

**CITY OF FORT WORTH PROPOSED BUDGET 2010-2011
REVIEW OF SELECTED ITEMS**

Part 1:

Observations and questions:

1. Super Bowl February 2011 (to be held in Arlington, Cowboys Stadium)

The City is proposing to spend on Super Bowl related activities:

- \$563,120. in Fire Department budget
- \$790,000. in Police Department budget
- \$293,000. in the Library and Parks Dept. budget
- \$1.112 million in the Transportation and Public Works Dept. budget

This is a total of \$2.7 million. City staff reports that the State of Texas will reimburse the City of Fort Worth.

Questions:

How much is the State's reimbursement? Under what agreement or terms is the State reimbursing us any of these costs?

Why is the City of Fort Worth "fronting" this money?

What other allocations among other departments are there for Super Bowl funding?

The Super Bowl is identified as a revenue generator for the City – increases in sales taxes spent on hotel rooms, meals, purchases, etc. made by visitors to the City. **Please show in the proposed FY 2011 budget the expected Super Bowl revenues from all categories applicable.**

Street Permit Dept. increase in budget? Related to Super Bowl?
Mounted Patrol increase in budget? Related to Super Bowl?

2. Southwest Satellite Court

The City is proposing to spend:

- \$999,000. on this new branch municipal court
- \$334,000. in the Law Dept. Budget for prosecutors and support staff

Total of \$1.333 million

Questions:

What other allocations among other departments are there for this court?

Have there been Council discussions about this court? Has Council voted on the creation of this court?

Fort Worth City Representatives have indicated that this is a pilot project that may lead to decentralized Municipal Court Buildings throughout the city and belief that the local building will increase fine payments due to proximity and drive through window convenience. However other sources indicate that the 20% drop in revenue from fine collection stems from an increased number of persons performing offered community service rather than paying fines. Fort Worth City Representatives have stated the SW Satellite Building will not include criminal issue functions but added that once the building and budget are approved, that the City Manager could alter or increase the functions of the building as he sees fit. What is the potential impact on the residential community?

3. Libraries

City proposes to close Ridglea Branch, North Side Branch, and Meadowbrook Branch Libraries at a combined cost of \$516,000. Library director says the cost is more like \$1.2 million when other overhead is considered. Closure of the Riverside Branch Library is an unfunded reduction decision package, meaning that if more cuts are required from the Library division, that library closure would be the next promoted.

Included is a reduction of \$510,772 from Library Materials Budget.

Budget document says the costs of the newest branch library are “offset” by the closure of these branches.

The proposal to combine libraries and Parks and Community Services is an example of putting **competing interests under a single budget**. The sole example of a city where this has been done (Phoenix) was apparently not successful.

What are the ramifications of putting Gang Intervention under this department rather than Police Dept.?

4. City Manager’s Office

- Office of Project Management, 13 positions

- i. Manages special projects such as State Highway 121, Trinity River Vision, City Hall, etc.
- ii. How much is spent from the General Fund on how many staff positions (including those in Planning and Development Dept. and any other depts. – real property acquisition, etc.) to support City’s participation in Trinity River Vision?
- iii. What are total General Fund costs for all City support for TRV, in addition to \$22 million in bond funds for TRV bridges?

-- How many Assistant City Manager Positions are included in this budget and for what collective amount are their salaries funded? What are the duties/functions for these positions?

5. Gas Drilling

- One of the Law Department functions is to administer Gas Drilling regulations and leasing. How much of these expenses is covered by drilling permit fees charged by the City?
- Planning and Development Dept.
 - i. Gas Well Division has 11 positions. How are these positions paid for? General Fund? Permit fees?
 - ii. Administering gas well/compressor permits and pipeline permits costs \$342,000. Administering gas leasing (see i. above) costs \$480,000. How are these activities paid for?
 - iii. The cost of the City’s Air Quality Study is estimated at \$650,000. Are those all funds taken from gas drilling revenues during FY 2010; what expenses from the study or subsequent studies or monitoring are projected for 2011? What source of revenue will cover them?

6. Fire Department

A funded reduction package would deactivate 3 engines at double company stations on a rotating basis, a citywide impact. This would cut \$2.98 million from the budget.

What would be the impact on Fort Worth citizens’ homeowners insurance charges of such a move by the City?

7. Police Department

A funded reduction package would eliminate \$97,000. for a police officer to act as a pawn shop officer. At the time of the Council decision to approve pawn shop rezoning, an argument offered was that the pawn shops work closely with the Police Department to ensure that there are not stolen goods in the pawn shops. What are the consequences of the elimination of this pawn shop officer position?

