

# Time is on Their Side

Don't bother Mayor Mikey and city council — they're busy pretending to listen to you.

BY DAN MCGRAW

Whenever Fort Worth faces any civic issue — big or small — the city council appoints a committee. This sounds good: getting citizens involved in the decision-making process. But invariably these committees spend months studying the obvious and then make the recommendations that the council wanted all along.

The real purpose of the committee is to give the council breathing room, to either put off decisions until later or remove sometimes heated *public* discussion from *public* council meetings. So when the council recently appointed the “Gas Wells Revenues Financial Management Strategy Ad Hoc Committee” (they love long titles), it was once again putting off a decision, specifically on how to spend the \$1 billion in Barnett Shale gas revenues that the city will receive from gas wells drilled on city property over the next 20 years.

But the panel is a little more meaningful than the others. The amounts at stake

are huge, the potential benefits profound, and the options endless. New projects? Fix the roads and bridges? Drop property taxes? Revitalize neighborhoods? The sky's the limit.

You'd think that council would have appointed a diverse panel, one to represent as broad a cross-section of the city as possible. But when you look at the nine citizens whom Mayor Mike Moncrief recommended, you see that the decision has already been made.

Mayor Mikey has championed the idea of putting most of that gas money in the bank as an endowment fund like those set up by foundations and colleges. An endowment fund is invested in stocks and bonds — sort of like a mutual fund — and interest is accrued and spent, while the principal stays untouched.

Naturally, five of the nine appointees work for foundations or museums and are experts in endowments, and two others have ties to the energy biz: Tim Petrus, a vice president for gas driller XTO Energy, and former city manager Bob Terrell, who runs the local office for CH2M Hill, a drilling and pipeline engineering and consulting firm.

That leaves only two folks representing the general public and, possibly, other opinions: Lillie Biggins, a member of the Harris Methodist Hospital board of trustees, and Gyna Bivens, who operates a consulting firm that helps minority executives get jobs

with corporations. Bivens is also president of the Ramey Place Neighborhood Association in southeast Fort Worth.

But lack of “regular” people may be the least of the panel's credibility problems. Petrus draws a salary of more than \$700,000 for XTO and got a \$340,000 bonus last year. XTO also has contracts with the city, including the deal that gave the city a \$14.8 million upfront bonus for drilling at Meacham Airport. The reasoning behind Petrus' appointment, according to city staff, is that he can advise the city on the ups and downs of the energy industry.

So Petrus will tell the city the obvious, that gas drilling prices can fluctuate, and the endowment experts can tell the council what range of income Fort Worth might receive if it invests the money. Of course, the city also could have asked for bids from investment firms and had them lay out the terms. But that would have required working with strangers rather than good ol' boys, and Mayor Mikey works only with good ol' boys.

Moncrief has pronounced that investing the money is the most prudent thing for Fort Worth to do. But that's not necessarily true. We all know that saving for a rainy day is a good thing in many respects, but cities should not be in that game. People pay their taxes, and in return, taxpayers should be taken care of in the form of city services. With the Barnett Shale money, the city should be deciding how it could use the money to benefit us — at least

before most of us die. When better infrastructure or major new projects could provide substantial benefits and draw more businesses and visitors to town, putting the windfall in the bank isn't even the best financial option.

The uncertain nature of gas income isn't a sufficient excuse not to plan to use it now. Cities make these little gambles all the time. They identify needs, such as road construction or urban redevelopment, borrow hundreds of millions through bonds, and then retire the bonds through revenue.

So the discussion should not be what kind of endowment the city should be putting the money into but debating whether spending or saving is the best way to use the money. Ask any neighborhood activist in the city, and you'll get a laundry list of needs. But Mayor Mikey's panel probably won't hear that side, or if they do, they'll brush it aside in the name of the big savings account.

One more question: When the gas revenues dry up, 20 years or so down the road, what do you do with the \$1 billion principal from the endowment fund? No need to worry about that, though. The city can appoint a million committees by then.

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