

AGENDA

**Regular Meeting of the Bedford City Council
Tuesday, August 27, 2013
Bedford City Hall Building A
2000 Forest Ridge Drive
Bedford, Texas 76021**

**Conference Room Work Session 5:15 p.m.
Council Chamber Work Session 5:30 p.m.
Council Chamber Regular Session 6:30 p.m.**

**COMPLETE COUNCIL AGENDAS AND BACKGROUND INFORMATION ARE AVAILABLE FOR REVIEW
ONLINE AT <http://www.bedfordtx.gov>**

CONFERENCE ROOM WORK SESSION 5:15 p.m.

- **Interview for appointment to the Zoning Board of Adjustment.**

WORK SESSION

- **Review and discuss items on the regular agenda and consider placing items for approval by consent.**
- **Discussion on the Bedford Tower at Central Drive and Airport Freeway regarding lighting, landscaping and other amenities. **This item requested by Councilmember Turner.**
- **Discussion regarding public information meetings for the November 5, 2013 Bond Election.**
- **Discussion regarding potential water and sewer rate increases and the impact on water bills.**

REGULAR SESSION 6:30 P.M.

CALL TO ORDER/GENERAL COMMENTS

INVOCATION (Pastor Tyler Downing, Woodland Heights Baptist Church)

PLEDGE OF ALLEGIANCE

OPEN FORUM

(The public is invited to address the Council on any topic that is posted on this agenda. Citizens desiring to speak on Public Hearing(s) must do so at the time the Public Hearing(s) are opened. In order to speak during Open Forum a person must first sign in with the City Secretary prior to the Regular Session being called to order. Speakers will be called upon in the order in which they sign in. Any person not signing in prior to the commencement of the Regular Session shall not be allowed to speak under Open Forum. Further, Open Forum is limited to a maximum of 30 minutes. Should speakers not use the entire 30 minutes Council will proceed with the agenda. At the majority vote of the Council the Mayor may extend the time allotted for Open Forum.)

CONSIDER APPROVAL OF ITEMS BY CONSENT

COUNCIL RECOGNITION

1. **Proclamation declaring August 27, 2013 as Dr. Maria Ferreira Day in the City of Bedford. **This Item requested by Councilmember Turner**
2. **Proclamation declaring September 2013 as Library Card Sign-up Month.**
3. **Employee Service Recognition.**

APPROVAL OF THE MINUTES

4. Consider approval of the following City Council minutes:
 - a) August 9, 2013 work session
 - b) August 13, 2013 regular meeting
 - c) August 20, 2013 special meeting

NEW BUSINESS

5. Public hearing on the annual budget for the City of Bedford, Texas for the fiscal period of October 1, 2013 through September 30, 2014; levying taxes for 2013 tax year.
6. Public hearing and consider a resolution approving a Site Plan for an inline retail building in the Central Business District for the property known as Abstract 71, Tract 2, Thomas Beedy Survey, located at 2212 Central Drive, Bedford, Texas. (S-057)
7. Consider approval of an ordinance and all matters incident and related to the issuance and sale of \$3,205,000 "City of Bedford Texas General Obligation Refunding and Improvement Bonds, Series 2013", dated August 27, 2013.
8. Consider an ordinance approving a resolution authorizing the issuance, sale, and delivery of Trinity River Authority of Texas (Tarrant County Water Project) improvement revenue bonds, and approving and authorizing instruments and procedures relating thereto.
9. Consider a resolution authorizing the City Manager to enter into a contract with Buy Board Cooperative Purchasing Network for the purchase of one replacement command vehicle, being a 2013 Chevrolet Suburban, in the amount of \$68,447.95.
10. Consider a resolution authorizing the City Manager to enter into a Lease Agreement with Planet Kidz for the purpose of holding the Fun Time Live Program at the Boys Ranch Activity Center.
11. Consider a resolution authorizing the City Manager to enter into the third year of a four-year contract with Scobee Foods, Inc., for the purchase of prisoner meals for the Detention Facility.
12. Consider a resolution authorizing the City Manager to enter into an interlocal agreement with the City of Colleyville for the construction of a roundabout at the intersection of Cheek-Sparger Road and Jackson Road/Central Drive.
13. Consider a resolution appointing a member to the Zoning Board of Adjustment.
14. Report on most recent meeting of the following Boards and Commissions:
 - ✓ Animal Shelter Advisory Board - Councilmember Boyter
 - ✓ Beautification Commission - Councilmember Turner
 - ✓ Community Affairs Commission - Councilmember Boyter
 - ✓ Cultural Commission - Councilmember Nolan
 - ✓ Library Board - Councilmember Davisson
 - ✓ Parks & Recreation Board - Councilmember Davisson
 - ✓ Senior Citizen Advisory Board - Councilmember Turner
 - ✓ Teen Court Advisory Board - Councilmember Champney
15. Council member reports
16. City Manager/Staff Reports
17. Take any action necessary as a result of the Executive Session

(Any item on this posted agenda may be discussed in executive session provided it is within one of the permitted categories under Chapter 551 of the Texas Government Code.)

ADJOURNMENT

CERTIFICATION

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted on the outside window in a display cabinet at the City Hall of the City of Bedford, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted by the following date and time: Friday, August 23, 2013 at 5:00 p.m., and remained so posted at least 72 hours before said meeting convened.

Michael Wells, City Secretary

(Auxiliary aids and services are available to a person when necessary to afford an equal opportunity to participate in City functions and activities. Auxiliary aids and services or accommodations should be requested forty-eight (48) hours prior to the scheduled starting time of a posted council meeting by calling 817.952.2101.)

Date Notice Removed



Council Agenda Background

PRESENTER: Roy Turner, Council Member

DATE: 08/27/13

Council Request

ITEM:

Discussion on the Bedford Tower at Central Drive and Airport Freeway regarding lighting, landscaping and other amenities. **This item requested by Councilmember Turner.

City Manager Review: _____

DISCUSSION:

Councilmember Turner requested that this item be placed on the agenda for discussion.

ATTACHMENTS:

Letter of Request

-----Original Message-----

From: Turner, Roy

Sent: Tuesday, August 20, 2013 4:22 PM

To: Wells, Michael

Cc: Griffin, Jim

Subject: RE: Work Session agenda Tuesday, August 27, 2013

Michael, please put on the Council Work Session Agenda for Tuesday, August 27, 2013: Discussion of the Bedford Tower at Central and Airport Freeway concerning lighting and landscaping, and other amenities. Thank you, Roy Turner



Council Agenda Background

PRESENTER: Beverly Griffith, City Manager

DATE: 08/27/13

Work Session

ITEM:

Discussion regarding public information meetings for the November 5, 2013 Bond Election.

City Manager Review: _____

DISCUSSION:

This item is for Council to discuss dates for holding public information meetings related to the Bond Election scheduled for November 5, 2013.

ATTACHMENTS:

N/A



Council Agenda Background

PRESENTER: Clifford Blackwell, CGFO
Director of Administrative Services

DATE: 08/27/13

Work Session

ITEM:

Discussion regarding potential water and sewer rate increases and the impact on water bills.

City Manager Review: _____

DISCUSSION:

During the August 9, 2013 Budget Work Session, the City Council discussed the impact of passing through an increase in both the water and sewer volume rates due to the City's wholesale provider, the Trinity River Authority (TRA), increasing its volume rates towards the City.

In addition, the City Council asked what the impact would be on water and sewer rates should they consider increasing the line item budget that is transferred to the Utility Maintenance Fund for emergency repairs. Currently, the budgeted transfer is \$200,000 from the Water Fund to the Utility Maintenance Fund.

Attached is an analysis showing the water and sewer rate increase using the TRA pass-through and the estimated increase in rates to accommodate the increased transfer to the Utility Maintenance Fund.

ATTACHMENTS:

Rate Impact Analysis

<u>Meter Size</u>		<u>Water</u>	<u>Water Senior</u>	<u>Sewer</u>	<u>Sewer Senior</u>
Base Charges	3/4"	\$ 18.37	\$ 16.70	\$ 10.88	\$ 9.88
	1"	\$ 31.94	\$ 33.40	\$ 14.60	\$ 14.85
	1 1/2"	\$ 63.89		\$ 22.76	
	2"	\$ 102.25		\$ 32.52	
	3"			\$ 58.55	
	4"			\$ 87.91	
	6"			\$ 169.39	
	Volume charge	\$ 3.02		\$ 2.04	
		4.6%		18.8%	

Water Cons	14,000
Sewer cons	6,000

	<u>Regular</u>	<u>Senior</u>
Water charges	\$ 62.51	\$ 60.79
Sewer charges	\$ 23.83	\$ 22.80
Drainage	\$ 3.50	\$ 3.00
Re-Cycling	\$ 2.03	\$ 1.48
Refuse	\$ 7.42	\$ 7.42
Tax	\$ 0.78	\$ 0.73

Old Rate = \$ 2.89 \$ 1.72

Water Increase **\$ 100.07** **\$ 96.23** **New Water Bill Amount**
 Sewer Increase

4% \$ 6.31 \$ 6.23 Difference

\$ 93.76 \$ 89.99 OLD Water Bill Amount

<i>Used to compare to old rate water bill</i>	\$ 58.83	\$ 57.16
	\$ 21.20	\$ 20.20
	\$ 3.50	\$ 3.00
	\$ 2.03	\$ 1.48
	\$ 7.42	\$ 7.42
	\$ 0.78	\$ 0.73

<u>Meter Size</u>		<u>Water</u>	<u>Water Senior</u>	<u>Sewer</u>	<u>Sewer Senior</u>
Base Charges	3/4"	\$ 18.37	\$ 16.70	\$ 10.88	\$ 9.88
	1"	\$ 31.94	\$ 33.40	\$ 14.60	\$ 14.85
	1 1/2"	\$ 63.89		\$ 22.76	
	2"	\$ 102.25		\$ 32.52	
	3"			\$ 58.55	
	4"			\$ 87.91	
	6"			\$ 169.39	
Volume charge		\$ 3.02		\$ 2.04	
		4.6%		18.8%	

Water Cons	14,000
Sewer cons	6,000

	<u>Regular</u>	<u>Senior</u>
Water charges	\$ 60.69	\$ 59.02
Sewer charges	\$ 23.14	\$ 22.14
Drainage	\$ 3.50	\$ 3.00
Re-Cycling	\$ 2.03	\$ 1.48
Refuse	\$ 7.42	\$ 7.42
Tax	\$ 0.78	\$ 0.73

Old Rate = \$ 2.89 \$ 1.72

Water Increase **\$ 97.56** **\$ 93.79** **New Water Bill Amount**

Sewer Increase

4% \$ 3.80 \$ 3.80 Difference

\$ 93.76 **\$ 89.99** **OLD Water Bill Amount**

Used to compare to old rate water bill

\$ 58.83	\$ 57.16
\$ 21.20	\$ 20.20
\$ 3.50	\$ 3.00
\$ 2.03	\$ 1.48
\$ 7.42	\$ 7.42
\$ 0.78	\$ 0.73

	RATE IMPACT	CURRENT		PROPOSED		BASE DIFF:	VOLUME DIFF
		BASE	VOLUME	BASE	VOLUME		
WATER	\$0.133	\$18.37	\$2.89	\$18.37	\$3.02	-	0.13
SEWER	\$0.323	\$10.88	\$1.72	\$10.88	\$2.04	-	0.32
WATER	3.0%	\$18.37	\$2.89	\$18.92	\$3.11	0.55	0.22
SEWER	3.0%	\$10.88	\$1.72	\$11.21	\$2.10	0.33	0.38

		RATE IMPACT
Projected 2014 WATER Revenues	\$ 11,177,948	0.0%
Projected Revenue Requirements	\$ (11,818,410)	
	\$ (640,462)	

		RATE IMPACT
Projected 2014 SEWER Revenues	\$ 6,972,206	0.0%
Projected Revenue Requirements	\$ (6,514,370)	
	\$ 457,836	

**WORKING
CAPITAL
IMPACT**

\$ (182,626)

		TRA pass thru
Projected 2014 WATER Revenues	\$ 11,509,872	\$ 0.133
Projected Revenue Requirements	\$ (11,818,410)	
	\$ (308,538)	

		TRA pass thru
Projected 2014 SEWER Revenues	\$ 7,897,185	\$ 0.323
Projected Revenue Requirements	\$ (6,514,370)	
	\$ 1,382,815	

\$ 1,074,277

		Percent
Projected 2014 WATER Revenues	\$ 12,210,823	3.0%
Proj Rev Requirements +\$500K	\$ (12,318,410)	
	\$ (107,587)	

		Percent
Projected 2014 SEWER Revenues	\$ 8,134,100	3.0%
Proj Rev Requirements +\$500K	\$ (7,014,370)	
	\$ 1,119,730	

\$ 1,012,143



Council Agenda Background

PRESENTER: Jim Griffin, Mayor

DATE: 08/27/13

Council Recognition

ITEM:

Proclamation declaring August 27, 2013 as Dr. Maria Ferreira Day in the City of Bedford. **This Item requested by Councilmember Turner

City Manager Review: _____

DISCUSSION:

Dr. Maria Ferreira will be on hand to accept the proclamation.

ATTACHMENTS:

**Proclamation
Letter of Request**



CITY OF
BEDFORD

Proclamation

WHEREAS, Maria Ferreira came to Bedford in 1977 as an exchange student from Brazil; and

WHEREAS, she attended L.D. Bell High School and spent six months with the Moon family here in Bedford. At the end of that time she returned to Brazil to continue her studies to complete medical school where she practices dental science today; and

WHEREAS, her husband, Julio, and her daughter have returned to America twelve times for a month-long visit each time. She loves the Bedford area and Texas.

NOW, THEREFORE, let it be known that I, Jim Griffin, Mayor of the City of Bedford, and the City Council do hereby proclaim August 27, 2013 as:

Dr. Maria Ferreira Day

in the City of Bedford and ask the citizens of Bedford to join me in extending our very best wishes to Dr. Ferreira and her family.

In witness whereof, I have hereunto set my hand and caused the seal of the City of Bedford to be affixed this 27th day of August, 2013.

JIM GRIFFIN, MAYOR



From: [Roy Turner](#)
To: [Wells, Michael](#)
Subject: Fwd: Maria Ferreira--Dental Specialist Endodontist Surgeon
Date: Wednesday, August 21, 2013 5:13:01 PM

I am forwarding the information I have for the proclamation. Roy Turner

----- Forwarded message -----

From: David Moon
Date: Wed, Aug 21, 2013 at 12:48 PM
Subject: Maria Ferreira--Dental Specialist Endodontist Surgeon
To:

Here is the bio information you had asked I get to you. Our student of years

ago and her husband will be leaving at the end of next week and I had spoken

to Dr. Turner of being able to give her a key to the city or have a Dr. Maria

Ferreira Day. Any thing along this line would be greatly appreciated. She

loves the Bedford area and the state of Texas. If possible to present something

to her next Tuesday at the council meeting would be great.

Maria came to Bedford in 1977 as an Exchange Student from Brazil. She attended Bell High School and spent six months with the Moon Family here in Bedford. At the

end of that time she returned to Brazill to continue her medical studies to complete

medical school where she practices dental science today.

Her husband Julio , and her daughter have returned twelve times for a month visit to America each time. Her husband is a very well known author in his own right in Brazil with six books authored by him.

Thanking you in advance

Dr. Dave Moon,Ph.D.

Dave Moon, MS, Ph.D.
CEO-Santa USA-Texas
Senior Medical Researcher-Analyst
Senior Consultant - Researcher for Gas and Electricity

Senior Researcher-Analyst for Moon Bio-Science, Inc.
District Chairman BSA-Road Runner District Hurst, Texas {2013-2014}
International Political Researcher-Senior Analyst
Moon Insurance Agency [817-366-6641](tel:817-366-6641)
TPA Membership Chairman {2013-2014}
Optimist Club Membership Chairman {2013-2014}
Membership Chairman Gideon's International Ft. Worth NE Camp {2013-2014}

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Thanks,

Dr. Roy Turner

Follow Me on Twitter by texting "Follow ReElectDrTurner" to 40404

I'm on Facebook at "ReElectDrTurner" (<http://www.facebook.com/ReElectDrTurner>)

<http://councilmanturner.com/>



Council Agenda Background

PRESENTER: Jim Griffin, Mayor

DATE: 08/27/13

Council Recognition

ITEM:

Proclamation declaring September 2013 as Library Card Sign-up Month.

City Manager Review: _____

DISCUSSION:

Library Card winner Leah Thye and her dog Tanker will accept the Library Card Sign-up Month Proclamation on behalf of the Bedford Public Library. Ms. Thye is the winner of the Library Card Design contest. The Library will be debuting two new library card designs in honor of Library Card Sign-up Month. In celebration of this month, people will be able to replace their cards for free during the month of September.

ATTACHMENTS:

Proclamation
PowerPoint



CITY OF
BEDFORD

Proclamation

WHEREAS, the library card is the most important school supply of all; and

WHEREAS, libraries are an essential service for the nation's children; and

WHEREAS, libraries bridge the digital divide by providing a full range of information and services to children and adult learners; and

WHEREAS, libraries offer free access to important educational resources like online homework resources, access to online databases and e-books; and

WHEREAS, libraries continue to evolve and find ways to bring value to their communities; and

WHEREAS, the library card is the "smartest card" you can own.

NOW, THEREFORE, let it be known that I, Jim Griffin, Mayor of the City of Bedford, and the City Council do hereby proclaim September 2013 as:

Library Card Sign-Up Month

in the City of Bedford and encourage all residents to sign up for a free Bedford Public Library card.

In witness whereof, I have hereunto set my hand and caused the seal of the City of Bedford to be affixed this 27th day of August, 2013.

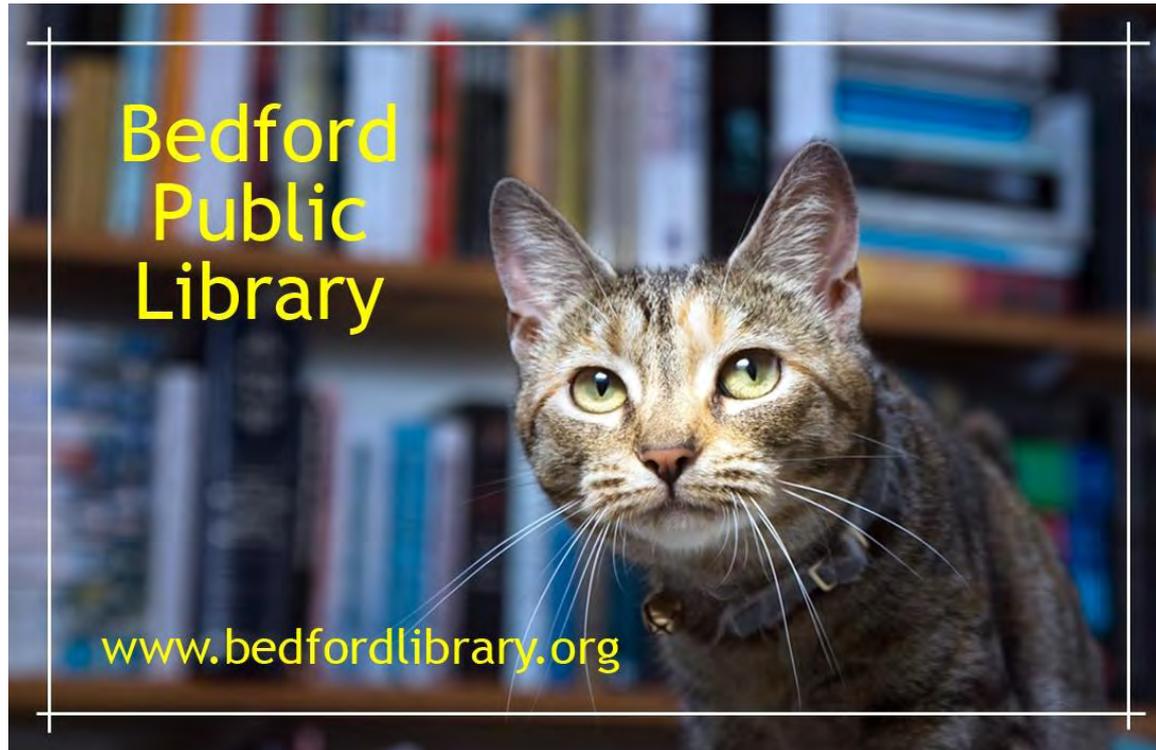
JIM GRIFFIN, MAYOR





Library Card Design Winner

Submitted by Leah Thye starring Tanker



Library Card Cat Design



Council Agenda Background

PRESENTER: Beverly Griffith, City Manager

DATE: 08/27/13

Council Recognition

ITEM:

Employee Service Recognition

City Manager Review: _____

DISCUSSION:

The following employees have completed a service period and are eligible for recognition:

Darrick Bridger	Police Department	5 years
Jason Whitehead	Fire Department	15 years

ATTACHMENTS:

N/A



Council Agenda Background

PRESENTER: Michael Wells, City Secretary

DATE: 08/27/13

Minutes

ITEM:

Consider approval of the following City Council minutes:

- a) August 9, 2013 work session
- b) August 13, 2013 regular meeting
- c) August 20, 2013 special meeting

City Manager Review: _____

DISCUSSION:

N/A

ATTACHMENTS:

August 9, 2013 work session
August 13, 2013 regular meeting
August 20, 2013 special meeting

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

The City Council of the City of Bedford, Texas, met in work session at 8:30 a.m. in the Law Enforcement Training Room, 2121 L. Don Dodson, Bedford, on the 9th day of August, 2013, with the following members present:

Jim Griffin	Mayor
Michael Boyter	Council Members
Chris Brown	
Ray Champney	
Jim Davisson	
Patricia Nolan	
Sherri Olsen	
Roy W. Turner	

constituting a quorum.

