

**DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD  
OFFICIAL BOARD ACTION/RESOLUTION**

<b>Date</b> 06/22/2007	<b>Committee</b> Full Board	<b>Subject</b> Approval of FY 2008 Operating Revenue and Expense Fund Budget and Dates of Submission and Approval of Future Budgets	<b>Resolution #</b> 2007-06-165																				
<b>Action</b> That the Airport Board approve the FY 2008 Operating Revenue and Expense Fund Budget (Fund 102) and request Cities of Dallas and Fort Worth to extend the due date of submission and approval of future budgets by one month.																							
<b>Description</b>  <ul style="list-style-type: none"> <li>• Approve the Fiscal Year 2008 Operating Revenue and Expense Fund (102 Fund) Budget, which will commence on October 1, 2007 and end on September 30, 2008.</li> <li>• Approval to request the Cities of Dallas and Fort Worth to extend the due date of submission and approval of future Fund 102 Budgets by one month.</li> </ul>																							
<b>Justification</b>  <ul style="list-style-type: none"> <li>• Section 8J of the Contract and Agreement between the Cities of Dallas and Fort Worth requires the Airport Board to approve the annual expenditures of the Airport (as included in the Operating Revenue and Expense Fund) and forward the approved budget to the Owner Cities by July 15 of each year for their approval by September 1.</li> </ul>																							
<b>Additional Information:</b>  <ul style="list-style-type: none"> <li>• The FY 2008 Budget is \$640.2 million, a \$21.6 million (3.5%) increase from the FY 2007 Budget of \$618.7 million.</li> <li>• The Budget is categorized into the following categories for reporting purposes:</li> </ul> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>102 Fund Budget (in Millions)</u></th> <th style="text-align: right;"><u>FY 2007</u></th> <th style="text-align: right;"><u>FY 2008</u></th> <th style="text-align: right;"><u>Inc (Dec)</u></th> </tr> </thead> <tbody> <tr> <td>Operating Expenditures</td> <td style="text-align: right;">\$ 322.0</td> <td style="text-align: right;">\$ 335.8</td> <td style="text-align: right;">\$13.8</td> </tr> <tr> <td>Operating Reserve</td> <td style="text-align: right;">-0.3</td> <td style="text-align: right;">3.4</td> <td style="text-align: right;">3.8</td> </tr> <tr> <td>Net Debt Service &amp; Coverage</td> <td style="text-align: right;"><u>297.0</u></td> <td style="text-align: right;"><u>301.0</u></td> <td style="text-align: right;"><u>4.0</u></td> </tr> <tr> <td>Total 102 Budget</td> <td style="text-align: right;">\$ 618.7</td> <td style="text-align: right;">\$ 640.2</td> <td style="text-align: right;">\$ 21.6</td> </tr> </tbody> </table>				<u>102 Fund Budget (in Millions)</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Inc (Dec)</u>	Operating Expenditures	\$ 322.0	\$ 335.8	\$13.8	Operating Reserve	-0.3	3.4	3.8	Net Debt Service & Coverage	<u>297.0</u>	<u>301.0</u>	<u>4.0</u>	Total 102 Budget	\$ 618.7	\$ 640.2	\$ 21.6
<u>102 Fund Budget (in Millions)</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>Inc (Dec)</u>																				
Operating Expenditures	\$ 322.0	\$ 335.8	\$13.8																				
Operating Reserve	-0.3	3.4	3.8																				
Net Debt Service & Coverage	<u>297.0</u>	<u>301.0</u>	<u>4.0</u>																				
Total 102 Budget	\$ 618.7	\$ 640.2	\$ 21.6																				
<b>Contract #</b>	<b>Agreement #</b>	<b>Purchase Order #</b>	<b>Action Amount</b> \$0	<b>Revised Amount</b> \$0																			
<b>For Information contact</b> Max Underwood 3-5460	<b>Fund</b>	<b>Project #</b>	<b>External Funding Source</b>	<b>Amount</b> \$0																			

