

Comprehensive Financial Forecast

FY 2016 - FY 2020

Introduction

The purpose of the Comprehensive Financial Forecast is to direct the organization to look forward, consider our future and gauge the City's ability to continue to effectively provide current services, meet goals set by the City Council, and to ensure the City's long-term fiscal health. It is important to stress that this forecast is not a budget nor is it intended to predict the future. The forecast serves as a planning tool to identify financial trends, potential shortfalls, and arising issues so that we can make informed decisions and take proactive measures to address these items strategically. Additionally, the forecast is a foundation to begin discussions of the upcoming FY 2016 budget process and to assist Council as they consider their future priorities. Ultimately, every annual budget adopted by the City Council is statutorily required to be balanced, therefore any presentation of unbalanced projected numbers reflect work which must be done every year to get expenditures in line with revenues.

Process

All City departments were charged with the assignment to review the revenues they are responsible for and consider three scenarios. For each of the major operating funds, departments prepared revenue projections for the period FY 2016 through FY 2020 based on three different assumptions.

1. A best case scenario which would assume that all, or most, of the variables that affect the particular revenue will be favorable.
2. A worst case scenario which should assume that all, or most, of the variables that affect the particular revenue will be unfavorable.
3. A point between the first two scenarios that is considered most likely.

In the most likely scenario departments were discouraged from taking a simple average between the two extremes, but rather take into account relevant economic variables, historical trends, and other conditions to produce a five-year projection that a department believes is the most realistic scenario; in other words, the most likely to actually occur. Departments spent the most time on this final scenario and it is these projections that factor into the overall revenue picture presented in this Forecast.

Additionally, departments considered two different types of future expenditures needs.

1. Current services expenditures which are based on existing programs, service levels and expenses already committed to. Examples would include cost increases associated with population growth, automatic CPI increases built into certain contracts or the costs of programs or services covered by grants that are expiring.

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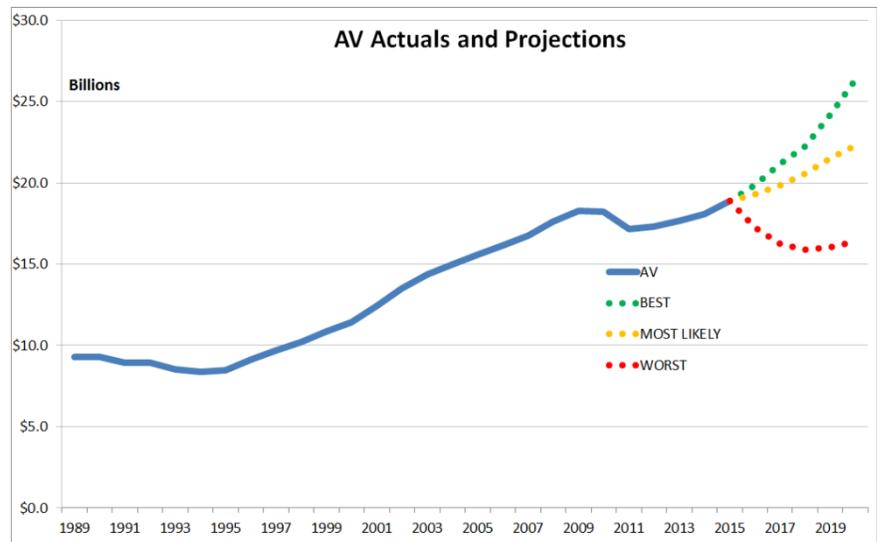
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2. New program expenditures which are the costs of new services or expanded services. New programs would include adding personnel, anticipated costs of opening and operating new facilities, or anticipated new technology.

General Fund Revenues

Within the General Fund, 85 percent of all FY 2015 budgeted revenues are contained in the following categories: ad valorem (property) taxes, sales taxes, franchise fees, and Municipal Court revenues. If we include certain other specific revenues such as Water Utilities PILOT (Payment in Lieu of Taxes), AISD payments to the City for the SRO (School Resource Officer) program, the red light camera enforcement program, and the payments received from the Texas Rangers for the Ballpark lease and land settlement, the total exceeds 90 percent of all General Fund revenues. It becomes clear that projections in these areas, particularly for taxes, franchise fees and Court revenues, are the critical revenue components for determining the resources that will be available to the General Fund in the coming years.

Property taxes are the single largest revenue to the General Fund and as the primary revenue to the Debt Service Fund, they are the foundation of what the City is able to accomplish in the capital budget. In considering the three possible scenarios for Ad Valorem revenues (AV), we analyzed historical trends over the past 25 years.



The worst case scenario for property tax utilizes a combination of this most current recession as its benchmark mixed with the last time the federal government shutdown due to political infighting. Revenue declines in M&O from \$79M in 2015 down to a low of \$64.4M in 2019, and then turns back around to \$65M by 2020. It will take several more years of growth beyond 2020 before AV returns to 2015 levels. Over the 5 year time horizon no debt is issued.

The best case repeats the five year period from 1998-2002 in which the City experienced its best rate of growth from 1989-2015. Revenues increase 41% in 2020 vs. 2015 in M&O. Taxable value will reach \$27B by 2020. Over the 5 year time horizon \$405M in debt is issued. After issuance in 2015, the City has \$260M remaining in voter-approved bond authorization.

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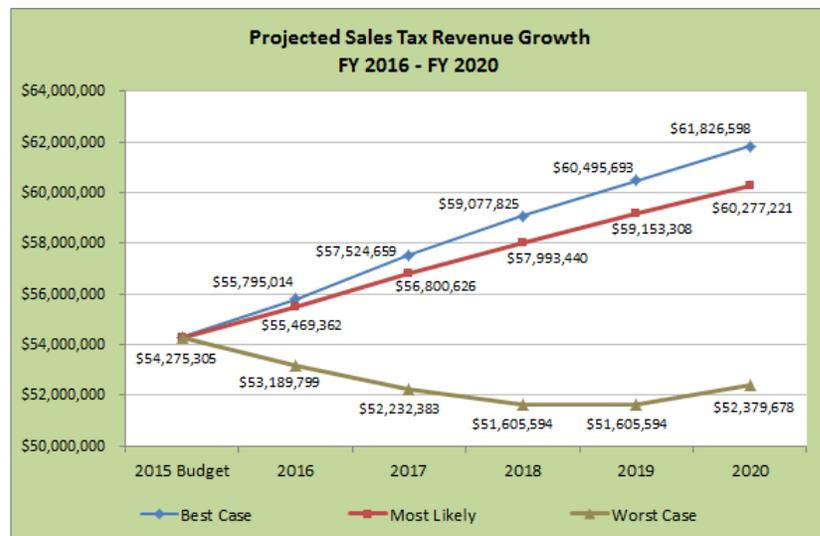
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The most likely case assumes a steady growth pattern in values similar to what the City experienced from 2005-2009. Revenues gradually increase in M&O by \$4.5 to \$6.2M per year, with an accumulated growth for five years of \$17M. Over the 5 year time horizon \$291M in debt is issued. This is an increase from the \$248M capacity that was used for determining the bond election.

Increase in Property Values	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Best Case	6.00%	6.75%	5.03%	8.94%	8.67%
Worst Case	-8.81%	-5.87%	-1.94%	0.84%	2.05%
Most Likely	4.00%	3.00%	3.50%	4.70%	3.60%

All three scenarios attempt to return the tax split to .2057 I&S / .4423 M&O. The amount of debt issued was increased or decreased to accommodate this tax rate split while maximizing the amount of debt possible in order to facilitate the greatest amount of capital projects. This was not possible in the Worst Case in which the I&S (interest and sinking) rate had to be increased from 2016-2020. While an increase in property values directly increases revenues, revenues are not increased at the same percentage due to several factors that include items such as TIRZ growth and Chapter 380 agreements.

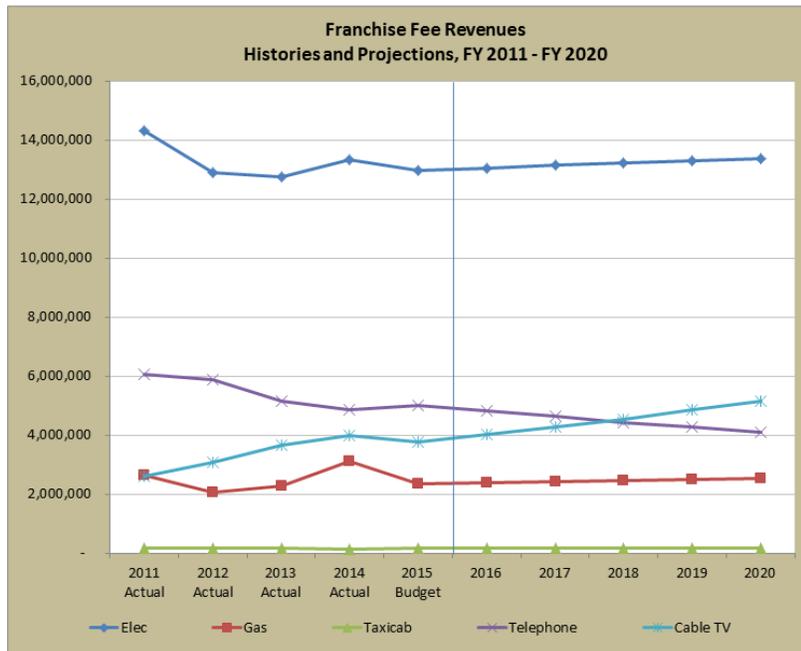
The City's sales tax receipts have shown steady improvement since early in calendar year 2014. The most likely scenario for General Fund **sales tax revenues** shows an increase of 2.2 percent in FY 2016 over the FY 2015 budget, then increases in each subsequent year as follows: 2.4 percent in FY 2017, 2.1 percent in 2018, 2.0 percent in 2019, and 1.9 percent in 2020, which is based on the City's long-term trend of approximately 2.0 percent annual growth in sales tax revenues. Over the five-year period, this would result in a 14.5 percent increase from the FY 2014 actual amount received. The worst case scenario would result in a decrease over the five-year period of approximately 1.0 percent, which could result if the City were to enter into another period of declines similar to those experienced in FY 2002-2003 or FY 2009-2010. The best case scenario would result in a 17.4 percent increase over the period. The graph on the previous page shows the results of all three growth scenarios over the five-year forecast period.



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The most likely scenario for **franchise fee revenues** shows an increase of 0.7 percent in FY 2016 from the FY 2015 budgeted level, then annual changes thereafter as follows: a 0.8 percent increase in FY 2017, 0.9 percent increase in FY 2018, a 1.0 percent increase in FY 2019, and a 1.1 percent increase in FY 2020. Over the five-year forecast period, this would result in a 4.4 percent increase from the FY 2015 budgeted level. The worst case scenario would result in a 2.5 percent decrease over the five-year period, and the best case scenario would result in a 12.5 percent increase over the period. Franchise fee revenues for electricity, gas, and water usage are largely determined by weather conditions during the winter and summer months, and could vary significantly in any given year if we experience extreme cold or extreme heat and drought. In addition, the erosion of telephone franchise fee revenues (due to cellular telephones being exempt from this charge) is expected to continue.

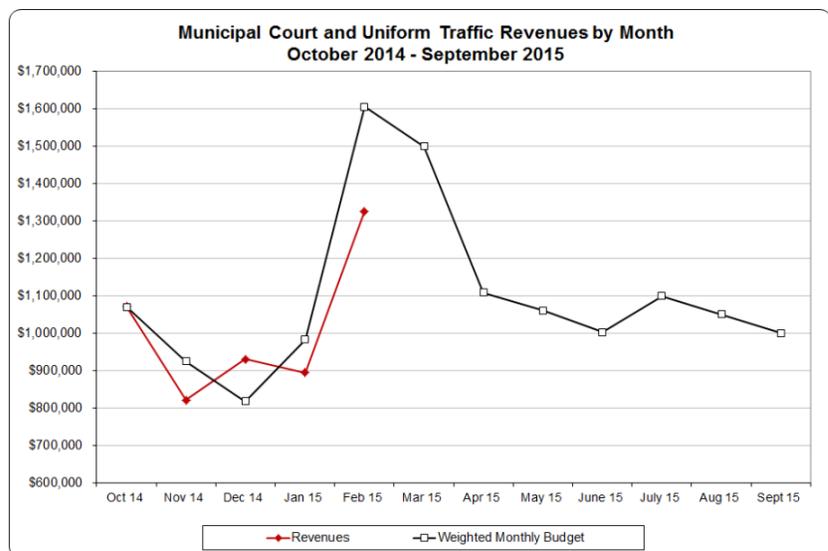


usage are largely determined by weather conditions during the winter and summer months, and could vary significantly in any given year if we experience extreme cold or extreme heat and drought. In addition, the erosion of telephone franchise fee revenues (due to cellular telephones being exempt from this charge) is expected to continue.