Are we phasing out the CCPD – Crime Control and Prevention District? Is that the plan? Will the citizens vote on this again? This fund brings in approximately \$47 million during FY 2011.

8. Transportation and Public Works – funded reduction packages

- Eliminate \$150,000. for the sidewalk program
- Reduce by \$80,000. fund for street light materials
- Eliminate \$371,000. for freeway lighting maintenance (See Star-Telegram article, 8/30/2010)

9. Parks and Community Services Department

- Proposal to merge department with Library with Library Admin. as supervisor
- City pools have closed.
- City parks are on reduced schedules of mowing and trimming.
- addition of \$492,000. in funds for management fee increase and annual CPI adjustment for operation of Fort Worth Zoo.

- i. The new 20 year City contract with the FW Zoological Association was approved earlier this year substantially before the existing contract was to expire. Would the addition of funds for the zoo management contract have been necessary without the early agreement on the new contract?

10. Miscellaneous: The City is proposing to spend:

- \$716,000. from the General Fund on Arts Council programming
- \$50,000. from the General Fund on Artes de la Rosa, Rose Marine Theater
- \$345,000. from the General Fund as contribution to United Way
 - (in addition to employee contributions)
- \$465,000. for operation of Log Cabin Village
- \$125,000. for Cowboy Santas Program
- \$7.6 million on economic development incentives
- \$459,000. for Neighborhood Education program -- 7 positions
- \$2.575 million on the Directions Home homeless initiative
 - Is \$195,000. for Directions Home Communications initiative included in above or in addition to program?
 - Is \$75,000. for Homeless Court included in above or in addition to program?
 - Is \$253,000. for Directions Home/Police Dept. included in above or in addition to program?
- \$196,000. on Transportation Impact Fees and Planning

- Are these costs covered by Transportation Impact Fees collected by the City?

10. Information Technology – (IT) – Enterprise Resource Planning (ERP)

This item reveals an excess cash balance of \$3.6 million from 2010 and projects the same amount as the cash balance at the end of 2011.

This is a computer program to track spending and spending activities. As it appears that the ERP funding was not fully spent in 2010, would it not be possible to reserve at least half of the projected cash balance (\$1.8 million) and thus preserve the 3 branch libraries recommended for closure?

11. Contract Services –

This is a \$122 million dollar piece of the budget expenditures. We need detail on what each of these contracts is.

12. Housing and Economic Development

The Depart of HED has a \$5.1 million budget. It is not clear how much of that budget goes to staff and programming for economic development. In addition, the budget prioritization shows that \$7.6 million will be spent on economic incentives.

What is the relationship between the economic development programming and the economic incentives?

The City is proposing to use our entire budget for the first time in several years, including the budget carried forward from 2009. For the first time in several years. there will be no balance forward for 2012.

GRANTS: 08/09: Balance FW: \$16.4MIL +NEW FUNDS: \$12.7MIL -EXP: \$ 7.4MIL
 GRANTS: 09/10: Balance FW: \$21.7MIL +NEW FUNDS: \$30.1MIL -EXP \$17.6 MIL
 GRANTS: 10/11: Balance FW: \$34.1MIL +NEW FUNDS: \$19.6MIL -EXP: \$53.7MIL
 GRANTS: 11/12: NO BALANCE LEFT TO FW.
 OTHER \$: 08/09: Balance FW: \$4.8MIL +NEW FUNDS: \$5.4MIL - EXP: \$10.5MIL
 OTHER \$: 09/10: Balance FW: \$10.2MIL +NEW FUNDS: \$808K -EXP: \$874K
 OTHER \$: 10/11: Balance FW: \$10.1MIL +NEW FUNDS: \$356K -ESP: \$10.5MIL
 OTHER \$: 11/12: NO BALANCE LEFT TO FW.

13. Auditing and Budgeting

Annual Auditing is projected at \$1.2 million in expenditures; Internal auditing is projected at \$1.151, 986 million; Budget and Research is projected at \$1,060,574. Total expenditures for these three categories are \$3.3 million.

14. Governmental relations – lobbyists –

Projected 2011 expenditures for lobbying services are approximately \$ 1 million.

15. Projections for 2011 are to spend \$3.5 million for vehicle impoundment. Do revenues for this program cover these expenditures?