Staff present included:

Beverly Griffith	City Manager
David Miller	Deputy City Manager
Michael Wells	City Secretary
Cliff Blackwell	Director of Administrative Services
Bill Cooper	Information Services Director
Roger Gibson	Police Chief
Tom Hoover	Director of Public Works
Megan Jakubik	Budget Analyst
Jill McAdams	Director of Human Resources
Mirenda McQuagge-Walden	Managing Director of Community Services
Maria Redburn	Library Manager
Bill Syblon	Development Director
James Tindell	Fire Chief

CALL TO ORDER/GENERAL COMMENTS

Mayor Griffin called the meeting to order at 8:36 a.m.

WORK SESSION

1. Receive and discuss FY 2013-2014 budget overview.

City Manager Beverly Griffith stated that what is being presented is staff's recommendation for the program of services, which is designed to address the wants and needs of a vast number of customers. This year, businesses affected the highway construction have returned and there are new businesses throughout the City. Sales tax has been trending upwards and property values, across both business and residential, are up 1.5 percent. This allows the City to fund basic needs but also allows for choices.

Administrative Services Director Cliff Blackwell thanked Budget Analyst Megan Jakubik for making the proposed budget documents more user-friendly, convenient and better looking through a PDF format..

The total proposed base expenditure budget is \$58,368,758, which is less than the current budget. Supplemental requests equal \$919,656, giving a total proposed budget of \$59,288,414, which is 1.08 percent over the FY 2013 budget. In regards to the Consumer Price Index (CPI) and the Municipal Cost Index (MCI), he stated that the cost of providing services would continue to increase even if the City does nothing. Both indexes have an increased 1.1 percent over the previous year.

The total proposed revenue is \$60,753,003, 90 percent of which is made up from the General Fund, the Water/Sewer Fund and the Debt Service Fund. Revenue from fines is down as the City has lost half of its red light cameras due to the highway construction. Sales tax revenue should be strong going into next year.

Mr. Blackwell presented information showing proposed based expenditures and proposed supplemental requests compared to the previous year. The largest expenditures are the General Fund at \$27,860,600, the Water/Sewer Fund at \$19,657,705 and the Debt Service Fund at \$6,551,187. In regards to expenditures by functions the largest portions are Public Services at 34 percent, Public Safety at 30 percent and Debt Service at 13 percent. In regards to expenditures by classification, the largest components are personnel at 41 percent, contractual services at 29 percent and debt/transfer services at 13 percent. In comparing expenditures to the previous year, there is a slight difference in the General Fund, an increase in the Water/Sewer Fund due to an increase in debt service and costs from the Trinity River Authority, and a large decrease in Other due to a decline in traffic safety funds.

Mr. Blackwell presented information on supplemental requests that were rolled into the base budget, which include CDL compliance; self-contained breathing apparatus, where it was decided to finance as new requirements have made them more expensive; Centracs signal software; traffic signal maintenance; and human resource issues including increases to worker's compensation, health and dental insurance, and the City's contribution to TMRS. Increases in current program funding include such items as elections in even-numbered years, ambulance supplies and Blackboard Connect. Unfunded mandates include intoxilyzer replacement, the fee for the Northern Trinity Groundwater Conservation District, and water meter requirements. Council and Board/Commission requests include the bond election, 6 Stones, the citizen satisfaction survey, the CBDZ vision and design standards, ArtsFest, enhancements to the Council chambers using PEG money, striping the Senior Center parking lot and the bridge railing on Forest Ridge Drive. Maintenance items include the Simpson Terrace Well, shower stalls at Splash, replacing the flooring in the weight room at the BRAC and security access keys at Fire Stations 2 and 3. Capital purchases include self-checkout stations at the Library, a Parks utility vehicle, a trench shoring unit, Autocad software, defibrillators in ambulances, and a golf cart at the Old Bedford School (OBS). Other supplemental requests include the CASA project, employee in-service training, membership dues, a rental assistant at the OBS and additional advertising.

Mr. Blackwell presented detailed information regarding the General Fund. A breakdown of revenues shows increases in property, sales and franchise taxes as well as charges for services, which includes ambulance billing. Property taxes at 33 percent and sales tax at 26 percent make up the largest portion of where money into the General Fund comes from.

Mr. Blackwell explained that the effective tax rate is the rate that generates the same amount of revenue as the current year. The effective tax rate is calculated at \$0.495050 per \$100 assessed valuation. The total rollback rate is calculated at \$0.618270 per \$100 assessed valuation and \$0.526998 per \$100 assessed valuation after the sales tax adjustment. The current tax rate is \$0.499115 per \$100 assessed valuation. The tax rate used in the proposed revenue calculations is the effective tax rate. The comparison to the previous year's tax rate shows a decline of 0.9 percent on the maintenance and operation rate and 0.8 percent on the debt rate. A comparison of taxable values over the last several years shows an upswing starting in 2011, and over \$3B in taxable values going into next year. The average net taxable value has increased by approximately \$3,000 from the previous year. In comparing overlapping tax rates, the City makes up 20 percent of the total rate of \$2.54 per \$100 assessed valuation. The School District makes up the largest portion of the rate. A comparison of both current and proposed tax rates of area cities shows that the City of Grapevine will be having a slight decrease in their rate. The impact of the effective tax rate would have an impact of an increase of \$6.00 a year on the average tax bill. Sales tax figures have been good as of late and are still projected to be over budget moving forward. They are currently 3 percent over the previous year's total and the September deposit is estimated to be approximately \$750,000.

Mr. Blackwell stated that revenue changes in the General Fund include increases in property taxes due to new construction, the sales tax budget, and franchise fees; the rate for mixed beverage fees going back up; the increase in revenue from ambulance billing and the ICE program; and increased revenue from permits. In regards to General Fund expenditures, there is a decrease in Support Services as Code Compliance has moved out of that department and has been split between Police and Fire. In regards to where the money goes in the General Fund, the largest percentage goes to Public Safety. A per capita comparison of surrounding cities shows that the City spends \$1,200 per citizen and has 7.67 employees per 1,000 citizens. Mr. Blackwell then presented a list of General Fund supplemental requests.

There was discussion regarding banners placed on utility poles for the Cultural District. Managing Director of Community Services Mirenda McQuagge-Walden explained that they would be used to brand the District; that she, along with Don Perfect from Oncor, had identified utility and black poles that are eligible for placement of banners; and that the supplemental allows for two banners a year and it is only for the District. There was further discussion on where to place the banners including outside of the District and that the supplemental does not designate locations; that it does not include new poles and that they would be placed on existing poles; whether Council wants the banners in the first place; meeting with the Cultural Commission on locations; that State law allows hotel/motel taxes be used for arts and culture; whether it is too early to put out banners for the District; and the banners being used to create an identify for, and visibility and awareness of, the District. There was discussion on the CBDZ design standards including the \$70,000 that has been spent so far; the next step being to have a company write the design criteria; questions regarding what kind of retail would survive in the CBDZ and utilizing Buxton; interviewing companies to firm up the costs of writing the design standards; specifications and dictating what comes to the CBDZ; a comparison of the process with the recent discussions on the Master Overlay District; and creating design standards first to eliminate confusion and misunderstandings. There was discussion that the Election costs include the bond election in November and the increase in May election costs in even-numbered years.

Mr. Blackwell presented information regarding the Debt Service Fund, which is funded primarily from property taxes and transfers from the 4B Fund. He presented an outline of what the City is going to pay out of the Fund the next year, including service fees and arbitrage. In answer to questions from Council, it was stated that the City's total debt is \$54M, with \$36M coming out of the General Fund; and that 13 percent of overall expenditures is debt. Council inquired on how the City's debt compares to neighboring cities.

Mr. Blackwell presented information regarding the Water and Sewer Fund. He stated it is an enterprise fund and operates like a business. Items that have to be taken into account are depreciation, user charges that pay for services, and increases from the Trinity River Authority. Money for this Fund comes from water and sewer charges, connection services, interest, late fees, inspections and administrative fees. Revenue goals include covering operation and maintenance expenditures; providing for debt service covenants; maintaining a working capital of 90 days, which was met at the end of FY 2012; and funding the utility relocates for the NTE project. Since October of 2010, the base rates have been \$18.37 per month for water and \$10.88 per month for sewer. Usage rates have been \$2.89 per 1,000 gallons for water and \$1.72 per 1,000 gallons for sewer, which has a 12,000 gallon maximum. In the Trinity River Authority (TRA) budget, the volume rates they are charging the City have increased from \$2.51 to \$2.64 per 1,000 gallons for water and from \$1.80 to \$2.12 per 1,000 gallons for sewer. Passing on that increase would increase the volume rates to \$3.02 per 1,000 gallon on water and \$2.04 per 1,000 gallons on sewer. This would account for an increase of approximately \$3.80 a month, or four percent, on both regular and senior customers based on July consumption. In regards to where the funding goes, approximately \$10M goes towards water and \$4.5M goes towards wastewater. The rest includes transfers/debt, Customer Service, Accounting, Risk Management, Engineering and non-departmental. In regards to operations, the majority is made up of personnel at \$2.1M, water purchases from TRA at \$8.1M, sewer services from TRA and the City of Hurst at \$3.9M, and transfer/debt service at \$3.7M. In answer to questions from Council regarding moving utilities for the NTE project, it was stated that there is currently \$1.7M in the utility maintenance fund, with it projected to be at \$1.9M at the end of the year, and that the City will owe \$2.4M in June of 2014. Further, there is a working capital balance currently of 110 days. There was discussion regarding the proposed rate increases including staff running different scenarios for Tuesday night or for the budget public hearing; that the driving force behind TRA's rate increase is the debt they took on for capital improvements; the possibility of annual increases of five percent; and that an extra one percent increase would equate to \$120,000 in water and \$60,000 in sewer for a whole year. Mr. Blackwell then presented a list of

supplemental requests for the Fund. There was discussion regarding the painting of the inside of the Simpson Terrace well tank.

Mr. Blackwell presented information regarding the Stormwater Fund. He stated that it is also an enterprise fund and is self-sufficient. Revenues have not changed over the past several years, with revenues consistently at approximately \$1.3M. In regards to where the funding goes, it is made up of operations, debt and administrative transfers. The fund has a goal of a 90 day working capital, which was reached at the end of 2012. Transfers include engineering services on behalf of the fund. Operations include personnel costs, supplies, maintenance, contractual/sundry, administrative/debt service and capital outlay. Contractual includes legal costs for the Oaks of Landera lawsuit. Mr. Blackwell then presented a list of supplemental requests for the Fund.

Mr. Blackwell presented information on the 4B Fund, which primarily comes from sales tax and interest. This Fund goes mainly towards maintenance and transfers to the Debt Service Fund. He then presented a list of supplemental requests for the Fund.

Mr. Blackwell presented information regarding the Special Revenue Funds. The Tourism Fund is funded mostly through hotel taxes at approximately \$750,000, the OBS, and festivals for a total of \$1.1M. The Fund goes towards administrative costs, the OBS and festival costs. There was discussion regarding the OBS bringing in \$97,000 and having expenses of \$234,000; that administrative costs include the special events teams, transfers, hotel/motel marketing, items not tied directly to festivals, Twilight Thursdays and the Arts Council. Supplemental requests include a golf cart and storage building, as well as a rental assistant. There was discussion on the golf cart including it being used to take customers who come to the gray house where staff is located to the OBS. Mr. Blackwell presented a breakdown of revenue and expenditures for minor funds including the following: Traffic Safety, for which a future consideration needs to be made regarding funding the replacement of Police Department vehicles as this Fund dwindles; PEG, which comes from the cable franchise fees; Economic Development, which are part of the 380 agreements the City has entered in to; Beautification; Park Donations; Court Technology; Court Security; and Drug Enforcement. There was discussion on the Park Donation Fund including that it is higher than the previous year, that it took in approximately \$9,000 last year, and that there is a fund balance of approximately \$45,000. Mr. Blackwell presented a list of supplemental requests for these funds. There was discussion that the video equipment is to purchase items for the Marketing Coordinator position so that she does not need to use her own equipment. There was discussion on the traffic safety fund and the reduction in half of red light cameras including a survey being performed to determine if the cameras can be put back in once construction is complete; that RedFlex had previously performed a survey of other locations in the City and had made recommendations but that there was no consensus from Council to move forward at that time; forming a committee for the placement of cameras; cameras being about safety or revenue; and that the remaining annual revenue is not sufficient for capital purchases. In regards to the Economic Development Fund, it was stated that the seed money has been depleted and a focus needs to be made for a revenue stream to continue paying out incentive agreements. Mr. Blackwell then presented a list of supplementals for the Facilities Maintenance, Aquatics Maintenance and Equipment Replacement Funds.

Mr. Blackwell presented information regarding major capital items that are to be funded using contractual obligations, or PPFCOs. This bond sale is being pushed back to January so the City is only looking at an interest-only payment for the year. These items include the New World Software; the Motorola radio system, which through Motorola had an interest rate of 3.1 percent compared to 2.75 percent through the PPFCOs; a bucket truck; upgrading computers to Windows 7, mobile data computers; and a custom pumper, which has a life span of 10 years on the front line and then five years in reserve.

There was discussion regarding sales tax including abatements to businesses being portioned out and a contra account being developed based on how much the City has to pay to the businesses; and that the figures did not factor in Project Oatmeal and instead focused on businesses that were on the ground.

Ms. Griffith presented options for Council, specifically with the General Fund. If the City uses the effective tax rate, there would be a surplus of \$548,170. Options for the surplus include not spending it and have it go into the fund balance, where there is a 20 percent reserve requirement; not spending it and using it for future needs including design standards for the CBDZ, corridor improvements, the upcoming revenue loss from Fire Station

2 of \$280,000 a year, and patrol vehicles; and reducing the tax rate. In regards to the tax rate, if it is reduced to \$0.49000 per \$100 assessed valuation, the surplus would be reduced by \$130,000 to \$417,000. If the tax rate is maintained, the surplus would increase by \$105,000 to \$635,000. Other options include employee compensation, for which a 2 percent raise would cost approximately \$355,000, a 2.5 percent raise would cost approximately \$444,000, and a 3 percent raise would cost \$533,000; using it for one time or capital expenditures, including unfunded supplemental requests; and establishing a base amount of money in the Economic Development Fund.

There was discussion regarding compensation including it being across the board; improving the salary structure; the reduction in staff positions including combining positions at the OBS and Parks Maintenance; that there were no net costs for the day camp workers and water safety instructors; frozen positions in the Police Department, Public Works and Parks; the necessity of unfreezing positions specifically in the Police Department; that the increase in compensation in Community Services includes all benefits; that the City's turnover rate is seven percent with the three primary reasons for employees leaving being retirement, more money, and career growth; competition from surrounding cities; the costs of retraining employees; the cost of getting certain employees up to the 40th percentile being approximately \$260,000; tasking staff to come back with different scenarios; the scores given by managers for the previous merit raises; that the compensation figures included benefits; and doing a combination of market-based and merit raises. There was discussion on supporting the Economic Development Fund and the trend in economic development towards office and medical. There was Council discussion on investing in the future and thinking in the long term; lowering the tax rate and engendering good will with citizens; strategies for dealing with Fire Station #2; and applying the surplus to one-time expenses.

There was further Council discussion on compensation; settling on a tax rate to determine the amount of surplus remaining and tasking staff to manage that amount with a compensation package and \$100,000 to \$110,000 for the Economic Development Fund; reserve rates; and unfunded supplemental requests. There was discussion on supplemental requests for vehicles in Public Services including replacing one that has single doors and half doors, which causes the crews to take two trucks to every event; current trucks not having the towing capacity for heavier equipment; a vehicle being used by the manager and on-call crew members; maintenance costs only including parts and not labor; and replacing vehicles with ones that utilize cleaner burning fuels. There was discussion on supplemental requests for the following items: street light installation; striping of the parking lot at the Senior Center including doing it in conjunction with other striping; the replacement of mismatched and cracked flooring in the Senior Center, which would be replaced with a durable vinyl plank that does not require maintenance for stripping and waxing; the replacement of flooring in the cardio room at the BRAC, which currently is not meant to support equipment and was initially installed to save money; and pool lifts at Splash and Central Pool, which are showing their age and require staff to connect a water hose to operate, creating a tripping hazard. There was discussion on the revenue for Splash being \$210,000 the previous year and that \$36,000 was spent on maintenance repairs. There was discussion on the supplemental for additional advertising for tourism, since the City does not have a formal advertising program and the funds would add flexibility. There was discussion on using the money in the Economic Development Fund to entice shopping center owners to fix up their centers; mobile ticket writers for Code Compliance; funding the supplemental for the intern the City Manager's office; that the value of the contractual obligations is \$2.6M and would have an impact of \$0.015 per \$100 valuation on the tax rate in 2015; funding the supplemental for the American Planning Conference in the amount of \$2,860; ongoing funding for the Economic Development Fund including pre-allocating a certain amount of sales tax or through building permits, which would be brought back as part of the City's Financial Policy; using \$35,000 from the Library capital campaign to establish a technology replacement fund for the Library; and that there is \$30,000 left from the money put into escrow for Code Compliance, which will be going into contract services for abatement and clean-up.

There was consensus from Council to keep the tax rate at the effective rate; to fund the intern and American Planning Conference supplemental requests; for staff to create a compensation package that includes a market treatment and other compensation; for staff to come back with ideas and options for utility rates; to put funding into the Economic Development Fund; and for staff to reconcile the Economic Development Fund.

2. Discuss potential utility rate changes.

This item was discussed during Mr. Blackwell's presentation.

3. Review and discuss Capital Improvements Program (CIP).

This item was discussed during Mr. Blackwell's presentation.

4. Discuss wrap-up of any other budget related items.

Ms. Griffith stated that for the next Council meeting, staff had not received certain documents regarding Project Oatmeal and that there may be a need to call a special Council meeting once those documents are received.

Mr. Blackwell presented a timeline of upcoming dates regarding the budget process.

ADJOURNMENT

Mayor Griffin adjourned the meeting at 2:04 p.m.

Jim Griffin, Mayor

ATTEST:

Michael Wells, City Secretary

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

The City Council of the City of Bedford, Texas, met in Work Session at 5:00 p.m. and Regular Session at 6:30 p.m. in the Council Chambers of City Hall, 2000 Forest Ridge Drive, on the 13th day of August, 2013 with the following members present:

Jim Griffin	Mayor
Chris Brown	Council Members
Michael Boyter	
Ray Champney	
Jim Davisson	
Patricia Nolan	
Roy W. Turner	

Staff present included:

Beverly Griffith	City Manager
David Miller	Deputy City Manager
Stan Lowry	City Attorney
Michael Wells	City Secretary
Cliff Blackwell	Administrative Services Director
Bill Cooper	Information Services Director
Roger Gibson	Police Chief
Tom Hoover	Public Works Director
Jill McAdams	Human Resources Director
Mirenda McQuagge-Walden	Managing Director
Maria Redburn	Library Manager
Jacquelyn Reyff	Planning Manager
Bill Syblon	Economic Development Director
James Tindell	Fire Chief

WORK SESSION

Mayor Griffin called the Work Session to order at 5:00 p.m.

