

**To the Mayor and Members of the City Council****May 5, 2020****Page 1 of 2****SUBJECT: UPDATE ON FISCAL YEAR 2020 MID-YEAR ADJUSTMENTS FOR OPERATING PIDS**

This Informal Report provides an update to the Mayor and City Council on the mid-year adjustments for operating PIDs which are on the May 5, 2020 agenda for your consideration.

**Background Information**

A Public Improvement District is a defined geographical area established to provide specific types of improvements or maintenance which are financed by assessments against the property owners within the area.

The City of Fort Worth Department of Financial Management Services (FMS) administers the City's Public Improvement Districts (PIDs) in accordance with Chapter 372 of the Texas Local Government Code. FMS has proactively worked with the PID managers and boards to review necessary budgetary adjustments for FY2020.

**Mid-year Adjustments**

Below is a summary of the recommended adjustments for each Operating PID:

The following PIDs reallocated expenditures between various expenditure categories with no effect on fund balance:

- PID 6 – Park Glen; and
- PID 20 – E. Lancaster

The following PIDs are requesting the use of fund balance (for additional expenditures deemed necessary that have been identified during the fiscal year):

- PID 7 – Heritage - \$204,304.00;
- PID 11 – Stockyards - \$30,000.00;
- PID 12 – Chapel Hill - \$19,184.00; and
- PID 15 – Sun Valley - \$3,000.00

PID 19 – Historic Camp Bowie is requesting the use of fund balance of \$307,539 due to an estimated loss of revenue of \$80,000 and additional expenditures deemed necessary that were identified during the fiscal year of \$227,539.00. The estimated loss in revenue is due to 75 properties that were improperly levied an assessment. City staff has identified the issue and is working with both the Tarrant Appraisal District and the Tarrant County Assessor Collectors Office to correct.

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PID 18 – Tourism: City staff, Fort Worth Tourism Public Improvement District Corporation (FWTPIDC), and Fort Worth Convention and Visitors Bureau (FWCVB) have identified the need to decrease the Tourism PID Assessment revenue by \$2,295,395.00 to account for the 45% reduction in assessment revenue. FWTPIDC and FWCVB request the use of fund balance in the amount of \$853,468.00 to cover operational expenses for the remainder of the fiscal year.

**Reserve Policy**

With the approval of the Mid-year Adjustment M&Cs, all Operating PIDs except for PID 12 – Chapel Hill are projected to meet the City's reserve requirement which is equivalent to two months (16.67%) of Operating Expenditures. A plan will be developed during the FY 2021 Budget process to ensure that PID 12 – Chapel Hill complies with the reserve requirement by the end of FY2020.

Attached for your information is a presentation with an overview of PIDs. If you have any questions, please call Reginald Zeno, Director of Financial Management Services / Chief Financial Officer, at 817-392-8500.

**David Cooke**  
**City Manager**

Attachment

# Public Improvement Districts Mid-Year Adjustment Summary



Presented by  
Crystal Hinojosa, PID Administrator  
Financial Management Services

# PID Mid-Year Overview

## Purpose

- PID policy outlines the need to proactively work with the PID managers to oversee the services being provided and their associated financial positions.
- Mid-Year adjustments are necessary to reflect changes in actual performance during the year.

## Communication Efforts

- The City (FMS), PID Management Company, and the elected advisory board have worked together to develop recommended adjustments to the FY20 Budget for each PID.
- The appropriate Council Member for each PID has been informed of the recommendations (via email). No issues have been raised.

# PID 6 – Park Glen

Council Member Cary Moon

## Mid-Year Adjustments:

Line Items to be Adjusted	FY2020 Adopted	Recommended Mid-Year Adjustment	Amended FY2020
Landscaping	\$ 29,520.00	\$ (45,020.00)	\$ 784,500.00
Capital Improvements	\$ 41,000.00	\$ 20,000.00	\$ 261,000.00
Communications	\$ 6,800.00	\$ 15,700.00	\$ 22,500.00
Insurance	\$ 34,182.00	\$ 2,320.00	\$ 36,502.00
Annual Review	\$ 5,100.00	\$ 7,000.00	\$ 12,100.00
<b>Totals:</b>	<b>\$ 1,116,602.00</b>	<b>\$ -</b>	<b>\$ 1,116,602.00</b>

