

To the Mayor and Members of the City Council

June 2, 2015

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SUBJECT: 15 YEAR BUDGET HISTORY – MUNICIPAL AIRPORTS FUND

In an effort to provide a framework for current and future budget requests, staff will be providing 15 years of historical data by department over the next several months. Data will include Fiscal Year 2000 through Fiscal Year 2015.

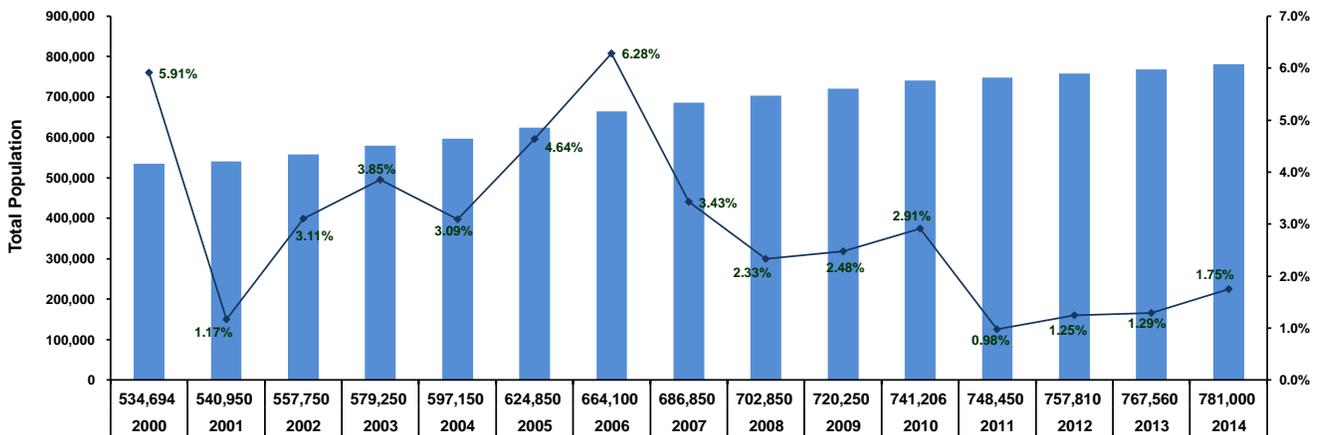
In graph format, the data will include the following components:

1. Population
2. Staffing Levels with Population
3. Square Miles of the City of Fort Worth
4. Adopted Budget with Square Mileage

Population

From 2000 to 2015, the population in Fort Worth has grown by 246,306 new citizens, or about 46 percent. This trend is expected to continue as Fort Worth continues to be singled out as one of the fastest growing cities both in Texas and in America.

Fort Worth Population Growth



Source: North Central Texas Council of Government (NCTCOG)

■ Population ◆ % Change

Square Miles

By comparison, the square mileage in the City has grown from 308 to 353 square miles, or 15 percent. The 25-mile increase from 2002 to 2003 included the annexation of 7,744 acres, known as 287 Zone LPA (M&C PZ-2438).