Part 2: Responses in bold from Alan Shuror, COFW Budget Manager

1. The City Manager's cover letter says the Fort Worth Herd will be overseen by the FWCVB in 2011. How much does the Herd cost and do those funds come from General Fund or Hotel/Motel funds? **The cost of the contract with the Herd for FY2011 is \$590,024 and funds come from the Hotel/Motel tax revenue.**

2. On the Citywide Fund Balance Summary, among other things, the Cultural and Tourism Fund Balance shows a cash balance on 9/30/10 of \$14.5 million. Is the excess cash balance of \$8.6 million brought forward as part of FY 2011 revenue? **That is correct. (Subsequent response: Apparently we misread your question. The excess cash balance of \$8.6M is NOT counted as revenues and not used for FY2011. Culture and Tourism budget for FY2011 is balanced as proposed (projected revenue and expenditure of \$29,706,931) and doesn't require the use of the fund balance. With a 20% reserve requirement of \$5.9M, the excess fund balance is \$8.6M. The same applies to the General Fund. Sorry for the confusion.)**

The General Fund Cash Balance as of 9/30/10 is listed as \$76 million, with an excess cash balance of \$23.8 million. Is that excess cash balance brought forward as part of FY 2011 revenue? **That is correct.**

3. Page E-45, Non-Departmental, notes \$500,000. for public arts infrastructure is deleted for 2011 and that "funds will be allocated through an M & C." What does that mean? Is this the same line item as the \$500 K for the Arts Council (Public Art Management Program noted on Priority 4 of the 25 page budget priorities and attendant programs)? If so, where will the funds come from to be allocated through an M & C? **In accordance with the City Council policy, 2% of the annual operating budget of the Water and Sewer fund for cash financing of capital projects is allocated for public arts in the City. For FY2011, the Water & Sewer Department will prepare an M&C and transfer a 2% of the cash financed Capital projects to be allocated for Public Art. It is the same line item as the Arts Council manages the Public Arts Management Program for the City of Fort Worth.**

4. How much in revenue is projected for 2011 from Transportation and Impact Fees? **The Transportation User Fee is projected to generate \$31M / year. Starting in July of 2011, it would generate \$7.75M for FY2011. Transportation Impact Fees are already charged for new development. The projection for FY2011 based on current rates is \$9.5M**

5. How much in revenue is projected for 2011 from gas well/compressor and gas pipeline permit fees? What other fees from gas drilling activities will contribute to 2011 revenue? **\$281K for gas pipeline (ROW), \$700K for gas well annual fees and \$750K for gas well drilling permits.**

6. How can we get the budget detail for the FY 2011 departmental budgets? **Since the City Council requested a streamlined document, the detailed departmental pages, which documented expenditures by section/division, were not produced in the proposed budget. However, if you are requesting line-item details that was not produced for the public and**

City Council, you will need to complete a specific request for Public Information through the City's Records and Information Management Office.

POTENTIAL REVENUE GENERATORS -- SUGGESTIONS MADE BY CITIZENS FROM BUDGET HEARINGS, ETC. – to keep City services deemed important to the citizens

1. Budget projected excess cash balances (which are shown as excess cash balances as of 9/30/10) and are above required reserves to maintain services/programs citizens want.
2. Voluntary pre-payment of taxes program – Citizens could invest in the city and get a return on their investment in cash AND preserved services – libraries, parks, etc. (See Barbara Ellis' proposal.)
3. Gas well deposits – (See detailed proposal.)
4. Voluntary taxes – Citizens could volunteer to pay extra taxes for services they wanted – compare the check off for presidential public campaign finance on federal income tax returns – see the recent editorial in the Dallas Morning News about this concept (See Rebecca Tuhus-Dubrow opinion piece, Dallas Morning News, August 20, 2010.)
5. Corporate contributions – see corporate contributions from companies in Dallas which are assisting public libraries. For example, the City of Dallas has accepted at least one corporate contribution to help fund and keep open the Oak Cliff branch library.
6. Review current major fees and structures – Transportation Impact Fees, etc., Pipeline and Compressor Permit Fees, Well Permit Fees, Right of Way fees for pipelines, etc.
 - Are these set where they should be?
 - For example, well permit fees should cover all gas related, tax paid services and constant air quality testing and control and make those permits annual, renewable permits and not one-time, life of the well permits.

There could also be fines for wells and compressors violating acceptable air emission thresholds.
 - Should there be new fees added for road impacts, etc.? (see no. 3 above)

