

Introduction

September 30, 2011

The Honorable Mayor and
Members of the City Council
City of Hurst, Texas

The Staff is pleased to present the City of Hurst, Texas, Annual Operating Budget for Fiscal Year 2011-2012. This budget reflects the positive financial condition of the City, and the ongoing mission of the Hurst City Council to:

provide cost-effective programs and responsive services to enhance the quality of life in Hurst.

The City accomplishes this mission through the utilization of sound fiscal policy directives, a conservative approach in revenue and expenditure forecasting and a continued effort to develop and enhance revenue sources. For fiscal year 2011-2012, the City's budget maintains the level of services and programs with an unchanged tax rate of \$0.578 per \$100 valuation, which remains below the City's effective tax rate. The effective tax rate is the rate that the City would need to adopt to generate the same amount of revenue it received in the previous year. Several factors continue to insure the strength of the City's budget and services:

- The Strategic Planning Process for realization of long-term as well as short-term goals
- The Fiscal Management Contingency Plan monitoring economic conditions to make sure risk areas are identified and addressed before they become major issues
- Adoption of a half-cent sales tax for crime control and prevention purposes and adoption of an additional half-cent sales tax for Community Services' projects
- Net growth in residential and commercial property valuations over the past decade
- Conservative sales tax revenue budgeting practices in a recessionary environment
- Past and present redevelopment efforts due to the City being "built-out"

The unsettled economy, the war on terrorism, natural disasters and dynamic energy costs has been the primary influences on the operating budget for the past decade. After the economic downturn starting in March 2001, and the September 11 catastrophe that same year, level one of the City's four-level Fiscal Management Plan was implemented to guard against financial instability. The plan has four levels that progressively emphasizes budgetary discretion in staffing, compensation, capital outlay and overall service levels. The retail expansion and redevelopment in the City's North East Mall area has assured the City's financial stability during this time because of sustained sales tax receipts and new property tax revenues. There were no reductions in programs or services, and all budget objectives were accomplished.

In September 2005, several provisions of the Level II Fiscal Management Plan were implemented due to escalating fuel prices and the dramatic economic impact of hurricanes that hit the Gulf Coast. Capital projects and purchases were delayed and spending for most City programs was reduced. For budget year 2006-2007, the economy experienced a recovery with positive market indicators and rising interest rate yields. The City's Fiscal Management Plan returned to Level I and spending continued at this level until steps were taken to address the "Great Recession" that began in

December 2007. Fiscal year 2008-2009 began in a deepening recessionary environment. At mid-year, fiscal responses from Levels III and IV were necessary and implemented. Mandatory budget reductions resulted in over \$600,000 savings to the General Fund. Additional fee evaluations were performed and implemented, vacant positions were frozen indefinitely and a new storm water management fee was implemented. Operations through fiscal year 2009-2010 represented continuation of Levels III and IV of the Fiscal Management Plan. Economic conditions stabilized last year allowing the City to return to Level I of the plan. Sales tax revenue began rising after almost two years of decline and property values became less volatile. The City's proactive steps to address economic downturns allowed the General Fund to finish each of the past ten years with surplus. The 2011-2012 budget will continue to support quality services and programs that Hurst residents and businesses have come to enjoy and expect, even in the face of ongoing economic uncertainty.

BUDGET OVERVIEW

The 2011-2012 budget continues to reflect the City Council's conservative fiscal policy direction. The major objectives of the budget process are to identify cost saving measures, cut expenses whenever possible, and provide funding to implement the City Council's strategic plans.

Zero Based Budget

The City utilizes a hybrid zero-base/program/line item budget approach in which all budget requests are tied to City strategies and programs, and must be rejustified every year. The resulting outcome of this process is the implementation of a very conservative budget. Departments have again taken a zero-based approach to creating their budgets and all expenditure items had to be fully rejustified. A number of cuts were necessary in order for staff to balance the budget. Over \$2.2 million was cut from preliminary budget submittals.

Unfunded Needs

Approximately \$335,000 in budget requests were transferred to a prioritized listing of unfunded needs, which were reviewed by the City Council during the Budget Workshop in August 2011. Funding for these projects comes from the Special Projects Fund. It is the City's policy to transfer a portion of excess revenues over expenditures to the Special Projects Fund at the end of each fiscal year. Excess fund balances remaining after the 2010-2011 fiscal year will provide funding for non-recurring unfunded needs as approved by the City Council and the City Manager. It continues to be the City's policy to reserve some of this amount for infrastructure and facility improvements. An example of this funding concept is the recent expansion of the Hurst Library. Total project costs were approximately \$5 million and over half of the project was funded through reserves designated for this purpose in the Special Projects Fund. Other recent allocations of Special Projects funding include \$3 million for the Hurst Senior Center Activity Center, \$2.1 for Fire Station #2, \$1.8 million for Transforming Hurst – W. Pipeline Redevelopment, \$8.6 million for Transforming Hurst – Town Center Redevelopment, \$1.5 million for Transforming Hurst – Heritage Village Redevelopment and \$1.6 million for Cotton Belt Trail (a regional commuter and exercise trail). The Special Projects Fund continues to provide for the completion of major projects while minimizing the City's debt requirements. All of these "Pay-As-You-Go" facility projects would not be possible without the Special Projects Capital Fund.

Volunteers in Action (VIA) Savings

Another cost saving measure included in the budget is the extensive use of volunteers. It has been the objective of each City department to use volunteers to maintain or enhance their department's operations. Through the efforts of volunteers, over \$5 million has been saved since the program's implementation in 1979. The annual budget for volunteer operations is \$9,200, which is a small investment when compared to the program's benefits. To learn more about the City's VIA program please visit the following website: www.ci.hurst.tx.us/Departments/CommunityServ/Via.htm.

Alternative Funding Sources

It is also the City's policy to evaluate alternative funding sources for programs and services. Each department evaluates public service fees and charges on an annual basis, and they are adjusted when necessary. The City also applies for state and federal grant funding. Grant funds received by the City each year generally average \$225,000. Grant funding received during the 2010-2011 fiscal year, however, topped \$1 million. The substantial increase was driven primarily by three projects: City Hall Energy Efficiency Improvements, Cottonbelt Hike and Bike Trail and Safe Routes to School that provided sidewalk improvements around Bellaire Elementary School. Grant proceeds vary from year-to-year with staff seeking every opportunity for state and federal grant funding. Grants for Fiscal year 2011-2012 are expected to return to traditional levels for each department and will primarily fund infrastructure improvements and public safety operations.

Major Operating Funds

The 2011-2012 primary operational and debt service budgets listed in the table below total \$64,114,555, which represents a 3.29% increase from the previous year.

| <i>Fund</i> | <i>Approved Budget 2010-2011</i> | <i>Approved Budget 2011-2012</i> | <i>% Change</i> |
|-----------------------------|--------------------------------------|--------------------------------------|---------------------|
| General Fund | \$30,853,080 | \$31,246,025 | 1.27% |
| Debt Service Fund | 2,907,493 | 2,884,748 | -0.78% |
| CS Half Cent Sales Tax Fund | 4,002,522 | 5,021,281 | 25.45% |
| Enterprise Fund | 19,263,514 | 19,770,582 | 2.63% |
| AC Half Cent Sales Tax Fund | 5,048,667 | 5,191,919 | 2.84% |
| Total | \$62,075,276 | \$64,114,555 | 3.29% |

- The **General Fund** operations, where most city services are funded, increased from the prior year by 1.27%, or \$392,945, primarily due to planned capital expenditures, market adjustments for all employees, and new or enhanced services. A citywide salary increase will be provided to employees for the first time in three years. Signs of economic stabilization and results of a salary survey support the approved 1.75% increase. The salary adjustment will increase General Fund costs by approximately \$315,000 and Hurst employees will remain well compensated in comparison to similar cities. Similar to the salary adjustment, capital equipment costs will rise for the first time in several years as the City begins to reinstate capital replacement programs in response to improving economic conditions. Capital expenditures will increase by approximately \$240,000 next year to provide for public safety equipment replacement; new equipment for the City's tactical operations team; a new rescue tool for the Fire Department; new radios for inspectors; and replacement equipment for street maintenance. New or enhanced services for 2011-2012 will cost approximately \$150,000 and will include: expansion and relocation of the Christmas Tree Lighting Ceremony; implementation of the Hurst Citizen Academy; expanded Senior Citizen Activity Center hours/programming; Library expansion; and a VIA management software upgrade. The General Fund cost increase for 2011-2012 is largely offset by a reduction in retirement benefit costs. There is no reduction in retirement benefits offered to employees; however, a change in state law provides a reduction in plan participation costs for many Texas cities. The legislation simplified and modernized the Texas Municipal Retirement System (TMRS) by consolidating three internal funds into a single fund. For more information, please visit www.legis.state.tx.us and reference Senate Bill 350 from the 82nd Legislative Session. Additional savings continued from last year's removal or freeze of several vacant positions, which saved the General Fund approximately \$395,000. These personnel changes remain in effect and show the City's ongoing commitment to efficient operations and financial stability in the face of continued economic uncertainty.