- **Review and discuss items on the regular agenda and consider placing items for approval by consent.**

Council discussed placing the following items on consent: 1, 8,12,13,14 and 15.

Public Works Director Tom Hoover presented information regarding Item #13. It is a water line project inside the Gardens of Bedford Apartment complex. The cast iron water main is 46 years old and is susceptible to leaks. There have been ten repairs to the line over the last five years and residents have been without water for hours. This project would involve abandoning the existing main and building a new line. Staff discovered that there was no easement for the existing main and it was acquired in July. The low bid for the project is Woody Contractors in the amount of \$125,253.30. The firm has been verified by the City's consulting engineer, Dick Perkins. In answer to questions from Council, Mr. Hoover stated that 75 days is adequate to do the work including cleanup; that the City did not have to pay for the easement; they utilized their surveyors and a person who facilitates the acquisition of easements; and that they had to work with the Federal Government on acquiring the easement.

Fire Chief James Tindell presented information regarding Item #14. He stated that Council had previously approved \$87,000 to replace 20 SCBAs. However, new standards were imposed on SCBAs and prices were increased. Staff made the determination to buy 40 SCBAs all at once, spreading the

payments over seven years. In answer to a question from Council, he stated that he cannot define the life expectancy for the units but that the current ones are 25 years old.

Police Chief Roger Gibson presented information regarding Item #15. He stated that in 1999, the cities of Hurst, Euless and Bedford created a response team for fatality accidents and/or those that may lead to litigation. The City of Grapevine was added to the team in 2009. They have been approached by the City of Colleyville to join the program. As Colleyville will be responding to more accidents in the other cities, they will gain experience for their investigators, while it will help the other cities by having more people to assist.

- **Receive a presentation from Jeff Law, Tarrant Appraisal District Chief Appraiser.**

Jeff Law with the Tarrant Appraisal District (TAD) made a presentation to Council. He stated that there is an upward trend in the City's property tax values. Over the past four years, the certified appraisal roll has risen from \$2.87B to close to \$2.93B this year. As of TADs certification on July 25, there is approximately \$91M under protest; he anticipates that the City would be receiving \$70M of that or more in the updated certification in September. In regards to the impact of construction on values, commercial values have increased from \$870M the previous year to \$927M and he believes that the multifamily sector is where a lot of this could be happening. The recession of 2008 - 2009 had an impact on the residential sector including foreclosures. People moved into apartment complexes, causing occupancy rates, and therefore rents, to go up, and cap rates to go down. This caused an increase in the value of multi-family properties. Along Highway 183, there are going to be some negative impacts, which is being offset by the increase in multi-family values and new construction. In regards to TADs budget, it was \$20.3M this year and the proposed budget for next year is \$21M, or a three percent increase. Per the Property Tax Code, they prepare a budget, which is then presented to their Board of Directors. It is then sent to all taxing entities for a public hearing, which is normally the third Friday in August. He projects that Bedford's share of the budget will be 0.4386 percent.

In answer to questions from Council, Mr. Law stated that he did not have an answer at the time regarding how the City's four percent increase in property values compares to surrounding cities; however, the growth County-wide is two percent. In regards to TADs budget, they are charged to appraise properties at market value and during the recession, while they lowered the value on 300,000 properties, protests increased; that they employ 193 people compared to 202 a few years ago; that they are getting a new computer system; that their budget in regards to employees has remained consistent; and that 73 percent of their budget goes towards employees and benefits. Mr. Law explained to Council the process of determining market value and that they have 900,000 properties to appraise and only 85 appraisers and therefore they do a mass appraisal.

- **Present report on the 2013 City of Bedford Fourth Fest.**

Special Events Coordinator Wendy Hartnett presented a report on the 2013 Bedford Fourth Fest. The goals of the event include providing a community event, fostering economic growth, encouraging citizen involvement, and producing a phenomenal festival to enhance the image of the City. Objectives included continuing the volunteer program, increasing parking prices to increase revenue, continuing multi-year agreements, having a fun and exciting theme, and having departmental synergy. A five-year overview of expenses and revenues shows that expenses have been flattened as much as possible and revenue has been increasing. Further, they reached the optimal number of volunteers. Things that contributed to savings included purchasing glow products in bulk the year before; an increase in on-site parking, which totaled \$4,860; a percentage of the Friends of the Library parking; continuing to start the event at 4:00 p.m.; and the addition of small in-kind sponsors. In the future, they will look at adding more sponsors; continuing to optimize parking options, including reducing the number of shuttles from Pennington Field and maximizing on-site parking; and continuing to theme the event. In answer to questions from Council, she stated that they will have to replenish their product stock next year but that there will be savings the following year and that she would look again into working with the School Board on using school buses.

- **Discussion regarding conducting a resident satisfaction survey.**

Managing Director Mirinda McQuagge-Walden presented information regarding the resident satisfaction survey. The proposed RFQ was included in the Council's packet and she requested generalized feedback regarding the timeframe for receiving back the RFQs and how they would like the firm selected. There was discussion on having staff vet the various companies and providing Council the final cut; keeping the process as independent as possible by going to outside vendors; when Council wants the survey to go out to the citizens; the timeframe being guided by the selected company; having at least four companies respond; Council meeting with the top two companies; and designing the survey to be done on a repetitive basis and tweaked each time based on what is going on in the City. In answer to questions from Council, Ms. McQuagge-Walden stated that she would send the RFQ to the three firms discussed during the previous meeting as well as other firms; that an advertisement would be placed in the newspaper; and that the RFQ may be put on the website. There was discussion on the timeline for the RFQs including having the final two firms by the second meeting in September; when to hold interviews; the timing of the survey in relation to the bond election and sale; and that it would take at least two Council meetings to perform interviews and come back with a draft survey. Council was of the consensus to target the second Council meeting in September to present the final two firms; and that staff reduce the companies down to two and then have Council interview the finalists. There was further discussion on quality, not cost, being a determining factor in selecting a firm.

- **Discussion regarding the water main break on Bedford Road.**

Public Works Director Tom Hoover updated Council on the water main break on Bedford Road. At 7:00 p.m., on July 29 he received a call regarding a major water main break in the 1700 block of Bedford Road between Forest Ridge Drive and E.M. Bilger. Public Works crews were on-site within 30 minutes. At the time, it was not clear if it was the 10 inch or 20 inch main. The City does not have equipment big enough to go down to the depth needed in a safe manner. A company was contacted to get their equipment mobilized, while Public Works began closing water vales to isolate the break. The main serves one-third of the City as well as the elevated tank on Bedford Road. The company, Huffman and Huffman, did an excavation down to 12 feet. Pavement had been lifted 10 to 12 inches and an estimated 2M gallons of water had been lost in the elevated tank and the distribution system. In order to keep the City with adequate pressure, Sid McLain with the Trinity River Authority (TRA) changed TRAs pumping routines. The Connect CTY system made phone calls to citizens letting them know about the water main break and Bedford Road being shut down. The damage to the road was extensive, with a piece of pavement 430 feet long and 60 feet wide being damaged. After the leak was fixed, they worked to keep traffic going in one lane in each direction. The County sent over equipment and personnel to pulverize the existing pavement and spread it out to get traffic back on the road. Those grindings were removed the next day and a cement-lime concentration was put down and blended with the existing soil to create a sub-grade. While working, it was discovered that there was a concrete cap going over the large water main, which did not allow enough space for two lanes of traffic, so the entire road had to be shut down.

In answer to a question from Council, Mr. Hoover stated that the cost of the asphalt is close to \$80,000 and the cost for the contractor to fix the main was \$40,000. He suspects the total cost of the repair to be between \$150,000 and \$175,000. There was Council discussion on water line infrastructure including that there were 49 breaks this past year; that not enough funds are put into infrastructure; and, going into the future, Council and staff coming up with a plan to evaluate the water infrastructure. In answer to further questions from Council, Mr. Hoover stated that this incident shows the connection Bedford has with other cities and the County; that breaks are more prone to happen in the summer; and that the City does not have a track hoe, which is a deep digger. Council was of the consensus for staff to do a study on the City's water main infrastructure in order to start making improvements.

Mayor Griffin adjourned the Work Session at 6:14 p.m.

EXECUTIVE SESSION

To convene before the Regular Session, if time permits, in the conference room in compliance with Section 551.001 et. Seq. Texas Government Code, to discuss the following:

- a) Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to Block 1, Lot 1D, Shops at Central Park.
- b) Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to "Project Oatmeal".

Council convened into Executive Session pursuant to Texas Government Code Section 551.087, deliberation regarding economic development negotiations relative to Block 1, Lot 1D, Shops at Central Park and Section 551.087, deliberation regarding economic development negotiations relative to "Project Oatmeal" at 6:18 p.m.

Council reconvened from Executive Session at 6:24 p.m. Any necessary action to be taken as a result of the Executive Session will occur during the Regular Session of the Bedford City Council Meeting.

REGULAR SESSION 6:30 P.M.

The Regular Session began at 6:32 p.m.

CALL TO ORDER/GENERAL COMMENTS

Mayor Griffin called the meeting to order. He presented a quick overview of the group/community home process, which has made its way through the Planning and Zoning Commission and is now before the Council. The City is working on an ordinance and designing a registration process that will register these types of homes and which also involves a yearly inspection by the Fire Marshal. The building permits have also been updated to have additional information. Additional steps have been taken with incorporating a Specific Use Permit in the Zoning Ordinance, as well as distance requirements.

INVOCATION (Senior Pastor Nosa Onaiwu, Arise & Shine International Ministries)

Senior Pastor Nosa Onaiwu of Arise & Shine International Ministries gave the invocation.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was given.

OPEN FORUM

Nobody chose to speak under Open Forum.

CONSIDER APPROVAL OF ITEMS BY CONSENT

Motioned by Councilmember Champney, seconded by Councilmember Davisson, to approve the following items by consent: 1, 8,12,13,14 and 15.

Motion approved 7-0-0. Mayor Griffin declared the motion carried.

APPROVAL OF THE MINUTES

1. Consider approval of the following City Council minutes:
 - a) July 16, 2013 joint work session
 - b) July 23, 2013 regular meeting

This item was approved by consent.

PERSONS TO BE HEARD

2. The following individual has requested to speak to the Council tonight under Persons to be Heard.

- a) **Joyce Johnson, 1701 Brookhaven Circle, Bedford, Texas 76022 – Requested to speak to the Council regarding traffic court practices and difficulties encountered in disputing a ticket.**

Ms. Johnson withdrew her request to speak.

OLD BUSINESS

- 3. Consider a resolution authorizing the City Council of the City of Bedford, Texas, to establish a Charter Review Committee; establish the duties of the committee; and provide an effective date.**

City Secretary Michael Wells presented information regarding this resolution. It is to formally establish a Charter Review Committee. Based on Council's input from the previous meeting, each Council member would appoint two members of the Committee while the Mayor would appoint three. After approval of this item, the City Secretary's Office would contact the members of the previous Committee regarding their interest in serving again as well as make applications available on the website and at City facilities. Mr. Wells suggested a cutoff date to receive applications of September 13 with appointments being made at the September 24 Council meeting. He also asked if Council wanted to conduct interviews with the applicants. There was discussion on Council holding a work session with the Committee; that the Council did not meet with the Committee in 2007; Council having the ability to add items to the ballot language; that the city attorney would be sitting on the Committee; concerns over needing a Committee; the previous propositions being trivial; and possible changes to the law in the last five years. In answer to questions from Council, City Attorney Stan Lowry stated that during the previous Committee, there were provisions in the Charter that were decades old and since State law had changed, there was a conflict. Those conflicts were removed, and processes were put in place that included the language "or as required by state law". Though he had not studied this issue for the purposes of this discussion, he stated that he was not aware of anything since 2008 that would conflict with State law. Council was of the consensus to move forward with the appointment process, approving the dates as presented by Mr. Wells, and to not have interviews. There was discussion regarding a blanket email being sent to the Board and Commission members regarding the Committee.

Motioned by Councilmember Nolan, seconded by Councilmember Davisson, to approve a resolution authorizing the City Council of the City of Bedford, Texas, to establish a Charter Review Committee; establish the duties of the committee; and provide an effective date, and whereas the deadline to submit an application will be September 13, 2013 and September 24 they will be presented to Council.

Motion approved 5-2-0. Mayor Griffin declared the motion carried.

Voting in favor of the motion: Councilmember Boyter, Councilmember Davisson, Councilmember Champney, Councilmember Nolan and Councilmember Brown.

Voting in opposition to the motion: Mayor Griffin and Councilmember Turner.

- 4. Consider an ordinance amending Chapter 2. "Administration", Article IV. "Boards, Commissions and Committees", Division 1. "Generally", Section 2-170 "Attendance" and Section 2-171. "Serving on multiple boards, commissions or committees" of the City of Bedford Code of Ordinances; providing a severability clause; and declaring an effective date.**

Mr. Wells presented information regarding this ordinance. He stated that this item was based on Council's discussion from the previous meeting to add the City Secretary's Office as an alternate contact in cases where a Board or Commission member has more than two absences in a calendar year and the chairperson does not want to release their contact information. Other changes include making the City Secretary's Office the contact for when a chairperson has two or more absences in a calendar year and clarifying that the provision for people not serving on multiple boards, commissions or committees only applies to standing boards, commissions or committees. In answer to a question from Council about the language in the ordinance regarding what the board/commission member is to do when they reach two absences, Mr. Wells read the letter that is sent to those members. In answer to a

further question from Council, Mr. Lowry stated these situations could not be voted on during executive session. There was Council discussion on forming a subcommittee for these issues.

Motioned by Councilmember Davisson, seconded by Councilmember Brown, to approve an ordinance amending Chapter 2. "Administration", Article IV. "Boards, Commissions and Committees", Division 1. "Generally", Section 2-170 "Attendance" and Section 2-171. "Serving on multiple boards, commissions or committees" of the City of Bedford Code of Ordinances; providing a severability clause; and declaring an effective date.

Motion approved 7-0-0. Mayor Griffin declared the motion carried.

NEW BUSINESS

5. Public hearing and consider an ordinance to amend Zoning Ordinance Number 2275 specific to Section 3.1 "Schedule of Permitted Uses" and Section 3.2 "Explanation of Uses" and "Specific Use Permit Requirements for Community Home and Group Home"; providing attachment "A" being the text amendments to the Zoning Ordinance declaring that this ordinance be cumulative of all other ordinances; providing for a severability clause; providing for a penalty and enforcement clause; and providing an effective date. (A-035)

Planning Manager Jacquelyn Reyff presented information regarding this ordinance. In late 2012, Council became aware of a group home in the City. Since that time, Council has met numerous times to discuss this item, specifically to identify group/community homes and what to do with them. The Planning and Zoning Commission met with the City Attorney and staff has developed definitions for group and community homes.

A community home, from a definition taken from State law, is a home operated by: the Texas Department of Health and Mental Retardation, a community center organized under the Texas Health and Safety Code, an entity subject to the Texas Non-Profit Corporation Act, an entity certified by the Texas Department of Human Services as a provider under the medical assistance program serving persons in intermediate care facilities for people with mental retardation, and an assisted living facility under the Health and Safety Code provided that the exterior structure retains compatibility with the surrounding residential dwellings. Conditions include: a site plan approved by the Planning and Zoning Commission and the Council; not more than six persons and two supervisors living in the home; to not be within one-half mile of another community home; to not keep for the use of the residents motor vehicles on or adjacent to the property that exceed the number of bedrooms; compatibility with the surrounding residential properties; and an initial and annual registration. They are allowed in all residential zoning districts.

A group home is defined by State law as a residence licensed by the State to be shared by no more than six disabled persons, including resident staff, in which staff provides for the residents with the primary goal to enable residents to live as independently as possible. Ms. Reyff gave the definition of disabled as take from State law. She further stated that this includes foster homes, homes for the physically, mentally and developmentally disabled, congregate living facilities for seniors, and maternity homes. It does not include alcohol and drug treatment centers, work release facilities for convicts or housing facilities that serve as alternates for incarceration. Specific Use Permit (SUP) conditions for group homes, in addition to a site plan and public hearing include: not to be established within one-half mile of another group home though they can ask for a distance accommodation; a minimum of 200 square feet of living space per occupant; to not keep for the use of the residents motor vehicles on or adjacent to the property that exceed the number of bedrooms; compatibility with the surrounding residential properties; that a change of ownership or licensed operator requires a new SUP; and an initial and annual registration. They are allowed in all residential zoning districts.

At the Planning and Zoning Commission meeting on July 11, six people spoke during the public hearing. Staff was directed to research the following items: medical waste, which will be in accordance with Texas Commission on Environmental Quality (TCEQ) regulations and the City would contact the TCEQ if there is noncompliance; exterior lighting, which could be handled through the site plan approval of both homes; parking along public streets, which is from State law; the method of addressing non-

compliance and enforcement, which would be handled by contacting the State; and the requirement of a Certificate of Occupancy, which is not required in a residentially zoned property but can be accomplished through the annual registration process and the annual inspection by the Fire Marshal.

In answer to a question from Council, it was stated that the parking requirements for community homes are taken from State law, which are then mirrored to group homes, and would not affect the rest of the population. Council was of the consensus to include language that group homes and community homes could not be within one half mile of each other. In answer to further questions from Council, it was stated that the distance was measured in a radius with the home as the point of origin. There was discussion on how to define medical waste and deferring to the TCEQ; sending Code Compliance officers by these homes as often as possible; and needing clarification on medical waste. In regards to the permit application forms, there was discussion on adding language regarding complying with State law and proper disposal as it relates to medical waste; including language regarding pick-up facilities for medical waste; and including the number of bedrooms. In regards to having a CO, it was stated that between the annual registration, zoning application and annual fire inspection, the process goes further than a traditional CO. Further, the registration is built into the City's Firehouse software, which is linked to the fire inspection software. In answer to a question from Council regarding lighting, it was stated that staff is working with Mr. Trigg on this issue including performing inspections in the middle of the night. In regards to the next steps, it was stated that the five current homes would be notified and given a timeframe to register. The new ordinance would also be placed on the City's website. There may be homes out there that the City is unaware of and they would be worked as a non-compliance situation. Any noncompliance issues would be reported to the State. If the City comes across a home that is within a half mile of another home, they would be required to register but could not be forced to move. In regards to a property that was rented and used as a company, it was stated that it makes no difference in that it is land use and the City would deal with the licensee. Further, a change in ownership or license would require a new SUP process.

Mayor Griffin opened the public hearing at 7:30 p.m.

James Trigg, 1316 Wade Drive – Mr. Trigg stated that the Planning and Zoning Commission has done a thorough and thoughtful job to address this issue and believes their recommendations will go a long way to address these problems. He discussed the issue with medical waste and his experience operating a dialysis facility in Denton; and that the amount of waste would be compounded by the number of people living in the home. He stated that this ordinance would allow reputable operators to have a business in the City. The owner of the one near his home is non-reputable and tried to fly under the radar but got caught. He stated that it was all well and good to have ordinances but it will not help unless staff is assigned specific duties and there are people to monitor these regulations. There was discussion on adding the TCEQ definition of medical waste to the ordinance.

Bud Liles, 3916 Hillwood Way – Mr. Liles is an officer of the Brookwood Hills HOA and asked if the ordinance superseded their covenants. Mr. Lowry stated that the zoning ordinance does not supersede the covenants and they have legal right to enforce their additional controls.

