2022 M&amp;O tax rate.</p>	\$ 0.565000 /\$100
29.	<p><b>2022 taxable value, adjusted for actual and potential court-ordered adjustments.</b> Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i>.</p>	\$ 92,579,687,319

<sup>13</sup> Tex. Tax Code §26.01(c) and (d)  
<sup>14</sup> Tex. Tax Code §26.01(c)  
<sup>15</sup> Tex. Tax Code §26.01(d)  
<sup>16</sup> Tex. Tax Code §26.012(6)(B)  
<sup>17</sup> Tex. Tax Code §26.012(6)  
<sup>18</sup> Tex. Tax Code §26.012(17)  
<sup>19</sup> Tex. Tax Code §26.012(17)  
<sup>20</sup> Tex. Tax Code §26.04(c)  
<sup>21</sup> Tex. Tax Code §26.04(d)



Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
30.	<b>Total 2022 M&amp;O levy.</b> Multiply Line 28 by Line 29 and divide by \$100.	\$ 523,075,233
31.	<p><b>Adjusted 2022 levy for calculating NNR M&amp;O rate.</b></p> <p><b>A. M&amp;O taxes refunded for years preceding tax year 2022.</b> Enter the amount of M&amp;O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding tax year 2022. .... + \$ 10,310,775</p> <p><b>B. 2022 taxes in TIF.</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2023 captured appraised value in Line 18D, enter 0. .... - \$ 24,026,807</p> <p><b>C. 2022 transferred function.</b> If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. .... +/- \$ 0</p> <p><b>D. 2022 M&amp;O levy adjustments.</b> Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. .... \$ -13,716,032</p> <p><b>E.</b> Add Line 30 to 31D. ....</p>	\$ 509,359,201
32.	<b>Adjusted 2023 taxable value.</b> Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 99,179,736,481
33.	<b>2023 NNR M&amp;O rate (unadjusted).</b> Divide Line 31E by Line 32 and multiply by \$100.	\$ 0.513571 /\$100
34.	<p><b>Rate adjustment for state criminal justice mandate.</b> <sup>23</sup>  <b>If not applicable or less than zero, enter 0.</b></p> <p><b>A. 2023 state criminal justice mandate.</b> Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. .... \$ 0</p> <p><b>B. 2022 state criminal justice mandate.</b> Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies. .... - \$ 0</p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100. .... \$ 0.000000 /\$100</p> <p><b>D.</b> Enter the rate calculated in C. If not applicable, enter 0. ....</p>	\$ 0.000000 /\$100
35.	<p><b>Rate adjustment for indigent health care expenditures.</b> <sup>24</sup>  <b>If not applicable or less than zero, enter 0.</b></p> <p><b>A. 2023 indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state assistance received for the same purpose. .... \$ 0</p> <p><b>B. 2022 indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state assistance received for the same purpose. .... - \$ 0</p> <p><b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100. .... \$ 0.000000 /\$100</p> <p><b>D.</b> Enter the rate calculated in C. If not applicable, enter 0. ....</p>	\$ 0.000000 /\$100

<sup>23</sup> [Reserved for expansion]