- The **Debt Service Fund** pays, principal and interest on the City's indebtedness, and decreased by \$22,745 or 0.78% from the previous year. In June 2011, the City refinanced \$2.96 million of tax supported debt resulting in savings of \$340,000 to be accumulated over the next twenty years. Approximately \$1 million in debt service savings has been achieved through refinancing over the past eight years. Low interest rates and a viable municipal bond market facilitated the City's ability to refinance a large portion of its debt obligations. In November 2005, voters approved an \$11.7 million bond program. The City issued and spent \$8.6 million to improve streets, expand the Hurst Library, to move Fire Station #2 and to construct a new Senior Citizens Activity Center. The remaining \$3.1 million approved by voters may not be issued due to the adoption of the storm water management fee that did not exist when the bond election occurred. Water customers pay an additional fixed fee each month for future drainage and storm system improvements within the City. The fee provides an opportunity to utilize debt capacity for other needs such as the proposed Town Center Parking Garage and adjacent Justice Center. A community-based committee recently met and agreed that parking and Police facility improvements are needed. Council recently hired an architectural firm to move forward with design concepts for the Town Center Parking Garage and Justice Center. Staff is currently developing a calendar for a bond election to be held in May of 2012. If voters approve the Town Center improvements, approximately \$16.5 million will be issued and the tax rate impact will be between three and five cents. The City's objective in the past had been to issue new debt only as previous obligations are paid off in order to keep the tax rate stable, but infrastructure needs required additional bond money and the voters are being asked to consider infrastructure needs due to their impact on the tax rate.
- The **Community Services Half Cent Sales Tax Fund** increased by 25.45%, or \$1,018,759, due primarily to a \$1,235,000 increase in capital project programming. The City's Recreation Center will receive \$350,000 for renovation of offices and activity space. The budget allocates \$600,000 to aquatic center repair and maintenance. The City has two aquatic centers and each center is aging and requires annual maintenance. Studies are completed each year to identify aquatic center needs with safety being the number one priority. The \$600,000 will allow for the repairs and maintenance necessary to operate effectively and safely for the immediate future. Plans are being developed for reconstruction of Chisholm Aquatic Center in 2013-2014. The remaining project dollars are being allocated to playground replacements and other park infrastructure improvements. Increased project costs are partially offset by a reduction in debt service costs of approximately \$240,000. The savings resulted from the City's June 2011 debt refunding. This funding source was implemented when voters approved a half percent sales tax on retail sales, for community services projects. Maintenance on those projects continues to be an important factor in balancing the budget. This funding source contains no sunset provision as long as outstanding debt remains. The Community Services Half Cent Sales Tax provides significant relief to Hurst taxpayers. Since 1993, approximately \$70 million dollars has been collected. New capital projects and improvements are funded by the sales tax instead of using General Fund operations or property tax bond funding. If the special revenue sales tax were not available, the property tax rate would need to be raised 23 cents to fund the programs currently underway in the Community Services Half Cent Sales Tax Fund. The City is projected to receive about \$4.38 million dollars in gross sales tax revenues in fiscal year 2011-2012 from this source. Sales tax sharing with the developer of North East Mall in the amount of \$445,000 will need to be deducted from the overall revenue generated.
- The **Enterprise Fund** is operated as a stand alone utility business providing water and sewer services to Hurst residents. This fund's approved budget increased by 2.63% or \$507,068. Wholesale water and wastewater costs, credit card transaction fees, and depreciation expenses increased by approximately \$430,000. Safety equipment and one crew truck will be replaced at a cost of \$55,000. Personnel costs will have a net increase of \$42,000. The 1.75% market adjustment will be provided to Enterprise Fund employees, TMRS savings discussed in the General Fund section above will also impact this fund, and the Senior Support Services Clerk position will be upgraded from part-time to full-time. It is the City Council's policy to pass through all, or part, of the additional charges originating from the City's wholesale contracts with the City

of Fort Worth for water purchase and wastewater treatment. For fiscal year 2011-2012, a 3.5% increase in water and sewer rates was approved for commercial and residential consumers. The higher fees will address an 11.3% increase in wholesale water costs, lower investment earnings and revenue fluctuations recognized over the past several years. The Enterprise Fund continues to experience extremes in weather conditions. In 2006, record breaking water sales for extremely dry weather caused a rebound from reduced water sales the previous three wet years. For 2007, the Enterprise Fund suffered the opposite effect with record breaking wet weather when 50 inches of rainfall kept water revenues low. Weather over the next three years was relatively normal in comparison. However, rainy weather during peak usage months and economic symptoms resulted in revenue ending below estimates in each of the three years. Fiscal year 2010-2011 weather resulted in one of the most extreme droughts on record with lake levels falling and water restrictions being placed in effect. The Enterprise Fund bounced back with surplus earnings more than offsetting the previous year's \$1 million plus deficit. Due to sound financial planning, the fund "weathered" the variations in revenue and finished every fiscal year in stable financial condition. The adopted rate increases are expected to result in a break-even position for 2011-2012 which will help maintain the financial integrity of the Enterprise Fund.

- The **Anti Crime Half Cent Sales Tax Fund** budget increased by 2.84% or \$143,252, primarily due to the first of seven annual lease payments owed for the City's new public safety dispatch system. The new system is valued at approximately \$2.2 million and provides the City's first digital platform for police officers and firefighters. The new digital technology will allow connectivity with surrounding communities in case of a regional emergency. The new radios will also solve past issues with "dead spots" in certain buildings where radios were inoperable. The elimination of radio inoperability will provide a safer work environment for both the Police and Fire departments. On May 8, 2010, a major financial objective of continued revenue sources was realized when the Crime Control and Prevention Tax, ½% of retail sales, was renewed for an additional 20 years. Examples of programs benefiting the community due to passage of the tax are: gang intervention, crime prevention community-based policing, domestic violence, and neighborhood and business crime watch programs. Sales tax revenues are projected at \$4.6 million for 2011-2012. State law provides a larger tax base for this fund as compared to the Community Services Half Cent Sales Tax Fund. If this revenue source were not available, the property tax rate would need to be raised 22 cents to fund the 2011-2012 budgeted programs. Information on the Anti-Crime Tax Fund is located in the Other Funds section of this document.

Budgetary Objectives to Maintain and Improve City Services

As in prior years, the primary budget goal is to achieve identified objectives that maintain or improve City services. The following short-term organizational objectives were achieved during the budget process, and all contribute to the City's financial stability and ability to improve operations.

- ***Maintain city services at the current level and enhance services if justified, and if funding is available.*** Funding is provided for City services such as public safety, streets/drainage, community services and water/wastewater systems. City services expanded over the last decade largely due to two separate half cent sales tax revenue sources approved by voters and dedicated to Community Services projects and Police public safety expenditures. Another significant special revenue source, the storm water management fee, was approved by City Council and implemented just over two years ago. The Storm Water Management Fund generates approximately \$1 million per year. Approximately \$500,000 is covering drainage costs previously budgeted in the General Fund and a substantial portion of the remaining amount is being utilized for new drainage improvement projects. A relatively new teamwork initiative (Hurst Intervention Team) is underway whereby the Police, Fire and Building Inspections/Neighborhood Services departments assist one another in providing outreach to residents and neighborhood groups through various programs. This past year, the Hurst Intervention Team received an International Association of Police Chiefs' Community Policing Award. Their work in Hurst neighborhoods helps maintain property values and associated revenue.

- Provide for a competitive salary and benefit structure for City employees in order to attract, and retain qualified staff to operate the City's programs and services.** The operating budget continues to provide competitive wages and progressive benefits for all employees. Personnel salaries and benefits continue to be the major cost factor in the operating budgets with 72% of the General Fund Operating Budget being utilized for personnel costs. For 2011-2012, employees will receive a 1.75% market adjustment, but will be asked to contribute an additional \$10 per month to the City's self-insured health plan. Other similar health plan changes like increasing employees' share of prescription costs and raising plan deductibles were also adopted in each of the last three years. These changes were necessary to help address the national issue of rising health care costs. The City continuously monitors salary and benefit levels to ensure those offered to employees remain competitive.
- Provide for infrastructure maintenance and facility improvements in the operating budgets.** A total of \$1.2 million has been budgeted in the General Fund for street, facilities and equipment maintenance. An aggressive street rehabilitation and water/sewer main replacement program, utilizing pay-as-you-go funding, has been implemented to provide citizens high quality services. Also, the budget reflects increasing expenditures in facilities maintenance primarily related to improved budget estimates following several months of operations for the newly expanded Hurst Public Library. In the Enterprise Fund, approximately \$800,000 has been budgeted primarily for water and wastewater system maintenance. The Community Services Half Cent Fund has \$1.7 million budgeted for infrastructure improvements for parks and recreation purposes. The Anti-Crime Half Cent Fund has approximately \$40,000 budgeted primarily for equipment maintenance and the Storm Water Management Fund has budgeted approximately \$430,000 for drainage improvements. The Information Services capital replacement program totals approximately \$345,000 and the Fleet Services capital replacement program totals \$196,500. City-wide, pay-as-you-go infrastructure maintenance and facility improvements total approximately \$4.7 million.
- Provide for a comprehensive economic development program to protect the existing business base and promote future development of the City.** Funding has been provided to promote economic development through business retention and attraction and through the protection of revenues that are sensitive to economic conditions. Two major economic development projects in the City of Hurst are the North East Mall expansion and construction of the Shops at North East Mall. Both are managed and owned by The Simon Property Group. City participation in the projects provided an opportunity to expand the City's sales and property tax bases by offering a regional shopping destination. The City of Hurst currently has four active economic development agreements that provide sales tax revenue sharing or property tax abatement. Hurst also provides grant funding for improved signage and maintains a close working relationship with businesses and chambers of commerce. Hurst continues to produce its Restaurant, Retail & Business Guide (www.ci.hurst.tx.us) and recently updated its Shop First in Hurst website (www.shopfirstinhurst.com). The Shop First in Hurst website provides a free marketing avenue for businesses while shoppers receive coupons and other useful information. Attention is also focused on redevelopment plans for commercial areas in need of revitalization, as outlined in the City's Strategic Plan and Capital Improvements Program (CIP) document. The October 1, 2011 CIP document covers the City's current redevelopment plans collectively known as Transforming Hurst: A Vision for the Future. Transforming Hurst primarily consists of three redevelopment projects: Bellaire Area Sustainability, West Pipeline (Heritage Village) Development, and Hurst Town Center Redevelopment. The redevelopment projects are in various stages of design, review and completion. The West Pipeline Development Project known as Heritage Village took the lead with the completion of new Fire Station # 2 and Hurst Senior Citizen Activity Center. Both facilities opened in 2009. The Hurst Town Center was not far behind with the completion and opening of the Hurst Conference Center in September 2010 and plans are currently being developed to construct a new parking facility and Justice Center within Town Center. Redevelopment projects will help ensure that the City of Hurst remains a viable and well-sustained community.

- **Identify areas of financial risk that may impact the budget.** One of the primary risks over the last five to seven years has been raising employee health care costs. The City is self-funded and pays actual claims and fees to a third party administrator that administers the claims. Costs are rising due to increased costs of medical care and claims associated with the City's increasing retiree population and other plan participants. The City, however, has been able to control some of the cost increases through aggressive cost containment strategies and wellness alternatives. The City recently refined its health care plan by providing incentives for employees to migrate to a consumer-driven program and by removing retirees at age 65 and older from the plan. The City's employees continue to be instrumental in stabilizing costs with wellness, fitness and nutrition education efforts. Information on the applicable Self-Insurance Loss Reserve Fund is located in the Other Funds section of this document.