Roger Ponce, 1612 Donna Lane – Mr. Ponce stated he has a lot of experience as a contractor and working with several cities and their regulations, and that giving the stamp of approval to these homes would let them off the hook. The City's hands would be tied unless there are certain guidelines in the ordinance the City can control. The house on Donna Lane has had a couple of open houses where local realtors were invited and there were cars up and down the street including in front of his house. There will be cars in front of his home all the time and that parking is going to be a problem. There is going to be traffic, people who do not know where they are, and people parking on both sides of the street, legally and illegally. It is dealing with a business in a residential neighborhood. He has lived in the City over 20 years and is proud of the City and the School District; he is demoralized that everything has changed, including the nature of their neighborhood. He is devoutly against this. There was discussion on tightening up rules and departments; and addressing open houses, specifically that it would have to apply to everyone.

Martha Ponce, 1612 Donna Lane – Ms. Ponce stated that the house on Donna Lane violated the City's Sign Ordinance in that they did not get a permit, and that the City Manager is aware of the situation. The

property owner stated that they had followed the procedures correctly. There was discussion that parking is based on the number of motor vehicles per bedroom as opposed to per resident. She stated that the house may have staff there for extended periods of time and would be in the unique position of knowing the routines of other people in the neighborhood. There is the potential change in the character of the people living there and puts the neighborhood at additional risk. The remodeling of the house does not keep in character with the other residences; it looks like a business and is a business. She stated that the City, because of State and Federal laws, has changed her covenant with the City. She no longer has families living around her. People are living in a home but it is structured as a business. There was discussion regarding her reservations and fears hopefully not coming true. She discussed another home in the neighborhood for disabled children.

Leslie Green, 917 Circle Lane – Ms. Green asked how the City would identify the cars of workers and residents, since workers and residents change out. It was stated that it would not be practical to ask when information changes. However, the ordinance has a defined number of vehicles and for them to be adjacent to the property; therefore if the City sees a number of vehicles over and above the allowed number adjacent to the property, then an inquiry could be made such as with any Code Compliance regulation. Ms. Green stated that PBH-operated facilities are private pay only and are operating for a profit.

Mayor Griffin closed the public hearing at 8:10 p.m.

Motioned Councilmember Turner, seconded by Councilmember Champney, to approve an ordinance to amend Zoning Ordinance Number 2275 specific to Section 3.1 “Schedule of Permitted Uses” and Section 3.2 “Explanation of Uses” and “Specific Use Permit Requirements for Community Home and Group Home”; providing attachment “A” being the text amendments to the Zoning Ordinance declaring that this ordinance be cumulative of all other ordinances; providing for a severability clause; providing for a penalty and enforcement clause; and providing an effective date. (A-035). Councilmember Champney withdrew his second of the motion. Councilmember Turner amended his motion to include the stipulation that a group home may not be established within a half a mile of a community home and vice versa. Councilmember Champney seconded the amended motion.

Motion approved 7-0-0. Mayor Griffin declared the motion carried.

There was discussion that staff will continue to finalize the permits and that updates would continue to be given to keep residents abreast of additional pieces of information. In regards to timelines, it was stated that it was staff’s intent for letters to be sent to the existing homes by Monday.

6. Public hearing and consider an ordinance to amend Ordinance 804 for the property known as Stonegate Shopping Center Addition, Tract 1B, located at 429 Bedford Road, Bedford TX, specifically for a Specific Use Permit to allow for a Full Service Gasoline Station/Gasoline Service Station with a Restaurant and State Vehicle Inspection Station with tire sales and inside storage; declaring that this ordinance be cumulative of all other ordinances; providing for a severability clause; providing for a penalty; and declaring an effective date. The property is generally located north of Bedford Road and west of Brown Trail. (Z-236)

Ms. Reyff presented information regarding this ordinance. This item was published in the July 17 edition of the Star-Telegram. The applicant currently has a gas station with a car wash. He is proposing to build a 990 square foot Subway restaurant and convert the car wash to a State Vehicle Inspection Station with inside tire sales. The existing retail building is 1,100 square feet and the car wash is 853 square feet. The property is zoned Heavy Commercial, which is established to provide for the development of retail and commercial uses. A SUP is being amended to allow for the restaurant and the inspection site with inside tire sales. All setbacks are in compliance with the Zoning Ordinance. The ingress and egress are located along Bedford Road and Brown Trail. The applicant will be closing an existing curb cut and additional landscaping would be put in place. The existing number of parking spaces is six, which will be increasing to 13, which meets the required number in the Zoning Ordinance and gives the opportunity for more landscaping. Stacking spaces for the drive-through are for four vehicles and the landscaping would be improved to 6,200 square feet, in excess of what is required. The location and size of the fire lanes have been approved by the Fire Marshal. Materials include

stucco, stone, metal and glass. The property is not located in an existing overlay district. The Comprehensive Plan indicates this location to be commercial and therefore, the request does not conflict with the Plan. The item was approved unanimously at the July 11 Planning and Zoning Commission meeting with the following stipulations: no external display of tires or outside tire sales; all elevations of the restaurant are to match the exhibit and be earth tone in color; all elevations of the convenience store to match the restaurant and be earth tone in color; the inspection station to match the restaurant and convenience store and be earth tone in color; and the hours of the inspection station and tire sales to be from 7:00 a.m. to 7:00 p.m.

Mayor Griffin opened the public hearing at 8:18 p.m.

Nobody chose to speak during the public hearing.

Mayor Griffin closed the public hearing at 8:19 p.m.

The Council had a general discussion with the applicant, Sami Ebrahim, about the development and his other developments of a similar nature.

Motioned by Councilmember Davisson, seconded by Councilmember Nolan, to approve an ordinance to amend Ordinance 804 for the property known as Stonegate Shopping Center Addition, Tract 1B, located at 429 Bedford Road, Bedford TX, specifically for a Specific Use Permit to allow for a Full Service Gasoline Station/Gasoline Service Station with a Restaurant and State Vehicle Inspection Station with tire sales and inside storage; declaring that this ordinance be cumulative of all other ordinances; providing for a severability clause; providing for a penalty; and declaring an effective date. The property is generally located north of Bedford Road and west of Brown Trail. (Z-236)

Motion approved 7-0-0. Mayor Griffin declared the motion carried.

7. Consider a resolution ordering a bond election to be held in the City of Bedford, Texas for the issuance of \$3,200,000 General Obligation Bonds for park improvements (Boys Ranch Lake improvements, trail improvements, channel improvements, recreation facilities, and related improvements at Boys Ranch Park), making provisions for the conduct of the election and resolving other matters incident and related to such election.

Mr. Wells presented information regarding this ordinance. This item is to formally order a bond election for November 5, 2013. Early voting would be from October 21 through November 1, with the main polling site in the City being the Public Library. However, voters can vote at any Tarrant County early voting location. On Election Day, there would not be a centralized location as counties cannot have more than 5,000 registered voters per polling location. There was discussion regarding adding the second phase of the Boys Ranch Master Plan to the election; having the bond election in May in order to save \$18,000; clarification on what the \$3.2M would be for; that \$322,000 was approved for the design and that the City received a \$100,000 grant; that a portion of the money goes to the bond counsel when bonds are sold; what the City would do if the bond does not pass; using certificates of obligation to dredge the lake; issuing bonds right after the election so it is fresh with the voters; and bonds from Bedford 2005 that have not been completed. In regards to timeframes, Nick Bulaich from First Southwest stated that after the election in November, there is a 60-day contest period, which would push issuing the bonds into January. They would issue the bonds towards the end of January and there is 30 day window to close the bond issue, so funds would be in the bank towards the end of February at the earliest. There was discussion regarding the possible refunding of older bond issues and the new money for Dora Street and the Bedford Trails. Once that debt is issued, those propositions would be fully funded. The timeline is to have the funds from the issuance on October 1 and work would start once the bidding is completed.

Motioned by Councilmember Champney, seconded by Councilmember Davisson, to approve a resolution ordering a bond election to be held in the City of Bedford, Texas for the issuance of \$3,200,000 General Obligation Bonds for park improvements (Boys Ranch Lake improvements, trail improvements, channel improvements, recreation facilities, and related improvements at Boys Ranch

Park), making provisions for the conduct of the election and resolving other matters incident and related to such election.

Motion approved 7-0-0. Mayor Griffin declared the motion carried.

8. Receive the 2013 Certified Ad Valorem Tax Roll from the Tarrant Appraisal District.

This item is for informational purposes only. No Council action is necessary.

9. Receive the certified anticipated collection rate from the Tarrant County Tax Assessor-Collector for the City of Bedford.

This item is for informational purposes only. No Council action is necessary.

10. Consider a proposed tax rate and set public hearings on the proposed tax rate, if required.

Administrative Services Director Cliff Blackwell presented information regarding this item. This item is to address the tax rate to be considered on September 10. The notice of Bedford's effective tax rate was published in the newspaper and posted on the City's website. Council had a work session on August 9 and addressed this particular item. The current rate is \$0.499115 per \$100 assessed value, the effective tax rate is \$0.495050 per \$100 assessed value, and the rollback rate is \$0.52669 per \$100 assessed value. If Council were to consider a tax rate higher than the effective rate, then they would need to call two public hearings for August 27 and September 3. A notice for those hearings would need to be published in the newspaper. If Council were to consider the effective tax rate, there would be no need for the public hearings.

Motioned by Councilmember Brown, seconded by Councilmember Davisson, to consider a tax rate of \$0.495050 per \$100 assessed valuation to be voted on at the September 10, 2013 meeting.

Motion approved 7-0-0. Mayor Griffin declared the motion carried.

11. Call a public hearing on the proposed FY 2013-2014 budget to be held on August 27, 2013 at 6:30 p.m.

Mr. Blackwell stated that this item is to establish a public hearing to discuss the budget. Expenditures for the following year were originally \$59,288,414. After discussion at the August 9 work session, it was decided to add funding for an intern, Planning and Zoning Commission travel, and seed money for the Economic Development Fund, for a total proposed budget of \$59,404,622. The General Fund makes up 47 percent of the budget at \$27,976,808. Proposed revenue is \$60,753,003, with the General Fund's portion being \$28,407,770.

Motioned by Councilmember Champney, seconded by Councilmember Davisson, to call a public hearing on the proposed FY 2013-2014 budget for August 27, 2013 at 6:30 p.m. in the City Hall Council Chambers.

Motion approved 7-0-0. Mayor Griffin declared the motion carried.

12. Consider a resolution authorizing the City Manager to enter into a contractual agreement with Kaner Medical Group (KMG) to provide pre-paid medical services for eligible City employees and their dependents.

This item was approved by consent.

13. Consider a resolution authorizing the City Manager to enter into a contract with Woody Contractors Inc. for Shady Brook Addition, Phase 2, Water Distribution System Improvements in the amount of \$125,253.00.

This item was approved by consent.

14. Consider a resolution authorizing the City Manager to enter into a contract with Buy Board Cooperative Purchasing Network for the purchase of 40 Self Contained Breathing Apparatus in the amount of \$228,370.

This item was approved by consent.

15. Consider a resolution authorizing the City Manager to enter into an interlocal agreement between the City of Bedford and the cities of Hurst, Euless, Grapevine and Colleyville to establish a shared accident investigation unit called the Combined Reconstruction and Accident Specialist of H.E.B. (C.R.A.S.H.) Unit.

This item was approved by consent.

16. Consider a resolution of the City Council of the City of Bedford, Texas amending an Economic Development Program Agreement, pursuant to Chapter 380 of the Texas Local Government Code and the City's Economic Development Incentive Policy and Program, with Dunhill Ratel LLC. (Movie Tavern)

This item was discussed during the Executive Session.

Motioned by Councilmember Brown, seconded by Councilmember Champney, to approve a resolution of the City Council of the City of Bedford, Texas amending an Economic Development Program Agreement, pursuant to Chapter 380 of the Texas Local Government Code and the City's Economic Development Incentive Policy and Program, with Dunhill Ratel LLC. (Movie Tavern)

Motion approved 7-0-0. Mayor Griffin declared the motion carried.

17. Report on most recent meeting of the following Boards and Commissions:

✓ **Animal Shelter Advisory Board - Councilmember Boyter**

No report was given.

✓ **Beautification Commission - Councilmember Turner**

Councilmember Turner stated that the Commission meets the upcoming Monday evening.

✓ **Community Affairs Commission - Councilmember Boyter**

No report was given.

✓ **Cultural Commission - Councilmember Nolan**

Councilmember Nolan reported that the Commission had their strategic planning session the previous evening with artists and other stakeholders. They came away with some great ideas, which they look forward to putting into action quickly.

✓ **Library Board - Councilmember Davisson**

Councilmember Davisson stated that the Board will meet the following week.

✓ **Parks & Recreation Board - Councilmember Davisson**

Councilmember Davisson reported earlier in the meeting that the Park Board asked that Phase 1 and Phase 2 of the Boys Ranch Master Plan be included in the bond election.

✓ **Senior Citizen Advisory Board - Councilmember Turner**

No report was given.

✓ **Teen Court Advisory Board - Councilmember Champney**

No report was given.

18. Council member reports

Councilmember Champney reported that the “T” has a grace period for paying of tolls. There is currently \$131,000 in past due tolls that will be enforced. During the grace period, people will only have to pay what is owed without any penalties. Not paying the tolls would subject people to not being able to register their car or having their car impounded.

Mayor Griffin reported that the past Saturday, he and his wife were part of the Summer Reading Club's Mayor's Party, which was to acknowledge summer readers. Medals and awards were given out and many students had read more than 40 hours and some were over the 120 hour mark. For the fourth year in a row, Meadow Creek Elementary School won as a school with more than 7,500 hours read. The Bedford Meadows Shopping Center held a back-to-school community event, which included five food trucks, a band and a car show. The back-to-school effort by 6 Stones for the School District is on August 24 and they are looking for volunteers.

19. City Manager/Staff Reports

City Manager Beverly Griffith reported that the movie Brave would be shown as part of Flick-and-Float at Splash on August 16. The float begins at 8:30 p.m. with the movie beginning at 9:00 p.m. The movie is included in the Splash admission or is \$5.00 at the door. BluesFest begins on a Friday with the “Fuzzy's Friday Frenzy”, which kicks off at 6:00 p.m. with an 80s cover band. That will be followed up by Escape, a Journey tribute band. Adam Smith's Texas Harley-Davidson will also be holding their monthly Bike Night Friday Night. On Saturday and Sunday, BluesFest will run from 2:00 p.m. to 11:00 p.m. The Kansas City Barbecue Society contest is now noted to be in the top five percent of team contests in the nation. Seating options include special reserved packages ranging from \$25.00 to \$40.00. There are a limited number and information can be found on the BluesFest website.

20. Take any action necessary as a result of the Executive Session

Item #16 was discussed during Executive Session.

ADJOURNMENT

Mayor Griffin adjourned the meeting at 9:03 p.m.

Jim Griffin, Mayor

ATTEST:

Michael Wells, City Secretary

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

The City Council of the City of Bedford, Texas, met in Special Session at 6:00 p.m. in the Council Chambers of City Hall, 2000 Forest Ridge Drive, on the 20th day of August, 2013 with the following members present:

Jim Griffin
Chris Brown
Michael Boyter
Ray Champney
Jim Davisson
Patricia Nolan
Roy W. Turner

Mayor
Council Members

Staff present included:

Beverly Griffith
David Miller
Michael Wells
Bill Syblon

City Manager
Deputy City Manager
City Secretary
Development Director

SPECIAL SESSION

The Special Session began at 6:00 p.m.

CALL TO ORDER

Mayor Griffin called the meeting to order.

EXECUTIVE SESSION:

To convene in the conference room in compliance with Section 551.001 et. Seq. Texas Government Code, to discuss the following:

- a) Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to "Project Oatmeal".

Council convened into Executive Session pursuant to Texas Government Code Section 551.087, deliberation regarding economic development negotiations relative to "Project Oatmeal" at 6:00 p.m.

Council reconvened from Executive Session at 6:23 p.m. Any necessary action to be taken as a result of the Executive Session will occur during the Special Session of the Bedford City Council Meeting.

NEW BUSINESS

1. Consider a resolution approving an Economic Development Program Agreement, pursuant to Chapter 380 of the Texas Local Government Code and the City's Economic Development Incentive Policy and Program with TXI Operations, LP.

Motioned by Councilmember Champney, seconded by Councilmember Brown, to approve a resolution approving an Economic Development Program Agreement, pursuant to Chapter 380 of the Texas Local Government Code and the City's Economic Development Incentive Policy and Program with TXI Operations, LP.

Motion approved 6-1-0. Mayor Griffin declared the motion carried.

Voting in favor of the motion: Mayor Griffin, Councilmember Boyter, Councilmember Davisson, Councilmember Champney, Councilmember Turner and Councilmember Brown.

Voting in opposition to the motion: Councilmember Nolan

Councilmember Nolan requested that it be on the record that she voted no as she feels there is a lot of uncertainty about this item and that she is looking out for the people of Bedford.

2. Consider a resolution authorizing the City Manager to enter into a lease agreement with TXI Operations, LP, relative to 1805 L. Don Dodson Drive.

Motioned by Councilmember Davisson, seconded by Councilmember Champney, to approve a resolution authorizing the City Manager to enter into a lease agreement with TXI Operations, LP, relative to 1805 L. Don Dodson Drive.

Motion approved 6-1-0. Mayor Griffin declared the motion carried.

Voting in favor of the motion: Mayor Griffin, Councilmember Boyter, Councilmember Davisson, Councilmember Champney, Councilmember Turner and Councilmember Brown.

Voting in opposition to the motion: Councilmember Nolan

Councilmember Nolan requested that it be on the record that she voted no as she feels there is a lot of uncertainty about this item and that she is looking out for the people of Bedford.

ADJOURNMENT

Mayor Griffin adjourned the meeting at 6:28 p.m.

Jim Griffin, Mayor

ATTEST:

Michael Wells, City Secretary



Council Agenda Background

PRESENTER: Clifford Blackwell, C.G.F.O., Director of Administrative Services

DATE: 08/27/13

Council Mission Area: Be responsive to the needs of the community.

ITEM:

Public hearing on the annual budget for the City of Bedford, Texas for the fiscal period of October 1, 2013 through September 30, 2014; levying taxes for 2013 tax year.

City Attorney Review: N/A

City Manager Review: _____

DISCUSSION:

Article IV-Section 4.06 of the City Charter states that “At the time advertised or at any time to which such a public hearing shall be adjourned, the council shall hold a public hearing on the budget as submitted, at which time all interested persons shall be given an opportunity to be heard for or against the estimates or any item therein. After the conclusion of the public hearing, the council may make such changes, if any, in the budget as in their judgment the law warrants and the best interests of the taxpayers of the city demand. The budget, as amended, shall then be adopted by ordinance which shall also fix the property tax rate per one hundred dollars (\$100.00) assessed value, which shall apply to the current tax year. The City Manager shall file a copy of the budget with the county clerk of Tarrant County.”

In accordance with the requirements in the City Charter, the budget for the City of Bedford, as compiled by the City Manager, has been submitted. On August 13, 2013, the City Council called for a public hearing to be held on August 27, 2013 to receive public comments on the budget.

Exhibit A to this agenda item reflects a summary of the budget as presented. An ad valorem tax of \$0.495050 per \$100 valuation is required to fund this budget as shown in the attachment. This tax rate will decrease taxes for maintenance and operations on a \$100,000 home by approximately \$5.13 per year (see Exhibit B).

Upon conclusion of the public hearing, staff will be prepared to answer questions and provide additional information as needed.

Staff has also attached several informational items requested as follow-up at the August 9 budget work session. The items include a reconciliation of the Economic Development Fund and a debt comparison with area communities. Staff is still working to calculate the cost of a salary adjustment to the 40th percentile.

RECOMMENDATION:

Staff recommends the following motion:

Hold a public hearing to receive citizen comments on the proposed budget for FY2013-2014. No other action required.

FISCAL IMPACT:

N/A

ATTACHMENTS:

Exhibit A: Summary of Revenue and Expenditures by Fund – 2013/2014 proposed budget.

