



CITY COUNCIL AGENDA

COUNCIL ACTION: Approved on 3/28/2017 - Ordinance No. 22642-03-2017, 22643-03-2017 & 22644-03-2017

DATE: 3/28/2017 **REFERENCE NO.:** G-18978 **LOG NAME:** 80BG STRATEGIC PLAN FISCAL IMPLEMENTATION
CODE: G **TYPE:** NON-CONSENT **PUBLIC HEARING:** NO
SUBJECT: Establish the Botanic Garden Special Revenue Fund by Committing All Revenues Generated from the Fort Worth Botanic Garden and Received into the Fund to be Used Solely to Offset Botanic Garden Related Expenditures, Authorize Transfers from the Special Purpose Fund and the General Fund to the Botanic Garden Special Revenue Fund with No Increase to Total Budgeted Appropriation, and Adopt Appropriation Ordinances (COUNCIL DISTRICT 7)

RECOMMENDATION:

It is recommended that the City Council:

1. Establish the Botanic Garden Special Revenue Fund as a special revenue fund effective October 1, 2016, by committing all revenues generated from the Fort Worth Botanic Garden and received into the Fund to be used solely to offset Botanic Garden related expenditures;
2. Adopt the attached ordinance decreasing appropriations in the Park and Recreation Department budget of the General Fund by \$2,864,533.00 and increasing appropriations in Operating Transfer Out by the same amount, for the purpose of making a transfer to the Botanic Garden Special Revenue Fund;
3. Authorize a transfer from the General Fund to the Botanic Garden Special Revenue Fund in the amount of \$2,864,533.00;
4. Adopt the attached ordinance decreasing appropriations in the Park and Recreation Project of the Special Purpose Fund by \$1,620,756.00, and increasing appropriations in Operating Transfer Out by up to \$1,620,756.00, subject to receipt of revenues, for the purpose of making a transfer to the Botanic Garden Special Revenue Fund;
5. Authorize a transfer from the Special Purpose Fund to the Botanic Garden Special Revenue Fund in the amount of \$1,620,756.00; and
6. Adopt the attached ordinance, increasing receipts and appropriations in the Botanic Garden Special Revenue Fund by \$5,150,066.00, which includes additional anticipated current-year Botanic Garden revenue.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take actions associated with establishing a Special Revenue Fund for the Botanic Garden effective October 1, 2016, including committing all revenues generated at the facility and received into the Fund to offset Botanic Garden expenditures and restructuring existing Botanic Garden budgets and appropriations so that the facility's dollars all flow through the new Botanic Garden Special Revenue Fund (BG Fund). This action relates to the Phase One implementation of the Fort Worth Botanic Garden Strategic Plan.

On November 15, 2016, the City Council authorized the acceptance of the Fort Worth Botanic Garden Strategic Plan from EMD Consulting Group, LLC, and referred it to the City Manager and Staff for further review and evaluation to develop strategies and polices for the implementation of the strategic plan (M&C G-18885).

Staff has met with the Strategic Plan Transitional Committee comprised of representatives from the two main support groups, the Fort Worth Botanical Society (FWBS) and the Fort Worth Garden Club (FWGC) and other appointees to develop strategies related to earned revenues, Staff and operational expenses. This is the first of three M&Cs related to implementation of Phase One.

Listed below are key components of the recommended changes. It is anticipated that these changes will take effect in April, 2017 upon execution of the associated contracts with FWGC and FWBS.

1. Creation of the Botanic Garden Special Revenue Fund. The creation of a new BG Fund was recommended to facilitate a transparent accounting and tracking of funds associated with the facility. Revenue currently generated at the Fort Worth Botanic Garden (FWBG) through its two main support organizations, the FWBS and the Garden Club Committee of the FWGS will now be receipted into this fund.