The most likely scenario for **Municipal Court revenues** would project 0.5 percent

increases in each year of the forecast based on processing approximately 128,000 citations annually. It should be noted that barring any changes in the level of fines as stipulated in state law and set by the Court Judiciary, it is not anticipated that these revenues would vary significantly throughout the forecast period. The accompanying current year graph shows the two largest revenue sources at the Court, which in the aggregate are approximately \$360,000 below the cumulative weighted budget amount through February.

The future of red light camera revenue will be determined by the outcome of an election scheduled for May 9th, 2015. Depending on the outcome of the election, collection of this revenue may or may not cease after FY 2015. The forecast assumes current conditions which project a partial loss of



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revenue (\$500,000) in the out-years and includes the expenditures currently associated with the program.

As mentioned earlier, the revenues discussed above constitute 85 percent of all General Fund revenues. The remaining General Fund revenues are carried forward in the forecast using projections based on historical averages and consideration of the three revenue scenarios.

In the aggregate, the three projection scenarios for the General Fund would result in revenues as follows for the five years of the forecast:

	Budgeted FY 2015	Projected FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020
Best Case	216,128,130	226,976,417	236,304,798	244,492,292	256,440,434	268,893,591
Worst Case	216,128,130	200,808,666	194,479,451	191,662,777	191,290,243	192,739,952
Most Likely	216,128,130	220,675,632	225,634,695	231,013,941	237,226,872	242,687,743
Increase from prior year		4,547,502	4,959,062	5,379,247	6,212,930	5,460,872
Percent increase from prior year		2.1%	2.2%	2.4%	2.7%	2.3%

If we assume the most likely scenario, revenues will increase by \$4.5 (2.1%) in FY 2016; then increase by \$5M (2.2%) in FY 2017; by \$5.4M (2.4%) in FY 2018; by \$6.2M (2.7%) in FY 2019; and by \$5.5M (2.3%) in FY 2020.

The baseline General Fund operating position on the next page assumes the mostly likely scenario for revenues and includes no new programs or additional funding in FY 2016. One-time funds used in FY 2015 are removed from the forecasted years. Additionally, a complete list of all General Fund revenues under the most likely scenario follows.

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**General Fund
Baseline**

Comprehensive Financial Forecast General Fund, FY 2016 - FY 2020

	FY 2015 Budget	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
GENERAL FUND REVENUES - Most Likely	\$ 216,128,131	\$ 220,675,632	\$ 225,634,695	\$ 231,013,941	\$ 237,226,872	\$ 242,687,743
INTERFUND TRANSFERS:						
Water and Sewer Fund Indirect Cost	\$ 3,547,879	\$ 3,583,358	\$ 3,583,358	\$ 3,583,358	\$ 3,583,358	\$ 3,583,358
Conv. & Event Svcs. Fund Indirect Cost	594,852	599,401	599,401	459,401	459,401	459,401
Storm Water Indirect Cost	365,866	369,525	369,525	369,525	369,525	369,525
One-Time Funds	827,725	-	-	-	-	-
From SWUF for capital reimbursement	463,055	463,055	463,055	463,055	-	-
From SWUF for engineering reviews	88,699	-	-	-	-	-
To APFA Fund	(511,995)	(511,995)	(511,995)	(511,995)	(511,995)	(511,995)
Use of Ending Balance	-	-	-	-	-	-
(To) from General Gas Fund	109,430	109,430	109,430	109,430	109,430	109,430
(To) from Airport Gas Fund	1,323,597	-	-	-	-	-
From Business Continuity Reserve (BCR) for Special Transit	1,000,000	-	-	-	-	-
To Park Performance Fund	(1,539,456)	(1,539,456)	(1,539,456)	(1,539,456)	(1,539,456)	(1,539,456)
To Special Transportation Fund	(1,995,744)	(1,349,926)	(1,349,926)	(1,349,926)	(1,349,926)	(1,349,926)
To Street Maintenance Fund for Traffic	(4,987,627)	(4,987,627)	(4,987,627)	(4,987,627)	(4,987,627)	(4,987,627)
To Street Maintenance Fund	(2,166,527)	(2,166,527)	(2,166,527)	(2,166,527)	(2,166,527)	(2,166,527)
TOTAL INTERFUND TRANSFERS	\$ (2,880,246)	\$ (5,430,763)	\$ (5,430,763)	\$ (5,570,763)	\$ (6,033,818)	\$ (6,033,818)
TOTAL AVAILABLE FUNDS	\$ 213,247,885	\$ 215,244,869	\$ 220,203,931	\$ 225,443,178	\$ 231,193,054	\$ 236,653,925
GENERAL FUND EXPENDITURES	\$ 213,245,042	\$ 210,752,810				
ENDING BALANCE	\$ 2,843	\$ 4,492,059	\$ 9,451,121	\$ 14,690,368	\$ 20,440,244	\$ 25,901,115

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General Fund Revenues - Most Likely

DESCRIPTION	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
	Budget	Projected	Projected	Projected	Projected	Projected
Property Taxes, General Fund	79,236,434	83,198,412	85,713,726	88,722,557	92,873,988	96,240,380
Interest, General Fund	280,144	281,096	282,221	284,338	287,181	290,771
Sales Taxes, General Fund	54,275,305	55,469,362	56,800,626	57,993,440	59,153,308	60,277,221
State Liquor Tax	1,820,000	1,843,660	1,867,628	1,891,907	1,916,502	1,941,416
Bingo Tax	100,000	97,000	94,381	92,021	89,905	88,017
Water Data Service Charges	415,277	415,277	415,277	415,277	415,277	415,277
PILOT - Water	3,908,159	3,966,781	4,056,034	4,169,603	4,336,387	4,462,142
Other Service Charges	416,250	416,250	416,250	416,250	416,250	416,250
Electric Franchise Fees	12,979,373	13,057,249	13,135,593	13,214,416	13,293,693	13,373,455
Gas Franchise Fees	2,353,133	2,390,783	2,429,036	2,467,900	2,507,387	2,547,505
Water Franchise Fees	7,165,715	7,953,944	8,351,641	8,685,706	9,033,135	9,394,460
Telephone Franchise Fees	5,016,734	4,816,065	4,623,422	4,438,485	4,260,946	4,090,508
Taxicab Franchise Fees	161,995	166,045	170,196	174,451	178,812	183,282
Cable TV Franchise Fees	3,763,772	4,008,417	4,268,964	4,546,447	4,841,966	5,156,694
Sheraton Ground Lease	288,952	294,153	299,448	304,838	310,325	315,911
Ballpark Lease	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Ballpark Settlement	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Beverage Contract Revenues	43,279	43,279	43,279	43,279	43,279	43,279
Terminal Building Leases	100,298	97,126	104,842	106,353	106,818	110,127
Hangar Rental	287,160	295,871	258,251	273,945	212,657	212,657
Tie Down Charge	30,600	27,540	27,540	30,600	30,600	30,600
Land/Ramp Lease	382,650	402,237	412,732	445,599	472,522	479,348
Alcoholic Beverage Licenses	115,000	118,450	122,004	125,664	129,434	133,317
Vital Statistics	230,000	234,600	239,292	244,078	248,959	253,939
Multi-Family Inspections	600,000	612,000	612,000	612,000	621,180	621,180
Extended Stay Annual Inspections	175,000	175,000	175,000	175,000	183,050	183,050
Animal Awareness/Safety Program	10,000	4,860	4,860	4,860	4,860	4,860
Adoption Fees	210,000	185,850	185,850	185,850	185,850	185,850
Weed and Grass Fees	60,000	97,200	97,200	97,200	97,200	97,200
Dangerous Structure Demolition	10,000	11,000	11,000	11,000	11,000	11,000
Nuisance Abatement Fees	40,000	26,400	26,400	26,400	26,400	26,400
Multi-Family Reinspection Fees	8,500	10,625	10,625	10,625	10,625	10,625
Extended Stay Reinspection Fees	900	1,017	1,017	1,017	1,017	1,017
Duplex Registrations	17,000	17,476	17,476	17,476	17,476	17,476
Duplex Reinspections	11,500	7,648	7,648	7,648	7,648	7,648
Swimming Pool Reinspections	4,500	3,384	3,384	3,384	3,384	3,384
Vet Services	15,000	13,800	13,800	13,800	13,800	13,800
Impoundment Fees	60,000	62,400	62,400	62,400	62,400	62,400
Swimming Pool Permits	95,000	83,600	83,600	83,600	83,600	83,600
Securing Code Violations	30,000	2,700	2,700	2,700	2,700	2,700
Animal Services Owner Surrender Fee	63,650	30,000	30,000	30,000	30,000	30,000
Dog and Cat Licenses	60,000	53,700	53,700	53,700	53,700	53,700
Euthanasia Fees, Other Animal Fees	8,250	9,026	9,026	9,026	9,026	9,026
Deceased Animal Pick-Up	1,800	2,088	2,088	2,088	2,088	2,088
Dangerous Animal Fees	5,000	3,600	3,600	3,600	3,600	3,600
Food Service App/Change of Owner	58,650	52,785	53,313	53,579	53,687	53,740
Food Service Estab. Reinspections	4,650	1,558	1,651	1,800	1,951	2,101
Food Establishment Permits	690,250	702,675	708,296	711,129	712,551	713,264
Food Handlers Permits	98,727	103,466	103,466	103,466	103,466	103,466
Child Care Licenses and Permits	60,034	61,355	61,968	62,588	62,588	62,588
Building Inspection Fees	62,709	70,234	70,234	70,234	70,234	70,234
Plat Review and Inspections	85,000	192,525	192,525	192,525	192,525	192,525
Rezoning Fees	75,000	84,450	84,450	84,450	84,450	84,450
Zoning Board of Adjustment	1,000	400	400	400	400	400
Real Estate Transfer	281,534	281,534	281,534	281,534	281,534	281,534
Landscape/Tree Preservation Fees	10,000	12,000	12,240	12,485	12,734	12,989
Building Permits	2,247,059	2,357,839	2,499,309	2,639,271	2,557,717	2,508,609
Electrical Permits	82,000	84,994	84,994	84,994	84,994	84,994
Plumbing Permits	260,000	260,000	260,000	260,000	260,000	260,000
Mechanical Permits	135,000	136,350	136,691	136,691	136,691	136,691

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General Fund Revenues - Most Likely