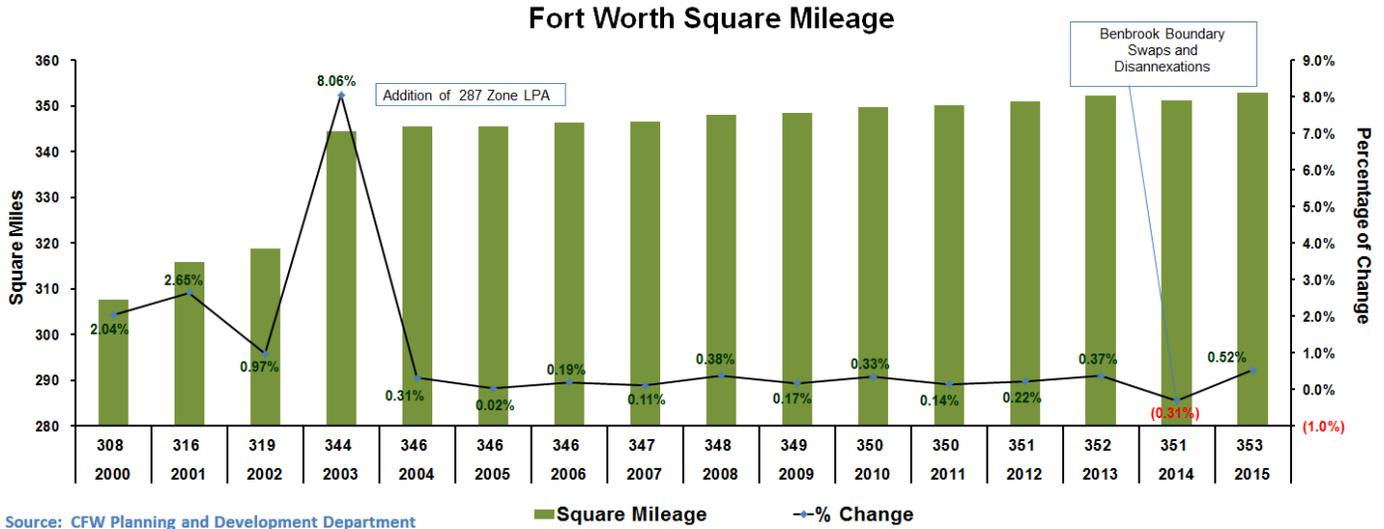
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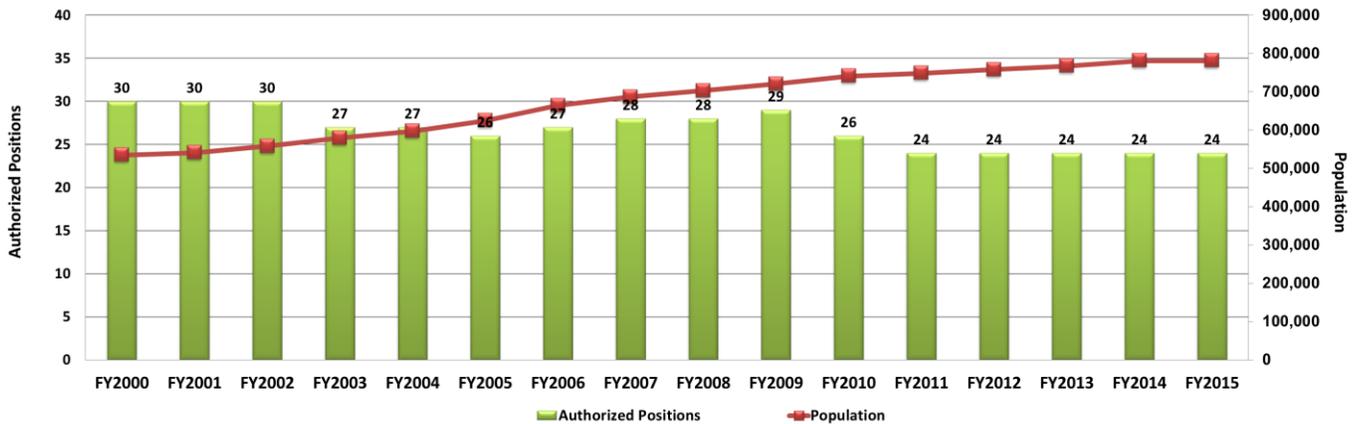


Impact of Growth in Population and Square Mileage Relative to Budget

The following chart shows the changes in the authorized positions for the Municipal Airports Fund relative to the population of the City. Authorized positions have decreased 20 percent from 30 positions in FY2000 to 24 positions in FY2015.