<sup>24</sup> Tex. Tax Code §26.044

<sup>25</sup> Tex. Tax Code §26.0441

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
36.	<b>Rate adjustment for county indigent defense compensation.</b> <sup>25</sup> If not applicable or less than zero, enter 0.	
	<b>A. 2023 indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state grants received by the county for the same purpose.....	\$ 0
	<b>B. 2022 indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state grants received by the county for the same purpose.....	\$ 0
	<b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100.....	\$ 0.000000 /\$100
	<b>D.</b> Multiply B by 0.05 and divide by Line 32 and multiply by \$100.....	\$ 0.000000 /\$100
	<b>E.</b> Enter the lesser of C and D. If not applicable, enter 0.	\$ 0.000000 /\$100
37.	<b>Rate adjustment for county hospital expenditures.</b> <sup>26</sup> If not applicable or less than zero, enter 0.	
	<b>A. 2023 eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2022 and ending on June 30, 2023. ....	\$ 0
	<b>B. 2022 eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2021 and ending on June 30, 2022. ....	\$ 0
	<b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100.....	\$ 0.000000 /\$100
	<b>D.</b> Multiply B by 0.08 and divide by Line 32 and multiply by \$100.....	\$ 0.000000 /\$100
	<b>E.</b> Enter the lesser of C and D, if applicable. If not applicable, enter 0.	\$ 0.000000 /\$100
38.	<b>Rate adjustment for defunding municipality.</b> This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information.	
	<b>A. Amount appropriated for public safety in 2022.</b> Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year .....	\$ 0
	<b>B. Expenditures for public safety in 2022.</b> Enter the amount of money spent by the municipality for public safety during the preceding fiscal year.....	\$ 0
	<b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100 .....	\$ 0.000000 /\$100
	<b>D.</b> Enter the rate calculated in C. If not applicable, enter 0.	\$ 0.000000 /\$100
39.	<b>Adjusted 2023 NNR M&amp;O rate.</b> Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.	\$ 0.513571 /\$100
40.	<b>Adjustment for 2022 sales tax specifically to reduce property taxes.</b> Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in 2022 should complete this line. These entities will deduct the sales tax gain rate for 2023 in Section 3. Other taxing units, enter zero.	
	<b>A.</b> Enter the amount of additional sales tax collected and spent on M&O expenses in 2022, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent .....	\$ 0
	<b>B.</b> Divide Line 40A by Line 32 and multiply by \$100 .....	\$ 0.000000 /\$100
	<b>C.</b> Add Line 40B to Line 39.	\$ 0.513571 /\$100
41.	<b>2023 voter-approval M&amp;O rate.</b> Enter the rate as calculated by the appropriate scenario below. <b>Special Taxing Unit.</b> If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08. - or - <b>Other Taxing Unit.</b> If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.	\$ 0.531545 /\$100

<sup>25</sup> Tex. Tax Code §26.0442  
<sup>26</sup> Tex. Tax Code §26.0443



Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
D41.	<p><b>Disaster Line 41 (D41): 2023 voter-approval M&amp;O rate for taxing unit affected by disaster declaration.</b> If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of</p> <p>1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or</p> <p>2) the third tax year after the tax year in which the disaster occurred</p> <p>If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08. <sup>27</sup> If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).</p>	\$ 0.000000 /\$100
42.	<p><b>Total 2023 debt to be paid with property taxes and additional sales tax revenue.</b> Debt means the interest and principal that will be paid on debts that:</p> <p>(1) are paid by property taxes,</p> <p>(2) are secured by property taxes,</p> <p>(3) are scheduled for payment over a period longer than one year, and</p> <p>(4) are not classified in the taxing unit's budget as M&amp;O expenses.</p> <p><b>A. Debt</b> also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. <sup>28</sup></p> <p>Enter debt amount ..... \$ 162,658,020</p> <p><b>B. Subtract unencumbered fund amount</b> used to reduce total debt. .... - \$ 0</p> <p><b>C. Subtract certified amount spent from sales tax to reduce debt</b> (enter zero if none) ..... - \$ 0</p> <p><b>D. Subtract amount paid</b> from other resources ..... - \$ 1,748,950</p> <p><b>E. Adjusted debt.</b> Subtract B, C and D from A. .... \$ 160,909,070</p>	\$ 160,909,070
43.	<b>Certified 2022 excess debt collections.</b> Enter the amount certified by the collector. <sup>29</sup>	\$ 9,325,140
44.	<b>Adjusted 2023 debt.</b> Subtract Line 43 from Line 42E.	\$ 151,583,930
45.	<p><b>2023 anticipated collection rate.</b></p> <p><b>A.</b> Enter the 2023 anticipated collection rate certified by the collector. <sup>30</sup> ..... 100.00 %</p> <p><b>B.</b> Enter the 2022 actual collection rate. .... 100.12 %</p> <p><b>C.</b> Enter the 2021 actual collection rate. .... 99.98 %</p> <p><b>D.</b> Enter the 2020 actual collection rate. .... 99.51 %</p> <p><b>E.</b> If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. <sup>31</sup></p>	100.00 %
46.	<b>2023 debt adjusted for collections.</b> Divide Line 44 by Line 45E.	\$ 151,583,930
47.	<b>2023 total taxable value.</b> Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 102,768,168,033
48.	<b>2023 debt rate.</b> Divide Line 46 by Line 47 and multiply by \$100.	\$ 0.147500 /\$100
49.	<b>2023 voter-approval tax rate.</b> Add Lines 41 and 48.	\$ 0.679045 /\$100
D49.	<p><b>Disaster Line 49 (D49): 2023 voter-approval tax rate for taxing unit affected by disaster declaration.</b> Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.</p>	\$ /\$100

<sup>27</sup> Tex. Tax Code §26.042(a)  
<sup>28</sup> Tex. Tax Code §26.012(7)  
<sup>29</sup> Tex. Tax Code §26.012(10) and 26.04(b)  
<sup>30</sup> Tex. Tax Code §26.04(b)  
<sup>31</sup> Tex. Tax Code §526.04(h), (h-1) and (h-2)



Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	<b>COUNTIES ONLY.</b> Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2023 county voter-approval tax rate.	\$ 0.000000 /\$100

**SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes**

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	<b>Taxable Sales.</b> For taxing units that adopted the sales tax in November 2022 or May 2023, enter the Comptroller’s estimate of taxable sales for the previous four quarters. <sup>32</sup> Estimates of taxable sales may be obtained through the Comptroller’s Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2022, enter 0.	\$ 0
52.	<b>Estimated sales tax revenue.</b> Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. <sup>33</sup> <b>Taxing units that adopted the sales tax in November 2022 or in May 2023.</b> Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. <sup>34</sup> - or - <b>Taxing units that adopted the sales tax before November 2022.</b> Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$ 0
53.	<b>2023 total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 102,768,168,033
54.	<b>Sales tax adjustment rate.</b> Divide Line 52 by Line 53 and multiply by \$100.	\$ 0.000000 /\$100
55.	<b>2023 NNR tax rate, unadjusted for sales tax.</b> <sup>35</sup> Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.635374 /\$100
56.	<b>2023 NNR tax rate, adjusted for sales tax.</b> <b>Taxing units that adopted the sales tax in November 2022 or in May 2023.</b> Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2022.	\$ 0.635374 /\$100
57.	<b>2023 voter-approval tax rate, unadjusted for sales tax.</b> <sup>36</sup> Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.679045 /\$100
58.	<b>2023 voter-approval tax rate, adjusted for sales tax.</b> Subtract Line 54 from Line 57.	\$ 0.679045 /\$100

**SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control**

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit’s expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
59.	<b>Certified expenses from the Texas Commission on Environmental Quality (TCEQ).</b> Enter the amount certified in the determination letter from TCEQ. <sup>37</sup> The taxing unit shall provide its tax assessor-collector with a copy of the letter. <sup>38</sup>	\$ 0
60.	<b>2023 total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 102,768,168,033
61.	<b>Additional rate for pollution control.</b> Divide Line 59 by Line 60 and multiply by \$100.	\$ 0.000000 /\$100
62.	<b>2023 voter-approval tax rate, adjusted for pollution control.</b> Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$ 0.679045 /\$100

<sup>32</sup> Tex. Tax Code §26.041(d)  
<sup>33</sup> Tex. Tax Code §26.041(f)  
<sup>34</sup> Tex. Tax Code §26.041(d)  
<sup>35</sup> Tex. Tax Code §26.04(c)  
<sup>36</sup> Tex. Tax Code §26.04(c)  
<sup>37</sup> Tex. Tax Code §26.045(d)  
<sup>38</sup> Tex. Tax Code §26.045(j)



**SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate**

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate adjusted to remove the unused increment rate for the prior three years.<sup>39</sup> In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the portion of the unused increment rate must be backed out of the calculation for that year.

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020;<sup>40</sup>
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);<sup>41</sup> or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.<sup>42</sup>

Individual components can be negative, but the overall rate would be the greater of zero or the calculated rate.

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.<sup>43</sup>

Line	Unused Increment Rate Worksheet	Amount/Rate
<b>63.</b>	<b>Year 3 component.</b> Subtract the 2022 actual tax rate and the 2022 unused increment rate from the 2022 voter-approval tax rate.	
A.	Voter-approval tax rate (Line 67).....	\$ 0.799846 /\$100
B.	Unused increment rate (Line 66).....	\$ 0.089934 /\$100
C.	Subtract B from A.....	\$ 0.709912 /\$100
D.	Adopted Tax Rate.....	\$ 0.712500 /\$100
E.	Subtract D from C.....	\$ -0.002588 /\$100
<b>64.</b>	<b>Year 2 component.</b> Subtract the 2021 actual tax rate and the 2021 unused increment rate from the 2021 voter-approval tax rate.	
A.	Voter-approval tax rate (Line 67).....	\$ 0.822434 /\$100
B.	Unused increment rate (Line 66).....	\$ 0.059634 /\$100
C.	Subtract B from A.....	\$ 0.762800 /\$100
D.	Adopted Tax Rate.....	\$ 0.732500 /\$100
E.	Subtract D from C.....	\$ 0.030300 /\$100
<b>65.</b>	<b>Year 1 component.</b> Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate.	
A.	Voter-approval tax rate (Line 65).....	\$ 0.807134 /\$100
B.	Unused increment rate (Line 64).....	\$ 0.000000 /\$100
C.	Subtract B from A.....	\$ 0.807134 /\$100
D.	Adopted Tax Rate.....	\$ 0.747500 /\$100
E.	Subtract D from C.....	\$ 0.059634 /\$100
<b>66.</b>	<b>2023 unused increment rate.</b> Add Lines 63E, 64E and 65E.	\$ 0.087346 /\$100
<b>67.</b>	<b>Total 2023 voter-approval tax rate, including the unused increment rate.</b> Add Line 66 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control).	\$ 0.766391 /\$100