DESCRIPTION	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
	Budget	Projected	Projected	Projected	Projected	Projected
Business Registration	207,900	222,610	222,610	222,610	222,610	222,610
Certificates of Occupancy	134,385	135,463	135,463	135,463	135,463	135,463
Boathouse/Pier Licenses	13,000	14,001	14,001	14,001	14,001	14,001
Plan Review Fees	873,973	961,982	1,004,886	1,045,182	1,017,903	1,001,922
Irrigation Permits	45,000	45,450	45,905	46,364	46,827	47,295
Pipeline License Agreements	40,000	44,000	44,000	44,000	44,000	44,000
Gas Well Inspection Fees	348,000	174,000	174,000	174,000	174,000	174,000
Gas Well Annual Reinspections	578,000	610,021	634,007	658,008	682,008	706,008
Gas Well Suppl	30,000	30,000	30,000	30,000	30,000	30,000
Special Event Parking - Renewal	12,000	12,120	12,241	12,364	12,487	12,612
Parking Meter Revenue	13,200	13,332	13,465	13,600	13,736	13,873
Other Licenses and Permits	1,500	1,500	1,500	1,500	1,500	1,500
Pedi NEV Operator	3,280	3,280	3,280	3,280	3,280	3,280
Pedi NEV Driver Permit	1,865	1,865	1,865	1,865	1,865	1,865
Pedi NEV Vehicle Inspection	2,350	2,350	2,350	2,350	2,350	2,350
Fire Initial Inspections	66,600	67,266	67,939	68,618	69,304	69,997
Firefighter Applicant Fees	60,000	30,000	34,500	39,200	44,000	49,500
Fire Permit Fees	169,000	174,070	179,292	181,085	182,869	184,725
Overtime and Reinspection Fees	20,000	20,000	20,000	20,000	20,000	20,000
Fire Inspection Fees	307,500	215,250	236,775	260,453	273,475	287,149
Gas Well Operational Permits	449,750	494,725	504,620	514,712	525,006	535,506
Fire Operational Permits	205,000	143,500	157,850	173,635	182,317	191,433
Risk Management - Damages	190,000	191,900	193,819	195,757	197,715	199,692
Library Cards for Non-Residents	40,000	40,400	40,804	42,436	44,558	44,558
Library Fines	260,000	234,000	210,600	189,540	170,586	153,527
Copier Concessions	71,000	71,710	73,144	78,996	86,895	86,895
Criminal Justice Fees	455,044	457,319	459,606	461,904	464,213	466,534
Municipal Court Fines	4,263,096	4,284,411	4,305,834	4,327,363	4,349,000	4,370,745
Child Safety Fees	45,990	46,220	46,451	46,683	46,917	47,151
Uniform Traffic Fines	8,962,561	9,007,374	9,052,411	9,097,673	9,143,161	9,188,877
Time Payment Fees	79,034	79,824	80,223	80,625	81,028	81,433
Issue / Arrest Fees	398,600	400,593	402,596	404,609	406,632	408,665
Park Bond Fund	70,000	47,040	47,040	47,040	47,040	47,040
Police Admin, Escorts, Misc. Rev.	75,000	75,000	75,000	75,000	75,000	75,000
Jail Support Revenues	51,500	51,500	51,500	51,500	51,500	51,500
Abandoned Vehicle Search Fees	8,000	4,400	4,400	4,400	4,400	4,400
Police Towing Fees	150,000	150,000	150,000	150,000	150,000	150,000
Burglar Alarm Permits	1,040,000	991,800	991,800	991,800	991,800	991,800
Red Light Camera Violations	2,170,000	1,627,500	1,627,500	1,627,500	1,627,500	1,627,500
Contrib from AISD / SRO Program	1,284,534	1,244,521	1,244,521	1,244,521	1,244,521	1,244,521
Garbage Franchise Fees	1,605,600	1,647,346	1,690,177	1,734,121	1,779,208	1,825,468
Engineering Services Bond Projects	575,000	575,000	575,000	575,000	575,000	575,000
Water Dept Street Cuts	130,000	156,000	156,000	156,000	156,000	156,000
Construction Management Fees	25,000	81,000	81,000	81,000	81,000	81,000
Inspection Transfer	980,000	999,600	999,600	999,600	999,600	999,600
Survey Transfer	140,000	149,800	149,800	149,800	149,800	149,800
Transportation Bond - Operating	95,000	95,000	95,000	95,000	95,000	95,000
Saturday Inspection Fees	25,000	26,500	26,500	26,500	26,500	26,500
Abandonment Fees	2,000	2,790	2,790	2,790	2,790	2,790
State Reimburse - Traffic Signals	65,725	71,246	71,246	71,246	71,246	71,246
Landfill Usage Fees	2,163,840	2,207,117	2,251,259	2,296,284	2,342,210	2,389,054
City Waste Royalty	1,250,000	1,275,000	1,300,500	1,326,510	1,353,040	1,380,101
Non-City Waste Royalty, Methane	1,818,800	1,800,860	1,783,099	1,765,516	1,748,109	1,730,876
Brush Waste Royalty	45,800	47,724	47,724	47,724	47,724	47,724
City Dept Waste Rebate	57,300	59,764	59,764	59,764	59,764	59,764
Landfill Lease, Deferred Revenue	457,259	457,259	457,259	457,259	457,259	457,259
Message Board Rentals	50,000	50,000	50,000	50,000	50,000	50,000
Cell Phone Tower Leases	114,450	115,595	116,750	117,918	119,097	120,288
Auction Revenues, General Fund	38,000	26,600	26,600	26,600	26,600	26,600
	\$ 216,128,130	\$ 220,675,632	\$ 225,634,695	\$ 231,013,941	\$ 237,226,872	\$ 242,687,743

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General Fund Expenditures

The cost of employee health insurance and compensation adjustments will affect all of the City's operating funds. The projected costs for these items in the General Fund are discussed below. They are also included in the accompanying operating positions for all funds included in the Financial Forecast.

Health insurance costs for employees and retirees are projected to increase over the forecast period. However, plan changes made during the FY 2014 budget process have reduced the size of the impact from the amount reported in previous forecasts. In the General Fund, these costs are budgeted at \$17.24M in FY 2015. Based on information provided by the Human Resources Department, the table below illustrates the projected amounts needed for employee health insurance in the General Fund over the next five years, assuming no changes to plan provisions and benefits.

	Budgeted FY 2015	Projected FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Cumulative Costs
Employee Insurance	17,243,355	19,140,124	21,245,538	23,370,091	25,473,400	27,766,006	
Increase from prior year		1,896,769	2,105,414	2,124,554	2,103,308	2,292,606	10,522,651
Percent increase from prior year		11.0%	11.0%	10.0%	9.0%	9.0%	

Employees are the City's most valuable resources and Arlington has invested accordingly in salary and benefits over the past few years. FY 2013 through FY 2015 included recurring salary increases that were granted to all employees. For the purposes of this forecast, it is anticipated that future compensation increases will be targeted to address specific positions or job classifications that are below market benchmarks. The Human Resources Department will analyze our position in the job market and make recommendations each year to address compensation gaps that may exist in the organization. Focusing on targeting these gaps in equity rather than across-the-board increases will result in compensation packages that are higher than what was forecast in prior years. The outcome and recommendations of Human Resources' analyses will allow further refinement of these projected amounts.

	Projected FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Cumulative Costs
Targeted Compensation Increases	3,912,214	7,995,855	10,799,955	13,660,137	16,577,523	52,945,684

The General Fund Operating position on the next page assumes the mostly likely scenario for revenues and includes additional funding for forecasted employee health insurance increases and targeted compensation increases.

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Comprehensive Financial Forecast General Fund, FY 2016 - FY 2020



General Fund With Health & Comp

	FY 2015 Budget	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
GENERAL FUND REVENUES - Most Likely	\$ 216,128,131	\$ 220,675,632	\$ 225,634,695	\$ 231,013,941	\$ 237,226,872	\$ 242,687,743
INTERFUND TRANSFERS:						
Water and Sewer Fund Indirect Cost	\$ 3,547,879	\$ 3,583,358	\$ 3,583,358	\$ 3,583,358	\$ 3,583,358	\$ 3,583,358
Conv. & Event Svcs. Fund Indirect Cost	594,852	599,401	599,401	459,401	459,401	459,401
Storm Water Indirect Cost	365,866	369,525	369,525	369,525	369,525	369,525
One-Time Funds	827,725	-	-	-	-	-
From SWUF for capital reimbursement	463,055	463,055	463,055	463,055	-	-
From SWUF for engineering reviews	88,699	-	-	-	-	-
To APFA Fund	(511,995)	(511,995)	(511,995)	(511,995)	(511,995)	(511,995)
Use of Ending Balance	-	-	-	-	-	-
(To) from General Gas Fund	109,430	109,430	109,430	109,430	109,430	109,430
(To) from Airport Gas Fund	1,323,597	-	-	-	-	-
From Business Continuity Reserve (BCR) for Special Transit	1,000,000	-	-	-	-	-
To Park Performance Fund	(1,539,456)	(1,539,456)	(1,539,456)	(1,539,456)	(1,539,456)	(1,539,456)
To Special Transportation Fund	(1,995,744)	(1,349,926)	(1,349,926)	(1,349,926)	(1,349,926)	(1,349,926)
To Street Maintenance Fund for Traffic	(4,987,627)	(4,987,627)	(4,987,627)	(4,987,627)	(4,987,627)	(4,987,627)
To Street Maintenance Fund	(2,166,527)	(2,166,527)	(2,166,527)	(2,166,527)	(2,166,527)	(2,166,527)
TOTAL INTERFUND TRANSFERS	\$ (2,880,246)	\$ (5,430,763)	\$ (5,430,763)	\$ (5,570,763)	\$ (6,033,818)	\$ (6,033,818)
TOTAL AVAILABLE FUNDS	\$ 213,247,885	\$ 215,244,869	\$ 220,203,931	\$ 225,443,178	\$ 231,193,054	\$ 236,653,925
GENERAL FUND EXPENDITURES	\$ 213,245,042	\$ 210,752,810	\$ 210,752,810	\$ 210,752,810	\$ 210,752,810	\$ 210,752,810
ENDING BALANCE	\$ 2,843	\$ 4,492,059	\$ 9,451,121	\$ 14,690,368	\$ 20,440,244	\$ 25,901,115
Health Insurance Increases		\$ 1,896,769	\$ 4,002,183	\$ 6,126,736	\$ 8,230,045	\$ 10,522,651
Targeted Compensation Increases		\$ 3,912,214	\$ 7,995,855	\$ 10,799,955	\$ 13,660,137	\$ 16,577,523
ENDING BALANCE		\$ (1,316,924)	\$ (2,546,916)	\$ (2,236,323)	\$ (1,449,938)	\$ (1,199,058)

Proposed Expenditures by Horizon Issue

To develop the expenditure side of the Comprehensive Financial Forecast, City departments were asked to prepare five years of future budget requests. Departments were tasked with developing proposals that would address the important issues and challenges that were identified during the City Council Horizon Project Workshop conducted in the fall of 2012. Within the context of addressing these Horizon Issues, departments put together two different types of future expenditure projections: Current Services and New Programs. Current services expenditures were defined as the future cost associated with continuing to provide existing programs, services, and staffing. Expenditure increases in current services would include such items as:

- CPI increases for good and services contracts,
- maintenance and replacement of existing equipment,
- absorbing the cost of services, programs or personnel tied to expiring grant funds.

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Departments were also tasked with developing expenditure projections for future proposed new programs, services, and equipment. These would include such items as:

- program expansion,
- additional personnel,
- costs of opening and operating new facilities,
- anticipated new technology, etc.

Asset Management

The Horizon Workshop identified **Asset Management** as a key future concern for the City. A focus on asset management will accelerate the need for infrastructure improvements and keeping pace with technology advances. Departments' Current Services needs for Asset Management are summarized below:

General Fund - Current Service Horizon Issue: Asset Management

FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
\$ 1,205,436	\$ 2,859,431	\$ 2,718,913	\$ 2,174,182	\$ 1,870,334

The above includes the following highlights:

- Increased maintenance on Enterprise systems such as Lawson, Kronos, AMANDA, Laserfiche, & ESRI.
- Increased annual premiums on insurance policies to account for City asset growth.
- Replace current supply of handheld citation devices with the latest technology to increase ease of use and functionality for police officers on traffic stops.

New program proposals that focus on Asset Management are summarized in the proposal below:

New Program Horizon Issue: Asset Management

FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
\$ 10,513,513	\$ 8,843,051	\$ 4,820,780	\$ 6,241,814	\$ 5,003,969

The above includes the following highlights:

- New positions in Dispatch responsible for technical support of Dispatch's various specialized computer systems.
- Additional technology tools and services to enhance the security of the City's network.

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- New positions in Information Technology that would be responsible for systems & network maintenance.
- New computer applications that would create efficiencies in computer hardware and software inventory management are also included.