The City of Fort Worth Fire Department recently vacated its Fire Station # 27 (located in Hurst) to move to a new station located in its own city. Fort Worth responded to numerous Hurst calls from Fire Station # 27. The Hurst Fire Department devised a staffing plan utilizing existing personnel to keep the old station # 27 open as Hurst Fire Station # 3. Hurst firefighters will now respond to calls historically handled by Fort Worth. The new staffing plan will be evaluated on an ongoing basis and Fort Worth firefighters will be available to respond to calls if needed through an interlocal agreement. If it is determined that additional firefighters are needed to handle the additional station it would cost the City around \$2 million per year.

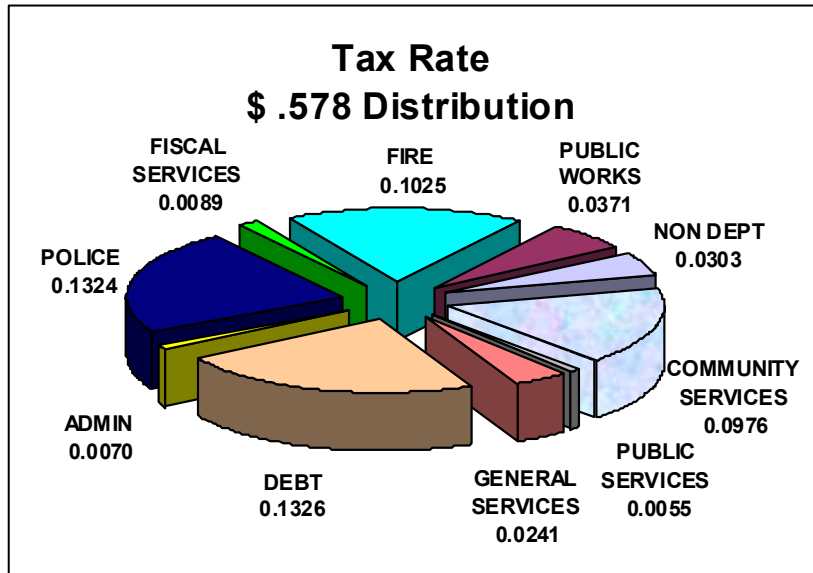
Financial risk is closely examined during the City's annual Multi-Year Financial Overview and Strategic Planning Process. A City Council fiscal management action plan is to be proactive in risk detection and reduction. The City has formalized recurring internal audit strategies as objectives of that plan. The City is also entered into a team-based internal audit approach by capitalizing on the expertise of an independent and objective outside party as well as the professional skill of staff members within the Fiscal Services Department. A risk-based audit plan was recently completed and an Information Technology Disaster Recovery Study was conducted as part of the plan in 2010-2011. Several other reviews are planned for the future including in-depth operational efficiency studies. For several years a comprehensive data analysis of accounts payable and payroll has been prepared and this process will continue as part of this program. A new purchasing card review program will also be launched to compliment the analysis of accounts payable and payroll. The Fiscal Management Action Plans are located on pages 35 to 42.

Hurst is a mature community and is almost entirely built-out. This means no new growth will occur emphasizing the importance of Transforming Hurst Redevelopment Plan implementation. Transforming Hurst plans are discussed throughout this document and consist of new City facilities and other infrastructure improvements being made in strategic areas of the City (www.transforminghurst.com). Private developers are being encouraged to move forward with projects adjacent to and surrounding new City facilities. One such project is close to moving forward near the City's Senior Citizen Activity Center. A new senior housing project is close to breaking ground. The project consists of over 100 residential units with a clubhouse and swimming pool. It will be a nice compliment to the City's Senior Center and will hopefully spur additional development that may include office space providing services such as medical and retail.

BUDGET ISSUES

Conservative Budgeting Approach

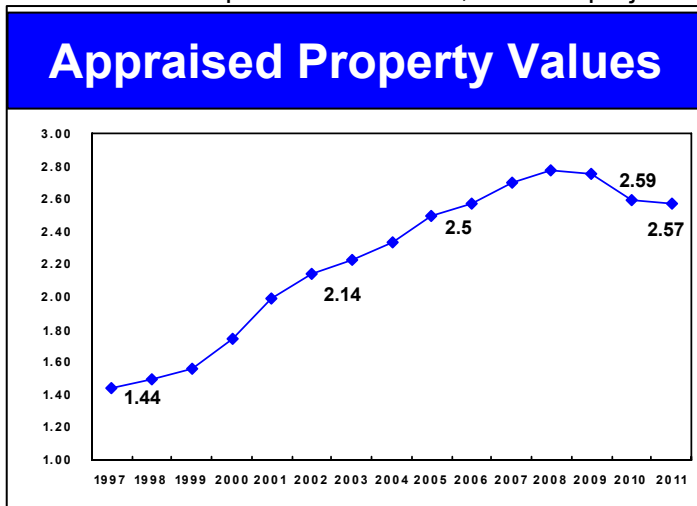
The continuation of conservative financial and operational policies from prior years has guided the development of the budget for the upcoming year. This conservative approach is critical to the 2011-2012 budget due to the fragile nature of the economy. The City's two primary revenue sources, property tax and sales tax are expected to stabilize and increase slightly compared to the prior year. There is no change in the City's tax rates. Retail sales are expected to continue their upward trend while property tax collection rates are expected to improve. The City will continue to practice a conservative operational approach with the economy showing signs of slow recovery.



Property Tax Revenues

The General Fund is challenged each year when setting the property tax rate to fund services and programs. The proposed budget cannot be prepared without information from the Certified Tax Roll received July 25th from the Tarrant Appraisal District. Once the roll is received, the tax rate is set based on both the debt rate needed to pay for the City's bonded indebtedness and funds needed for maintenance and operation funding in the General Fund. The Tax Rate \$0.578 Distribution chart, above, shows the distribution of the 2011-2012 tax rate by program.

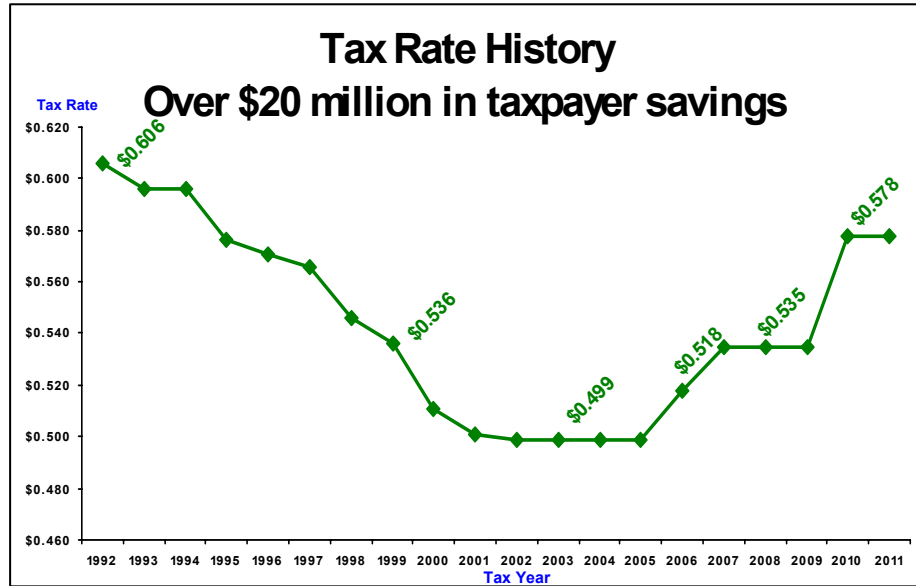
Economic development information, such as projected values for redevelopment projects, can assist



City staff in projecting property values, but only to a certain degree. The Certified Tax Roll values are an unknown, until the Tarrant Appraisal District certifies the Final Roll. For the third consecutive year and only the third time in eighteen years, property values decreased in the City. Over this period, values have gone up by \$1.35 billion and now total \$2.57 billion, as shown by the graph. Values in tax year 2011, representing 2011-2012 collections, had a decrease of 0.25%. When exemptions, protested values and the Senior Tax Freeze impacts are considered, the net value decrease of approximately 0.70% is positive compared to budget projections of a 3%-5%

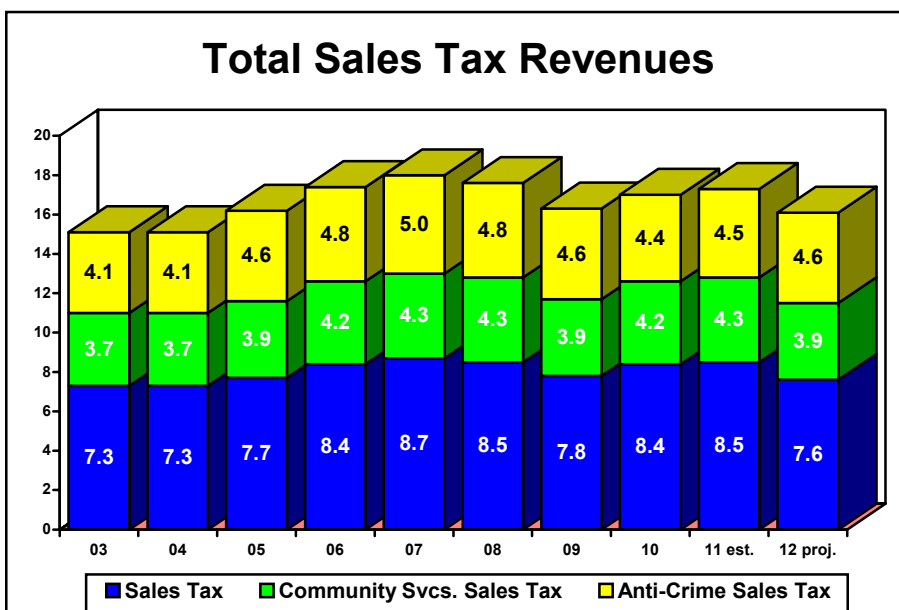
decrease. Staff expects collection rates to improve by approximately a half percent for 2011-2012. Improved collection rates combined with the recent debt refinancing will result in an increase in property tax revenue for the General Fund of approximately 1% or \$100,000 even though values are down. The revenue amount available to the General Fund remains lower than possible partly due to the City Council's policy to provide tax relief when possible. The total tax rate remained unchanged from the previous year, and most property owners will see no change or lower property tax payments given the value decline citywide. Overall, the City's bonded debt issuances paid primarily

through the tax rate have increased over the past several years to fund infrastructure improvements and new facilities. Yet, every effort is made to provide tax relief to the citizens. The property tax rate over the past twenty years decreased by 2.8 cents, as shown below, while rates assessed by most other taxing entities in the county remained flat or increased. The City's willingness to lower the tax rate in strong economic times saved taxpayers over \$20 million during the last two decades. In addition to the tax rate relief provided during this time, the City grants the highest exemptions for homestead allowed by state law and provides generous senior and disabled citizen exemptions. The City Council passed the senior tax cap, which froze taxes for those 65 of age and older at 2004 values, effective for the 2005-2006 and subsequent budget years. Citizens receive \$386 million in reduction of values for homestead, senior and disabled citizen exemptions and the senior citizen tax freeze. This represents \$2.2 million of tax relief to citizens for tax year 2011.