## Reserve Requirement:

<b>Beginning Fund Balance:</b>	\$ 779,967.57
<b>FY20 Projected Revenue:</b>	\$ 1,805,782.00
<b>FY20 Projected Expenditure:</b>	\$ (2,224,782.00)
<b>FY20 Projected End Fund Balance:</b>	\$ 360,967.57
<b>Reserve Requirement:</b>	\$ 308,244.20
<b>In Compliance:</b>	Yes



# PID 7 – Heritage

Council Members Cary Moon  
& Dennis Shingleton

## Mid-Year Adjustments:

Line Items to be Adjusted	FY2020 Adopted	Recommended Mid-Year Adjustment	Amended FY2020
Use of Fund Balance:	\$ 343,244.00	\$ (204,304.00)	\$ 138,940.00

Landscaping/Tree Maintenance	\$ 1,166,551.00	\$ (38,657.00)	\$ 1,127,894.00
Common Area Maintenance	\$ 316,323.00	\$ (94,789.00)	\$ 221,534.00
Holiday Lighting	\$ 28,500.00	\$ 3,000.00	\$ 31,500.00
Security Enhancement	\$ 85,000.00	\$ (6,250.00)	\$ 78,750.00
Advertising	\$ 35,000.00	\$ (34,000.00)	\$ 1,000.00
Public Events	\$ 85,000.00	\$ (50,000.00)	\$ 35,000.00
Capital Improvements	\$ 200,000.00	\$ 6,392.00	\$ 206,392.00
Annual Review		\$ 10,000.00	\$ 10,000.00
Totals:	\$ 1,916,374.00	\$ (204,304.00)	\$ 1,712,070.00

## Reserve Requirement:

Beginning Fund Balance:	\$ 1,398,688.16
FY20 Projected Revenue:	\$ 1,981,300.00
FY20 Projected Expenditure:	\$ (2,120,240.00)
FY20 Projected End Fund Balance:	\$ 1,259,748.16
Reserve Requirement:	\$ 315,809.82
In Compliance:	Yes

# PID 11 - Stockyards

Council Member Carlos Flores

## Mid- Year Adjustments:

Line Items to be Adjusted	FY2020 Adopted	Recommended Mid-Year Adjustment	Amended FY2020
Use of Fund Balance	\$12,111.00	\$30,000.00	\$42,111.00

Website & Marketing	\$ 40,000.00	\$ 30,000.00	\$ 70,000.00
Totals:	\$ 40,000.00	\$ 30,000.00	\$ 70,000.00

## Reserve Requirement:

Beginning Fund Balance:	\$ 105,594.73
FY20 Projected Revenue:	\$ 119,447.00
FY20 Projected Expenditure:	\$ (161,558.00)
FY20 Projected End Fund Balance:	\$ 63,483.73
Reserve Requirement:	\$ 13,296.55
In Compliance:	Yes





# PID 12 – Chapel Hill

Council Member Dennis Shingleton

## Mid-Year Adjustments:

Line Items to be Adjusted	FY2020 Adopted	Recommended Mid-Year Adjustment	Amended FY2020
Use of Fund Balance	\$ -	\$ 19,184.00	\$ 19,184.00

Management fee	\$ 11,200.00	\$ 2,672.00	\$ 13,872.00
Landscaping	\$ 13,941.00	\$ 8,452.00	\$ 22,393.00
Landscaping Enhancement	\$ -	\$ 2,000.00	\$ 2,000.00
Pond Maintenance	\$ 2,340.00	\$ 60.00	\$ 2,400.00
Audit	\$ 1,000.00	\$ 1,500.00	\$ 2,500.00
Irrigation Repairs	\$ 500.00	\$ 4,500.00	\$ 5,000.00
Totals:	\$ 28,981.00	\$ 19,184.00	\$ 48,165.00

## Reserve Requirement:

Beginning Fund Balance:	\$ 26,141.77
FY20 Projected Revenue:	\$ 69,361.00
FY20 Projected Expenditure:	\$ (88,545.00)
FY20 Projected End Fund Balance:	\$ 6,957.77
Reserve Requirement:	\$ 9,996.65
In Compliance:	No

- \* FMS has discussed with PID Management Company and agree that the proposed mid-year adjustment reflects necessary expenditures. FMS and PID Management Company will work together to ensure that reserves are compliant in the FY21 Budget process. Mid-Year adjustment is under reserve requirement by (\$3,038.88).