Organizational Viability

Organizational viability, or the capacity of an organization to adapt and thrive over the long-term, was another key Horizon Issue identified by Council and Senior Management over the course of the Horizon Workshop. A viable organization focuses on identifying and providing for the ongoing costs of conducting business, improving the effectiveness and efficiency of delivering services to citizens, and mitigating the effects of financial uncertainty. Departments' current services needs for Organizational Viability are summarized below:

Current Service Horizon Issue: Organizational Viability

	FY16	FY17	FY18	FY19	FY20
	Program Cost	Program Cost	Program Cost	Program Cost	Program Cost
\$	1,819,571	\$ 2,141,396	\$ 2,490,786	\$ 2,575,437	\$ 2,822,350

The summary includes the following highlights:

- Maintenance costs associated with the new 911 radio system. Costs include an agreement with the vendor covering services and support to keep the radio system current and up-to-date, thus avoiding future "end of life" scenarios.
- Annual increases for the contract with Tarrant Appraisal District.
- Annual increases in the vehicle maintenance and repair contract.
- Increases for janitorial contract costs.

New program proposals that focus on Organizational Viability are summarized in the proposal below:

General Fund - New Program Horizon Issue: Organizational Viability

	FY16	FY17	FY18	FY19	FY20
	Program Cost	Program Cost	Program Cost	Program Cost	Program Cost
\$	6,774,970	\$ 6,985,159	\$ 6,553,867	\$ 6,714,989	\$ 6,558,351

The summary above includes the following highlights:

- Expanded staffing for Finance, Dispatch Services and Internal Audit.
- A Fire Water Rescue Unit at Viridian and the Trinity River in River Legacy Parks.
- Replacement of roofing systems for multiple City assets.
- Purchase of software to shift building plan review from a traditional paper-based system to a modern electronic format.

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Quality Neighborhoods

Having quality neighborhoods was identified as an important Horizon Issue by the City Council. In order to develop Quality Neighborhoods, efforts should be made to raise the standard of living for Arlington residents. Public safety and code compliance need to be enhanced, including addressing the perception of crime in the City and developing higher standards for development and code enforcement. There also needs to be more focus on beautification of the City such as improving “curb appeal”, putting more investment and incentives into urban beautification, and increasing or improving neighborhood amenities such as parks and transit options. Such efforts will make Arlington more attractive to future residents and will increase citizen satisfaction. Department current services needs for Quality Neighborhoods are summarized below:

Current Service Horizon Issue: Quality Neighborhoods

FY16	FY17	FY18	FY19	FY20
Program Cost				
\$ 2,353,894	\$ 2,599,502	\$ 2,520,667	\$ 2,702,198	\$ 2,621,499

The summary on the previous page includes the following highlights:

- Reorganization of the Police Management Services Bureau.
- Increasing the budget for forensic lab testing due to rising costs, 40% since FY 2010.
- Reinstating the minimum duty standard of two supervisors per patrol shift which would improve efficiency in the field (time on call) and reduce risk (complaints) and cost (overtime and accidents). This program was piloted in FY 2014 with four positions funded with one-time funds.
- Adjustment to base for rising utility expenditures.

New program proposals that focus on Quality Neighborhoods are summarized in the following proposal:

General Fund - New Program Horizon Issue: Quality Neighborhoods

FY16	FY17	FY18	FY19	FY20
Program Cost				
\$ 7,671,086	\$ 7,881,757	\$ 7,406,149	\$ 6,962,945	\$ 6,848,685

The above includes the following highlights:

- Adding 6 new officers over a three year period to establish a Tactical Intelligence Unit which would be operational 24 hours a day that will monitor, support and

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respond to high priority emergencies including real-time suspect information, media updates, and support operations in the field.

- Increasing K9 Unit staffing by one officer and a sergeant which would allow for one handler per police district.
- Funding to outfit the Police Department with 350 body cameras as well as 3 full time positions to support the maintenance and operations of new equipment.
- Addressing the Parks grounds maintenance equipment replacement backlog.

Citizen Relationships

Positive relationships with citizens are an integral part of a well-functioning city. Involvement with local government empowers citizens and increases the likelihood they will take on a more active role in the process. In order to develop positive Citizen Relationships, there needs to be good connectivity with residents. This can be accomplished through communication with the public about the role of government in which the capacity, limitations and expectations are clearly articulated. In addition, developing a collective view of Arlington, inclusive of all residents, helps to engage the public in the delivery of “non-core” services such as parks, libraries, animal services, arts and culture. Department needs for Citizen Relationships are summarized below:

General Fund - Current Service **Horizon Issue: Citizen Relationships**

FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
\$ 400	\$ 832	\$ 1,299	\$ 1,803	\$ 2,347

The only request is for increased funding for additional software that allows the Office of Communication to stay up to date as new software and technology becomes available.

General Fund - New Program **Horizon Issue: Citizen Relationships**

FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
\$ 223,500	\$ 329,500	\$ 194,500	\$ 699,500	\$ 204,225

The above includes the following highlights:

- Recurring funding for West Nile Virus mitigation efforts including testing, spraying, neighborhood notifications and general public awareness initiatives.
- One new position in Management Resources to assist internal customers and stakeholders as they utilize the City’s broadcast facilities.
- Funding to refresh and eventually rebuild the City’s website in order to stay relevant for our residents.

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Natural Resources Management

Among the specific issues identified as a future concern, the condition and preservation of natural resources was chosen as a Horizon Issue. Concerns included lack of resources such as land and water, water and air quality issues, and water conservation issues.

New program proposals that focus on Natural Resource Management are summarized below:

General Fund - New Program **Horizon Issue: Natural Resources Management**

FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
\$ 110,000	\$ 110,000	\$ 110,000	\$ 800,000	\$ -

One new program promoting Natural Resources Management was proposed. The request is for the construction of additional gas extraction wells in the landfill to remain compliant with TCEQ regulations.

Strategic Partnerships

The City of Arlington has a long-standing commitment to collaborating with local partners. The Horizon Workshop reiterated the importance of solidifying partnerships with other governments, interested citizens, and organizations with common strategic interests.

New Program **Horizon Issue: Strategic Partnerships**

FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000

One new program promoting Strategic Partnerships was proposed. The request is for recurring funding to institute an internship program with UT Arlington to help student gain valuable experience in information technology while the City gains new perspective from students and benefits from added assistance in workload.

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Economic Development/Redevelopment

As part of the Economic Development/Redevelopment Horizon Issue, the City will be working to develop high potential neighborhoods and diversify and increase the tax base. Other key items include addressing changing population demographics, integrating urban living into the City's environment, and exploring the opportunities in urban development vs. suburban mentality. Department proposed new program needs for Economic Development/Redevelopment is summarized below:

General Fund - New Program **Horizon Issue: Economic Development/Redevelopment**

FY16	FY17	FY18	FY19	FY20
Program Cost				
\$ 681,933	\$ 1,094,092	\$ 654,048	\$ 1,303,275	\$ 696,874

The above includes the following highlights:

- Increased funding for the Urban Design Center to cover future contract increases.
- One time funding to update the current Master Plan and outline new strategic goals that take advantage of new opportunities open to the City.
- Recurring funding for Operation Beautification to elevate the landscape and beautification standards set by the Parks and Recreation Department.

Regional Mobility

The City Council identified transportation and regional mobility as a future focus issue. Improving the efficiency and effectiveness of Arlington's transportation connections within and beyond our border will help the City continue on its path towards a healthy, economically viable community for residents, businesses, employees, students and visitors. Current Services requests that focus on improving Regional Mobility are summarized below:

Current Service **Horizon Issue: Regional Mobility**

FY16	FY17	FY18	FY19	FY20
Program Cost				
\$ 696,118	\$ 696,118	\$ 696,118	\$ 696,118	\$ 696,118

The above includes the following highlights:

- Additional funding for Handitran assuming a partial loss of grant funding.
- Funding to replace and maintain an additional four security cameras at the Airport.

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General Fund - New Program Horizon Issue: Regional Mobility

FY16	FY17	FY18	FY19	FY20
Program Cost				
\$ 529,495	\$ 509,800	\$ 512,150	\$ 489,800	\$ 489,800

The above summary includes the following highlights:

- Funding to continue the MAX bus service on an annual contracted basis.
- One time funding to update the City's Thoroughfare Development Plan.

A complete list of all General Fund current services and new program requests is included on the following pages.

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Current Service Horizon Issue: Asset Management

Dept	Current Services Expenditure	FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
HR	Insurance-Risk	(900)	5,035	18,870	24,300	29,838
IT	Infrastructure IT Hardware Maintenance	12,217	24,800	37,761	51,111	64,861
IT	Infrastructure IT Hardware Replacement	83,422	1,774,847	1,681,657	1,251,121	704,924
IT	Internet Service	1,983	4,025	6,129	8,296	10,528
IT	Microsoft Enterprise Agreement Cost Increase	-	103,000	103,000	103,000	103,000
IT	Professional Services IT Infrastructure	50,000	50,000	50,000	50,000	50,000
IT	Software Maintenance	423,206	171,206	270,972	375,726	485,718
IT	Telephone Service	9,475	19,235	29,287	39,641	50,305
Police	Citation Devices	282,000	312,000	342,000	91,750	91,750
Police	DVR Maintenance	77,987	77,987	77,987	77,987	77,987
Police	Jail Maintenance	50,000	50,000	50,000	50,000	50,000
Police	Speed Measuring Devices	-	51,250	51,250	51,250	51,250
Police	TASER Maintenance	216,046	216,046	-	-	100,173
Total		\$ 1,205,436	\$ 2,859,431	\$ 2,718,913	\$ 2,174,182	\$ 1,870,334

New Program Horizon Issue: Asset Management

Dept	Fund	New Program	FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
Aviation	Gas	ATC Backup Weather Relocate	-	35,245	-	-	-
Aviation	Gas	Pave Perimeter Access road	50,005	-	-	-	-
Dispatch	GF	MDC Replacement	-	2,507,000	-	-	-
Dispatch	GF	Four Public Safety Technical Staff	-	381,048	388,689	396,442	404,371
Dispatch	GF	CAD Upgrade	-	300,000	-	300,000	-
Dispatch	GF	Replacement of CAD/ProQA/NetMotion Servers	-	115,000	-	-	-
Dispatch	GF	Replacement of Purchased Computers	-	100,000	-	-	-
Fire	GF	Equipment Maintenance Backlog	62,000	62,000	62,000	62,000	62,000
Fire	GF	Heavy Fleet Replacement Program	2,172,000	2,596,000	1,399,680	2,645,394	1,636,586
Fire	GF	Fire Suppression Equipment Replacement	34,000	35,000	37,000	39,000	41,000
IT	ITSF	Microsoft Office Upgrade/Replacement	-	585,000	585,000	585,000	675,000
IT	ITSF	IT Help Desk Outsourcing	300,000	325,000	350,000	375,000	400,000
IT	ITSF	PC Mgmt Tools	250,000	75,000	325,000	150,000	150,000
IT	ITSF	Additional Systems Administrator	100,434	96,934	96,934	96,934	96,934
IT	ITSF	Additional Network Engineer	112,824	109,324	109,324	109,324	109,324
IT	ITSF	Desktop Virtualization Pilot	100,000	20,000	20,600	21,218	21,855
IT	ITSF	Network Access Control	16,500	1,750	1,803	1,857	1,912
IT	ITSF	Identity Mgmt	200,000	30,000	31,500	33,075	34,729
IT	ITSF	ECM System	5,000,000	1,000,000	1,000,000	1,000,000	1,000,000
IT	ITSF	Business Intelligence Program	1,000,000	500,000	500,000	500,000	500,000
Internal Audit	GF	Replace Office Furniture	750	750	750	750	750
Mgmt Res	GF	Records Manager	53,000	53,000	53,000	53,000	53
Mgmt Res	KSF	Consolidating Courier Services	-	-	(15,000)	-	-
Municipal Court	CTF	Upgrade Court Mgmt Software	-	-	27,500	-	-
Parks	GF	Irrinet Centralized Irrigation System	50,000	100,000	35,000	64,000	64,000
Parks	GF	Harold Patterson Water Well	1,000,000	(200,000)	(206,000)	(212,180)	(218,545)
Police	GF	Evidence Storage	12,000	15,000	18,000	21,000	24,000
Total			\$ 10,513,513	\$ 8,843,051	\$ 4,820,780	\$ 6,241,814	\$ 5,003,969

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Current Service
Horizon Issue: Organizational Viability