Sales Tax Revenues

The second major financial consideration that guides the development of the budget for the upcoming year is the projection of sales tax revenues. The City collects a total of 2% sales tax: 1% for General Fund; 1/2% for the Community Services Half Cent Sales Tax Fund; and 1/2% for the Anti-Crime Fund. It is a City policy to use a conservative approach in forecasting this revenue. The sales tax chart indicates that in fiscal year 2007, the sales tax reached its highest peak. Sales tax receipts have been as high as \$10.3 million for the General Fund, except a portion of sales tax generated by North East Mall is shared with Simon Property Group, resulting in lower net receipts. For fiscal year 2011-2012, total sales tax revenues are projected to remain flat from the previous year's General Fund budget. Sales tax revenues are projected to be \$8.46 million, less \$895,000 for the sharing agreement, equaling \$7.57 million. Community Services participates in the sharing agreement while the Anti-Crime Fund does not participate. All projections of sales tax revenues are very conservative



because of the volatility of this revenue source, which is very dependent on the economy. Retail growth in Hurst has offset any declines due to economic conditions up until fiscal year 2007-2008 when the Great Recession began. Also, the mandated sales tax holiday in August that was implemented by the State Legislature on certain retail goods had an expected negative effect on retail sales, but that impact cannot be directly measured. The biggest challenge in the budget

process has been projecting sales tax revenues for this next year and the subsequent years given the uncertain impact of future redevelopment efforts and the undesirable economic conditions. Staff is cautious in planning for this revenue. Due to the sales tax sharing agreement that is in place, the City builds into the budget only revenues that will remain after the revenue is shared with Simon. The Shops at North East Mall agreement started January 2002 and the North East Mall agreement began in April 2003. The City reached an early payoff of the Shops portion of the agreement in fiscal year 2008-2009. In addition, the Mall portion of the agreement dropped from an 80% sharing arrangement to 75% in 2010-2011. The associated savings contribute to the growth in net receipts over the past two years as illustrated in the graph on the previous page.

The City has been proactive in informing the state and federal congressional delegations of the need to limit sales tax holidays and the need to tax Internet sales. An important issue is that local sales tax revenues could be adversely affected in future years should Texas not remain origin-based in collection of sales taxes. This issue arose in the discussions of the Streamlined Sales Tax simplification process that would render all Internet and catalog sales taxable while streamlining tax law to make all states follow a destination-based sales tax model for all eligible transactions. Currently, the majority of the states favor the collection of sales tax at the point of destination because it is a simple method of assessing and collecting tax. Since Texas is origin-based where taxes are collected at the point of sale regardless of where they are delivered, local taxing units, not the state, will lose tax revenues under this scenario if the taxable sales delivered out of their jurisdiction exceed the value of taxable sales delivered in the jurisdiction. Hurst has been a member of a coalition of Texas cities that are protesting destination-based collections. The City of Hurst is supportive of any legislative effort that allows origin based taxation for in-person transactions or and favors destination-based taxation for any Internet transaction that requires direct delivery of the merchandise to the purchaser or business to be held for customer pick-up.

LONG TERM FOCUS

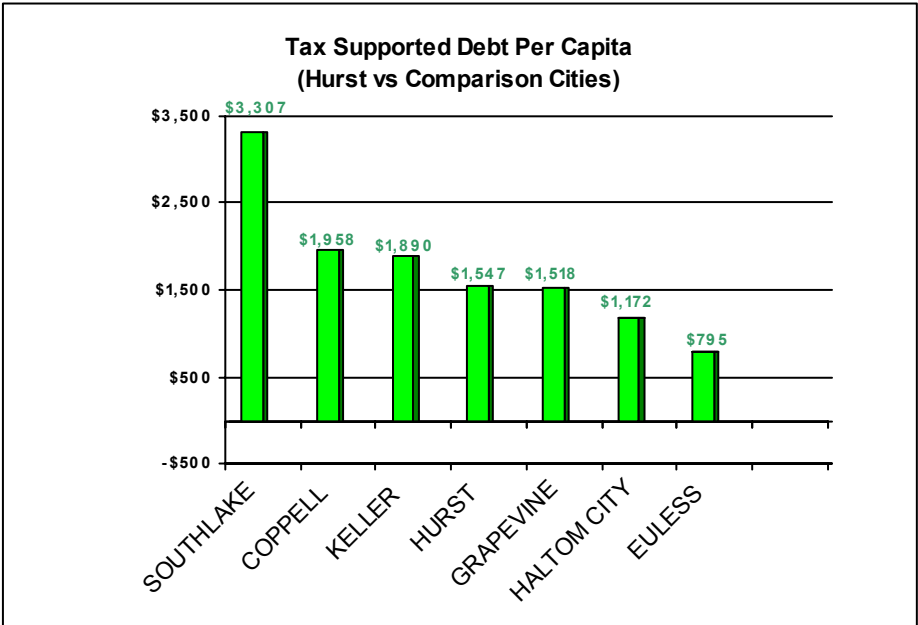
Multi-Year Financial Overview

To this point, the Budget Message has focused on short-term financial policies and goals that guide the development of the budget for the upcoming year. Long term financial goals and issues are examined each year through the preparation of the Multi-Year Financial Overview, which covers ten years. Decisions for the upcoming year are not made without considering the long-term financial effects. The Overview is an essential component of each year's budget process. Expenditures are projected at an estimated growth rate, and funding strategies are developed to provide for this growth. Potential revenue sources, cost-saving strategies and debt issuance are considered before property tax rate changes or utility rate changes are factored into the plan to balance the projected budgets. Excerpts from the Multi-Year Financial Overview, and the five-year summary of the long-term plan, are located on pages 571 to 576 of the Appendix Section. The Overview is presented to the City Council in July prior to budget workshops held in August of each year.

Capital Improvements Program

An important long term planning document is the Capital Improvements Program (CIP). The CIP identifies existing and future needs, funding sources and project maintenance and operation costs. The goal of the Capital Improvements Program is to identify and plan for future capital programs and to estimate cost impacts. The plan is comprised of a complete listing of funded and unfunded capital project needs that are identified by each operating department. The projects are prioritized and ranked, taking into consideration the timing and immediate needs of the projects. A separate CIP document has been prepared as of October 1, 2011, and is summarized as part of the 2011-2012 budget document.

A funding source that addresses long-term capital project issues for the General Fund is the Debt Service Fund which pays principal and interest payments on Certificates of Obligation. From 1987 to 1994, the City chose not to issue bonds because any new issue would require an increase in the debt component of the property tax rate. For the ten years prior to 2006, the City was able to issue additional debt without raising the tax rate because fiscal year 1995 started the decline of payments for debt issued prior to 1987, and property values increased. The need for capital project funding changed the philosophy of no debt increases. The debt component of the property tax rate increased from \$0.10993 in 2006-2007 to \$0.129897 for the 2008-2009 fiscal year primarily due to voter approved general obligation debt. The new debt provides for library improvements, drainage improvements and Bellaire Drive reconstruction. For the 2009-2010 fiscal year, the debt component decreased to \$0.1252092 due to the refunding of prior bond issuances. And, for fiscal year 2010-2011 the debt component increased to \$0.1327157 to make up ground for the 6% decline in taxable values. The debt component of the tax rate for 2011-2012 will decrease slightly to \$0.132631 due to the June 2011 refunding of debt. The City's bonded debt per capita is still very reasonable in comparison to other cities, as presented above. It should be noted that voters may be asked to consider a tax rate increase of \$0.03 to \$0.05 next year. The tax rate increase would be utilized to help fund a new parking garage and expansion of the City's Police facility within Hurst Town Center. Information concerning the Debt Service fund is provided on pages 442 to 448.