**Additional Information Continued:**

- The Board received a Budget book explaining variances from the FY 2007 Budget and Outlook and the components of the FY 2008 Budget; was provided an overview of the Budget on June 7, 2007; and was briefed in detail at a special Board review session on June 22, 2007.
- The Contract and Agreement currently requires DFW Airport to submit its Budget to the Cities on July 15 and obtain approval by September 1. DFW's original bond ordinance included a maintenance tax provision that would be levied on the citizens of Dallas and Fort Worth if DFW was unable to fund all of its operating expenses. In order for the Cities to incorporate this potential tax provision in their annual budgets, a July 15<sup>th</sup> submission deadline was established for DFW's annual operating budget. In 2000, the maintenance tax provision was eliminated in the 30<sup>th</sup> Supplemental Bond Ordinance. It is recommended that the submission dates be changed to August 15 and the approval date be changed to September 30 to provide more time to compile a more accurate budget.

Additional Attachments: **N**

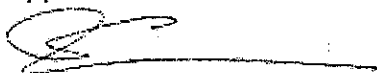
**BE IT RESOLVED BY THE DALLAS-FORT WORTH INTERNATIONAL AIRPORT BOARD**

SECTION I: That the Fiscal Year 2008 Operating Revenue and Expense 102 Fund Budget commencing on October 1, 2007 is hereby approved in the total amount not to exceed of \$608,224,330 and the Chief Executive Officer or his Designee is hereby directed to obtain further approvals thereof from the City Councils of Dallas and Fort Worth in accordance with the 1968 Contract and Agreement.

SECTION II: The Chief Executive Officer or his Designee has the authority to transfer funds between the Operating Budget and net Debt Service and Coverage categories as required by Bond Documents and Agreement with the Airlines.

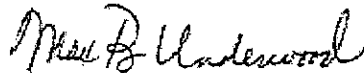
SECTION III: The Chief Executive Officer or his Designee has the authority to request a modification to the Contract and Agreement that would change the date of budget submission to the Cities from July 15 to August 15, and the date of Cities approval from September 1 to September 30.

**Approved as to Form by**



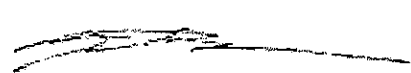
Gary Keane  
General Counsel  
June 21, 2007 4:14 pm

**Approved as to Funding by**



Max Underwood  
Vice President  
Finance  
June 21, 2007 4:21 pm

**Approved as to M/WBE by**



Don O'Bannon  
Vice President  
Small & Emerging Business  
June 21, 2007 4:10 pm

**SIGNATURE REQUIRED FOR APPROVAL**

**Approved by**



Martha Carmen  
Department Head  
Finance  
June 21, 2007 4:06 pm



Jeffrey P. Ferguson  
Chief Executive Officer

Date

THE STATE OF TEXAS )  
 )  
COUNTY OF DALLAS )  
 )  
COUNTY OF TARRANT )

KNOW ALL MEN BY THESE PRESENTS:

**AMENDMENT TO CONTRACT AND AGREEMENT**  
(Paragraph 8.J., regarding Budget Approval)

**THIS AMENDMENT TO THE CONTRACT AND AGREEMENT** (“Amendment”) is entered into and effective August 22, 2007, by and between the **CITY OF DALLAS, TEXAS**, a municipal corporation acting by and through its duly authorized City Manager, and the **CITY OF FORT WORTH, TEXAS**, a municipal corporation acting by and through its duly authorized City Manager (jointly, “the Cities”).

**W I T N E S S E T H:**

**WHEREAS**, the Parties hereto did, by that certain Contract and Agreement, dated April 15, 1968, provide for the construction and operation of the Dallas-Fort Worth International Airport (“DFW Airport”), and continued, expanded and further defined the powers and duties of the Dallas-Fort Worth International Airport Board (the “Board”); and

**WHEREAS**, the Parties have previously authorized and executed six amendments to the Contract and Agreement; and

**WHEREAS**, Paragraph 8.J. of the Contract and Agreement provides for a Board fiscal year commencing October 1 and ending midnight September 30 and further requires that the Board’s annual budget be submitted to the Cities by July 15 for their approval on or before September 1; and