**Exhibit B: Calculation of M&O on \$100,000 home.
PowerPoint
Follow up items from August 9, Work Session –
Economic Development Fund Reconciliation
and Debt Comparison**

**CITY OF BEDFORD
SUMMARY OF REVENUE AND EXPENDITURES BY FUND
FISCAL YEAR 2013-2014**

FUND NAME	BEGINNING	REVENUE			EXPENDITURES			FY 13-14 DIFFERENCE	ENDING BALANCE
	BALANCE	PROPOSED	SUPPLEMENTAL	REVENUE	PROPOSED	SUPPLEMENTAL	EXPENDITURES		
GENERAL FUND	\$ 4,712,421	\$ 28,408,770	\$ -	\$ 28,408,770	\$ 27,615,110	\$ 361,698	\$ 27,976,808	\$ 431,962	\$ 5,144,383
TOURISM FUND	194,742	1,104,675	-	\$ 1,104,675	930,327	55,845	\$ 986,172	\$ 118,503	\$ 313,245
WATER AND SEWER FUND	3,136,775	19,994,067	-	\$ 19,994,067	19,286,230	371,475	\$ 19,657,705	\$ 336,362	\$ 5,479,026
STORMWATER UTILITY FUND	\$ 724,553	1,305,000	-	\$ 1,305,000	1,293,170	42,025	\$ 1,335,195	\$ (30,195)	\$ 394,114
UTILITY REPAIR & MAINT. FUND	1,646,815	206,000	-	\$ 206,000	-	-	\$ -	\$ 206,000	\$ 1,852,815
DRUG ENFORCEMENT FUND	66,339	10,000	-	\$ 10,000	5,000	10,000	\$ 15,000	\$ (5,000)	\$ 61,339
COURT SECURITY FUND	4,521	35,000	-	\$ 35,000	35,000	-	\$ 35,000	\$ -	\$ 4,521
COURT TECHNOLOGY FUND	102,979	45,000	-	\$ 45,000	19,555	1,000	\$ 20,555	\$ 24,445	\$ 127,424
PARK DONATIONS FUND	48,409	11,000	-	\$ 11,000	25,000	-	\$ 25,000	\$ (14,000)	\$ 34,409
BEAUTIFICATION COMMISSION	37,401	10,000	-	\$ 10,000	10,000	-	\$ 10,000	\$ -	\$ 37,401
PUBLIC SAFETY TRAINING FUND	12,821	-	-	\$ -	-	-	\$ -	\$ -	\$ 12,821
ECONOMIC DEVELOPMENT	(0)	116,650	-	\$ 116,650	116,650	-	\$ 116,650	\$ -	\$ (0)
STREET IMPROVEMENT ECONOMIC DEVELOPMENT CORPORATION	1,823,328	2,310,000	-	\$ 2,310,000	2,280,455	15,500	\$ 2,295,955	\$ 14,045	\$ 1,837,373
DEBT SERVICE FUND	1,128,797	6,541,841	-	\$ 6,541,841	6,551,187	-	\$ 6,551,187	\$ (9,346)	\$ 1,119,451
PEG	236,711	130,000	-	\$ 130,000	18,400	32,850	\$ 51,250	\$ 78,750	\$ 315,461
TRAFFIC SAFETY FUND	32,592	200,000	-	\$ 200,000	182,674	-	\$ 182,674	\$ 17,326	\$ 49,918
COMPUTER REPLACEMENT	106,044	75,000	-	\$ 75,000	-	-	\$ -	\$ 75,000	\$ 181,044
AQUATICS MAINTENANCE	146,357	50,000	-	\$ 50,000	-	45,516	\$ 45,516	\$ 4,484	\$ 150,841
LIBRARY MAINTENANCE FUND	25,001	25,000	-	\$ 25,000	-	-	\$ -	\$ 25,000	\$ 50,001
FACILITY MAINTENANCE	370,329	75,000	-	\$ 75,000	-	84,955	\$ 84,955	\$ (9,955)	\$ 360,374
EQUIPMENT REPLACEMENT	96,914	50,000	-	\$ 50,000	-	15,000	\$ 15,000	\$ 35,000	\$ 131,914
WATER/SEWER VEHICLE REPLACEMENT	100,248	50,000	-	\$ 50,000	-	-	\$ -	\$ 50,000	\$ 150,248
	\$ 16,459,741	\$ 60,753,003	\$ -	\$ 60,753,003	\$ 58,368,758	\$ 1,035,864	\$ 59,404,622	\$ 1,348,381	\$ 17,808,122



BUDGET PUBLIC HEARING

Exhibit B

<u>Fiscal Year</u>	<u>Home Value</u>	<u>Effective M&O Rate</u>	
2013	<u>\$100,000</u>	\$ 0.306043	\$ 306.04
			\$ (2.61) Difference
2014	<u>\$100,000</u>	\$ 0.303434	\$ 303.43



<u>Fiscal Year</u>	<u>Avg Taxble Home Value</u>	<u>Effective M&O Rate</u>	
2013	<u>\$145,754</u>	\$ 0.306043	\$ 446.07
			\$ 3.36 Difference
2014	<u>\$148,113</u>	\$ 0.303434	\$ 449.43

<u>Fiscal Year</u>	<u>Home Value</u>	<u>Effective M&O Rate</u>	
2013	<u>\$100,000</u>	\$ 0.499115	\$ 499.12
			\$ (4.06) Difference
2014	<u>\$100,000</u>	\$ 0.495050	\$ 495.05

<u>Fiscal Year</u>	<u>Avg Taxble Home Value</u>	<u>Total Tax Rate</u>	
2013	<u>\$145,754</u>	\$ 0.499115	\$ 727.48
			\$ 5.75 Difference
2014	<u>\$148,113</u>	\$ 0.495050	\$ 733.23

FY 2013-14
Public Hearing on the Budget

August 27, 2013

CURRENT YEAR TRENDS

- Return of local business activity amid Hwy 183 construction
- Sales taxes trending upward
- Property values increased by 1.52%

Budget Strategy

- *Taking Care of Business*
- Enhance Customer Service
- Address Basic Needs
- Provide options for Council consideration
- Provide funding for compensation
- *Keep an eye on the radar*

Assumptions

- Conservative Sales Tax Growth
- Maintain current service levels
- No fee increases
 - Except Water & Sewer pass-through increase from TRA
- Absorbed increased benefit costs
- Property tax rate reduced to effective rate
- Debt Service for upcoming bond sale to fund Dora Street & Bedford Trails included

Financial Highlights

Financial Highlights

TOTAL PROPOSED EXPENDITURE BUDGET

\$58,368,758

TOTAL SUPPLEMENTAL REQUESTS

\$919,656

TOTAL PROPOSED BUDGET

\$59,288,414

Expenditure Comparison FY2013 to FY2014

Total Budget FY 2013 \$58,652,510

Total Budget FY 2014 \$59,288,414

\$ Increase/(Decrease) \$ 635,904

% Increase/(Decrease) 1.08%

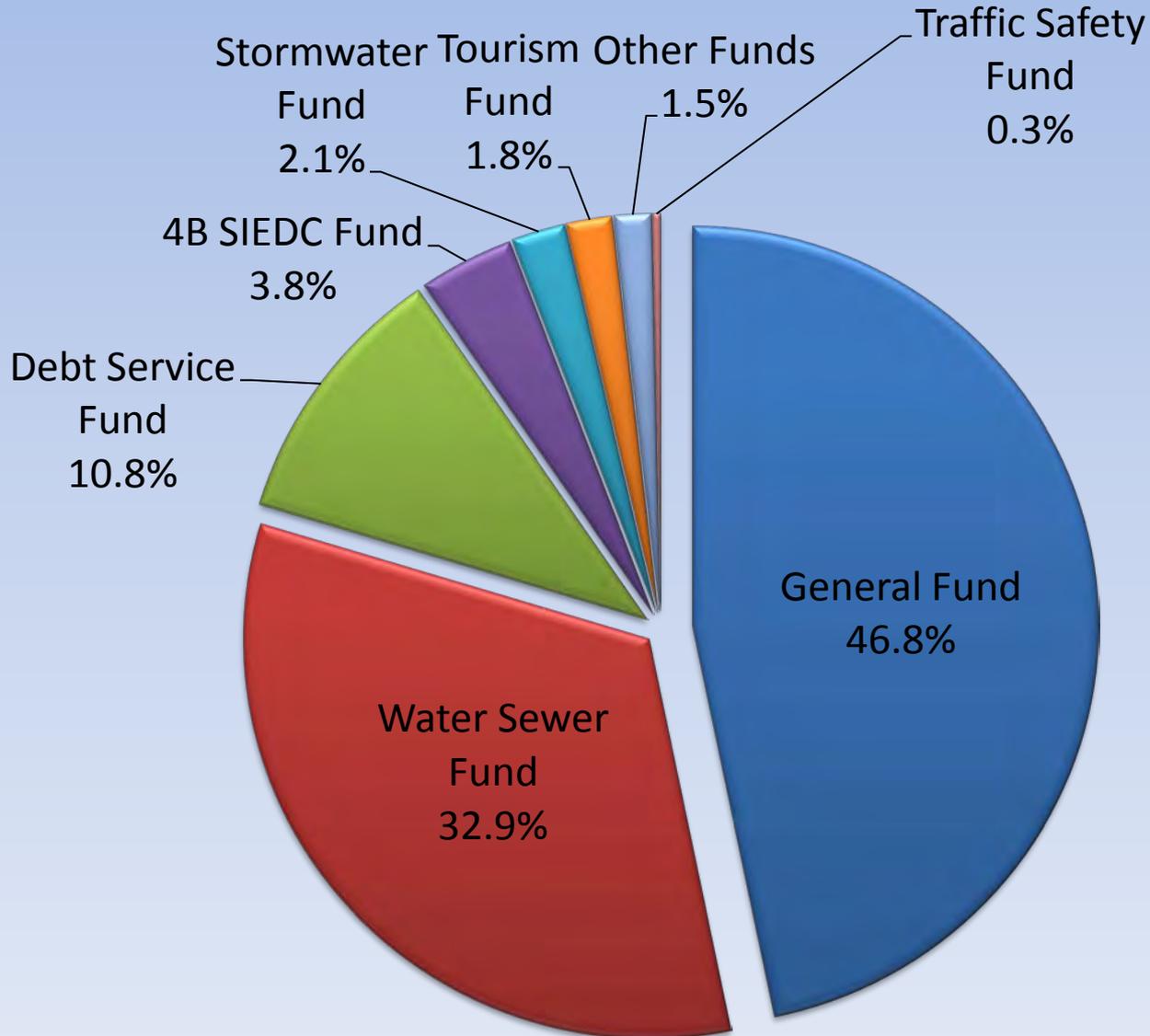
Consumer Price Index (CPI) vs. Municipal Cost Index (MCI)

Type	2009	2010	2011	2012	2013	Avg. per year
MCI % Change	-1.4%	3.1%	4.5%	1.8%	1.1%	1.89%
CPI % Change	-0.69%	1.9%	2.8%	2.3%	1.1%	1.49%

Revenue Highlights

<u>Fund</u>	<u>2013 Budget</u>	<u>2014 Proposed</u>	<u>Difference</u>
General Fund	\$27,475,032	\$28,408,770	\$933,738
Tourism Fund	\$1,122,275	\$1,104,675	(\$17,600)
Water/Sewer Fund	\$19,354,707	\$19,994,067	\$639,360
Stormwater Fund	\$1,305,000	\$1,305,000	\$0
Debt Service Fund	\$6,657,244	\$6,541,841	(\$115,403)
4B SIEDC Fund	\$2,310,000	\$2,310,000	\$0
Other Funds	<u>\$1,187,580</u>	<u>\$1,088,650</u>	<u>(\$98,930)</u>
TOTAL BUDGET	\$59,411,838	\$60,753,003	\$1,341,165

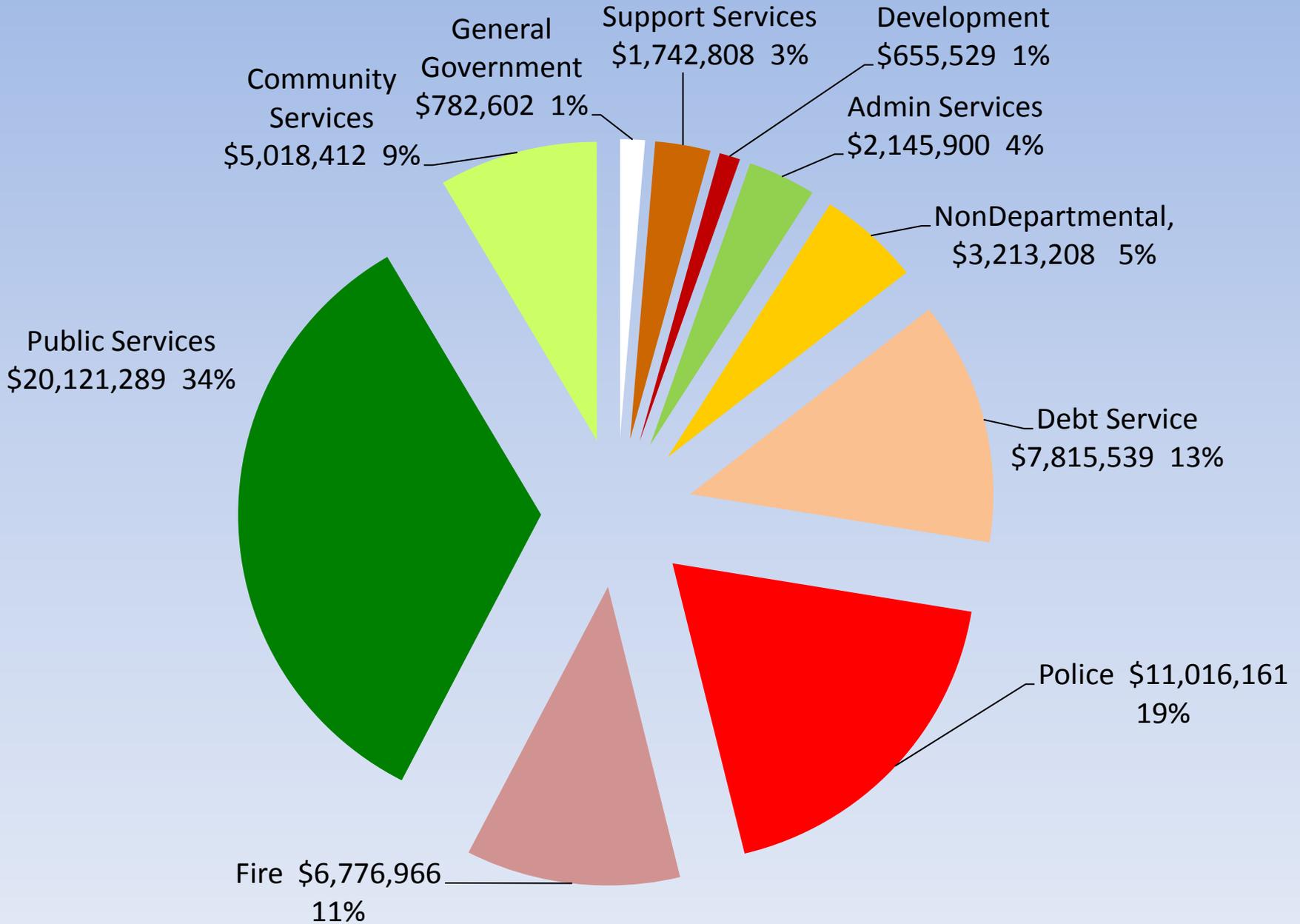
REVENUES BY SOURCE



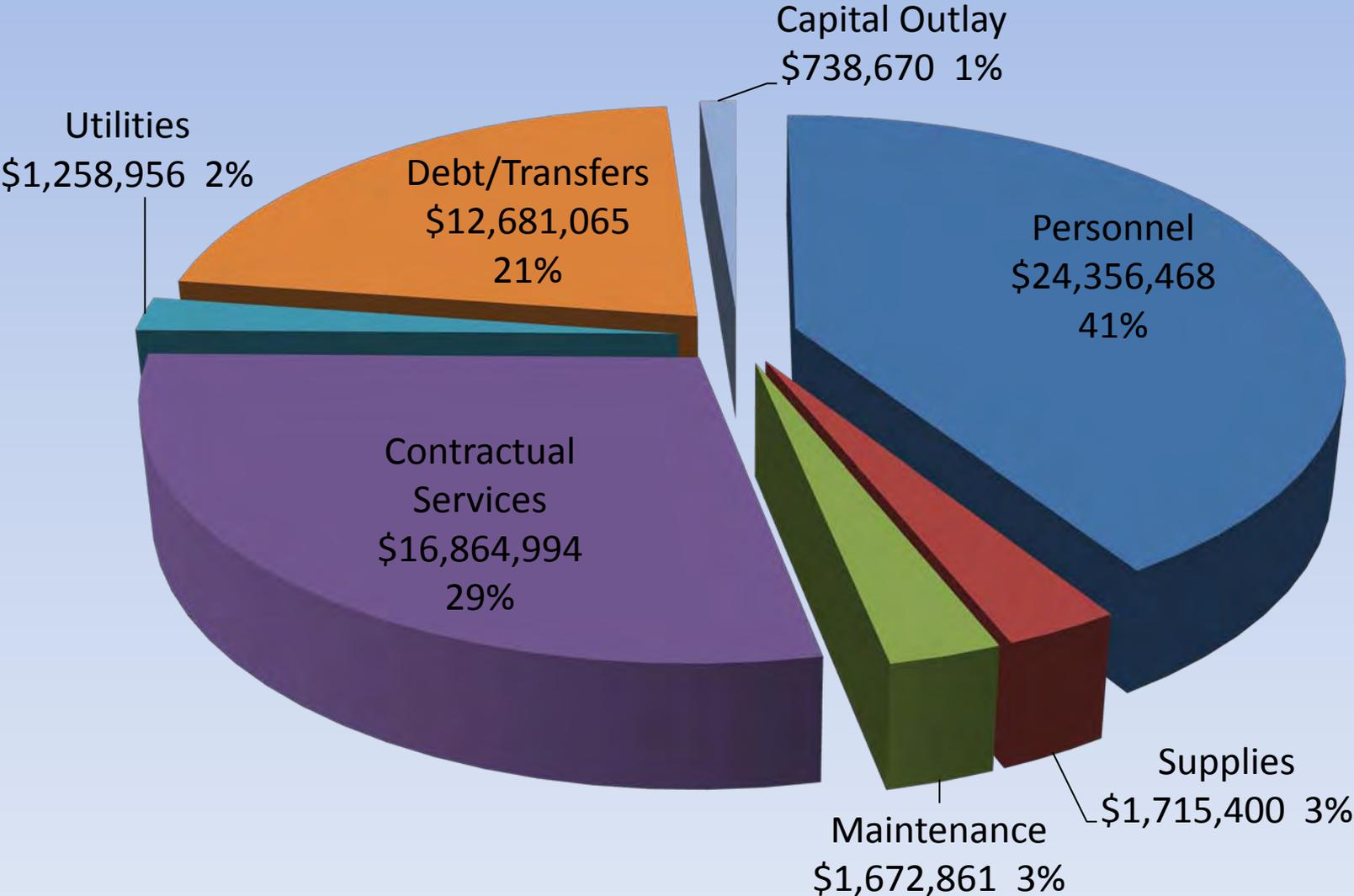
Expenditure Highlights

<u>FUND</u>	<u>2014 Base Budget</u>	<u>Proposed Supplementals</u>	<u>2014 Total Proposed Budget</u>
General Fund	\$27,615,110	\$245,490	\$27,860,600
Tourism	\$930,327	\$55,845	\$986,172
Water/Sewer Fund	\$19,286,230	\$371,475	\$19,657,705
Stormwater Fund	\$1,293,170	\$42,025	\$1,335,195
Debt Service Fund	\$6,551,187	\$0	\$6,551,187
4B SIEDC Fund	\$2,280,455	\$15,500	\$2,295,955
Traffic Safety	\$182,674	\$0	\$182,674
Econ Dev. Fund	\$116,650	\$0	\$116,650
Other Funds	<u>\$112,955</u>	<u>\$189,321</u>	<u>\$302,276</u>
TOTAL BUDGET	\$58,368,758	\$919,656	\$59,288,414

Expenditures by Function



Expenditures by Classification



Supplementals

- \$797,616 in supplementals across all funds
- Examples include:
 - Increase in sidewalk funding \$32,000
 - Blackboard Connect \$35,000
 - Upgrading Library PCs to Windows 7 \$10,000
 - Citizen Satisfaction Survey \$20,000
 - New Flooring at Senior Center \$42,030
 - Splash Shower Stall Improvements \$28,000