Under Governmental Account Standards Board (GASB) standards, special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes (other than debt service or capital projects). The concept involves two core elements: (1) a specific purpose and (2) one or more revenue sources that are restricted or committed to that purpose and comprise a substantial portion of the funding for that purpose. For a revenue source to be considered committed under GASB standards, the government's highest level of decision-making authority must take formal action directing that revenue source be used only for specific, identified purposes.

In the case of the BG Fund, the purpose is to support the on-going operation of the City's Botanic Garden, which includes general operations, programming and staffing, facilities maintenance, equipment purchase and maintenance, land maintenance and capital improvements. The revenues are generated from Botanic Garden activities including rentals, retail sales, and Japanese Garden and conservatory admission.

In addition to the earned revenues currently generated through the support groups, the General Fund dollars allocated to the Fort Worth Botanic Garden (10100 0807080) will be moved into the BG Fund. Reimbursement revenues received from the Botanical Research Institute of Texas, Inc. and the Fuller Foundation for maintenance of their areas at the FWBG will also be reassigned from the Special Purpose Fund to the BG Fund.

Approval of this M&C will serve as formal action by the City Council as the City's highest level of decision-making authority to commit all revenues generated from Botanic Garden activities and receipted into this Fund.

If this action is approved, the committed revenues cannot be used for any other purpose unless the City Council removes or changes the specified use.

Although current-year budget and appropriations will be moved out of their current locations in the General Fund and Special Purpose Fund, some residual transactions from prior years' appropriations may be booked in the Special Revenue Fund in the current year. Park staff will work with staff in Budget and Financial Management Services to ensure all such transactions are cleaned up in connection with closing out the fiscal year and issuance of the FY2017 CAFR.

2. Personnel expenses. Expenses for the nine (9) existing City employees currently paid by the FWGC and the five (5) City employees currently paid by the FWBS would be allocated to and expensed from the BG Fund. The \$100,000.00 contributed annually by the FWBS for education Staff and supplies would also be charged against this fund. This amount includes the partial funding of three (3) City employees.

3. Hiring of FWBS employees. The FWBS employs staff to manage its organization and under contractual Agreement manage the ticket office and Treasure Tree gift shop at the Japanese Garden. There are 10 positions, eight filled, two vacant. The City will create 10 authorized positions and hire incumbents as City employees. The Human Resources Department has approved this plan. There would be no interruption in service at the FWBG.

4. Hiring of 3.5 new authorized positions. The earned revenues received through the support groups currently exceed the expenses related to personnel expenditures. As recommended in the EMD Consulting Group strategic plan assessment in order to improve the maintenance of the facility, the guest experience and the opportunities for increased facility usage and associated revenue, the City will use these funds to create 3.5 authorized positions including one (1) electrician, and 2.5 positions related to customer service and custodial support.

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Both the 10 FWBS positions and the new position will be created as overages in the City system in the current year and included as additions in the Fiscal Year 2018 City Manager's recommended Budget.

The Fort Worth Botanic Garden is located in COUNCIL DISTRICT 7 and is considered a City-wide Special Use Facility. This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION/CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinances, available funds within the Special Purpose Fund and the General Fund will be transferred to the Botanic Garden Special Revenue Fund, and that funds will be available in the current operating budget, as appropriated, of the Botanic Garden Special Revenue Fund. Upon approval of this M& C, the Botanic Garden Special Revenue Fund will meet GASB' s criteria that will allow it to be reported as a special revenue fund and that the Park and Recreation Department is responsible for the collection and deposit of these revenues.

TO

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
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FROM

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
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Submitted for City Manager's Office by: Susan Alanis (8180)

Originating Department Head: Richard Zavala (5704)

Additional Information Contact: Sandra Youngblood (5755)

ATTACHMENTS

[BGSRF AO 1 - General Fund.docx](#)

[BGSRF AO 2 - Special Purpose.docx](#)

[BGSRF AO 3 - Botanic Garden Sp Rev Fund FINAL.docx](#)