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Long Term Strategic Plan Process

Each year, a formal review and revision of strategic plans is performed by the City Council before the budget process begins. In 2011, the City Council met in February for a Strategic Planning Session and the results were communicated to City staff in March so they could clearly understand the City Council's direction. Staff Action Plans prepared from the review influenced and guided the development of the budget for fiscal year 2011-2012 and the multi-year financial overview. The Action Plans for the 2011-2012 budget are located on pages 29 to 123 and apply to the following policy statements for the respective departments.

| PROGRAM | POLICY STATEMENT | RESPONSIBLE DEPT. |
|------------------------|--|-------------------|
| City Council Relations | Practice mutual respect, trust, and professionalism in order to work as a team for the betterment of our community. | Public Services |
| Fiscal Management | Implement plans that provide funds to maximize the quality of services while balancing revenue sources with cost of maintenance, operations, and debt. | Fiscal Services |

| | | |
|--------------------------|---|------------------------------------|
| Community Development | Provide mechanisms for development/ redevelopment standards that meet changing needs of the residential and commercial markets. | Development |
| Economic Development | Use promotional strategies and state-of-the-art technology to attract, retain, and promote existing and new commercial development. | Development |
| Transforming Hurst | Pursue policies, projects and programs to revitalize and transform Hurst. | Development |
| Community Infrastructure | Design and implement rehabilitation and maintenance programs providing residents and businesses with quality streets, water and sewer systems, drainage systems, traffic signal systems, and City facilities. | Public Works Community Services |
| Community Services | Deliver and expand quality community services that meet the citizens' educational, leisure, cultural and social needs. | Community Services |
| Public Safety | Develop and implement "forward-looking" policies and practices to deliver public safety services. | Police and Fire |
| Community Transportation | Develop and implement comprehensive transportation plans that are efficient, safe and environmentally friendly. | Development Public Works |
| Information Technology | Develop and implement plans to invest in information technology that provides better services to internal and external customers. | Information Services |
| Community Relations | Implement programs that effectively communicate and increase the public's awareness of City services. | Administration and All Departments |
| Customer Service | Develop staff committed to serve in a professional, friendly, responsive and customer-focused manner. | All Departments |

Economic Development and Redevelopment Efforts: An extremely important part of the Action Plans for the City of Hurst's long-term success is the Economic Development and Transforming Hurst policies outlined on pages 59 to 76. Among other strategies, the policies focus on the following:

- Continue aggressive business retention and development programs
- Strengthen relationship with North East Mall to remain vital and community friendly.
- Report on new development contacts and new business locations within the City
- Identify priority businesses this community wants to attract
- Implement programs to revitalize existing residential and business corridors and public infrastructure.

The most impactful economic development project completed in the past was the City's participation in public improvements for the expansion of North East Mall and the construction of the Shops at North East Mall adjacent to the mall property. Improvements and additions have continued in and around the mall area. Some notable additions within the last five to ten years include Rave Theaters and five restaurants including BJ's Restaurant and Brewhouse, which opened in November 2009. Freebirds Burrito entered vacant retail space in November 2010. Last year, a buybuy Baby

Superstore opened within space previously vacated by Circuit City. The City continues to be a popular place for retailers to open their doors as illustrated by relatively quick occupation of vacated spaces. The City's commercial lease occupation rate remains over 90% and continues to be higher than industry norms. Staff believes commercial success is largely related to programs aimed at continuously revitalizing residential and business corridors. City infrastructure upkeep as well as programs offered to rehabilitate residential homes throughout the City assist in making Hurst a desirable community.

North East Mall Expansion and Success: The Simon Group, owners of North East Mall, approached City officials and requested their participation in the expansion of the mall, a practice that has become increasingly prevalent between developers and cities in a competitive retail environment. Simon's plans evolved from the addition of one anchor tenant, and remodeling, to a major expansion with three additional anchor tenants and expanded specialty shops, and the addition of an adjacent retail center called The Shops at North East Mall. The City began participation in the projects under two sales tax participation agreements with Simon approved by both the City Council and the Hurst Community Services Corporation Board. Both agreements were capped by the number of years and shared dollars. If the developer exceeds revenue projections, the City's commitment in new sales tax revenues will be paid off sooner. If the developer does not exceed revenue projections, all principal and interest remaining unpaid at the end of the term will be forgiven. The developer exceeded sales expectations in the Shops area and the City reached early payoff in 2009. After this point, the City began receiving 100% of Shops sales tax earnings and this is reflected within this document's financial summaries. It is expected that the City will continue sharing revenue on the Mall agreement until the end of the contract term in March 2023. The resulting savings under the agreement will be well over \$10 million.

The projects were determined to be financially beneficial through a comprehensive benefit/cost analysis, which verified City projections of an annual net benefit to the City of approximately \$7 million dollars over a 20-year period. In addition, the City benefits from the expanded employment base of around 3,000 jobs. Of primary importance, the project was deemed necessary to preserve the financial integrity of the City's sales tax base. The mall area makes up approximately one third of the City's sales tax base. The North East Mall expansion with its generation of additional sales tax, and property tax revenues, and its positive effect on the area's economy, is considered an investment for years to come. The mall recently held its 40th anniversary celebration. In its 40th year of operations, numerous tenants resigned long-term leases, a few new stores like Forever 21 and Charming Charlie's entered the mall, and many tenants remodeled their space. Simon property will soon begin work to remodel the most heavily used mall entrance. There's no question that North East Mall is well-positioned to continue its success.

Transforming Hurst

Rivaling the North East Mall Expansion in size and importance, the Transforming Hurst Redevelopment Program featuring three different areas of the city is taking shape. On western Pipeline Road, the Heritage Village redevelopment ground breaking in January 2008 began the first of the projects. Included in the complex are a fire station, senior citizen center, and mixed-use development. The fire station and senior center are both complete and operational. A private developer will soon begin construction on a senior housing project within Heritage Village. For central Hurst, a plan was developed to improve Hurst Town Center with mixed-use, entertainment, hotels, and meeting venue improvements. The Hurst Conference Center is the focal point of the development and the City opened the Center for operations in September 2010. Plans are currently being developed to add a parking garage and new Justice Center within Town Center. The parking will support current daytime uses as well as future development and the Justice Center is much needed to provide the Police and Municipal Court personnel with more efficient and effective

operational space. The last project area is around Bellaire Drive in the southeastern part of the city and preliminary plans will feature mixed-use and an Arts District. City staff will continue to be aggressive in implementation of redevelopment programs that should help ensure the continued financial stability of our built-out city.

Customer Service Programs: A major initiative in the strategic planning process has been an emphasis on customer service. The employees of the city worked together to identify guiding principles that focus attention on exemplary customer satisfaction as stated in the City of Hurst *Code of Ideals*. The *Code* serves as the philosophical cornerstone to guide interactions with anyone who lives, works, shops, or plays in the City, or relies on the provided services. The *Code of Ideals* is listed on page 123.

Fiscal Management Plan

In the 2011-2012 budget year, the impacts of the Great Recession remain concerning and economists are having difficulty predicting when or if a full-blown recovery will take place. As the attached budget indicates, signs of economic recovery are evident, but the budget remains conservative given the fragile state of economic conditions. A Fiscal Management Plan was developed to assist staff in guiding future planning efforts as economic conditions negatively impact the City of Hurst's budget. Given current conditions, select portions of Levels I and II of a four-stage plan are still in effect except when specific exceptions are granted by the City Manager. This plan will remain in effect until local economic conditions are reevaluated in May 2012. In addition to other provisions, all large capital expenditures must have approval by the City Manager, budgets will be monitored monthly by city management and vacant personnel positions must receive the City Manager's approval before being advertised. The Fiscal Management plan is an important component of the long-term strategic planning process because plans are in place for any condition that could influence the financial stability of the City.

SUMMARY

The Great Recession has had a negative effect on the City's sales tax revenues and other revenue sources. The impacts continue to be of concern this budget year. The positive financial condition of the City will protect city services due to economic development efforts and appropriate multi-year planning efforts. The focus of the Hurst City Council is on the future with customer service at the forefront. The City will continue to retain and attract staff that will be committed to the organizational *Code of Ideals* that emphasizes a strong customer service philosophy. The City Council and staff remain focused and committed to providing efficient and cost-effective services and programs to the Citizens of Hurst as outlined in the City of Hurst Strategic Plan. It is our goal to protect and enhance the City's tax base and other important revenue sources, and to also continue to monitor and react to ever changing economic conditions. The Transforming Hurst Program is energizing the entire city and staff as new City facilities are being completed and plan updates continue to be released to citizens and businesses. Through these conservative and focused efforts, the City will be able to continue to provide quality services to all Hurst Residents and guests.

Sincerely,

W. Allan Weegar
City Manager

THE CITY OF HURST

Mission Statement

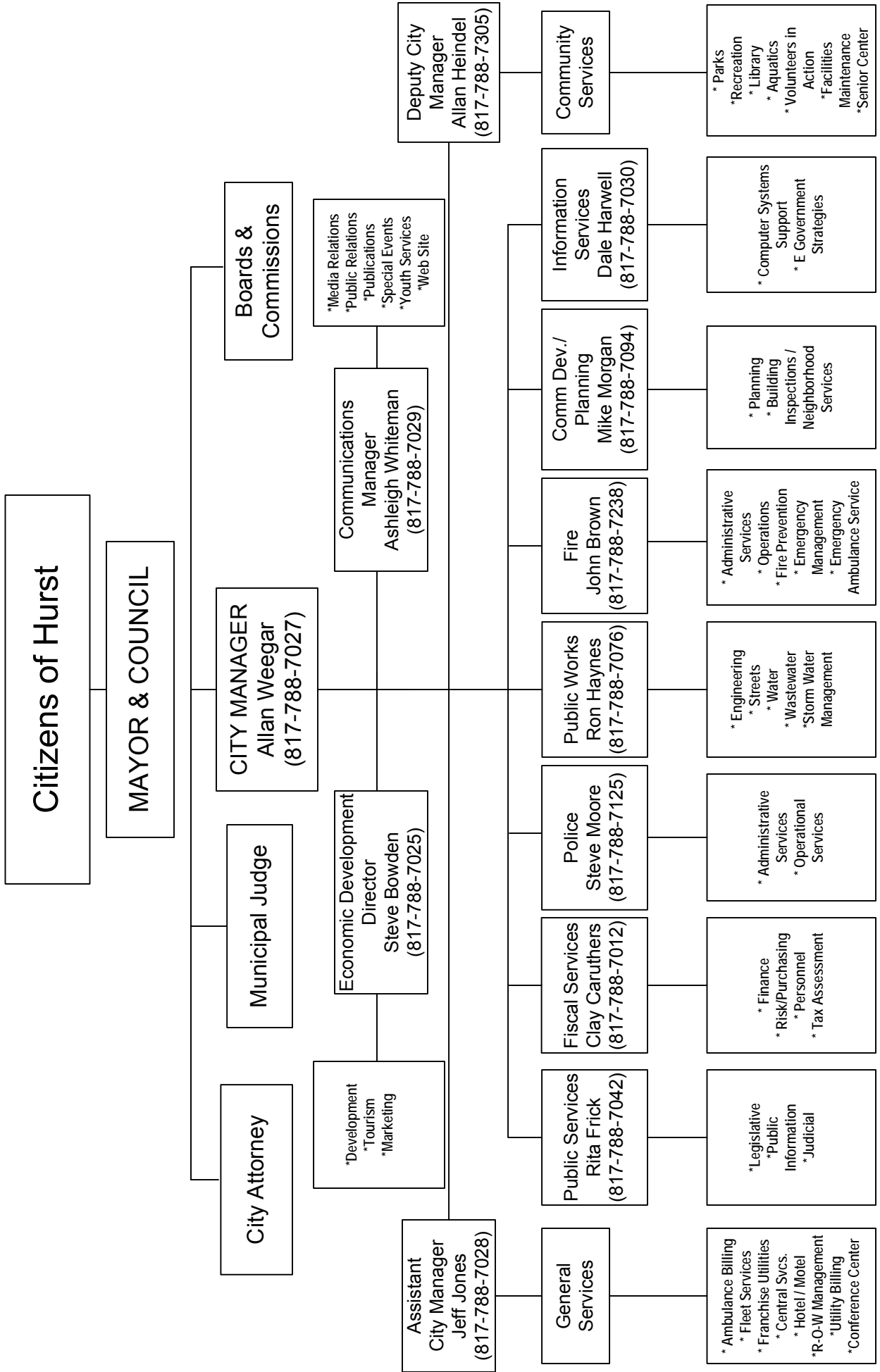
The mission of the City of Hurst is to provide cost-effective programs and responsive services to enhance the quality of life in Hurst.