**WHEREAS**, the July 15 deadline was established to allow the Cities sufficient time to enact a maintenance tax, as provided in the 1968 Regional Airport Concurrent Bond Ordinance, if and to the extent necessary in any fiscal year to assure the payment of DFW Airport operation and maintenance expenses; and

**WHEREAS**, the maintenance tax provision in the 1968 Regional Airport Concurrent Bond Ordinance was eliminated in 2000 by the DFW Airport Thirtieth Supplemental Concurrent Bond Ordinance; and

**WHEREAS**, the Board has requested that the above-described budget submission and approval deadlines be changed to August 15 and September 30, respectively; and

**WHEREAS**, such a change will provide the Board additional time for the preparation of a more accurate budget, without changing the period of time that the Cities will have to review and consider the budget once it is submitted; and

**WHEREAS**, the City of Dallas, by Resolution No. 07-2390, approved August 22, 2007, and the City of Fort Worth, by Resolution No. 3518-08-2007, approved August 21, 2007, authorized the execution of this Amendment (being the **seventh** such amendment) to the Contract and Agreement, to amend Paragraph 8.J. to require the Board to submit its annual budget to the Cities by August 15 and the governing bodies of the Cities to approve the budget on or before September 30;

**NOW, THEREFORE**, the Cities of Dallas and Fort Worth hereby agree as follows:

**SECTION 1.** Paragraph 8.J. of the Contract and Agreement is hereby amended to read as follows:

8.

#### POWERS AND DUTIES

“J. The fiscal year of the Board shall commence October 1st and end midnight September 30th. Except for sums fixed by this Agreement, as specified in paragraph numbered 17 hereof, the total expenditures to be made in any fiscal year shall be determined by a budget submitted on a single standard form to the City Managers of the Cities of Dallas and Fort Worth on or before August 15 ~~July 15~~ and approved by the governing bodies of such Cities on or before September 30th ~~1st~~. The Board shall prepare and submit such a form to the Cities for approval as to form prior to the preparation of the initial budget.”

**SECTION 2.** All other terms of the Contract and Agreement, as previously amended, shall remain in full force and effect.

[THE BALANCE OF THIS PAGE IS INTENTIONALLY BLANK]

ENTERED INTO as of the date first above written, and executed in multiple originals by the duly authorized officers of the constituent Cities.

ATTEST:

CITY OF DALLAS, TEXAS  
MARY K. SUHM  
City Manager

BY *Deborah Watkins*  
DEBORAH WATKINS  
City Secretary

BY *Ryan S. Evans*  
RYAN S. EVANS  
First Assistant City Manager

APPROVED AS TO FORM:  
THOMAS P. PERKINS, JR.  
City Attorney

BY *Charles M. Bierfeld*  
CHARLES M. BIERFELD  
Special Assistant City Attorney

ATTEST:

CITY OF FORT WORTH, TEXAS  
DALE A. FISSELER, P. E.  
City Manager

BY *Marty Hendrix*  
MARTY HENDRIX  
City Secretary

BY *Thomas M. Higgins*  
THOMAS M. HIGGINS  
Acting Assistant City Manager

Res # 3518  
Contract Authorization  
8/21/07  
Date

APPROVED AS TO FORM AND LEGALITY:

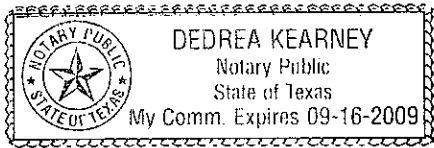
BY *David L. Yett*  
DAVID L. YETT  
City Attorney

(ACKNOWLEDGMENTS)

THE STATE OF TEXAS  
COUNTY OF DALLAS

§  
§  
§

This instrument was acknowledged before me on February 13, 2008, by Ryan S. Evans, First Assistant City Manager of the City of Dallas, Texas, a municipal corporation, on behalf of said municipal corporation.



Dedrea Kearney  
Notary Public, State of Texas

Dedrea Kearney  
(Typed or Printed Name of Notary)

My Commission Expires:

THE STATE OF TEXAS  
COUNTY OF TARRANT

§  
§  
§

This instrument was acknowledged before me on January 31, 2008, by Thomas M. Higgins, Acting Assistant City Manager of the City of Fort Worth, Texas, a municipal corporation, on behalf of said municipal corporation.



