

Mayor and Council Communication

DATE: 04/28/26

M&C FILE NUMBER: M&C 26-0268

LOG NAME: 03PID07 MIDYEAR FY26

SUBJECT

(CD 4 and CD 10) Adopt Ordinance Amending Public Improvement District 7 – Heritage Fiscal Year 2025-2026 Adopted Budget and Five-Year Service Plan; Authorize the Execution of an Amendment to the Associated Management and Improvement Services Agreement with Castle Group, LLC to Align with these Changes; and Adopt Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached ordinance amending Public Improvement District 7 – Heritage Fiscal Year 2025-2026 Adopted Budget and Five-Year Service Plan to reflect amendments associated with a mid-year review and direct the City Secretary to record the same in the real property records of Tarrant County, Texas no later than the seventh (7th) day after adoption by the City Council;
2. Authorize the execution of an amendment to the associated Management and Improvement Services Agreement with Castle Group, LLC (City Secretary Contract No. 64268) to align with these changes; and
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Public Improvement District 7 – Heritage Fund in the amount of \$162,216.00: 1) \$1,050.00 from available revenue generated by the PID, and 2) \$161,166.00 from available, unreserved fund balance, for the purpose of funding mid-year budget adjustments.

DISCUSSION:

The City of Fort Worth’s (COFW) FWLab Department administers the City’s Public Improvement Districts (PIDs). The City’s PID Policy outlines the need to proactively work with the City’s PID management companies to oversee the services being provided within each of the PIDs. PID 7 – Heritage (Heritage PID) is managed by Castle Group, LLC (Castle).

On September 16, 2025, City Council adopted Ordinance No. 27986-09-2025, approving the Fiscal Year (FY) 2025-2026 Budget, Five-Year Service Plan, Assessment Plan, and Tax Year 2025 Assessment Roll for the Heritage PID. After conducting a mid-year review of the Heritage PID’s budget, City staff and Castle have identified the need to increase Heritage PID’s appropriations by \$162,216.00. This adjustment reflects an increase of \$1,050.00 in PID generated revenue as well as the use of available fund balance to support program enhancements. The primary factors driving expenditure adjustments include adjusted management fees, additional investments in landscaping, fence, and wall maintenance, and addressing slope failure.

In addition to PID Assessments, the Heritage PID also receives funding from the following sources: The City’s Payment In-Lieu of Services is a supplement to the PID budget and intended to provide for the standard level of improvements and services as comparable to what would be provided by the City for the taxpayers generally. The City of Fort Worth Payment In-Lieu of Assessment is an allocation to the PID budget for assessments the City would pay on City-owned properties in the Heritage PID, if the City was not a tax-exempt entity. Neither of these revenue sources is changing in the current update to the Five-Year Service Plan.

Revenue Adjustments:

Line Items	Previously Approved FY26 Budget Item	Recommended Mid-Year Adjustment	Amended FY26 Budget Item
PID Assessments	\$2,161,087.00	\$0.00	\$2,161,087.00
COFW Payment In-Lieu of Services	266,068.00	0.00	266,068.00
COFW Assessment	20,707.00	0.00	20,707.00

PID Generated Revenue	0.00	1,050.00	1,050.00
Use of Fund Balance	402,608.00	161,166.00	563,774.00
Totals	\$2,850,470.00	\$162,216.00	\$3,012,686.00

Expenditure Adjustments:

Line Item	Previously Approved FY26 Budget Item	Recommended Mid-Year Adjustment	Amended FY26 Budget Item
Management Fee	\$185,900.00	\$2,918.00	\$188,818.00
Utilities	283,850.00	100.00	283,950.00
Landscaping	1,268,865.00	25,000.00	1,293,865.00
Common Area Maintenance	181,572.00	36,129.00	217,701.00
Security Enhancements	105,000.00	0.00	105,000.00
Advertising	500.00	7,200.00	7,700.00
Public Events	85,000.00	7,000.00	92,000.00
Association Employees	57,974.00	869.00	58,843.00
Capital Improvements	629,852.00	80,000.00	709,852.00
Annual Review	3,000.00	3,000.00	6,000.00
City Administration Fee	48,957.00	0.00	48,957.00
Totals	\$2,850,470.00	\$162,216.00	\$ 3,012,686.00

Upon approval of the above recommendations, the total budgeted expenses for FY2025-2026 will be \$3,012,686.00. The revised Budget and Five-Year Service Plan will take effect upon approval by City Council. The City and Castle will amend the existing management contract to reflect the mid-year adjustments (City Secretary Contract No. 64268).

Funding will be budgeted within the FWPID #7 – Heritage Fund for Fiscal Year 2026. Funding is available for appropriation in the fund balance of the FWPID# 7 - Heritage Fund. The current balance is \$2,211,125.28, after this M&C available balance will be \$2,049,959.28.

The Heritage PID is located in COUNCIL DISTRICTS 4 & 10.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the FWPID #7 - Heritage fund and in the unreserved fund balance of the FWPID #7 - Heritage fund and, upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the FWPID #7 - Heritage Fund to support the approval of the contract amendment. Prior to an expenditure being incurred, the FWLab Department has the responsibility of verifying the availability of funds.

Submitted for City Manager's Office by:

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