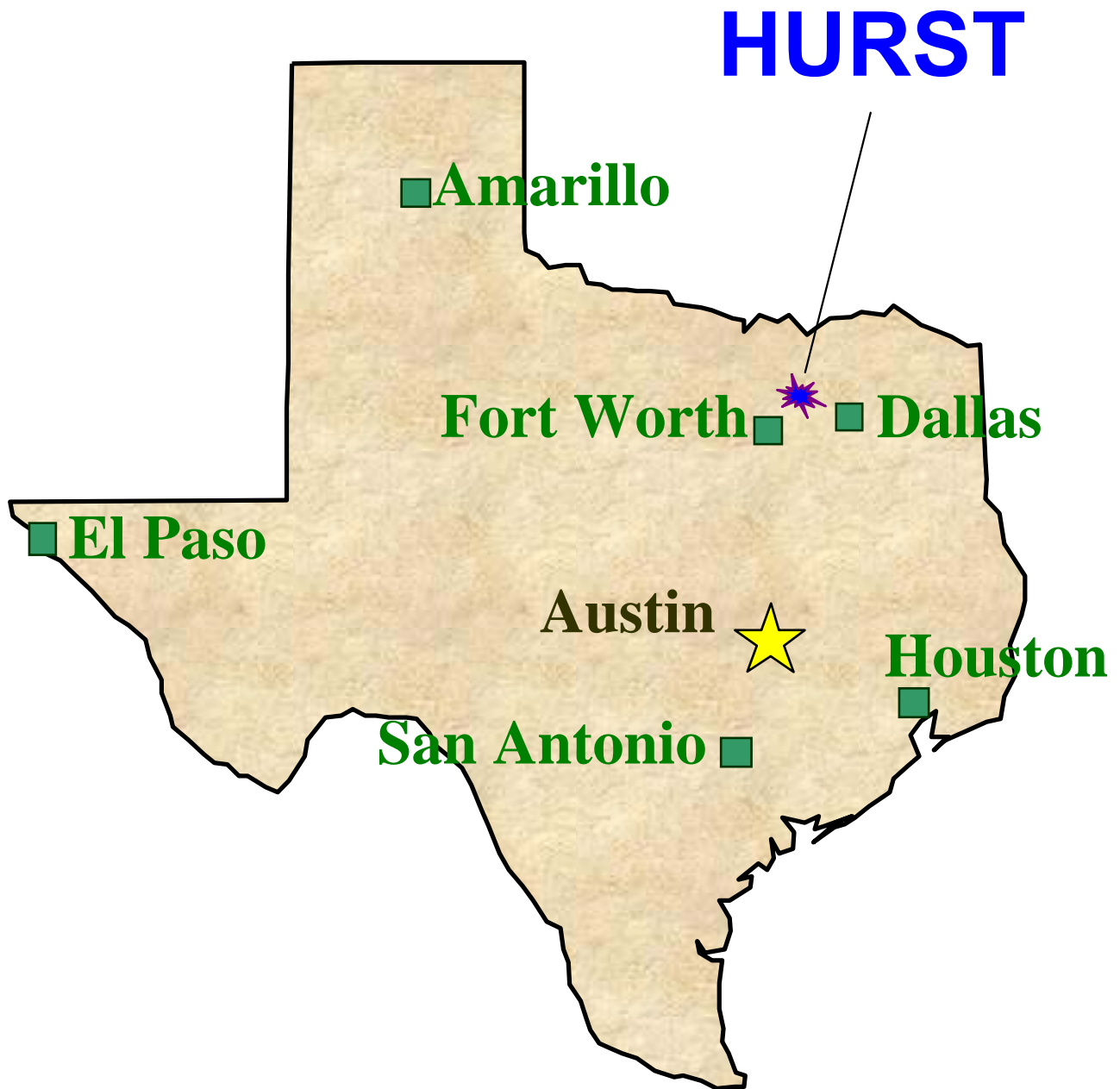
Hurst City Hall, located on the northwest corner of Precinct Line Rd. and State Hwy 121.



CITY OF HURST







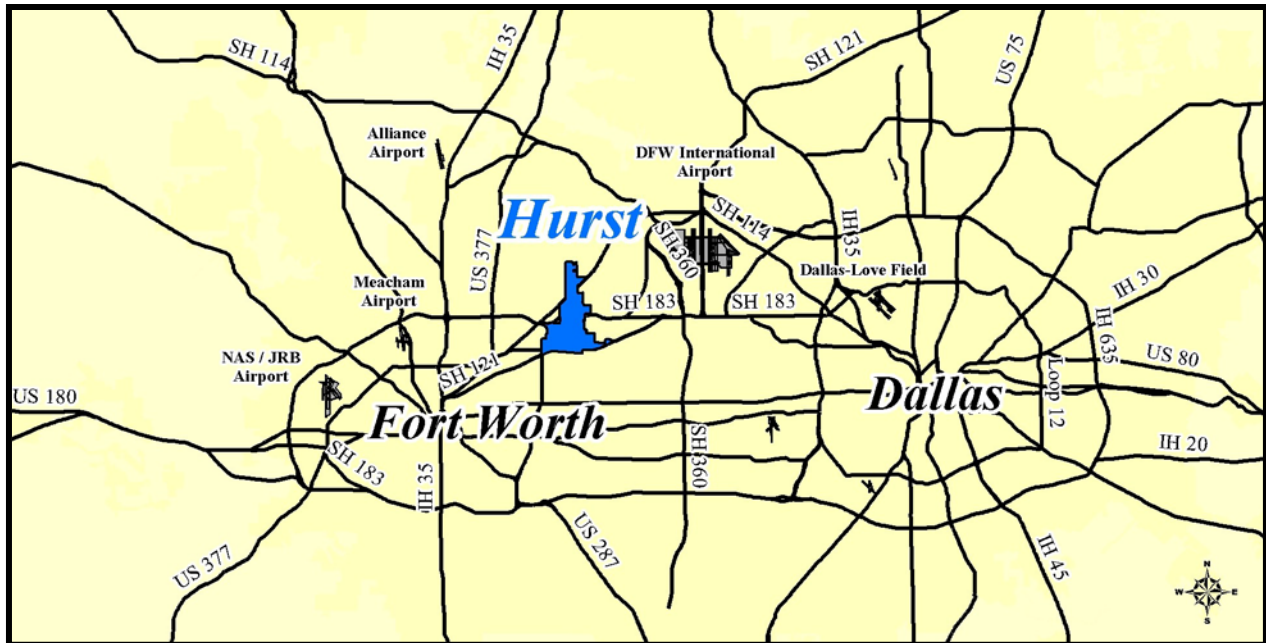


HURST PROFILE

GEOGRAPHY

The City of Hurst is located in North Central Texas in Northeast Tarrant County approximately 9 miles from downtown Fort Worth on SH 121, the Airport Freeway, and approximately 18 miles from downtown Dallas. Hurst's centralized location on Airport Freeway provides quick access to both Dallas and Fort Worth metropolitan areas and is 15 minutes away from one of the world's busiest airports, Dallas/Fort Worth International.

The City has a total land area of 10.2 square miles or 6,528 acres. Of the 10.2 square miles of land area, 223 acres are used for municipal purposes. Current development statistics estimate that Hurst is 97% developed with 235 acres of undeveloped land remaining and 40 acres of that zoned for Single Family Residential.



HISTORY

The City of Hurst was officially founded in 1870 and named after the William L. Hurst family. The family settled approximately one mile north of the present Highway 10 (Hurst Boulevard). When the railroad came through the settlement in 1903, the local station was named Hurst Station, but growth slowed when the rail routes were changed and routed through Arlington. In 1949, Hurst had its first post office when the Souder family added a postal station to the corner of their grocery store, a service to 1,000 residents.