Joni R. May  
Notary Public, State of Texas

Joni R. May  
(Typed or Printed Name of Notary)

My Commission Expires: May 27, 2011

OFFICIAL ACTION OF THE DALLAS CITY COUNCIL

AUGUST 22, 2007

07-2390

Item 58: Authorize an amendment to paragraph 8J of the 1968 Contract and Agreement between the cities of Dallas and Fort Worth to move back by one month the respective dates by which the Dallas-Fort Worth International Airport Board's annual budget must be submitted to and approved by the owner cities, changing the submission and approval deadlines to August 15th and September 30th of each year - Financing: No cost consideration to the City

Approved as part of the consent agenda.

**WHEREAS**, the Dallas-Fort Worth International Airport ("DFW Airport") serves the aviation needs of the cities of Dallas and Fort Worth; and

**WHEREAS**, the Contract and Agreement between the Cities of Dallas and Fort Worth, dated April 15, 1968, by which the Dallas-Fort Worth International Airport Board (the "Board") was established as the operating Board of Directors of the Airport, requires that the Board's annual budget be submitted to the owner cities by July 15th for the owner cities' approval by September 1st; and

**WHEREAS**, the Board has requested that the above-described budget submission and approval deadlines be changed to August 15th and September 30th, respectively; and

**WHEREAS**, such a change will provide the Board additional time for the preparation of a more accurate budget, without changing the period of time that the owner cities will have to review and consider the budget once it is submitted;

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to execute an amendment to paragraph 8J of the Contract and Agreement between the cities of Dallas and Fort Worth, dated April 15, 1968, as amended, in the form attached as EXHIBIT A, changing the submission and approval deadlines for the DFW Airport Board's annual budget to August 15 and September 30th, respectively.

**SECTION 2.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

APPROVED BY  
CITY COUNCIL

AUG 22 2007

  
City Secretary



## EXHIBIT A

8.

## POWERS AND DUTIES

\* \* \*

**"J. The fiscal year of the Board shall commence October 1st and end midnight September 30th. Except for sums fixed by this Agreement, as specified in paragraph numbered 17 hereof, the total expenditures to be made in any fiscal year shall be determined by a budget submitted on a single standard form to the City Managers of the Cities of Dallas and Fort Worth on or before August 15 ~~July 15~~ and approved by the governing bodies of such Cities on or before September 30th ~~1st~~. The Board shall prepare and submit such a form to the Cities for approval as to form prior to the preparation of the initial budget."**

## KEY FOCUS AREA: Economic Development

AGENDA DATE: August 22, 2007  
COUNCIL DISTRICT(S): Outside City Limits  
DEPARTMENT: Intergovernmental Services  
CMO: Mary K. Suhm, 670-5306  
MAPSCO: N/A

---

**SUBJECT**

Authorize an amendment to paragraph 8J of the 1968 Contract and Agreement between the cities of Dallas and Fort Worth to move back by one month the respective dates by which the Dallas-Fort Worth International Airport Board's annual budget must be submitted to and approved by the owner cities, changing the submission and approval deadlines to August 15th and September 30th of each year - Financing; No cost consideration to the City

**BACKGROUND**

Under the 1968 Contract and Agreement, the D-FW International Airport Board (the "Board") is required to submit its annual budget to the owner cities by July 15th for their approval by September 1st.

The 1968 Regional Airport Concurrent Bond Ordinance, adopted by the cities of Dallas and Fort Worth, originally provided for the owner cities to assess and collect a maintenance tax, if and to the extent necessary in any fiscal year, to assure the payment of D-FW Airport operation and maintenance expenses. In order to give the owner cities time to enact this tax provision in connection with their own annual budgets, a July 15th deadline was established by the 1968 Contract and Agreement for D-FW Airport's annual budget submission. This tax provision was never necessary and in 2000, the maintenance tax provision in the 1968 Regional Airport Concurrent Bond Ordinance was eliminated under the Thirtieth Supplemental Concurrent Bond Ordinance, adopted by the cities of Dallas and Fort Worth. As a result, the Board has requested that its annual budget submission deadline be changed from July 15th to August 15th, for the owner cities' approval by September 30th instead of September 1st. According to D-FW Airport staff, this change will allow time for the preparation of a more accurate budget.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

The Dallas City Council was briefed on August 15, 2007.