Dept	Current Services Expenditure	FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
Aviation	Reclass Four Airport Maintenance Techs	22,671	22,671	22,671	22,671	22,671
Aviation	Reclass Airport Operations Supervisor	5,662	5,662	5,662	5,662	5,662
CAO	Case Management Maintenance	500	1,025	1,576	2,155	2,763
CAO	Law Library Maintenance	425	3,765	7,627	11,909	16,600
Dispatch	CAD Maintenance	13,160	26,979	41,489	56,725	72,722
Dispatch	Radio Maintenance	175,000	229,910	287,564	348,101	411,664
Finance	External Auditing Contract	5,500	11,000	61,000	67,500	74,000
Finance	Tarrant County	34,788	45,225	56,183	67,689	79,771
Finance	Tarrant Appraisal District	14,464	29,217	44,266	59,615	75,271
Finance	Payroll Accountant - Retirement Transition	17,000	-	-	-	-
Fire	EMS Clinical Coordinator	-	82,129	82,129	82,129	82,129
Fire	EMS QI Coordinator	-	-	77,873	77,873	77,873
Fire	Step Increase	200,000	200,000	200,000	200,000	200,000
Fire	Professional Development	51,750	51,750	51,750	51,750	51,750
Fire	Uniforms and Personal Protective Equipment	220,000	220,000	220,000	220,000	220,000
HR	Compensation Study	130,000	130,000	130,000	40,000	40,000
HR	Educational Assistance	50,000	50,000	50,000	50,000	50,000
IT	Professional Services contract	100,000	100,000	100,000	100,000	100,000
Internal Audit	Additional Staff for National Conference	1,625	1,625	1,625	1,625	1,625
Internal Audit	Additional Training Dollars	1,500	1,500	1,500	1,500	1,500
Internal Audit	Funding for Professional Education Materials	700	700	700	700	700
Library	Rental	60,000	60,000	60,000	(30,000)	(30,000)
Mgmt Res	Election Costs	-	-	-	-	-
Mgmt Res	Eliminate Action Center Supervisor Position	-	-	-	-	-
Mgmt Res	Open Records On Line Payments	5,000	5,000	5,000	5,000	5,000
Mgmt Res	Paper Costs	12,000	24,720	38,203	52,495	67,644
Mgmt Res	Postage Costs	34,000	69,360	69,360	69,360	69,360
Municipal Court	Incode Software Support & Maintenance Contract	15,085	30,924	47,555	65,018	83,354
Municipal Court	Laserfiche Maintenance Contract	2,250	4,613	7,093	9,698	12,433
Parks	Janitorial Contract CPI Increases	-	3,306	3,306	6,679	6,679
Parks	Reclass Marketing Position PT to FT	7,777	7,777	7,777	7,777	7,777
Parks	Reclass - Playground Maintenance Techs	29,178	29,178	29,178	29,178	29,178
Parks	Reclass - Irrigation Techs	29,178	29,178	29,178	29,178	29,178
Parks	Reclass - Landscape Techs	149,975	149,975	149,975	149,975	149,975
Parks	Staffing to Support Accreditation	25,000	25,000	25,000	25,000	25,000
Police	Step Increase	300,000	300,000	300,000	300,000	300,000
PWT	G4S Fleet Maintenance Contract	81,383	165,207	251,546	340,475	432,071
PWT	Janitorial Services Contract	24,000	24,000	24,000	48,000	48,000
Total		\$ 1,819,571	\$ 2,141,396	\$ 2,490,786	\$ 2,575,437	\$ 2,822,350

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New Program
Horizon Issue: Organizational Viability

Dept	Fund	New Program	FY16	FY17	FY18	FY19	FY20
			Program Cost				
CD&P	GF	Electronic Plan Review	50,000	11,000	11,000	11,000	11,000
Dispatch	GF	Three Training/QA Personnel	168,081	171,442	174,871	178,369	181,936
Dispatch	GF	Two Administrative Personnel	88,446	90,215	92,019	93,860	95,737
Dispatch	GF	Five Telecommunicators	253,610	258,682	263,856	269,133	274,516
Dispatch	GF	One Training Supervisor	64,254	65,539	66,850	68,187	69,551
Finance	GF	Financial Professional Services & Advising	45,000	45,000	45,000	45,000	45,000
Finance	GF	CAFR Preparation Software	-	80,000	10,000	200,000	20,000
Finance	GF	Bank RFP	50,000	-	-	-	-
Finance	GF	Senior Purchasing Agent	86,300	79,300	79,300	79,300	79,300
Finance	GF	Senior Tax Analyst	-	86,300	79,300	79,300	79,300
Finance	GF	Senior Budget Analyst	-	-	86,300	79,300	79,300
Finance	GF	ICMA Insights	16,595	16,595	16,595	16,595	16,595
Fire	GF	Additional Staffing for Station 3 (3 FTE)	213,034	248,633	258,823	269,492	280,663
Fire	GF	Viridian/Trinity River Water Rescue Equipment	94,500	4,500	4,500	4,500	4,500
HR	GF	Employee Relations Specialist	-	100,715	85,715	85,715	85,715
HR	GF	Health & Physical Evaluations	43,800	-	-	-	-
HR	GF	HRIS Specialist	-	100,715	85,715	85,715	85,715
IT	GF	Asset Mgmt Tools	250,000	75,000	75,000	75,000	75,000
IT	GF	Additional Administrative Personnel	92,000	88,500	192,500	189,000	189,000
IT	GF	IT Business Analysis Program Expansion	87,500	84,000	171,500	168,000	168,000
Internal Audit	GF	Automated Work Paper System	30,000	6,000	6,000	6,000	6,000
Internal Audit	GF	New PT Intern	-	13,800	13,800	13,800	13,800
Internal Audit	GF	Reclass Staff Auditor to Internal Auditor	-	7,150	7,150	7,150	7,150
Internal Audit	GF	New Senior Internal Auditor	-	10,000	10,000	10,000	10,000
Internal Audit	GF	New IT Auditor	-	12,300	12,300	12,300	12,300
Library	GF	E-Content	100,000	75,000	50,000	25,000	25,000
Library	GF	Virtualization of Servers	11,500	11,500	11,500	-	-
Library	GF	3D Printer	5,000	1,000	1,000	-	-
Library	GF	Library Communications Specialist	57,463	57,463	57,463	57,463	57,463
Mgmt Res	GF	Internal Communications Position	75,000	75,000	75,000	75,000	75,000
PWT	GF	Journeyman Plumber	100,017	62,517	62,517	62,517	62,517
PWT	GF	Major Building Component Replacement	2,538,380	2,538,380	2,538,380	2,538,380	2,538,380
PWT	GF	Small Fuel Tank Removal & Replacement	105,000	105,000	105,000	105,000	105,000
PWT	GF	Bank of America - Lease Payment	430,950	235,873	235,873	235,873	235,873
PWT	GF	Business Services Reclasses	23,775	23,775	23,775	23,775	23,775
PWT	Fleet	Fleet Vehicle Lifts	109,500	219,000	-	-	-
PWT	Fleet	Out of Life Fleet Replacements	1,545,265	1,545,265	1,545,265	1,545,265	1,545,265
PWT	Fleet	SSC Fuel Tanks	40,000	380,000	-	-	-
Total			\$ 6,774,970	\$ 6,985,159	\$ 6,553,867	\$ 6,714,989	\$ 6,558,351

Comprehensive Financial Forecast

FY 2016 - FY 2020

Current Service Horizon Issue: Quality Neighborhoods

		FY16	FY17	FY18	FY19	FY20
Dept	Current Services Expenditure	Program Cost				
Code	Increase PT Kennel Hours	14,198	14,198	14,198	14,198	14,198
Fire	Gas Well Response Team	328,000	328,000	328,000	328,000	328,000
Library	Part-Time Salaries	-	55,993	111,986	111,986	111,986
Library	Utilities for Public Services	-	9,818	39,272	39,272	39,272
Parks	Water Rates	99,144	125,175	151,987	179,603	208,048
Parks	Mowing Contracts CPI Increase	-	37,324	37,324	75,394	75,394
Parks	Fertilizer and Nutrient Supply	10,684	11,004	11,334	11,674	12,025
Police	Field Supervision	506,880	506,880	424,980	424,980	424,980
Police	Forensic Lab Testing	77,409	77,409	77,409	77,409	77,409
Police	Lease Vehicles	41,889	41,889	41,889	41,889	41,889
Police	Management Services Bureau Reorg	-	-	-	-	-
Police	Staffing & Overtime ATB	853,120	853,120	853,120	853,120	853,120
Police	STEP Cash Match	75,000	187,500	75,000	187,500	75,000
Police	Tiburon / New World Contract Maintenance	202,000	205,622	208,598	211,603	214,608
Police	Utility ATB	145,570	145,570	145,570	145,570	145,570
Total		\$ 2,353,894	\$ 2,599,502	\$ 2,520,667	\$ 2,702,198	\$ 2,621,499

New Program Horizon Issue: Quality Neighborhoods

		FY16	FY17	FY18	FY19	FY20
Dept	Fund	New Program	Program Cost	Program Cost	Program Cost	Program Cost
CD&P	GF	Neighborhood Program Staffing	88,000	88,000	88,000	88,000
CD&P	GF	Comprehensive Plan 5 Year Update	-	-	-	200,000
CD&P	GF	Comprehensive Plan Sector Updates	-	100,000	100,000	100,000
Code	GF	Reclass Dangerous & Substandard Inspectors	5,044	5,044	5,044	5,044
Library	GF	Movable Shelving for Picture Books	60,000	60,000	-	-
Library	GF	Reclass Public Service Coordinator	-	26,422	26,422	26,422
Library	GF	Librarian - Local History & Genealogy	-	57,463	57,463	57,463
Library	GF	Library to Go Kiosk	-	195,000	23,750	23,750
Library	GF	Southeast Branch Refresh	-	-	200,000	-
Library	GF	Central Library Move - Part II	-	94,000	-	-
Parks	GF	Park Development O&M	22,750	343,550	460,900	466,600
Parks	GF	ADA Transition Plan	300,000	-	-	-
Parks	GF	Grounds Maintenance Equipment Replacement	2,065,620	294,571	625,460	186,000
Parks	GF	Playground Replacements	320,000	680,000	160,000	320,000
Parks	GF	Pond Dredging	602,175	1,387,500	648,500	396,825
Parks	GF	Parking Lot Renovations	478,819	826,819	543,125	505,436
Parks	GF	Erosion Control	50,000	216,000	800,000	800,000
Parks	GF	Tree Pruning, Removal, & Replacement	50,000	55,000	60,000	65,000
Police	GF	AITU Staffing	823,051	1,329,409	1,484,506	1,799,426
Police	GF	Domestic Unit Staffing	298,253	278,648	278,648	278,648
Police	GF	IRS Taskforce	96,921	96,921	96,921	96,921
Police	GF	K9 Unit Staffing	297,763	204,608	204,608	204,608
Police	GF	N TX Anti Trafficking Grant	153,943	153,943	153,943	153,943
Police	GF	Organized Crime Retail Unit	480,627	447,950	447,950	447,950
Police	GF	Open Records Management	90,000	90,000	90,000	90,000
Police	GF	sUas Staff	386,770	355,530	355,530	355,530
Police	GF	UASI Sustainment	-	188,279	188,279	188,279
Police	GF	Body Cameras	456,350	203,100	203,100	203,100
PWT	GF	SE Library Parking Lot	441,000	-	-	-
PWT	GF	Accessible Pedestrian Signals	104,000	104,000	104,000	104,000
Total			\$ 7,671,086	\$ 7,881,757	\$ 7,406,149	\$ 6,962,945

Comprehensive Financial Forecast

FY 2016 - FY 2020

Current Service Horizon Issue: Regional Mobility

Dept	Current Services Expenditure	FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
Aviation	Aviation Clothing Supplies	500	500	500	500	500
Aviation	Aviation Security Camera Maintenance	2,800	2,800	2,800	2,800	2,800
Aviation	Increase Part-time Salaries	3,000	3,000	3,000	3,000	3,000
Aviation	Increase to Account 62003	35,000	35,000	35,000	35,000	35,000
Handitran	Support to Handitran from General Fund	654,818	654,818	654,818	654,818	654,818
Total		\$ 696,118				