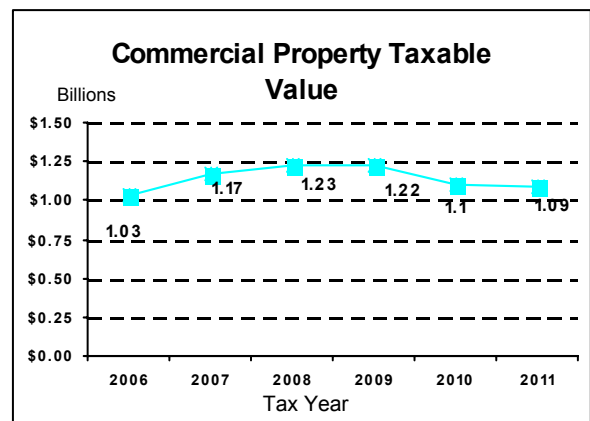
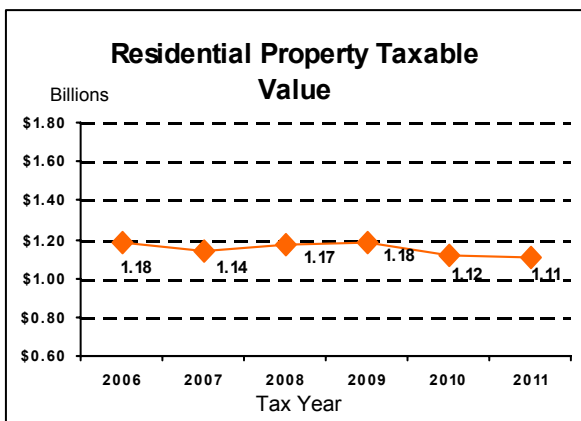
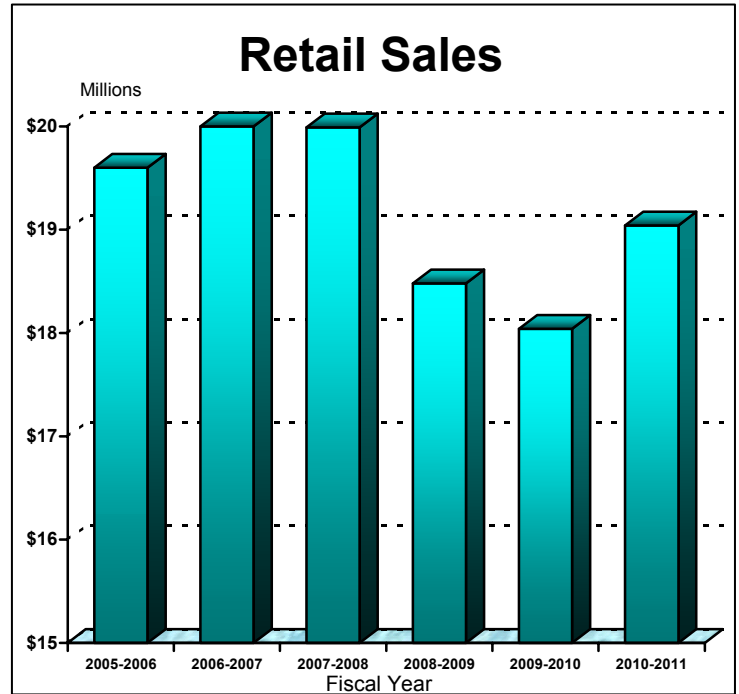
The City was incorporated as a general law city on September 25, 1952 with a total population of 2,700. The community experienced a growth surge in the 1950s when Bell Helicopter located on Hurst's southeastern boundary and again in the 1970s with the completion of D/FW airport in 1974. The 1980 census reported the population of Hurst as 31,449. The 2000 Census Population Count was 36,273. The 2010 Census Population count was 37,337. Current Population figures for Hurst total 37,330.

FORM OF GOVERNMENT

Hurst now operates under a home-rule charter adopted in 1956, which provides for a council-manager form of government. The Mayor and six Council members are elected at-large. The Council is responsible for all matters of policy and is also the authority for levying taxes, securing revenues, authorizing expenditures of City funds, and incurring City debts. The City Manager is directly responsible to the City Council, and each of the City's ten department heads report to him. An organizational chart is included in the Introduction Section of the Budget. In addition, eleven boards and commissions assist the City Council in deciding matters of policy and procedures and meet on various issues throughout the year.

DEMOGRAPHICS AND ECONOMICS

Hurst is considered a major retail-commercial center of the northeast Tarrant County area. North East Mall and a number of quality shopping centers throughout the City provide residents with a wide variety of goods and services from which to choose. A major expansion of North East Mall and new development adjacent to the mall, Shops at North East Mall, was completed approximately ten years ago. The graph to the right displays the impact of this major development/redevelopment effort. Sales tax revenues grew at record pace until the Great Recession began in December 2007. The City only budgets approximately 92% of estimated sales tax earnings so, sales tax losses related to economic conditions are managed proactively. The mall, which is owned by The Simon Group, is classified as a super regional mall, with seven major retail anchors, and provides substantial sales tax revenues and property tax revenues to the City. The City collects 2% of sales and use receipts from businesses within the City. A total of \$19,036,948 was collected for fiscal year 2010-2011, a 3% decrease over collections in fiscal year 2005-2006.



Of 14,223 property accounts in the City, 11,514 are residential accounts. The top ten taxpayers listed in the following table are found in the remaining 2,709 commercial accounts. Over the past five years, property values have increased by \$10 million dollars from \$2.21 billion to \$2.2 billion, a .005% increase due primarily to growth in the commercial property values. (Amounts per Tarrant Appraisal District July 25, 2011 Certified Tax Roll.)

Ten Largest Taxpayers

| Name of Taxpayer | Nature of Property | 2009/2010 | |
|---------------------------------|--------------------|----------------------|-------------------------------|
| | | Taxable Valuation | % of Total Assessed Valuation |
| Melvin Simon & Associates, Inc. | Shopping Mall | \$157,747,023 | 7.12% |
| WalMart Stores Texas LP | Retail | 23,225,819 | 1.05% |
| Dillard Department Stores, Inc. | Department Store | 23,067,975 | 1.04% |
| Hurst City Apt Partners LTD | Apartments | 18,135,250 | 0.82% |
| Macy's Texas | Department Store | 17,296,344 | 0.78% |
| Somerset Village Partners LP | Apartments | 16,647,380 | 0.75% |
| Kelly Moore Paint Co | Paint Store | 15,504,342 | 0.70% |
| Oncor Electric Delivery | Electric Utility | 15,479,321 | 0.70% |
| Mayfair Station LLC | Shopping Center | 15,177,117 | 0.68% |
| Texcan Ventures II/III LTD | Apartments | 14,198,064 | 0.64% |
| | | <u>\$316,478,635</u> | <u>13.21%</u> |

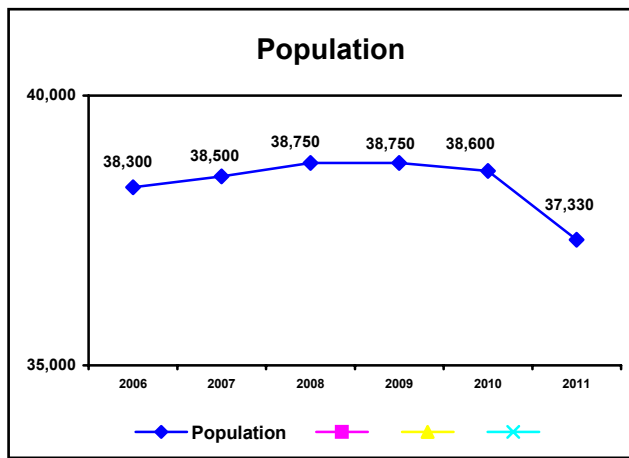
Source: Tarrant Appraisal District July 25, 2011 Certified Tax Roll

Ten Largest Employers

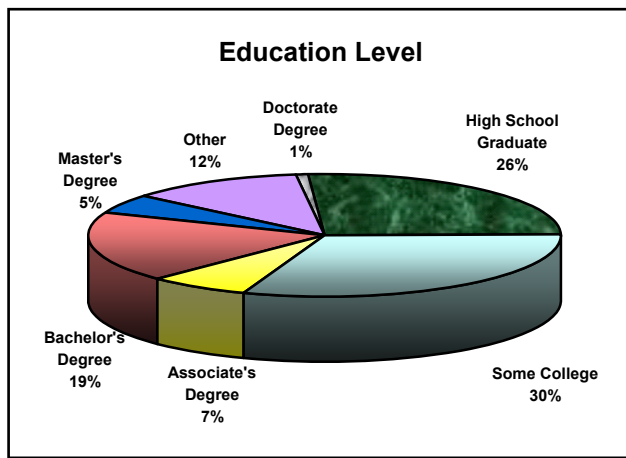
| Employer | FT/PT Employees | Rank | Percentage of Total City Employment |
|--|-----------------|------|-------------------------------------|
| Bell Helicopter Textron-Hurst | 4000 | 1 | 20.43% |
| North East Mall (Collective employment of stores other than major employers) | 1659 | 2 | 8.47% |
| Shops st Northeast Mall (Outside) | 750 | 3 | 3.83% |
| WalMart Supercenter | 575 | 4 | 2.94% |
| Tarrant County College | 479 | 5 | 2.45% |
| Dillard's Department Store | 400 | 6 | 2.04% |
| City of Hurst | 338 | 7 | 1.73% |
| Macy's Department Store | 231 | 8 | 1.18% |
| Target Superstore | 225 | 9 | 1.15% |
| J.C. Penney Company | 210 | 10 | 1.07% |
| Total | <u>8,867</u> | | <u>45.29%</u> |

Source: City of Hurst September 30, 2010 Comprehensive Annual Financial Report

Population with a median age of 38.2 years has decreased from 38,300 to 37,330 in five years. The city's redevelopment efforts called for demolition of a substandard apartment complex. Additionally, population estimates were updated upon completion of the 2010 Census. The average household income has increased by 2% over a five year period from \$68,887 to \$70,026. The educational level is 62% above high school graduate.



Source: NCTCOG



Source: CLARITAS
(2010 Demographic Summary)

Overall the City's demographics and economics are positive and represent a stable community. Population figures will remain relatively flat with changes related to redevelopment efforts in the future.

COMMUNITY INFORMATION

Being centrally located, the Hurst-Euless-Bedford area (also known as the Mid-Cities) can tap into the abundant cultural, sports, and recreational amenities that Dallas and Fort Worth offer. Citizens of Hurst have easy access to some of the Nation's finest museums, zoos, symphonies, ballets and operas. Amusement facilities such as Six Flags Over Texas, Hurricane Harbor Water Park, Fort Worth's Sundance Square and historic stockyards are all within easy driving distances.

Numerous sporting activities are available year-round to the avid sports enthusiast. The Dallas Cowboys Football Team, Texas Rangers Baseball Team, the Dallas Mavericks Basketball Team, the Dallas Stars National Hockey League Team, as well as the Frisco Rough Riders Baseball Team play their home games within a 20-30 minute drive. Cowboys' stadium hosted the 2010-2011 Super Bowl and the Texas Rangers earned a spot in the World Series for the second time in 2011. And, of course, the Dallas Mavericks are currently World Champions.