072390

**FISCAL INFORMATION**

No cost consideration to the City

## A Resolution

NO. 3518-08-2007

### RESOLUTION AMENDING PARAGRAPH 8, POWERS AND DUTIES, OF THE 1968 CONTRACT AND AGREEMENT BETWEEN THE CITY OF FORT WORTH AND THE CITY OF DALLAS CREATING THE DALLAS-FORT WORTH INTERNATIONAL AIRPORT BOARD, CHANGING THE BUDGET SUBMISSION AND APPROVAL DATES

WHEREAS, the Dallas-Fort Worth International Airport (DFW Airport) serves the aviation needs of the cities of Dallas and Fort Worth; and

WHEREAS, the Contract and Agreement between the Cities of Dallas and Fort Worth, dated April 15, 1968, by which the Dallas-Fort Worth International Airport Board (the "Board") was established as the operating Board of Directors of the Airport, requires that the Board's annual budget be submitted to the owner cities by July 15 for the owner cities' approval by September 1; and

WHEREAS, the Board has requested that the above-described budget submission and approval deadlines be changed to August 15 and September 30, respectively; and

WHEREAS, such a change will provide the Board additional time for the preparation of a more accurate budget, without changing the period of time that the owner cities will have to review and consider the budget once it is submitted.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

1.

That the City Manager be and is hereby authorized to execute an amendment to paragraph 8 of the Contract and Agreement between the cities of Dallas and Fort Worth, dated April 15, 1968, as amended, in the form attached as Exhibit A, changing the submission and approval deadlines for the DFW Airport Board's annual budget to August 15 and September 30, respectively.

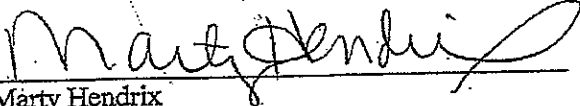


**CITY OF FORT WORTH**

2.

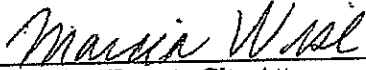
That this resolution take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Fort Worth, and it is accordingly so resolved.

ADOPTED this 21st day of August, 2007.



Marty Hendrix  
City Secretary


APPROVED AS TO FORM AND LEGALITY:



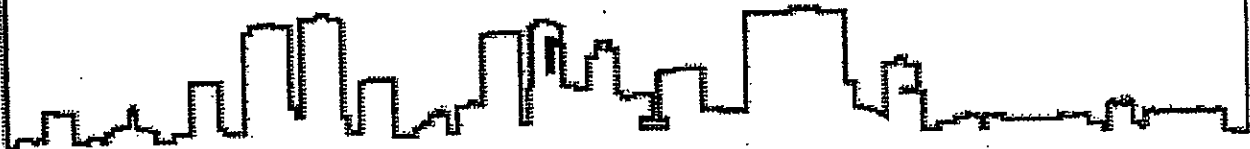
Marcia Wise, Deputy City Attorney.

APPROVED  
CITY COUNCIL

AUG 21 2007



City Secretary of the  
City of Fort Worth, Texas



**CITY OF FORT WORTH**

EXHIBIT A

8.

POWERS AND DUTIES

"The fiscal year of the Board shall commence October 1<sup>st</sup> and end midnight September 30<sup>th</sup>. Except for sums fixed by this Agreement, as specified in paragraph numbered 17 hereof, the total expenditures to be made in any fiscal year shall be determined by a budget submitted on a single standard form to the City Managers of the Cities of Dallas and Fort Worth on or before August 15 ~~July 15~~ and approved by the governing bodies of such Cities on or before September 30<sup>th</sup> 1<sup>st</sup>. The Board shall prepare and submit such a form to the Cities for approval as to form prior to the preparation of the initial budget."