Municipal Airports Fund Authorized Positions

Aviation Department Authorized Strength



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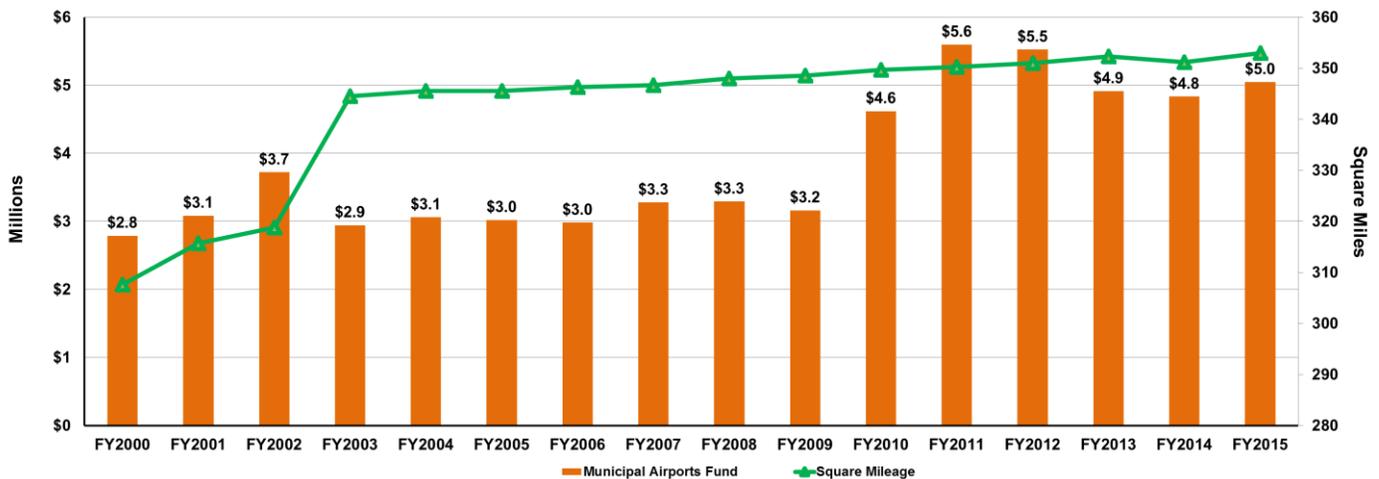


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The following chart shows the changes in the annual adopted budget for the Municipal Airports Fund relative to the geographical size of the City. The Municipal Airports Fund adopted budget has increased 81 percent, growing from \$2,790,515 in FY2000 to \$5,047,184 in FY2015.

Municipal Airports Fund Adopted Budget

Aviation Department Adopted Budget



The 81 percent adopted budget increase from FY2000 to FY2015 includes the following authorized position and budgetary changes:

- **FY2001:** The adopted budget increased by \$294,457. The budgetary changes included significant increases for paving materials based on projected needs and FY2000 actual expenses as well as IT Solutions allocation charges. The adopted budget included reductions in terminal leave and advertising based on historical trends.
- **FY2002:** The adopted budget increased by \$635,994. Significant changes that increased the budget included salary reimbursements for General Fund employees that provided maintenance due to extensive facilities repair needs, scheduled temporary costs resulting from the erection of the air-traffic control tower at Spinks Airport, and fuel purchases based on projected use and rising prices. The adopted budget included cost reductions for construction and maintenance costs.
- **FY2003:** The adopted budget saw a net decrease of (\$775,982). The significant decreases in expenses were associated with the privatization of the Fixed Base Operator (FBO) functions at Fort Worth Spinks Airport, which also reduced revenues, elimination of three authorized positions, workers' compensation expenses due to the planned use of the excess net position of Workers' Compensation Fund, and electric utility costs due to implementation of an energy

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savings plan. The adopted budget had an increase in commercial insurance based on historical claims.