The American Airlines Center serves as the home arena for both the Stars and Mavericks. This venue is one of the most technologically advanced sports venues in the U.S. and will also become the site for numerous other events. Fans can reach the American Airlines Center by boarding a train in Hurst and traveling to Victory Station in Dallas. Texas Motor Speedway is less than a 20-minute drive from Hurst, located at the Alliance Airport development. The Dallas Cowboys' stadium, now located in Arlington, has opened across the street from The Ballpark in Arlington which is home to the Texas Rangers. Both of these stadiums are approximately 15 miles from quality hotels located in Hurst Town Center (1505 Precinct Line Road/Hurst, Texas). Professional golf, tennis, indoor soccer, outdoor soccer, karate championships and other events are also scheduled locally. Collegiate sports are available through a local university network, which includes

Medical facilities in the area are recognized as being among the best in the D/FW metroplex. Harris Methodist H-E-B Hospital is fully equipped to meet today's medical needs with state-of-the-art technology. This hospital furnishes patients with a full range of health services in completely modern facilities and has access to CareFlite airborne ambulance to provide quick transport in the most immediate emergencies. In addition to acute care services, Harris H-E-B offers comprehensive programs for the treatment of alcoholism, other chemical dependencies and psychiatric care. The Edwards Cancer Center, located on the hospital campus, brings radiation therapy to northeast Tarrant County for the first time and offers a full range of comprehensive cancer care. Hurst is also home to a large network of quality physicians as well as Southwest Surgical Hospital and Cook Children's pediatric facilities.

The City is directly tied into the Tarrant County 9-1-1 emergency response system. Advanced life support ambulance service, is provided through the Hurst Fire Department.

SCHOOL DISTRICTS

Educational facilities within the City are primarily provided by the Hurst-Eules-Bedford and Birdville Independent School Districts. The HEB ISD consists of nineteen elementary schools, five junior high schools, three senior high schools, a career education center, and a center for vocational education of the handicapped. Of these facilities, seven elementary schools, one junior high school and one senior high school are located in the City of Hurst. Approximately 6,275 students are enrolled in HEB ISD schools serving the City of Hurst and more than 400 teachers service the students.

The HEB school district's broad educational program stresses intellectual development, occupational and economic competence, citizenship, personal and social development, and health and physical fitness. Course content and teaching methods are designed to accommodate the needs of each student. These include basic studies, honors courses, advanced placement offerings and a variety of instructional programs for children with learning disabilities.

Differentiated and enriched instruction is provided for students identified as gifted according to established criteria which place them in the upper fifth percentile of general intellectual ability based on national norms. Hurst-Eules-Bedford is one of few districts with a Technical Education Center serving secondary schools in a central location. Students are provided transportation to the center if they desire.

The Birdville Independent School District has one elementary school located in northern Hurst. The district coordinates numerous activities with HEB ISD and the two work closely together to provide quality education services to their students. Scholastic programs in all of Hurst's school systems consistently meet and exceed the state's accreditation standards. Area students consistently match or outperform other students in the state on scholastic tests and on college entrance exams. Extracurricular activities are also an important part of the student experience in HEB and Birdville ISDs. Each district has had academic, athletic and fine arts programs crowned as State or National Champions.

The commitment to quality learning also extends to higher education. Tarrant County College Northeast Campus offers a wide range of curriculum in occupational, basic studies and continuing education courses. The Northeast Campus opened its doors in the fall of 1968, and the site has expanded to 187 acres with eighteen buildings that house almost a quarter of a million square feet of floor space.

Northeast Campus enrollment is approximately 17,032. 776 full-time equivalent employees and faculty members service these students. Numerous two-year degree plans are available and a majority of the courses offered may be transferred to four-year universities. Financial assistance is accessible to everyone, and counselors are available to answer any questions a student may have. This campus is fully accredited by the Commission on Colleges of the Southern Association of

Colleges and Schools. Recently, Dallas Baptist University also opened a satellite campus in Hurst. This campus offers accredited courses in a variety of Undergraduate and Graduate programs. Dallas Baptist also hosts several professional development seminars at the site each year.

CITY SERVICES

The City of Hurst municipal government consists of seven operating departments each responsible for providing a variety of services to the citizens that live here. They include: Community Services, Fire Department, Police Department, Fiscal Services, Public Services, Public Works and Administration/General Services.

The Community Services Department is the administrative arm of the Parks, Recreation, Aquatics, Senior Citizens Center and Library Divisions. It is primarily responsible for managing, planning, coordinating and directing the activities of these divisions. It also administers the Parks Donation Fund, Community Services Half-Cent Sales Tax Fund, the Facilities Maintenance Division and responds to citizen comments and requests. In addition to the above, the department administers the Volunteers in Action (VIA) Program, which was the first municipal volunteer program in the State of Texas and is known as one of the most successful. The program is celebrating its thirty-second year anniversary and has saved Hurst citizens over \$5 million in tax dollars. Parks and Recreation personnel maintain eighteen city parks, two aquatics centers, a tennis center, one historical site, a multi-purpose recreation center and the Senior Citizens' Activity Center. The new 30,000 square foot Senior Center offers many "open" activities for members including games, billiards, fitness and other activities. These activities are called "open" because members are not required to pre-register. Seniors simply show up and have fun. The Facilities Maintenance Division maintains all other facility sites citywide. The Library offers a diverse collection of materials in various formats. An outstanding literacy program provides additional services to the community, including reading improvement and a GED program.

The Fire Department provides the citizens of Hurst with fire protection, emergency medical services, emergency rescue and hazardous material response. The Fire Department focuses on four primary services: Fire Prevention, Fire Operations, Emergency Management and Ambulance/Emergency Medical Services (EMS). Fire Prevention focuses on reducing the potential for fire and loss of life in the City. Fire Operations is responsible for providing fire suppression, rescue and emergency medical service. All firefighters are trained as emergency medical technicians. Emergency Management monitors weather conditions, warns citizens of severe weather activity and educates the public on how to react to emergency situations. The Ambulance/EMS division provides for the emergency care and transportation of the sick and injured within the City. The Fire Department operates Emergency Medical Services with two front-line ambulances.

The Police Department's role is to enforce local, state and federal laws and to protect the citizens of Hurst from crime and disorder. The Operational Services and Administrative Services Divisions perform a variety of law enforcement functions and services. Operational Services handles emergency and non-emergency calls for police service. It also provides for the timely investigation of felony and misdemeanor violations of the law. Administrative Services is responsible for maintaining criminal records, prisoner detention, internal affairs, crime prevention and operation of the 9-1-1 communications center. The Police Department has two storefronts in operation in order to make Hurst police officers more accessible to the public and to reduce criminal activity. One is in North East Mall, located near the entrance to Sears, and the other is on Highway 10 at 309 East Highway 10. In fiscal year 1995-1996, the Department began administering the Anti-Crime Half Cent Sales Tax Fund, utilized for crime control and prevention purposes. The Anti-Crime Half Cent Sales Tax Fund was approved by voters for an additional twenty years in May 2010.

The Fiscal Services Department provides for the processing of all financial data in a timely, accurate and cost effective manner. This allows the department to monitor budgetary requirements, to invest the City's funds for safety, liquidity and yield, and to comply with all city, state and federal laws. Individual divisions include Finance, Personnel and Support Services including Purchasing and Risk Management.

Public Services provide various support functions to the City of Hurst through the City Secretary's Office. The City Secretary's Office, as the Public Information Division of Public Services, provides a broad range of administrative and clerical support for the City. The office maintains all ordinances, resolutions, vital statistics and minutes from City Council and Boards and Commissions meetings.

The City of Hurst Public Works Department is comprised of four divisions: Engineering, Water and Sanitary Sewer, Streets and Drainage. Engineering seeks to ensure that all water and sanitary sewer, drainage and paving improvements are designed and constructed in accordance with accepted principles and practices. Water Utilities provides safe and pure drinking water in sufficient volumes and under adequate pressure to city water customers. The Street Division performs quality maintenance of streets, properly maintains all traffic control devices and provides for the safe and efficient movement of traffic along city streets. The Storm Water Management Division ensures that all City drainage systems are properly maintained in compliance with the state required Stormwater Management Plan.

Administration is the City Manager's Office, which oversees the general operation of all City departments and works closely with the City Council to ensure that the residents of Hurst receive the highest quality of life possible. The Department administers the General Services Department, the Hotel/Motel Occupancy Tax Fund, the Sanitation Contract and communications including media relations and content on the City's website. Administration also oversees the new Hurst Conference Center. The HCC is a 50,000 square foot venue designed to handle a wide range of events from corporate meetings to initiate social gatherings. Additional HCC information can be found at (www.hurstcc.com).

The City's website (www.ci.hurst.tx.us) allows citizens to access vital information and services 24 hours a day, 7 days a week. Interactive functions include the City's mapping system, "Request for Action" form, subscription to Business/Residential e-mail alert system, and subscription to the Library Monthly Calendar. There are many other features that appeal to visitors, businesses and residents including on-line forms, databases, financial information and events calendar.

Administration also includes the Information Services division. This division is responsible for maintaining the City's extensive network of servers, PC's and various software programs. Providing technical support and training are also achieved by this division.

The General Services Department includes the Development Division, which is responsible for administering and developing programs to retain, expand and attract business to Hurst and to coordinate development activities in conjunction with civic and public groups. The Building Inspections/Neighborhood Services Division strives to enhance the quality of life for Hurst residents by diligently and logically enforcing local, state and federal regulations pertaining to the construction, use, or occupancy of buildings and land. The department also reviews policies and regulations to enhance development opportunities, broaden the tax base, and increase employment opportunities within the community. The General Services Department also includes the Municipal Court Division. Municipal Court is a criminal court having jurisdiction over Class C Misdemeanors occurring within the city limits that include traffic citations, parking tickets, as well as state law and city ordinance violations. General Services also includes the Utility Billing Division. The remaining General Services duties include, general fleet management and repair, garage operations, the printing of city materials, ambulance billing and the management of franchise utilities.