# PID 15 – Sun Valley

Council Member Gyna Bivens

## Mid-Year Adjustments:

Line Items to be Adjusted	FY2020 Adopted	Recommended Mid-Year Adjustment	Amended FY2020
Use of Fund Balance	\$ 2,078.00	\$ 3,000.00	\$ 5,078.00

Printing	\$ -	\$ 3,000.00	\$ 3,000.00
Totals:	\$ -	\$ 3,000.00	\$ 3,000.00

## Reserve Requirement:

Beginning Fund Balance:	\$ 47,147.30
FY20 Projected Revenue:	\$ 102,122.00
FY20 Projected Expenditure:	\$ (107,200.00)
FY20 Projected End Fund Balance:	\$ 42,069.30
Reserve Requirement:	\$ 16,166.15
In Compliance:	Yes



# PID 18 – TPID

All Council Districts

## Mid-Year Adjustments:

Line Items to be Adjusted	FY2020 Adopted	Recommended Mid-Year Adjustment	Amended FY2020
PID Assessment	\$ 5,155,878.00	\$ (2,295,395.00)	\$ 2,860,483.00
Use of Fund Balance	\$ -	\$ 853,468.00	\$ 853,468.00
Totals:	\$ 5,155,878.00	\$ (1,441,927.00)	\$ 3,713,951.00

Incentive & Sales Effort	\$ 2,167,873.00	\$ (525,515.00)	\$ 1,642,358.00
Marketing & Research	\$ 1,785,307.00	\$ (504,246.00)	\$ 1,281,061.00
Site Visit & Familiarization Tours	\$ 510,088.00	\$ (303,650.00)	\$ 206,438.00
Cultural Enhancements through Marketing and Promotion of the Arts	\$ 382,566.00	\$ (78,316.00)	\$ 304,250.00
Operations & Administration	\$ 255,044.00	\$ (30,200.00)	\$ 224,844.00
Totals:	\$ 5,100,878.00	\$ (1,441,927.00)	\$ 3,658,951.00

## Reserve Requirement:

Beginning Fund Balance:	\$ 3,090,215.41
FY20 Projected Revenue:	\$ 2,860,483.00
FY20 Projected Expenditure:	\$ (3,713,951.00)
FY20 Projected End Fund Balance:	\$ 2,236,747.41
Reserve Requirement:	\$ 637,276.94
In Compliance:	Yes



# PID 19 – Historic Camp Bowie

Council Member Brian Byrd & Dennis Shingleton

## Mid-Year Adjustments:

Line Items to be Adjusted	FY2020 Adopted	Recommended Mid-Year Adjustment	Amended FY2020
PID Assessments	\$ 432,771.00	\$ (80,000.00)	\$ 352,771.00
Use of Fund Balance	\$ -	\$ 307,539.00	\$ 307,539.00
Totals:	\$ 432,771.00	\$ 227,539.00	\$ 660,310.00

Professional Fees	\$ 5,000.00	\$ (5,000.00)	\$ -
Beautification	\$ 69,802.00	\$ 152,658.00	\$ 222,460.00
Marketing	\$ 24,000.00	\$ 79,381.00	\$ 103,381.00
Communication	\$ 26,000.00	\$ (2,000.00)	\$ 24,000.00
Audit	\$ -	\$ 2,500.00	\$ 2,500.00
Totals:	\$ 124,802.00	\$ 227,539.00	\$ 352,341.00

## Reserve Requirement:

Beginning Fund Balance:	\$ 394,065.61
FY20 Projected Revenue:	\$ 352,771.00
FY20 Projected Expenditure:	\$ (678,101.00)
FY20 Projected End Fund Balance:	\$ 68,735.61
Reserve Requirement:	\$ 68,735.65
In Compliance:	Yes



# PID 20 – E. Lancaster

Council Member Gyna Bivens & Kelly Allen Gray

## Mid-Year Adjustments:

Line Items to be Adjusted	FY2020 Adopted	Recommended Mid-Year Adjustment	Amended FY2020
Security Patrols	\$ 180,617.00	\$ (4,000.00)	\$ 176,617.00
Insurance	\$ 2,000.00	\$ 4,000.00	\$ 6,000.00
Totals:	\$ 182,617.00	\$ -	\$ 182,617.00