GENERAL FUND

The City's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Effective Tax Rate Calculations

FY 2012-2013 Tax Rate	\$0.499115
FY 2013-2014 Effective Tax Rate	\$0.495050
FY 2013-2014 Rollback Rate	\$0.526998

Tax Rate used in Revenue Calculation:
\$0.495050

TAXABLE VALUE COMPARISON over the years

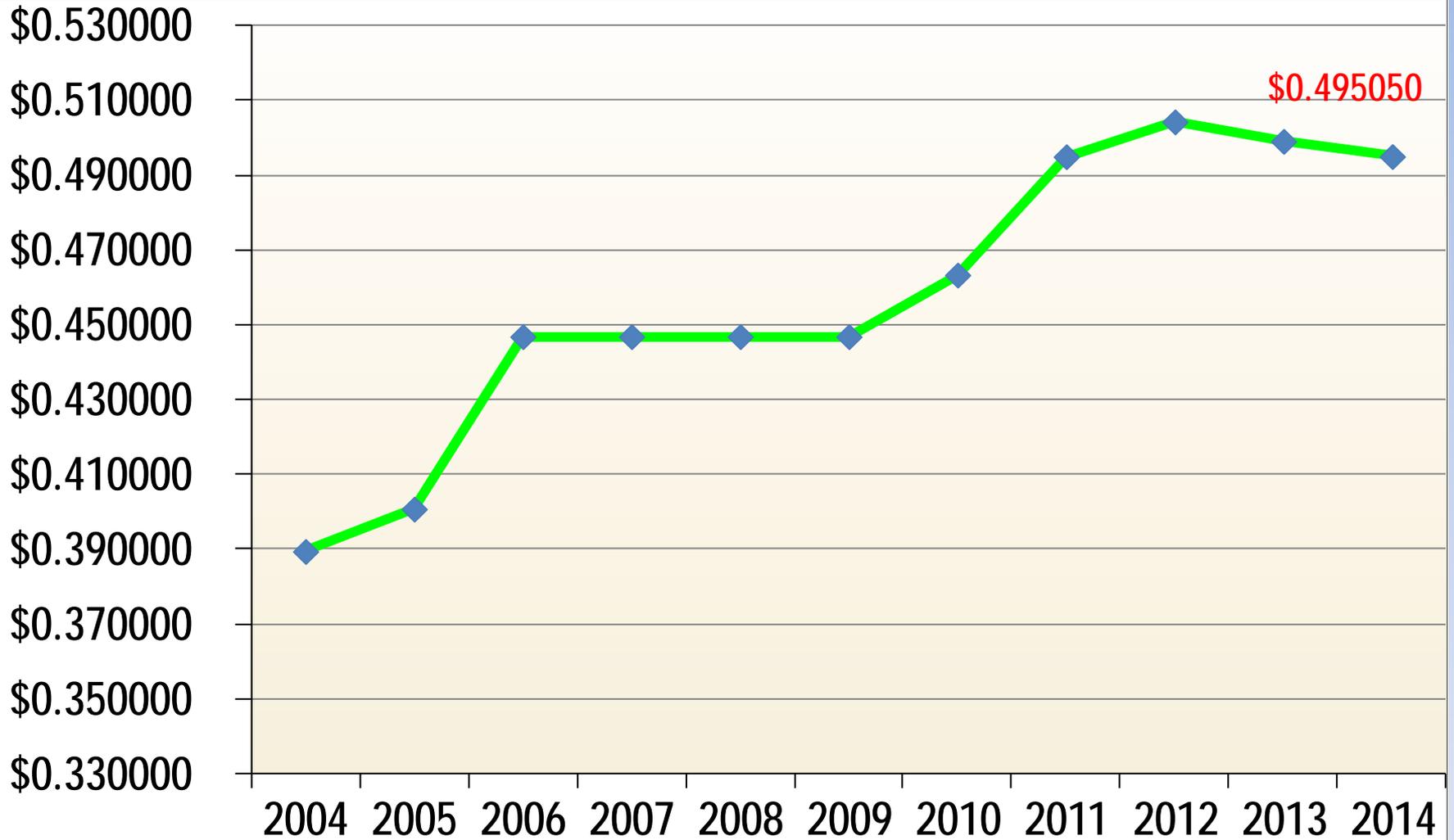
Taxable Values



Appraised Value Changes

<u>Fiscal Year</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Taxable Value	\$2,930,444,393	\$2,908,359,737	\$2,885,409,994
New Construction	\$6,293,903	\$6,794,133	\$11,981,495
Total	\$3,006,179,994	\$2,961,094,384	\$2,897,391,489
Total Change	1.5%	2.2%	0.413%
Avg Market Value	\$161,780	\$158,701	\$158,001
Avg Net Taxable Value	\$148,113	\$145,754	\$145,765

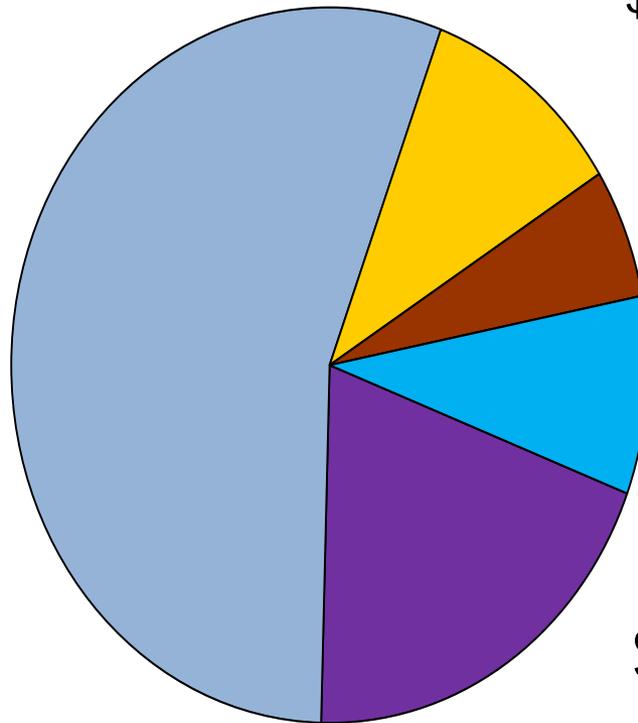
TAX RATE HISTORY



FY12-13 Overlapping Tax Rates

Total Tax Rate
\$2.547482

HEB ISD,
\$1.407500 ,
55%



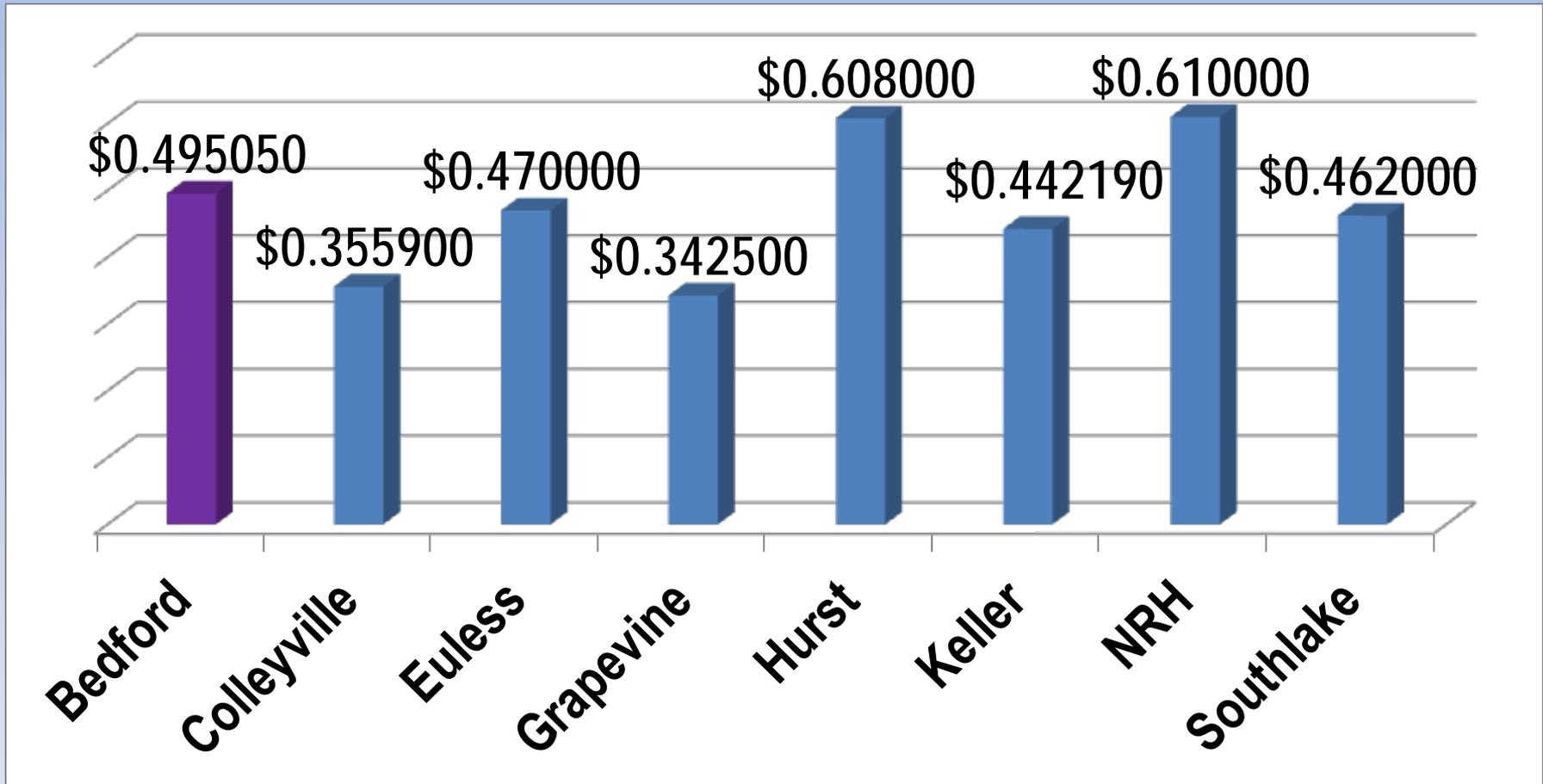
County,
\$0.264000 ,
10%

College,
\$0.148970 ,
6%

Hospital,
\$0.227897 ,
9%

Bedford,
\$0.499115 ,
20%

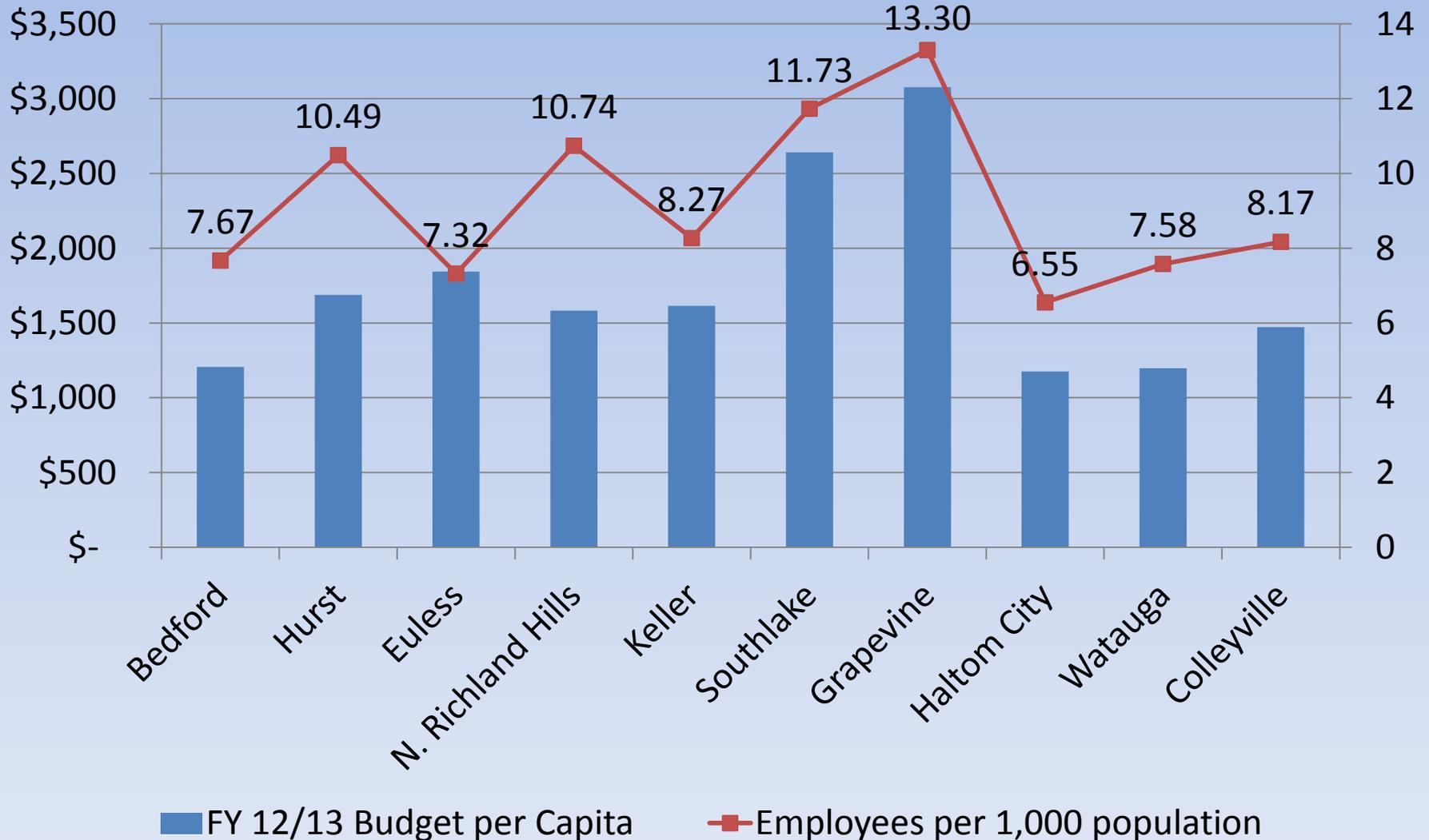
FY 13-14 Proposed Area Tax Rates



Tax Rate Impact

	FY 12-13	FY 13-14
Tax Rate	\$0.499115	\$0.495050
Average Homeowner Impact		
Average Home Value	<u>\$145,754</u>	<u>\$148,113</u>
Annual Tax Bill:	\$727.48	\$733.23
Monthly:	\$60.62	\$61.10
Senior Exemption Property Impact		
Average Home Value	\$145,754	\$148,113
Less: Over 65 Exemption	(\$50,000)	(\$50,000)
Net Taxable Value	<u>\$95,754</u>	<u>\$98,113</u>
Annual Tax Bill:	\$477.92	\$485.71
Monthly:	\$39.83	\$40.48

Per Capita Comparisons

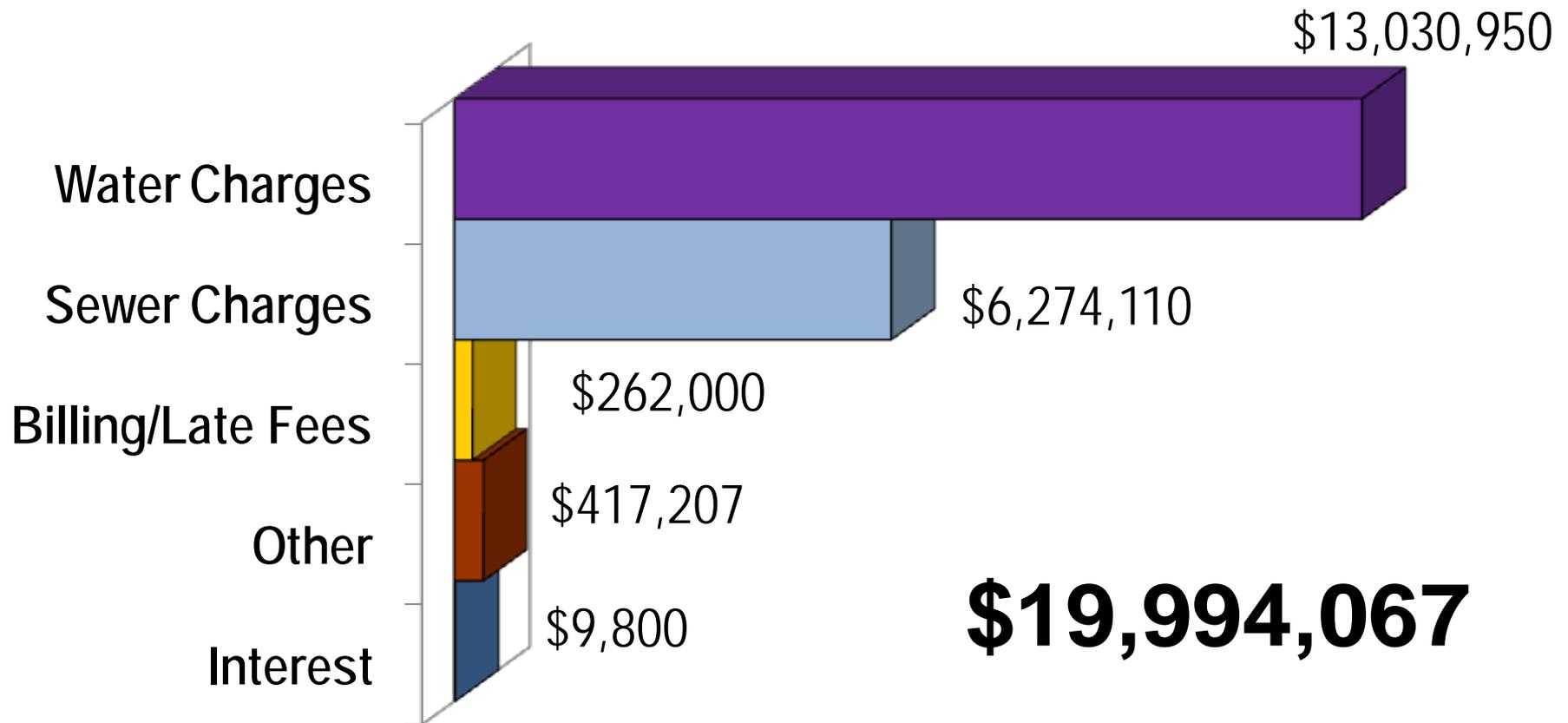


WATER AND SEWER FUND

An enterprise fund that is supported by water and sewer user charges/fees to fund 100% of its operations, debt obligations and capital outlays like a business type activity.

W&S Fund

Where the Money Comes From



WATER / SEWER FUND

Revenue Goals

- Adequately recover O&M expenditures
- Provide for debt service covenants
- Provide for renewal and replacement costs
- Provide for adequate working capital
- Complete funding for NTE Utility Relocations

Current Water/Sewer Rates

**since October 2010*

WATER RATES:

Base Rate	\$18.37 / month
Base Rate (age 65 & older)	\$16.70 / month
Volume Rate	\$2.89 / 1,000 gal.

SEWER RATES:

Base Rate	\$10.88 / month	
Base Rate (age 65 & older)	\$ 9.88 / month	
Volume Rate	\$1.72 / 1,000 gal.	Up to 12,000 gal. max

Proposed Water/Sewer Rates

**effective October 2013*

WATER RATES:

Base Rate	\$18.37 / month	
Base Rate (age 65 & older)	\$16.70 / month	
Volume Rate (4.6% increase)	\$3.02 / 1,000 gal.	July City Average – 14,000 gal.