<sup>39</sup> Tex. Tax Code §26.013(a)

<sup>40</sup> Tex. Tax Code §26.013(c)

<sup>41</sup> Tex. Tax Code §§26.0501(a) and (c)

<sup>42</sup> Tex. Local Gov't Code §120.007(d), effective Jan. 1, 2022

<sup>43</sup> Tex. Tax Code §26.063(a)(1)

<sup>44</sup> Tex. Tax Code §26.012(8-a)

<sup>45</sup> Tex. Tax Code §26.063(a)(1)



**SECTION 6: De Minimis Rate**

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.<sup>44</sup> This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.<sup>45</sup>

Line	De Minimis Rate Worksheet	Amount/Rate
68.	<b>Adjusted 2023 NNR M&amp;O tax rate.</b> Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i>	\$ 0.513571 /\$100
69.	<b>2023 total taxable value.</b> Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 102,768,168,033
70.	<b>Rate necessary to impose \$500,000 in taxes.</b> Divide \$500,000 by Line 69 and multiply by \$100.	\$ 0.000486 /\$100
71.	<b>2023 debt rate.</b> Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.147500 /\$100
72.	<b>De minimis rate.</b> Add Lines 68, 70 and 71.	\$ 0.661557 /\$100

**SECTION 7: Voter Approval Tax Rate Adjustment for Emergency Revenue Rate**

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.<sup>46</sup>

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.<sup>47</sup>

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago. This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
73.	<b>2022 adopted tax rate.</b> Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.712500 /\$100
74.	<b>Adjusted 2022 voter-approval tax rate.</b> Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line.  If a disaster occurred in 2022 and the taxing unit calculated its 2022 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2022 worksheet due to a disaster, complete the applicable sections or lines of Form 50-856-a, <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> . - or - If a disaster occurred prior to 2022 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2022, complete the separate <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2022 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster. <sup>48</sup> Enter the final adjusted 2022 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2022 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	\$ 0.000000 /\$100
75.	<b>Increase in 2022 tax rate due to disaster.</b> Subtract Line 74 from Line 73.	\$ 0.000000 /\$100
76.	<b>Adjusted 2022 taxable value.</b> Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 86,632,071,227
77.	<b>Emergency revenue.</b> Multiply Line 75 by Line 76 and divide by \$100.	\$ 0
78.	<b>Adjusted 2023 taxable value.</b> Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 99,179,736,481
79.	<b>Emergency revenue rate.</b> Divide Line 77 by Line 78 and multiply by \$100. <sup>49</sup>	\$ 0.000000 /\$100

<sup>44</sup> Tex. Tax Code §26.042(b)  
<sup>45</sup> Tex. Tax Code §26.042(f)  
<sup>46</sup> Tex. Tax Code §26.042(c)  
<sup>47</sup> Tex. Tax Code §26.042(b)

Line	Emergency Revenue Rate Worksheet	Amount/Rate
80.	<b>2023 voter-approval tax rate, adjusted for emergency revenue.</b> Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	\$ <u>0.766391</u> /\$100

**SECTION 8: Total Tax Rate**

Indicate the applicable total tax rates as calculated above.

- No-new-revenue tax rate.** ..... \$ 0.635374 /\$100  
 As applicable, enter the 2023 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).  
 Indicate the line number used: 26
  
- Voter-approval tax rate.** ..... \$ 0.766391 /\$100  
 As applicable, enter the 2023 voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax),  
 Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue).  
 Indicate the line number used: 67
  
- De minimis rate.** ..... \$ 0.661557 /\$100  
 If applicable, enter the 2023 de minimis rate from Line 72.

**SECTION 9: Taxing Unit Representative Name and Signature**

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code.<sup>50</sup>

**print here** ➔ Ashley Clement  
 Printed Name of Taxing Unit Representative

**sign here** ➔   
 Ashley Clement (Aug 21, 2023 14:43 CDT)  
 Taxing Unit Representative

Aug 21, 2023  
 Date

<sup>50</sup> Tex. Tax Code §§26.04(c-2) and (d-2)