New Program Horizon Issue: Regional Mobility

Dept	Fund	New Program	FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
Aviation	Gas	Tractor Power Accessories - Airfield Maint.	9,695	-	-	-	-
Aviation	Gas	Remove Construction Staging Areas	20,000	-	-	-	-
Aviation	Gas	Tractor Power Accessories - Snow Removal	-	20,000	-	-	-
Aviation	Gas	Air Traffic Control Tower Equipment Replacement	-	-	22,350	-	-
Aviation	GF	Aviation Office Furniture & Equipment	1,000	1,000	1,000	1,000	1,000
CD&P	GF	Greenway Network Implementation	125,000	250,000	250,000	250,000	250,000
CD&P	GF	MAX Bus Service	200,000	200,000	200,000	200,000	200,000
CD&P	GF	Thoroughfare Development Plan 5 Year Update	65,000	-	-	-	-
CD&P	GF	Hike & Bike System Master Plan Update	-	-	-	-	-
CD&P	GF	Downtown Wayfinding Phase II/Sign Replacement	70,000	-	-	-	-
PWT	GF	Backup Power Supply for Signals on Major Arterials	38,800	38,800	38,800	38,800	38,800
Total			\$ 529,495	\$ 509,800	\$ 512,150	\$ 489,800	\$ 489,800

Current Service Horizon Issue: Citizen Relationships

Dept	Current Services Expenditure	FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
Mgmt Res	Communications Software	400	832	1,299	1,803	2,347
Total		\$ 400	\$ 832	\$ 1,299	\$ 1,803	\$ 2,347

New Program Horizon Issue: Citizen Relationships

Dept	Fund	New Program	FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
Aviation	Gas	Airport Terminal Lobby Sound Absorption	5,000	-	-	-	-
CD&P	GF	West Nile Virus	75,000	75,000	75,000	75,000	75,000
Internal Audit	GF	Peer Review	-	45,000	-	-	4,725
Internal Audit	GF	Third Party Fraud Hotline	4,500	4,500	4,500	4,500	4,500
Mgmt Res	GF	Customer Communication Enhancements	30,000	10,000	10,000	15,000	15,000
Mgmt Res	GF	Website Refresh & Rebuild	-	50,000	-	500,000	-
Mgmt Res	GF	Studio Technical Director	75,000	75,000	75,000	75,000	75,000
Mgmt Res	GF	Website Hosting	30,000	30,000	30,000	30,000	30,000
Mgmt Res	GF	Action Center Agents Work from Home	4,000	40,000	-	-	-
Total			\$ 223,500	\$ 329,500	\$ 194,500	\$ 699,500	\$ 204,225

Comprehensive Financial Forecast

FY 2016 - FY 2020

New Program

Horizon Issue: Economic Development/Redevelopment

Dept	Fund	New Program	FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
CD&P	GF	Arlington Urban Design Center	-	-	23,000	23,000	23,000
CD&P	GF	Downtown Master Plan	100,000	-	-	-	-
Parks	GF	Operation Beautification - Staffing	142,148	116,148	188,027	162,027	162,027
Parks	GF	Operation Beautification - Median, Row, & Prop Dev.	269,461	806,018	269,461	943,021	334,920
Parks	GF	Operation Beautification - Keep Arl Beautiful Coord.	90,224	90,224	90,224	90,224	90,224
Parks	GF	Operation Beautification - Highway Beautification	80,100	81,702	83,336	85,003	86,703
Total			\$ 681,933	\$ 1,094,092	\$ 654,048	\$ 1,303,275	\$ 696,874

New Program

Horizon Issue: Natural Resources Management

Dept	Fund	New Program	FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
PWT	GF	Gas Extraction Well at Landfill	110,000	110,000	110,000	800,000	-
Total			\$ 110,000	\$ 110,000	\$ 110,000	\$ 800,000	\$ -

New Program

Horizon Issue: Strategic Partnerships

Dept	Fund	New Program	FY16 Program Cost	FY17 Program Cost	FY18 Program Cost	FY19 Program Cost	FY20 Program Cost
IT	GF	IT Internship - Student Development Program	75,000	75,000	75,000	75,000	75,000
Total			\$ 75,000				

Other Funds

Departments were also tasked with developing revenue forecasts using the same three scenarios as previously discussed for the General Fund, as well as considering anticipated Current Services or New Program expenditure requests. It is important to remember that every annual budget adopted by the City Council is statutorily required to be balanced, therefore any presentation of unbalanced projected numbers reflect work which must be done every year to get expenditures in line with revenues.

The following pages are the forecasted operating positions for other operating funds.

Comprehensive Financial Forecast

FY 2016 - FY 2020



Water Utilities Fund

Comprehensive Financial Forecast Water Utilities Fund, FY 2016 - FY 2020

	FY 2015 Budget	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
BEGINNING BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WATER FUND REVENUES - Most Likely	\$ 124,549,878	\$ 131,939,289	\$ 141,641,511	\$ 149,926,332	\$ 156,177,118	\$ 161,698,413
INTERFUND TRANSFERS:						
General Fund - Indirect Cost	\$ (3,547,879)	\$ (3,583,358)	\$ (3,583,358)	\$ (3,583,358)	\$ (3,583,358)	\$ (3,583,358)
APFA Fund - Indirect Cost	(63,811)	(63,811)	(63,811)	(63,811)	(63,811)	(63,811)
Storm Water - Indirect Cost	170,122	170,122	170,122	170,122	170,122	170,122
Debt Service, City Tower	(65,544)	(63,229)	(60,889)	(58,500)	(56,063)	(53,625)
Operating Reserve	(566,928)	(566,928)	(566,928)	(566,928)	(566,928)	(566,928)
Rate Stabilization Fund	1,838,332	1,228,226	-	-	-	-
Renewal / Rehabilitation Fund	(14,000,000)	(14,000,000)	(14,000,000)	(14,000,000)	(14,000,000)	(14,000,000)
Fleet Reserve	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL INTERFUND TRANSFERS	\$ (16,135,708)	\$ (16,778,978)	\$ (18,004,864)	\$ (18,002,475)	\$ (18,000,038)	\$ (17,997,600)
TOTAL AVAILABLE FUNDS	\$ 108,414,170	\$ 115,160,311	\$ 123,636,647	\$ 131,923,857	\$ 138,177,080	\$ 143,700,813
WATER FUND EXPENDITURES	\$ 108,414,170	\$ 107,104,064	\$ 107,714,170	\$ 107,714,170	\$ 107,714,170	\$ 107,714,170
ENDING BALANCE	\$ -	\$ 8,056,247	\$ 15,922,477	\$ 24,209,687	\$ 30,462,910	\$ 35,986,643
Targeted Compensation Increases		359,610	730,009	984,349	1,243,776	1,508,392
Health insurance increases		184,166	204,425	224,867	245,105	267,165
ENDING BALANCE	\$ -	\$ 7,512,471	\$ 14,988,044	\$ 23,000,471	\$ 28,974,029	\$ 34,211,087

Current Services

Bonds	(711,594)	(267,552)	3,302,607	4,386,182	4,347,617
Chemical Supplies	22,484	45,193	68,129	91,295	114,692
Electricity	30,165	60,633	91,404	122,484	153,874
Fleet Charges	8,223	16,528	24,917	33,389	41,946
Franchise Fee	876,136	1,314,018	1,684,605	2,008,515	2,359,774
Interdepartmental Charges	18,121	36,426	54,908	73,579	92,434
Interfund Charges	448,057	849,197	1,250,709	1,652,595	2,054,861
Maintenance	36,741	73,850	111,329	149,183	187,416
Miscellaneous Operating Expenditures	5,031	10,113	15,245	20,429	25,664
Operating Reserve	731,730	590,092	199,403	207,976	278,850
Payment in Lieu of Taxes (PILOT)	329,398	686,945	1,068,747	1,308,507	1,548,267
Raw Water Purchases	3,174,221	6,224,079	7,235,534	8,741,468	10,177,157
Renewal and Rehabilitation	500,000	1,000,000	1,500,000	2,000,000	2,500,000
Special Services	11,357	22,828	34,413	46,114	57,932
Supplies & Materials	4,631	9,309	14,033	18,805	23,624
Utilities	1,837	3,692	5,565	7,458	9,369
Wastewater Treatment	2,267,415	4,864,073	6,984,356	8,770,891	10,923,350

Total - Current Services \$ 7,753,953 \$ 15,539,424 \$ 23,645,904 \$ 29,638,870 \$ 34,896,827

Continued on nex page

Comprehensive Financial Forecast

FY 2016 - FY 2020



Water Utilities Fund

Comprehensive Financial Forecast Water Utilities Fund, FY 2016 - FY 2020

	FY 2015 Budget	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
New Programs						
Action Center Consolidation	(411,285)	(364,000)	(364,000)	(364,000)	(364,000)	(364,000)
Elimination of 2 Part-time Meter Readers	(41,043)	(41,864)	(42,701)	(43,555)	(44,426)	(44,426)
Elimination of Assistant Director of Business Services	(141,762)	(144,597)	(144,598)	(147,490)	(150,440)	(150,440)
Hydro Excavation Equipment	486,776	14,835	15,034	15,283	15,589	15,589
Leak Detection Program Expansion	-	140,000	65,000	65,000	65,000	65,000
Planner/Scheduler	44,538	44,538	44,538	44,538	44,538	44,538
Preventative Maintenance and Electrical Testing	200,000	200,000	200,000	200,000	200,000	200,000
Water Sales to Dalworthington Gardens (Revenue)	(378,706)	(400,292)	(418,706)	(434,617)	(452,001)	(452,001)
Total - New Programs	\$ (241,482)	\$ (551,380)	\$ (645,433)	\$ (664,841)	\$ (685,740)	\$ (685,740)
ENDING BALANCE with Current Services + New Programs	\$ (0)	\$ (0)	\$ 0	\$ (0)	\$ (0)	\$ (0)

Comprehensive Financial Forecast

FY 2016 - FY 2020



Convention and Event Services Fund

Comprehensive Financial Forecast Convention and Event Services Fund, FY 2016 - FY 2020

	FY 2015 Budget	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
BEGINNING BALANCE	\$ 969,872	\$ 548,815	\$ 548,815	\$ 548,815	\$ 548,815	\$ 548,815
CES FUND REVENUES - Most Likely	\$ 10,057,000	10,405,802	10,771,720	11,185,638	11,630,726	12,064,572
INTERFUND TRANSFERS:						
Debt Service - Grand Hall	\$ (1,364,149)	\$ (1,287,589)	\$ (1,219,851)	\$ (1,156,399)	\$ (1,145,808)	\$ -
(To) From Capital Maintenance Reserve	238,000	-	-	-	-	-
(To) From Hotel Attraction Support	125,000	-	-	-	-	-
To General Fund - Indirect Costs	<u>(594,852)</u>	<u>(599,401)</u>	<u>(599,401)</u>	<u>(459,401)</u>	<u>(459,401)</u>	<u>(459,401)</u>
TOTAL INTERFUND TRANSFERS	\$ (1,596,001)	\$ (1,886,990)	\$ (1,819,252)	\$ (1,615,800)	\$ (1,605,209)	\$ (459,401)
TOTAL AVAILABLE FUNDS	\$ 9,430,871	\$ 9,067,628	\$ 9,501,283	\$ 10,118,653	\$ 10,574,332	\$ 12,153,986
CES FUND EXPENDITURES	<u>\$ 9,140,491</u>	<u>\$ 7,479,071</u>				
ENDING BALANCE	\$ 290,380	\$ 1,588,557	\$ 2,022,212	\$ 2,639,582	\$ 3,095,261	\$ 4,674,915
Targeted Compensation Increases		52,417	106,407	143,480	181,294	219,865
Health insurance increases		<u>26,189</u>	<u>29,070</u>	<u>31,977</u>	<u>34,854</u>	<u>37,991</u>
ENDING BALANCE		\$ 1,509,951	\$ 1,886,736	\$ 2,464,126	\$ 2,879,113	\$ 4,417,059

Current Services

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Arts & Revitalization	25,000	50,000	75,000	100,000	100,000
Job Position Upgrade	1,535	1,535	1,535	1,535	1,535
Delphi Software Support	1,020	1,581	2,170	2,789	3,438

Total - Current Services \$ 27,555 \$ 53,116 \$ 78,705 \$ 104,324 \$ 104,973

Continued on next page

Comprehensive Financial Forecast

FY 2016 - FY 2020



**Convention and Event
Services Fund**

Comprehensive Financial Forecast Convention and Event Services Fund, FY 2016 - FY 2020