SEWER RATES:

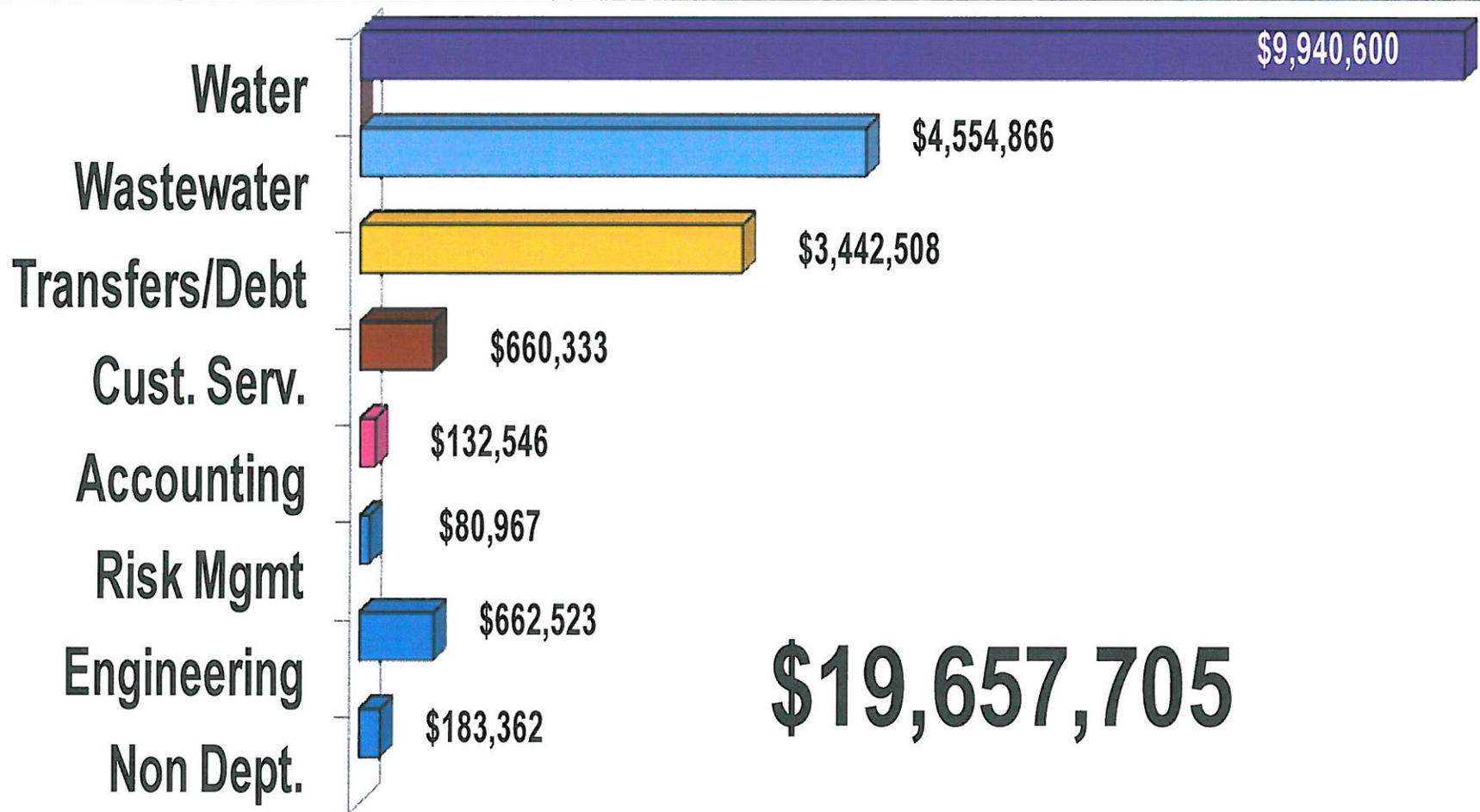
Base Rate	\$10.88 / month	
Base Rate (age 65 & older)	\$ 9.88 / month	
Volume Rate (18.8% increase)	\$2.04 / 1,000 gal.	City Average – 6,000 gal. Up to 12,000 gal. max

Example Fiscal Impact

	Regular	Senior
Current July Bill	\$93.76	\$89.99
<i>Water & Sewer Increase</i>	<u><i>\$3.80</i></u>	<u><i>\$3.80</i></u>
New July Bill	\$97.56	\$93.79

W&S Fund

Where the Money Goes



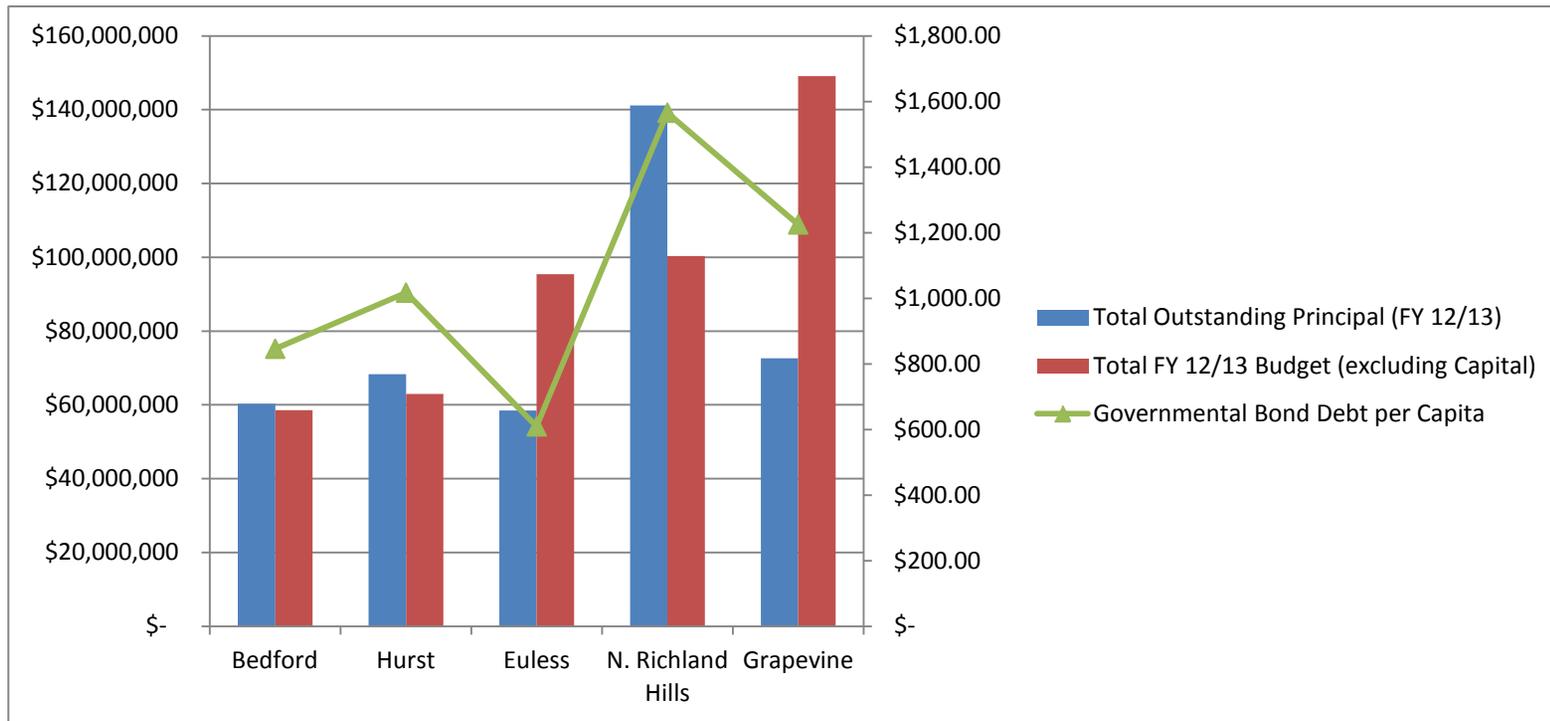
QUESTIONS?

Economic Development Fund Reconciliation

<u>DATE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>ACCUMULATED BALANCE</u>
July-12	Sale of Sotogrande	\$ 150,000	\$ 150,000
July-12	Sale of Brown Trail Well Site	22,622	172,622
January-13	Interest Earnings	42	172,664
July-13	Reclass Excess Building Permit Revenue	96,515	269,179
July-13	Transfer from the W/S Fund for On the Border Utility Relocation Costs	3,175	272,354
August-13	Sale of 2401 Brasher Lane	9,000	281,354
September-13	Transfer from General Fund	6,623	287,977
	REVENUE TOTAL:	<u>\$ 287,977</u>	287,977
September-12	Legacy Alliance Holdings - Rebate - Chk. 122160 (post prepaid exp)	(25,000)	262,977
April-13	On The Border - Building Permit Rebate - Chk. 123622	(9,803)	253,175
April-13	On The Border - Utility Relocate costs - Chk. 123622	(3,175)	250,000
April-13	Twisted Root - Property Improvement Grant - Chk. 123626	(75,000)	175,000
September-13	Projected Cheddars - Cell Tower Monopole (sec. 5.2.3.)	(175,000)	(0)
	EXPENDITURE TOTAL:	<u>\$ (287,978)</u>	<u>(0)</u>
		BALANCE AS FYE 2013	<u>(0)</u>

Debt Comparison

City	Bedford	Hurst	Eules	N. Richland Hills	Grapevine
Total Outstanding Principal (FY 12/13)	\$ 60,265,000	\$ 68,310,000	\$ 58,481,825	\$ 141,105,000	\$ 72,648,795
Total Governmental Bonds Principal (FY 12/13)	\$ 41,080,000	\$ 37,975,000	\$ 31,534,701	\$ 99,355,685	\$ 59,348,795
FY 12/13 General Fund Budget	\$ 27,902,490	\$ 31,626,545	\$ 34,269,502	\$ 40,747,073	\$ 56,616,734
Total FY 12/13 Budget (excluding Capital)	\$ 58,549,744	\$ 62,992,665	\$ 95,433,772	\$ 100,359,328	\$ 149,046,585
Population	48,556	37,337	51,750	63,455	48,447
Governmental Bond Debt per Capita	\$ 846.03	\$ 1,017.09	\$ 609.37	\$ 1,565.77	\$ 1,225.03





Council Agenda Background

PRESENTER: Jacquelyn Reyff, Planning Manager

DATE: 08/27/13

Council Mission Area: Foster economic growth.

ITEM:

Public hearing and consider a resolution approving a Site Plan for an inline retail building in the Central Business District for the property known as Abstract 71, Tract 2, Thomas Beedy Survey, located at 2212 Central Drive, Bedford, Texas. (S-057)

City Attorney Review: N/A

City Manager Review: _____

DISCUSSION:

The applicant, Oscar Galan for Classic Design Group, is requesting Site Plan Approval, Case S-057, for an approximately 8,000 SF inline retail building to be located in the Central Business District Overlay (CBD).

The property is zoned H, Heavy Commercial District in the CBD. This Zoning District is established to provide for development of retail and commercial uses, including higher intensity commercial uses. The CBD is established to encourage the development of a central business district, which contains a mixture of commercial and residential development. This area is designated as that portion of the City of Bedford bounded by State Highway 121 on the south, Bedford Road on the north and west, and Murphy Drive on the east.

Development Standards for the CBD come from Section 5.4, Site Plan Requirements of the Zoning Ordinance, which apply as follows:

- All setbacks, including side yard, front yard, rear yard, and height must meet the Zoning Ordinance requirements.
- Lot coverage meets the Zoning Ordinance requirements.
- Landscaping is in excess of what is required by the Zoning Ordinance. 20% of the lot is required to be landscaped and the applicant is providing 24%.
- Required parking per the Zoning Ordinance is one space per 250 square feet of building. In this case, the building is 7,995 SF; therefore, required parking is 32 spaces. The applicant is providing 46 spaces. One handicapped parking space is required and the applicant is providing one.
- The commercial driveway approach meets the size of 35 feet as regulated by the Subdivision Ordinance.

Elevations

- The Central Business District has no specific design standards; however, based on the elevations shown on the *Exterior Elevations Drawing*, the applicant has included materials such as brick, metal, glass, and stone. There is a trend on Central Drive in the CBD for these types of materials being used on new buildings, as was the case with 1916 Central Drive and the new medical office building.

At the time of platting, issues related to engineering and drainage for the proposed inline retail building will be required to meet the City of Bedford's Ordinances and Standards.

Comprehensive Plan:

The Comprehensive Plan indicates the location of 2212 Central Drive to be commercial; therefore, the use of an inline retail building would not conflict with the Comprehensive Plan.

The Planning and Zoning Commission recommended approval of this item at their July 25, 2013 meeting by a vote of 7-0-0.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution approving a Site Plan for an inline retail building in the Central Business District for the property known as Abstract 71, Tract 2, Thomas Beedy Survey; located at 2212 Central Drive, Bedford, Texas. (S-057)

FISCAL IMPACT:

N/A

ATTACHMENTS:

Resolution
Site Plan (separate document)
Application
Zoning Map of Referenced Property
Pictures
July 25, 2013 Planning & Zoning Minutes
Copy of Legal Ad Published in Star Telegram

RESOLUTION NO. 13-

A RESOLUTION APPROVING A SITE PLAN FOR AN INLINE RETAIL BUILDING IN THE CENTRAL BUSINESS DISTRICT FOR THE PROPERTY KNOWN ABSTRACT 71, TRACT 2, THOMAS BEEDY SURVEY, LOCATED AT 2212 CENTRAL DRIVE, BEDFORD, TEXAS. (S-057)

WHEREAS, the property is located in the Central Business Overlay District and requires approval from both the Planning and Zoning Commission and the City Council of Bedford, Texas; and,

WHEREAS, the Planning and Zoning Commission recommended approval of the site plan at their July 25, 2013 meeting; and,

WHEREAS, the City Council of Bedford, Texas finds that it is in the best interest of the City to approve the inline retail building site plan; and,

WHEREAS, the said Site Plan is known as Abstract 71, Tract, 2, Thomas Beedy Survey. The property is generally located south of Bedford Road and east of Central Drive.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS, THAT:

SECTION 1. That the City Council hereby approves a resolution approving a Site Plan for an inline retail shopping center located at 2212 Central Drive, Bedford, Texas.

PASSED AND APPROVED this 27th day of August 2013, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Griffin, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney



**City of Bedford
Site Plan Application**

City of Bedford Texas
Development Department
Planning and Zoning
05-15-13P12:15 RCVD
RECEIVED

Received
Case Number

S-057

Application Fee: \$205.00 plus \$205.00 per acre over one.) \$205.00 + \$205.00 x _____

OWNER

Name MIKE MAHKANI Signature

Company Name MBI

Street Address/City/State/Zip Code 3413 HIGH VISTA DR, CARROLLTON, TX 75007

Telephone 214 869 7309 Fax _____

E-mail ZAHYRAMAHKANI@AOL.COM

AUTHORIZED APPLICANT/AGENT (if not Owner named above)

Name OSCAR GALAN Signature

Company Name CLASSIC DESIGN GROUP

Street Address/City/State/Zip Code: 4142 BRITON CT, GRAND PRAIRIE TX 75052

E-mail classic_design@sbcglobal.net

Telephone 817 999 7351 Fax 972 352 4141

I, the undersigned owner, or _____ (Option Holder, etc.) of the following described real property located in the City of Bedford, Texas, hereby make application for a change of zoning classification as provided in the City of Bedford Zoning Ordinance. I hereby certify that there are no existing dwellings or other buildings located on the property which would not conform to the construction standards, of the zoning classification being proposed, except as provided in Section 2.3, Nonconforming Lots, Nonconforming Uses of Land, Nonconforming Structures & Nonconforming Uses of Structures & Premises of the City of Bedford Zoning Ordinance.

*Signature certifies all information provided is true and correct.

PROPERTY DESCRIPTION

Project Name or Description of Development _____

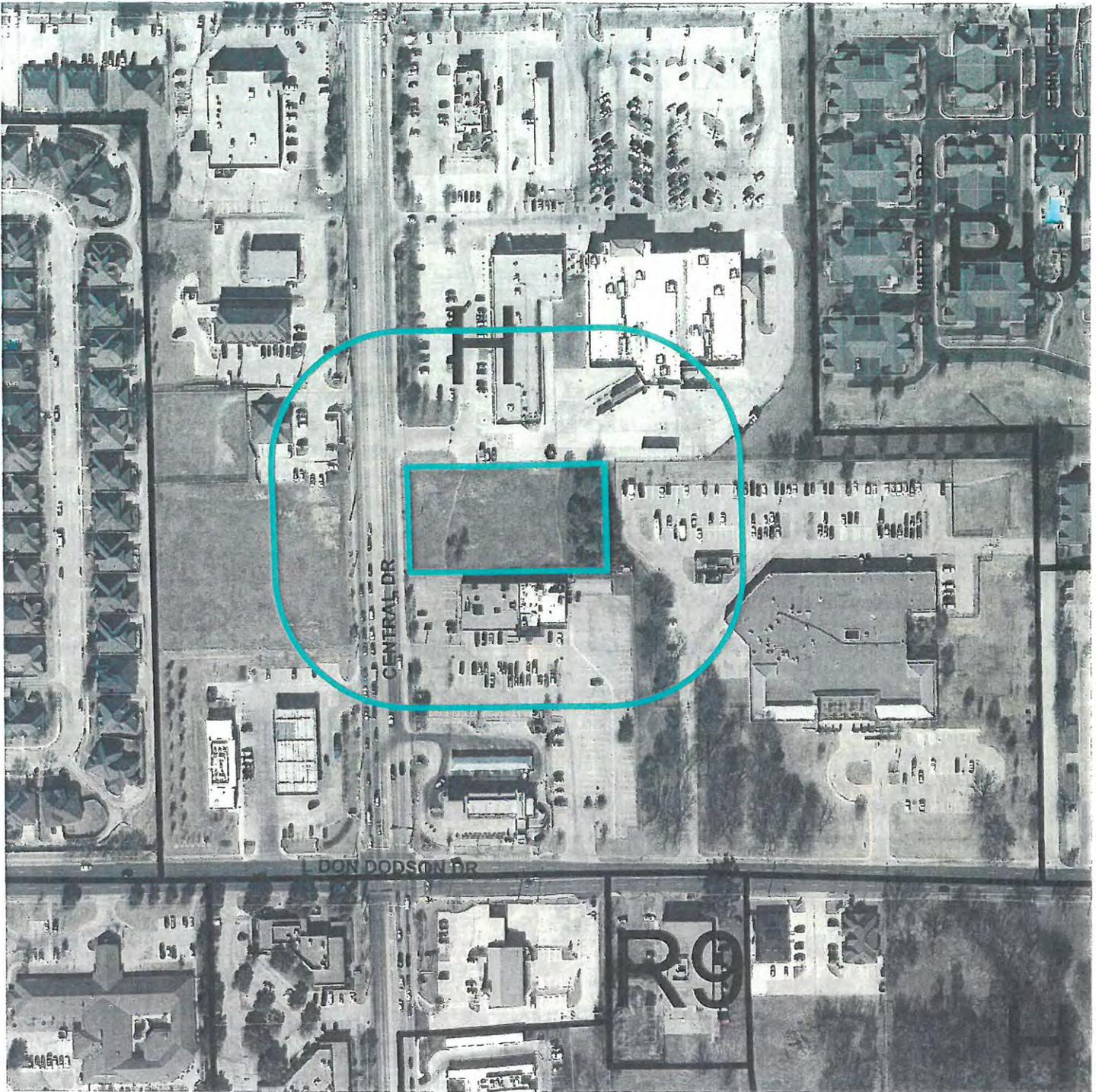
Current Zoning "H"(ga)

Address 2212 Central Drive (ga) ^{GIS}

Legal Description: Subdivision/Abstract Thomas Budy Survey (ga)

Block/Abstract No. 71 Lots/Tracts 2

Include a narrative describing the use. The narrative should describe your business; list all of the operations that will be conducted. It should include your hours of operation and number of employees. Additional information may be requested during the review process.

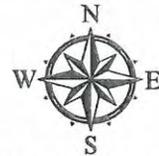


City of Bedford, Texas

Hearing Date: 07-25-13 S-057

Address: 2212 CENTRAL DRIVE
Survey: THOMAS BEEDY
Bedford, TX 76021

SUBNUM: TR: 2, AB: 71



-  Parcel Boundary
-  Subject Parcel and Buffer

DISCLAIMER
The City of Bedford makes no representation or warranty as to the accuracy of this map and its information or to its fitness for use. Any user of this map product accepts the same AS IS, WITH ALL FAULTS, and assumes all responsibility for the use thereof, and further agrees to not hold the City of Bedford liable from any damage, loss, or liability arising from any use of the map product. Independent verification of all information contained on this map should be obtained by the end user.