- FY2005: The adopted budget slightly decreased by (\$38,603). Significant changes included lower costs for salaries based on the elimination of one authorized positions associated with the fixed base operations at Spinks airport and salary savings based on FY2005 vacancies. The adopted budget included an increase for fuel purchases based on anticipated consumption and projected fuel prices.
- FY2006: The adopted budget decreased by (\$40,078). Significant decreases included the privatization of the Spinks Fixed Base Operation (FBO), which was reinstated in FY2004, eliminating vehicle purchases, reduced payments on interest for Certificates of Obligation associated with taxiway improvements and the control tower at Alliance airport. The adopted budget included increases in salaries based on the addition of one authorized position and fuel purchases based on anticipated consumption and projected increasing prices.
- FY2007: The adopted budget increased by \$296,851. Significant increases included employee salaries due to the FY2007 compensation plan, the addition of an Assistant Director position, and group health insurance based plan selections. The adopted budget also included cost reductions for IT leased equipment and retiree insurance contributions based on the required allocation.
- FY2009: The adopted budget decreased by (\$129,002). Significant decreases included the reductions of one authorized position at Meacham International Airport, scheduled temporaries for mowing services, and paving materials offset by the use of TxDOT grants. The adopted budget included increases for the addition of two authorized positions, a contract with Robinson Aviation (RVA) to manage the control tower at Spinks airport, and the final implementation of the FY2009 compensation plan.
- FY2010: The adopted budget increased significantly by \$1,457,043. Significant increases included the addition of one authorized Operations Supervisor position at Meacham airport, the inclusion of revenue and expenses related to the management agreement at Alliance airport, a 2% increase in the contribution to the employee retirement fund, and group health based on plan migration and turnover. The adopted budget included reductions in four authorized positions at Spinks and Meacham airports and the transfer of debt payments to Aviation's gas well funds.
- FY2011: The adopted budget saw an increase of \$978,837. Significant increases included the cost allocation for Enterprise Resource Planning (ERP) Phase II, leased land for the new Heliport from Chesapeake, motor vehicles replacements, the elimination of eight mandatory furlough days, group health based on plan migration, and a 15% increase in the City's contribution to group health. The adopted budget also included reductions of a Field Operations Specialist and an Administrative Assistant position, contractual expenses at Alliance airport,

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retiree health contributions that were funded by FY2010 General Fund savings, and insurance claim payments based on historical data.

- FY2013: The adopted budget decreased by (\$610,699). Significant decreases included the reductions for a one-time payment to ERP Phase II, reimbursements for employees assigned from other departments for maintenance projects performed on airport properties, and group health based on plan migration. The adopted budget included increases for management services for Alliance airport and the control tower, facility maintenance at Meacham and Spinks airports, Alliance control tower repairs per an agreement with the FAA, and marketing assistance for Meacham and Spinks airports.
- FY2015: The adopted budget increased by \$213,631. Significant increases included costs associated with an advertising and marketing campaign for the Spinks airport, replacement of aging construction and maintenance equipment, and personnel costs associated with group health care and the implementation of a 4% across-the-board salary increase for general employees, plus an additional 1% payroll increase to address specific classifications with recruitment and retention challenges. The adopted budget included decreased costs associated with elimination of the budget transfer to the General Fund for three fire fighters serving Station 44 per the Federal Aviation Administration (FAA) expense regulations and facility repairs for Meacham administration building due to the construction of a new replacement terminal.

Over the last fifteen years, the department has experienced significant budgetary increases due to facility and operational improvements. During this time, the department has maintained self-sufficiency without the reliance on revenues from the General Fund. Revenues mainly generated from fuel consumption, land and hangar leases, and landing fees support the operating expenses. As the economy grows and the City leverages its strategic geographic location, there will be increased costs associated with improving and maintaining aviation infrastructure, which should ultimately lead to increased revenues. Therefore, the FY2016 budget request continues the upward cost trend to address operational improvements and the increasing facility and infrastructure needs.

Hopefully you find this information helpful. If you have any questions, please call Municipal Airports Director William Welstead at 817-392-5402 or Aaron Bovos, Financial Management Services Director, at 817-392-8517.

David Cooke
City Manager