New Programs	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Lighting in ACC Signature Tower	2,000	-	-	-	-
North Dock Load-in Curtains	10,000	-	-	-	-
Women Restroom Seating Room Improvements	2,500	-	-	-	-
Reupholster Lobby Benches	5,000	-	-	-	-
Air Compressor	8,000	-	-	-	-
North Dock - Liquid Dump Station	20,000	-	-	-	-
Grand Hall Curtain	20,000	-	-	-	-
Exhibit Hall Floor Box Cover Replacements	5,000	-	-	-	-
Ride-On Vacuum	10,000	-	-	-	-
Refrigeration Merchandiser for Concession Stand	12,000	-	-	-	-
Lighting Controls - Entire Building	250,000	-	-	-	-
Parking Lot Improvements	50,000	-	-	-	-
Boiler	150,000	-	-	-	-
Landscape Improvements - East Side	50,000	-	-	-	-
Painting - Metal Skin (Original Building)	80,000	-	-	-	-
VIP Suite Improvements	30,000	-	-	-	-
Air Wall - Resurfacing/Repair	115,000	-	-	-	-
Entertainment District Wayfinding Project - District Icon	560,000	-	-	-	-
Interior Signage Software Upgrade	-	60,000	-	-	-
Daktronics Video Board (Full Replacement)	-	150,000	-	-	-
Signage - Building Exterior	-	25,000	-	-	-
Meeting Rooms and Hallway Improvements	-	320,000	-	-	-
Chair Replacement (Grand Hall, Mtg. Rooms, Exhibit Hall)	-	1,110,000	-	-	-
Concession Stand Design Consultant	-	15,000	-	-	-
Sign Printer - Replacement	-	3,000	-	-	-
High Extension Forklift - Replacement	-	35,000	-	-	-
Chiller - Replacement	-	-	750,000	-	-
Design Consultant - New South Entrance and Lobby	-	-	100,000	-	-
New Furniture/Cubicles in Admin Front Office	-	-	30,000	-	-
Elevator Replacement	-	-	100,000	-	-
Overhead Door Replacement - Exhibit Hall	-	-	50,000	-	-
Catering Bars	-	-	12,000	-	-
Concession Stand Remodel	-	-	500,000	-	-
Commercial Dishwasher	-	-	170,000	-	-
Roof - Grand Hall Replacement	-	-	-	500,000	-
Construction of New South Entrance - Year 1 Debt Service	-	-	-	-	462,066

Total - New Programs \$ 1,379,500 \$ 1,718,000 \$ 1,712,000 \$ 500,000 \$ 462,066

ENDING BALANCE with Current Services + New Programs \$ 102,896 \$ 115,620 \$ 673,421 \$ 2,274,789 \$ 3,850,020

Comprehensive Financial Forecast

FY 2016 - FY 2020



Park Performance Fund

Comprehensive Financial Forecast Park Performance Fund, FY 2016 - FY 2020

	FY 2015 Budget	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
BEGINNING BALANCE	\$ 392,039	\$ 374,377	\$ 374,377	\$ 374,377	\$ 374,377	\$ 374,377
PARK PERF. FUND REVENUES - Most Likely	\$ 10,206,126	\$ 9,987,824	\$ 10,126,536	\$ 10,084,395	\$ 10,218,870	\$ 10,264,421
INTERFUND TRANSFERS:						
To Debt Service Fund	\$ (776,735)	\$ (777,633)	\$ (701,560)	\$ (273,000)	\$ -	\$ -
Transfer from General Fund	1,464,456	1,464,456	1,464,456	1,464,456	1,464,456	1,464,456
From Golf Surcharge Fund	533,775	533,775	533,775	533,775	533,775	533,775
TOTAL INTERFUND TRANSFERS	\$ 1,221,496	\$ 1,220,598	\$ 1,296,671	\$ 1,725,231	\$ 1,998,231	\$ 1,998,231
TOTAL AVAILABLE FUNDS	\$ 11,819,661	\$ 11,582,799	\$ 11,797,584	\$ 12,184,003	\$ 12,591,478	\$ 12,637,029
PARK PERF. FUND EXPENDITURES	\$ 11,637,731	\$ 11,441,337	\$ 11,441,337	\$ 11,441,337	\$ 11,441,337	\$ 11,441,337
ENDING BALANCE	\$ 181,930	\$ 141,462	\$ 356,247	\$ 742,666	\$ 1,150,141	\$ 1,195,692
Targeted Compensation Increases		112,016	227,392	306,617	387,427	469,853
Health insurance increases		26,823	29,773	32,750	35,698	38,911
ENDING BALANCE		\$ 2,623	\$ 99,082	\$ 403,299	\$ 727,016	\$ 686,928
Current Services						
Reclassification of Landscape Technicians		50,365	50,365	50,365	50,365	50,365
Total - Current Services		\$ 50,365	\$ 50,365	\$ 50,365	\$ 50,365	\$ 50,365
ENDING BALANCE with Current Services		\$ (47,742)	\$ 48,717	\$ 352,934	\$ 676,651	\$ 636,563
New Programs						
Ditto Course Renovation		-	669,762	1,181,938	457,840	470,230
Revenue loss (gain) from Ditto Course Renovation		-	1,186,574	(2,321,799)	(2,928,172)	(3,490,994)
Leisure Services Software - Replacing CLASS		122,000	136,000	138,720	141,494	144,324
Facility Security		67,000	9,030	9,030	9,030	9,030
Armored Car Service (for cash transport)		26,000	26,000	26,000	26,000	26,000
Facility Maintenance and Improvement		314,000	315,600	595,000	317,500	169,000
Total - New Programs		\$ 529,000	\$ 2,342,966	\$ (371,111)	\$ (1,976,308)	\$ (2,672,410)
ENDING BALANCE with Current Services + New Programs		\$ (576,742)	\$ (2,294,249)	\$ 724,045	\$ 2,652,959	\$ 3,308,973

Comprehensive Financial Forecast

FY 2016 - FY 2020



Street Maintenance Fund

Comprehensive Financial Forecast Street Maintenance Fund, FY 2016 - FY 2020

	FY 2015 Budget	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
BEGINNING BALANCE	\$ 542,551	\$ 1,539,675	\$ 1,539,675	\$ 1,539,675	\$ 1,539,675	\$ 1,539,675
STREET MAINT. FUND REVENUES - Most Likely	\$ 13,628,826	\$ 13,942,544	\$ 14,270,601	\$ 14,564,258	\$ 14,849,834	\$ 15,131,581
INTERFUND TRANSFERS:						
From General Fund	\$ 2,166,527	\$ 2,166,527	\$ 2,166,527	\$ 2,166,527	\$ 2,166,527	\$ 2,166,527
From Gas Funds	-	-	-	-	-	-
From General Fund for Traffic	<u>4,987,628</u>	<u>4,987,628</u>	<u>4,987,628</u>	<u>4,987,628</u>	<u>4,987,628</u>	<u>4,987,628</u>
TOTAL INTERFUND TRANSFERS	\$ 7,154,155	\$ 7,154,155	\$ 7,154,155	\$ 7,154,155	\$ 7,154,155	\$ 7,154,155
TOTAL AVAILABLE FUNDS	\$ 21,325,532	\$ 22,636,374	\$ 22,964,431	\$ 23,258,088	\$ 23,543,664	\$ 23,825,411
STREET MAINT. FUND EXPENDITURES	<u>\$ 20,674,766</u>					
ENDING BALANCE	\$ 650,766	\$ 1,961,608	\$ 2,289,665	\$ 2,583,322	\$ 2,868,898	\$ 3,150,645
Targeted Compensation Increases		131,782	267,518	360,723	455,792	552,763
Health insurance increases		<u>78,566</u>	<u>87,209</u>	<u>95,930</u>	<u>104,563</u>	<u>113,974</u>
ENDING BALANCE		\$ 1,751,260	\$ 1,934,938	\$ 2,126,669	\$ 2,308,543	\$ 2,483,908

Comprehensive Financial Forecast

FY 2016 - FY 2020



Storm Water Utility Fund

Comprehensive Financial Forecast Storm Water Utility Fund, FY 2016 - FY 2020

	FY 2015 Budget	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
BEGINNING BALANCE	\$ 384,719	\$ 359,926	\$ 359,926	\$ 359,926	\$ 359,926	\$ 359,926
STORM WATER FUND REVENUES - Most Likely	\$ 10,916,700	\$ 13,016,039	\$ 14,248,910	\$ 15,485,362	\$ 16,721,349	\$ 17,956,207
INTERFUND TRANSFERS:						
To General Fund - Indirect Costs	\$ (365,866)	\$ (369,525)	\$ (369,525)	\$ (369,525)	\$ (369,525)	\$ (369,525)
To General Fund for capital reimbursement	(463,055)	(463,055)	(463,055)	(463,055)	-	-
To General Fund for engineering reviews	(88,699)	-	-	-	-	-
To Innovation/Venture Capital Fund	(400,000)	-	-	-	-	-
Pay-Go Capital Projects	(3,250,000)	(5,675,000)	(6,860,000)	(8,055,000)	(9,710,000)	(10,900,000)
To Water and Sewer Fund	<u>(170,122)</u>	<u>(170,122)</u>	<u>(170,122)</u>	<u>(170,122)</u>	<u>(170,122)</u>	<u>(170,122)</u>
TOTAL INTERFUND TRANSFERS	\$ (4,737,742)	\$ (6,677,702)	\$ (7,862,702)	\$ (9,057,702)	\$ (10,249,647)	\$ (11,439,647)
TOTAL AVAILABLE FUNDS	\$ 6,563,677	\$ 6,698,263	\$ 6,746,135	\$ 6,787,586	\$ 6,831,628	\$ 6,876,487
STORM WATER FUND EXPENDITURES	<u>\$ 6,275,383</u>					
ENDING BALANCE	\$ 288,294	\$ 422,880	\$ 470,752	\$ 512,203	\$ 556,245	\$ 601,104
Targeted Compensation Increases		51,322	104,184	140,482	177,506	215,271
Health insurance increases		<u>22,810</u>	<u>25,319</u>	<u>27,851</u>	<u>30,357</u>	<u>33,089</u>
ENDING BALANCE		\$ 348,749	\$ 341,249	\$ 343,871	\$ 348,382	\$ 352,743

Comprehensive Financial Forecast

FY 2016 - FY 2020

The Debt Service Fund is used to account for the accumulation of resources for the payment of principal and interest on the City's general long-term debt not being financed by proprietary funds. The fund's primary source of revenue is ad valorem taxes. The operating position shown below assumes the most likely case for all revenue assumptions.