## Reserve Requirement:

Beginning Fund Balance:	\$ -
FY20 Projected Revenue:	\$ 280,122.00
FY20 Projected Expenditure:	\$ (245,727.00)
FY20 Projected End Fund Balance:	\$ 34,395.00
Reserve Requirement:	\$ 34,395.00
In Compliance:	Yes

# Current PID Tax Rates

PUBLIC IMPROVEMENT DISTRICT	FY20 RATES
PID 1 DOWNTOWN	\$0.105 Per Each \$100 of Property Value
PID 6 PARK GLEN	\$0.155 Per Each \$100 of Residential Property Value and \$0.035 Per Each \$100 of Commercial Property Value
PID 7 HERITAGE	\$0.17 Per Each \$100 of Residential Property Value and \$0.11 Per Each \$100 of Commercial Property Value,
PID 11 STOCKYARDS	\$0.12 per each \$100 of property value
PID 12 CHAPEL HILL	\$0.18 per each \$100 of property value
PID 14 TRINITY BLUFF	\$0.10 per each \$100 of property value
PID 15 SUN VALLEY	\$0.24 per each \$100 of property value
PID 19 HISTORIC CAMP BOWIE	\$0.10 per each \$100 of property value
PID 20 E. LANCASTER	\$0.27 per each \$100 of property value
PID 18 TPID	2% of revenues received from hotel room



## Previous PID Tax Rates

PID	FY20		FY19		FY18		FY17		FY16	
PID 1 Downtown	\$	0.105	\$	0.12	\$	0.125	\$	0.10	\$	0.10
PID 6 Park Glen	\$	0.155 Residential	\$	0.165 Residential	\$	0.175 Residential	\$	0.175 Residential	\$	0.175 Residential
	\$	0.035 Commercial	\$	0.035 Commercial	\$	0.035 Commercial	\$	0.035 Commercial	\$	0.035 Commercial
PID 7 Heritage	\$	0.17 Residential	\$	0.20 Residential	\$	0.21 Residential	\$	0.21 Residential	\$	0.21 Residential
	\$	0.11 Commercial	\$	0.11 Commercial	\$	0.11 Commercial	\$	0.11 Commercial	\$	0.11 Commercial
PID 11 Stockyards	\$	0.12	\$	0.12	\$	0.12	\$	0.12	\$	0.12
PID 12 Chapel Hill	\$	0.18	\$	0.18	\$	0.19	\$	0.19	\$	0.19
PID 14 Trinity Bluff	\$	0.10	\$	0.10	\$	0.10	\$	0.10	\$	0.10
PID 15 Sun Valley	\$	0.24	\$	0.26	\$	0.27	\$	0.27	\$	0.27
PID 19 Historic Camp Bowie	\$	0.10	\$	0.10	\$	0.10	\$	0.10	\$	0.10
PID 20 E. Lancaster	\$	0.27	-	-	-	-	-	-	-	-
PID 18 TPID		2% of revenues received from hotel room		2% of revenues received from hotel room		2% of revenues received from hotel room		2% of revenues received from hotel room		2% of revenues received from hotel room

# FY21 PID Budget Calendar

## Current Phase:

### March - May 2020: Initial Budget Review for FY2021

#### **PID Administrator: March 2 – May 30**

- **March 20** PID staff should obtain new amount of City Payment in Lieu of Services (Parks Department)
- **May 15** PID staff review TADs May preliminary values for estimated assessments and send to PID Management company to analyze

#### **PID Management Company: March 2 – May 30**

- **March 2 – April 24** PID Management company should meet with the advisory board to discuss and receive input on future expense/projects planned for the upcoming budget cycle
- **May 18 – 29** PID Management Company will analyze and refine the budget based on May preliminary values for estimated assessments and based on the comments received from the PID Board to create the Annual Service Assessment plan (SAP). The (SAP) outlines the projects and programs for the next year, includes the budget, a 5-year forecast of revenues and expenditures, and a listing of properties located within the district and their projected assessment fee for the year