Debt Service Fund

Comprehensive Financial Forecast Debt Service Fund, FY 2016 - FY 2020

	FY 2015 Budget	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
BEGINNING BALANCE	\$ 2,483,527	\$ 2,483,527	\$ 3,892,782	\$ 3,897,689	\$ 4,207,743	\$ 3,816,956
Ad Valorem Taxes	\$ 39,957,619	\$ 41,555,923	\$ 42,802,601	\$ 44,300,692	\$ 46,382,825	\$ 48,052,606
Premium on bond issuance	120,000	120,000	120,000	120,000	120,000	120,000
Interest	<u>75,000</u>	<u>75,255</u>	<u>75,556</u>	<u>76,123</u>	<u>76,884</u>	<u>77,845</u>
DEBT SERVICE FUND REVENUES - Most Likely	\$ 40,152,619	\$ 41,751,178	\$ 42,998,157	\$ 44,496,815	\$ 46,579,709	\$ 48,250,451
INTERFUND TRANSFERS:						
Park Performance Fund	\$ 776,735	\$ 777,633	\$ 701,560	\$ 273,000	\$ -	\$ -
Convention and Event Svcs. Fund	1,364,149	1,287,589	1,219,851	1,156,399	1,145,803	-
Tax Increment Reinvestment Zone 5	921,940	1,083,781	1,314,014	1,639,517	2,125,790	2,628,952
Tax Increment Reinvestment Zone 4	1,899,036	1,803,764	1,756,877	887,939	861,552	835,164
Airport	175,000	175,000	175,000	175,000	175,000	175,000
Water and Sewer Fund - City Tower Debt	<u>65,544</u>	<u>63,229</u>	<u>60,889</u>	<u>58,500</u>	<u>56,063</u>	<u>53,625</u>
TOTAL INTERFUND TRANSFERS	\$ 5,202,404	\$ 5,190,997	\$ 5,228,190	\$ 4,190,355	\$ 4,364,208	\$ 3,692,741
TOTAL AVAILABLE FUNDS	\$ 47,838,550	\$ 49,425,702	\$ 52,119,129	\$ 52,584,859	\$ 55,151,660	\$ 55,760,148
EXPENDITURES:						
Principal and Interest	\$ 45,204,873	\$ 45,382,770	\$ 48,071,290	\$ 48,226,966	\$ 51,184,554	\$ 52,747,760
Issuance Fees	120,000	120,000	120,000	120,000	120,000	120,000
Agent Fees	<u>30,150</u>	<u>30,150</u>	<u>30,150</u>	<u>30,150</u>	<u>30,150</u>	<u>30,150</u>
TOTAL EXPENDITURES	\$ 45,355,023	\$ 45,532,920	\$ 48,221,440	\$ 48,377,116	\$ 51,334,704	\$ 52,897,910
ENDING BALANCE	\$ 2,483,527	\$ 3,892,782	\$ 3,897,689	\$ 4,207,743	\$ 3,816,956	\$ 2,862,238
Growth in revenues		\$ 1,598,560	\$ 1,246,979	\$ 1,498,658	\$ 2,082,894	\$ 1,670,743
Change in Interfund Transfers		(11,407)	37,194	(1,037,835)	173,852	(671,466)
Debt retirement		<u>177,897</u>	<u>2,688,520</u>	<u>155,676</u>	<u>2,957,588</u>	<u>1,563,206</u>
Available for debt service		\$ 1,765,049	\$ 3,972,692	\$ 616,498	\$ 5,214,334	\$ 2,562,482
Ending balanced used	\$ (0)	\$ 1,409,255	\$ 4,908	\$ 310,054	\$ (390,788)	\$ (954,717)
Debt Issued	\$ 33,166,000	\$ 65,000,000	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 46,000,000

Comprehensive Financial Forecast

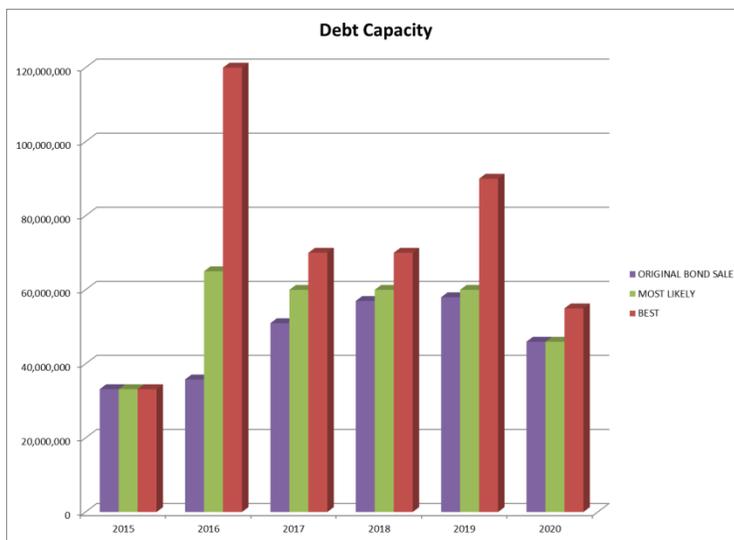
FY 2016 - FY 2020

Future Capital Considerations

The City of Arlington successfully passed a bond project package on the ballot in November 2014. The 5-year bond program is approximately \$236M. Major requests approved on the ballot list include \$160M for streets and \$60M for parks which includes both a new southeast recreation center and rebuild of Hugh Smith rec center.

As a result of an improving economy, greater than anticipated increases in property values have increased debt capacity since the initial projections for the bond election and future years show potential for additional projects. Capital projects that were not on the bond election include: a redesign to Ditto Golf Course, a multi-generational recreation center, and a senior rec center. Any of these projects may affect the debt capacity of the City.

	Proposition 1 Street Improvements \$160,130,000
	Proposition 2 Parks & Recreation \$60,000,000
	Proposition 3 Fire Facilities \$9,780,000
	Proposition 4 Libraries \$6,090,000



Additionally, the City of Arlington can raise its sales tax rate by as much as a quarter-cent to support specific programs. The existing sales tax rate is set at 8 cents while the State of Texas allows municipalities to set rates as high as 8.25 cents. There are two types of sales tax programs available to the City to fund capital projects. A type 4B sales tax may be added to the City's current sales tax rate in increments of either .125 or .25 cents to finance land, buildings, equipment, targeted infrastructure and improvements for a variety of capital projects. The City may also use a sports & community venue sales tax in increments of .125 or .25 cents to finance the construction of specific sports venues or parks and recreation capital projects. Using either one of these sales tax options would provide the City with \$7M to \$14M annually for capital projects depending on the option selected and the growth rate of current sales tax revenue.

Comprehensive Financial Forecast

FY 2016 - FY 2020

Assets

The City has assets currently valued at \$2.8B and some of these components will be addressed outside of the capital bond program. The citywide fleet inventory is currently operated with 22% of the vehicles beyond what is considered to be standard life cycle. The current fleet maintenance contract only covers vehicle repairs that are within life cycle. Repairs to vehicles beyond their life expectancy are outside of contract pricing and more expensive to repair. Funding is necessary to address the beyond life status for all fleet vehicles and prevent non-target repair expenditures. The requested additional funding of \$1.5M per year for five consecutive years would eliminate the increased costs associated with beyond life non-target maintenance.

Additionally, city-owned buildings require maintenance and many building systems and components have either reached or exceeded their service lives. The replacement of roofing systems is needed to protect interior furnishings from water and mold damage and prevent replacement expense for those furnishings. The replacement or enhancement of building interior elements, such as worn carpeting and wall surfaces, will provide a more suitable atmosphere for public users and visitors. Funding will be needed to address the backlog of component replacements; Public Works estimates that \$2.5M annually over the five year forecast period will bring city-owned buildings to current life cycle status.

Reserves and Available Funding

In accordance with the City's Financial Principles, several cash reserves are maintained in order to mitigate the impact of a significant economic downturn on our ability to maintain service levels to our citizens. These reserves are an important consideration by bond rating agencies in determining the City's overall credit-worthiness. The reserves include:

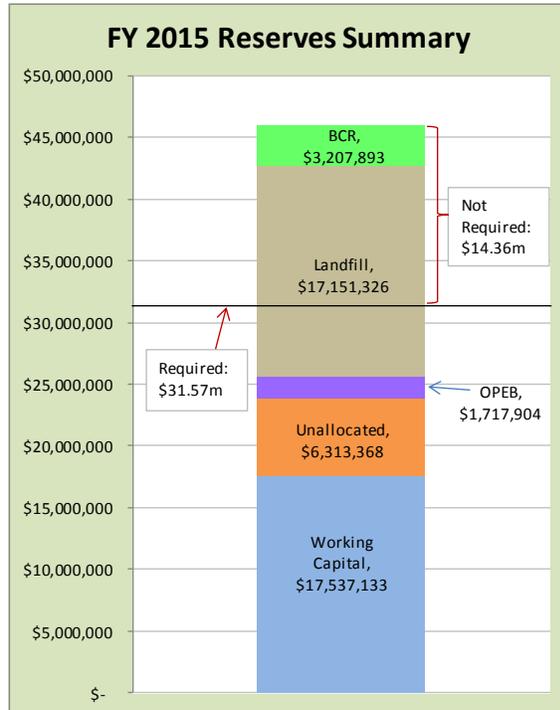
- Unallocated Reserve: \$6,313,368 in FY 2015. This reserve is maintained at 3% of recurring General Fund expenditures (net of one-time costs).
- Working Capital Reserve: \$17,537,133 in FY 2015. This reserve is maintained at one month's worth (8.33%) of recurring General Fund expenditures.
- Business Continuity Reserve: Budgeted to be \$4,062,075 at the outset of FY 2015. However, a total of \$854,182 is planned to be used during FY 2015 for two purposes: to provide increased support of \$354,182 for Special Transit (Handitran), and \$500,000 to offset the loss of revenues from the City's red light camera program. This reserve was established during the financial challenges experienced by the City during the economic downturn of 2008-2010, and was initially created to support the Challenge Grant Program. It does not have a specified minimum funding level; however, the preferred level is 3% of General Fund expenditures, similar to the Unallocated Reserve. Use of the reserve is restricted to one-time expenditures or to cover costs necessitated by unforeseen circumstances.

Comprehensive Financial Forecast

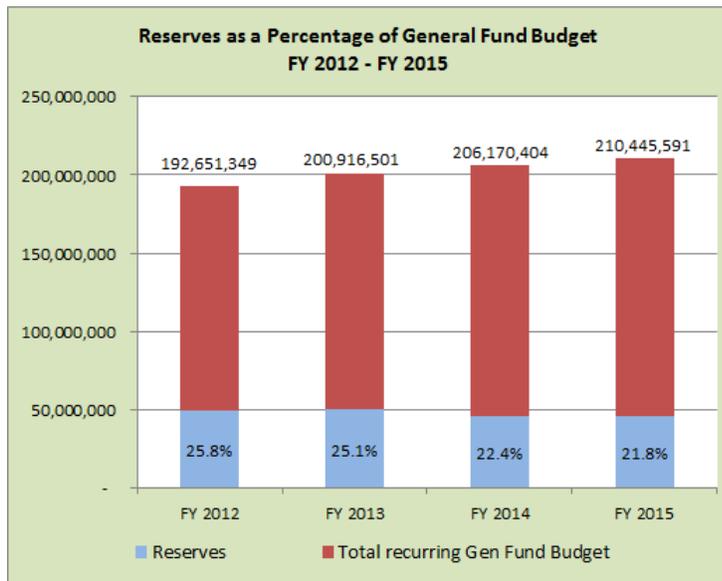
FY 2016 - FY 2020

- Landfill Lease Reserve: \$17,151,326 in FY 2015. This payment was received from Republic Waste Services when the City leased the Landfill in 2005. A total of \$4.34 million was spent from this reserve in FY 2013 to purchase recycling bins.
- Other Post-Employment Benefits Reserve: \$1,717,904 in FY 2015. This reserve was established in 2004 to set aside resources for funding post-employment benefits other than pensions.

In the aggregate, the reserves described above total \$45,927,624 at the end of FY 2015. This amount is 21.8 percent of recurring General Fund expenditures budgeted for the year. Our Financial Principles stipulate that the City maintain reserves equal to 15 percent of General Fund expenditures. The amount necessary for this reserve level would be \$31,566,839. Therefore, the reserves outlined above currently have a total of \$14,360,785 in excess of the required amount, which would be available to support one-time expenditures should the City Council wish to do so.



It is important to note that the City continues to fund the Working Capital Reserve (one month, or 8.33%, of annual General Fund expenditures) and the Unallocated Reserve (3% of annual General Fund expenditures) at their respective specified levels each year. In the aggregate, these two reserves total 11.33% of General Fund recurring expenditures. However, in recent years we have not addressed the additional reserves needed as part of the annual budget



development process; funding for these two reserves has historically been available from year-end balances from the prior fiscal year. As we continue to tighten our revenue and expenditure budgets, this process will gradually reduce the likelihood that sufficient year-end balances will be available to fully fund our reserve requirements at the 15% level specified in the City's Financial Principles. The effects of this approach are illustrated in accompanying chart.

Comprehensive Financial Forecast

FY 2016 - FY 2020

In addition to the outlined above reserves, the City also has funding available in the natural gas funds. In mid-March 2015, there is \$3.52M available in the General Gas Fund, \$878,343 available in the Parks Gas Fund, which may be spent only to support costs associated with park improvements, and \$822,360 available in the Airport Gas Fund, which may be spent only on improvements at the City's airport.

The projected availability of natural gas revenues below are based on the fact that the Arlington Tomorrow Foundation achieved the desired corpus level of \$100M at the end of calendar year 2014.