S-057

THIS PROPERTY IS UP FOR A
**SITE PLAN
REVIEW**
FOR INFO CALL
CITY OF BEDFORD PLANNING
AND ZONING DEPT. AT:
(317) 952-2137

S-057



S-057



**PLANNING AND ZONING COMMISSION
MEETING MINUTES OF JULY 25, 2013**

DRAFT

REGULAR SESSION

The Planning and Zoning Commission convened in the Council Chamber at 7:03 PM and the Regular Session began.

CALL TO ORDER

Chairman Stroope called the meeting to order at 7:07 PM.

INVOCATION

Vice Chairman Reese gave the invocation.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was given.

APPROVAL OF MINUTES

1. Consider approval of the following Planning and Zoning Commission meeting minutes:

a) July 11, 2013

Motion: Commissioner Henning made a motion to approve the meeting minutes of July 11, 2013, with a noted correction made at the Work Session.

Commissioner Hall seconded the motion and the vote was as follows:

Ayes: Commissioners Sinisi, Carlson, Henning, Hall, Chairman Stroope

Nays: None

Abstention: Commissioner Pierson, Vice Chairman Reese

Motion approved 5-0-2. Chairman Stroope declared the motion approved.

PUBLIC HEARING

- 2. Site Plan Case S-057, public hearing and consideration of a site plan request for an inline retail shopping center, Mahkani Plaza. The property's legal description is Abstract 71, Tract 2, Thomas Beedy Survey; the property address is 2212 Central Drive, Bedford, Texas; it is zoned "H", Heavy Commercial; and is located in the CBD, Central Business District. The property is generally located south of Bedford Road and east of Central Drive.**

Chairman Stroope recognized Jacquelyn Reyff, AICP, Planning Manager who reviewed Site Plan Case S-057.

Chairman Stroope recognized Oscar Galan, 4142 Briton Court, Grand Prairie, Texas, and Jeff Stricklin, 120 Loula Drive, Hurst, Texas who were there to present this application.

Chairman Stroope opened the public hearing at 7:17 PM and there being no one to speak, closed the public hearing at 7:18 PM.

**PLANNING AND ZONING COMMISSION
MEETING MINUTES OF JULY 25, 2013**

DRAFT

The Commission discussed the application.

Motion: Commissioner Hall made a motion to approved Site Plan Case S-057.

Commissioner Carlson seconded the motion and the vote was as follows:

Motion approved 7-0-0. Chairman Stroope declared the motion approved.

ADJOURNMENT

Chairman Stroope adjourned the Planning and Zoning meeting at 7:20 PM.

**Chairman Stroope
Planning and Zoning Commission**

ATTEST:

**Yolanda Alonso
Planning and Zoning Secretary**



CITY OF
BEDFORD

2000 Forest Ridge Drive - Bedford, TX 76021
(817)952-2100 www.bedfordtx.gov

July 29, 2013

PLEASE DELIVER TO:

Legal Publications
Attn: Christine Lopez
Fort Worth Star-Telegram
400 West 7th Street
Fort Worth, TX 76102

SENT VIA E-MAIL: clopez@star-telegram.com on Monday, July 29, 2013

FROM:

City of Bedford
Yolanda Alonso, Planning and Zoning

Dear Christine,

Please publish the following in "Legal Notices" on Wednesday, July 31, 2013.

MESSAGE:

**CITY OF BEDFORD
PUBLIC HEARING**

The City of Bedford City Council will hold a Public Hearing on the following site plan item on Tuesday, August 27, 2013 at 6:30 PM, at City Hall, Council Chamber, 2000 Forest Ridge Drive, Building A, Bedford, Texas:

A public hearing and consider a resolution of a site plan for an inline retail shopping center, Mahkani Plaza. The property's legal description is Abstract 71, Tract 2, Thomas Beedy Survey; the property address is 2212 Central Drive, Bedford, Texas; it is zoned "H", Heavy Commercial; and is located in the CBD, Central Business District. The property is generally located south of Bedford Road and east of Central Drive. (S-057)

All interested citizens will be given the opportunity to speak and be heard.

Alonso, Yolanda

From: Lopez, Christine [clopez@star-telegram.com]
Sent: Monday, July 29, 2013 10:18 AM
To: Alonso, Yolanda
Subject: Re: CC Legal Notice S057 082713

ad received :)
Christine

Christine Lopez
Legal Representative
Fort Worth Star-Telegram
Phone: 817 - 390 -7522

Star-Telegram Media Services & DFW Online Network
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On Mon, Jul 29, 2013 at 8:42 AM, Alonso, Yolanda <Yolanda.Alonso@bedfordtx.gov> wrote:

Hi Christine,

Please place the attached ad in the July 31th, Legal Notice Section of the newspaper.

Thank you.

--
Yolanda Alonso
Planning and Zoning Coordinator
City of Bedford
2000 Forest Ridge Drive, Bedford, Texas 76021
Office: [817-952-2137](tel:817-952-2137) | Fax: [817-952-2210](tel:817-952-2210) | Yolanda.Alonso@bedfordtx.gov



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Council Agenda Background

PRESENTER: Clifford Blackwell, CGFO
Director of Administrative Services

DATE: 08/27/13

Council Mission Area: Demonstrate excellent customer service in an efficient manner.

ITEM:

Consider approval of an ordinance and all matters incident and related to the issuance and sale of \$5,375,000 "City of Bedford Texas General Obligation Refunding and Improvement Bonds, Series 2013", dated August 27, 2013.

City Attorney Review: N/A

City Manager Review: _____

DISCUSSION:

This ordinance authorizes the issuance of \$5,375,000 in general obligation (G.O.) bonds for the purpose of refunding a portion of the City's outstanding G.O. debt (Series 2002, 2003 and 2004) plus continuing capital programs previously authorized by the citizens for Bedford in November 2001.

The outstanding principal amounts to be refunded are as follows:

- Series 2002 G.O. Refunding & Improvement Bonds	\$1,010,000
- Series 2003 G.O. Refunding & Improvement Bonds	\$ 375,000
- Series 2004 G.O. Refunding & Improvement Bonds	<u>\$2,235,000</u>
Subtotal	\$3,620,000

The amounts being issued for capital projects are as follows:

- Residential Street Improvements - Dora Street	\$1,400,000
- Park Improvements – Bedford Trails extension	<u>\$ 295,000</u>
Subtotal	\$1,695,000

The cost of refunding outstanding obligations while issuing new bonds is estimated at \$60,000, thus bringing the total issuance to \$5,375,000.

RECOMMENDATION:

Staff recommends the following motion:

Approval of an ordinance and all matters incident and related to the issuance and sale of \$5,375,000 "City of Bedford Texas General Obligation Refunding and Improvement Bonds, Series 2013", dated August 27, 2013.

FISCAL IMPACT:

ATTACHMENTS:

Draft Ordinance
Bond Counsel Opinion Letter
Copy of Preliminary Official Statement (POS)

ORDINANCE NO. _____

AN ORDINANCE authorizing the issuance of “CITY OF BEDFORD, TEXAS, GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2013,” specifying the terms and features of said bonds; levying a continuing direct annual ad valorem tax for the payment of said bonds; providing for the redemption of certain outstanding obligations of the City; and resolving other matters incident and related to the issuance, sale, payment and delivery of said bonds, including the approval and execution of a Paying Agent/Registrar Agreement, a Purchase Contract and a Special Escrow Agreement and the approval and distribution of an Official Statement; and providing an effective date.

WHEREAS, the City Council of the City of Bedford, Texas (the “City”), has heretofore issued, sold and delivered, and there are currently outstanding obligations totaling in original principal amount \$3,205,000 of the following issues or series (hereinafter collectively referred to as the “Refunded Bonds”), to wit:

- (1) City of Bedford, Texas, General Obligation Refunding and Improvement Bonds, Series 2002, dated February 15, 2002, scheduled to mature on February 1 in each of the years 2014 through 2022 and aggregating in principal amount of \$1,010,000 (the “Series 2002 Refunded Bonds”); and
- (2) City of Bedford, Texas, General Obligation Refunding and Improvement Bonds, Series 2004, dated March 1, 2004, being the portion of such bonds eligible to be refunded under federal tax laws and scheduled to mature on February 1 in each of the years 2016 through 2024, inclusive, and aggregating in principal amount of \$2,195,000 (the “Series 2004 Refunded Bonds”), and further described as follows:

<u>Year of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Eligible to be Refunded</u>	<u>Principal Amount Being Refunded</u>
2016	\$ 1,175,000	\$ 205,000	\$ 205,000
2017	215,000	215,000	215,000
2018	225,000	225,000	225,000
2019	235,000	235,000	235,000
2020	240,000	240,000	240,000
2021	250,000	250,000	250,000
2022	265,000	265,000	265,000
2023	275,000	275,000	275,000
2024	285,000	285,000	285,000

AND WHEREAS, pursuant to the provisions of Texas Government Code, Chapter 1207, as amended (“Chapter 1207”), the City Council is authorized to issue refunding bonds and deposit the proceeds of sale directly with the place of payment for the Refunded Bonds or other authorized depository, and such deposit, when made in accordance with said statute and the ordinances authorizing the issuance of the Refunded Bonds, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds; and

WHEREAS, the City Council hereby finds and determines that the Refunded Bonds should be refunded at this time and such refunding will result in the City saving approximately \$ _____ in debt service payments on such indebtedness and will further provide a net present value savings of approximately \$ _____; and,

WHEREAS, in combination with the issuance of such refunding bonds, the City Council hereby finds and determines that general obligation bonds in the principal amount of \$1,695,000 approved and authorized to be issued at an election held in the City on November 6, 2001, and that such bonds should be issued and sold at this time; a summary of the bonds approved by the voters at said election, and at an election held on September 12, 1995, the principal amounts authorized and respective purposes therefor, amounts heretofore issued and being issued pursuant to this ordinance and the amounts remaining to be issued subsequent hereto being as follows:

<u>Election Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Amount Previously Issued</u>	<u>Amount Being Issued</u>	<u>Unissued Balance</u>
9-12-95	Police Facility Improvements	\$ 6,625,000	\$ 6,295,000	\$ -	\$ 330,000
9-12-95	Streets/Drainage	13,200,000	12,675,000	0-	525,000
11-06-01	Parks (Maintenance Service Center and existing parks and linear trails improvements)	2,235,000	1,940,000	295,000	-0-
11-06-01	Drainage Improvements	5,895,000	1,800,000	-0-	4,095,000
11-06-01	City Building Improvements	1,075,000	885,000	-0-	190,000
11-06-01	Animal Control	240,000	-0-	-0-	240,000
11-06-01	Public Safety Improvements	4,060,000	2,885,000	-0-	1,175,000
11-06-01	Street Improvements (Major thoroughfares and traffic signalization)	5,430,000	3,265,000	-0-	2,165,000
11-06-01	Residential Street Improvements	3,730,000	325,000	1,400,000	2,005,000

AND WHEREAS, the City Council hereby reserves and retains the right to issue the balance of unissued bonds approved at said elections in one or more installments when, in the judgment of the City Council, funds are needed to accomplish the purposes for which such bonds were voted; now, therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. General obligation bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \$ _____ to be designated and bear the title "CITY OF BEDFORD, TEXAS, GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2013" (hereinafter referred to as the "Bonds"), for the purposes of (i) providing funds in the amount of \$1,695,000 for permanent public improvements and public purposes, to wit: (a) \$1,400,000 for residential street improvements, including curbs, gutters, sidewalks, drainage and utility line relocations incidental thereto; and (b) \$295,000 to construct a parks maintenance service center and make improvements to existing parks and linear trails; (ii) providing funds in the amount of \$ _____ for the discharge and final payment of certain outstanding obligations of the City (identified in the preamble hereof and referred to as the "Refunded Bonds"); and, (iii) to pay costs of issuance, in accordance with the Constitution and laws of the State of Texas including Chapter 1207 and Texas Government Code, Section 1331.052, as amended.

SECTION 2: Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities - Interest Rates. The Bonds shall be issued as fully registered obligations only, shall be dated August 15, 2013 (the “Bond Date”), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on February 1 in each of the years and in principal amounts (the “Stated Maturities”) and bear interest at the rates per annum in accordance with the following schedule:

<u>Year of Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
2014	\$,000	%
2015	,000	%
2016	,000	%
2017	,000	%
2018	,000	%
2019	,000	%
2020	,000	%
2021	,000	%
2022	,000	%
2023	,000	%
2024	,000	%
2025	,000	%
2026	,000	%
2027	,000	%
2028	,000	%
2029	,000	%
2030	,000	%
2031	,000	%
2032	,000	%
2033	,000	%

The Bonds shall bear interest on the unpaid principal amounts from the Bond Date at the rates per annum shown above in this Section (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on February 1 and August 1 in each year until maturity or prior redemption, commencing February 1, 2014.

SECTION 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the “Holders”) appearing on the registration and transfer books (the “Security Register”) maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the “Security Register”) shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a “Paying Agent/Registrar Agreement,” substantially in the form attached hereto as

Exhibit A and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor and City Secretary of the City are hereby authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or upon the earlier redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated office initially in East Syracuse, New York; or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Bonds shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the 15th day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

(a) Optional Redemption. The Bonds having Stated Maturities on and after February 1, 2024, shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 1, 2023, or on any date thereafter, at the redemption price of par plus accrued interest to the date of redemption.

At least forty-five (45) days prior to a redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the City to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the City.

(b) Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bonds by \$5,000 and shall select the Bonds, or principal amount thereof, to be redeemed within such Stated Maturity by lot.

(c) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

(d) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the Initial Bond(s) referenced in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds shall be registered and issued to the assignee or transferee of the previous Holder; such Bonds to be in authorized denominations, of like Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond(s) referenced in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 11 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4, and 5 hereof relating to the payment, and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations, by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general, or the City decides to discontinue use of the system of book-entry transfers through DTC, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Bond Date shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the total principal amount shown in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal

amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Bonds, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF BEDFORD, TEXAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BOND
SERIES 2013

Bond Date:
August 15, 2013

Interest Rate:

Stated Maturity:
February 1, 20__

CUSIP NO:

Registered Owner:

Principal Amount:

The City of Bedford (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this

Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the Bond Date) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 in each year until maturity or prior redemption, commencing February 1, 2014. Principal of this Bond is payable at its Stated Maturity or upon its prior redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the 15th day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner hereof and in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds") for the purposes of (i) providing funds in the amount of \$1,695,000 for permanent public improvements and public purposes, to wit: (a) \$1,400,000 for residential street improvements, including curbs, gutters, sidewalks, drainage and utility line relocations incidental thereto; and (b) \$295,000 to construct a parks maintenance service center and make improvements to existing parks and linear trails; (ii) providing funds in the amount of \$_____ for the discharge and final payment of certain outstanding obligations of the City (identified in the preamble hereof and referred to as the "Refunded Bonds"); and, (iii) to pay costs of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapter 1207, as amended, and Texas Government Code, Section 1331.052, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Bonds maturing on and after February 1, 2024, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 1, 2023, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If this Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of

such redemption duly given, then upon the redemption date this Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest hereon shall cease to accrue from and after the redemption date therefor, provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of this Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of this Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If this Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the registered owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance hereof in the event of its redemption in part.

With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the registered owner of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the registered owners; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein and not otherwise defined herein have the meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or upon its prior redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each registered owner appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforesated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City as of the Bond Date.

CITY OF BEDFORD, TEXAS

Mayor

COUNTERSIGNED:

City Secretary

(SEAL)

- (c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER)
)
 OF PUBLIC ACCOUNTS) REGISTER NO. _____
)
 THE STATE OF TEXAS)

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

 Comptroller of Public Accounts
 of the State of Texas

(SEAL)

- (d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered under the provisions of the within-mentioned Ordinance; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated office of the Paying Agent/Registrar in East Syracuse, New York, is the Designated Payment/Transfer Office for this Bond.

THE BANK OF NEW YORK MELLON TRUST
 COMPANY, N.A., Dallas, Texas,
 as Paying Agent/Registrar

Registration date:

By _____
 Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto (Print or typewrite name, address and zip code of transferee):_____

(Social Security or other identifying number _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section, except that the form of the single fully registered Initial Bond shall be modified as follows:

Heading and paragraph one shall be amended to read as follows:

REGISTERED
NO. T-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF BEDFORD, TEXAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BOND
SERIES 2013

Bond Date:
August 15, 2013

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Bedford (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay the registered owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on February 1 in each of the years and in principal installments in accordance with the following schedule:

YEAR OF PRINCIPAL INTEREST
MATURITY INSTALLMENTS RATE
(Information to be inserted from schedule in Section 2 hereof).

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal installments hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the Bond Date) at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 in each year until maturity or prior redemption, commencing February 1, 2014. Principal installments of this Bond are payable at its Stated Maturity or on a redemption date to the registered owner hereof by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices, initially in Dallas, Texas; or, with respect to a successor paying agent/registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the 15th day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their redemption at maturity or prior redemption or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the Debt Service Requirements on said Bonds while Outstanding; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Bonds shall be kept and maintained by the City at all times while the Bonds are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Bonds shall be deposited to the credit of a "Special 2013 Bond Account" (the "Interest and Sinking Fund") maintained on the records of the City and deposited in a special fund maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

The Mayor, Mayor Pro Tem, City Secretary, City Manager and Director of Administrative Services, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures or comes due by reason of redemption prior to maturity; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

SECTION 11: Mutilated, Destroyed, Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 12: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use

made of any such deposit which would cause the Bonds to be treated as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

The term “Government Securities”, as used herein, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under applicable laws of the State of Texas.

SECTION 13: Ordinance a Contract - Amendments - Outstanding Bonds. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 30. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

The term “Outstanding”, when used in this Ordinance with respect to Bonds, means as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except:

- (1) those Bonds canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Bonds deemed to be duly paid by the City in accordance with the provisions of Section 12 hereof; and
- (3) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 11 hereof.

SECTION 14: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section 14, the following terms shall have the following meanings:

“Closing Date” means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

“Computation Date” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross

Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

- (1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Bonds), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and
- (2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds), other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the

Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

- (1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.
- (2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.
- (3) As additional consideration for the purchase of the Bonds by the Underwriters and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States from the construction fund, other appropriate fund or, if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Interest and Sinking Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be

accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

- (4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Bonds Not Hedge Bonds. (1) At the time the original bonds refunded by the Bonds were issued, the City reasonably expected to spend at least 85% of the spendable proceeds of such bonds within three years after such bonds were issued and (2) not more than 50% of the proceeds of the original bonds refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(k) Current Refunding. A portion of the Bonds are a current refunding of the Series 2002 Refunded Bonds in that such Series 2002 Refunded Bonds will be paid or redeemed within 90 days of the date of the delivery of the Bonds.

(l) Qualified Advanced Refunding. A portion of the Bonds are issued to refund the Series 2004 Refunded Bonds. The Bonds will be issued more than 90 days before the redemption of each series of the Series 2004 Refunded Bonds. The City represents as follows:

- (1) The Bonds are the first advance refunding of the Series 2004 Refunded Bonds within the meaning of Section 149(d)(3) of the Code.
- (2) The Series 2004 Refunded Bonds are being called for redemption, and will be redeemed not later than the earliest date on which such issues may be redeemed.
- (3) The initial temporary period under Section 148(c) of the Code will end: (i) with respect to the proceeds of the Bonds not later than thirty (30) days after the date of issue of such Bonds; and (ii) with respect to proceeds of the Series 2004 Refunded Bonds on the Closing Date if not ended prior thereto.
- (4) On and after the date of issue of the Bonds, no proceeds of the Series 2004 Refunded Bonds will be invested in Nonpurpose Investments having a Yield in excess of the Yield on such Series 2004 Refunded Bonds.

- (5) The Bonds are being issued for the purposes stated in the preamble of this Ordinance. There is a present value savings associated with the refunding. In the issuance of the Bonds the City has neither: (i) overburdened the tax-exempt bond market by issuing more bonds, issuing bonds earlier or allowing bonds to remain outstanding longer than reasonably necessary to accomplish the governmental purposes for which the Bonds were issued; (ii) employed on “abusive arbitrage device” within the meaning of Section 1.148-10(a) of the Regulations; nor (iii) employed a “device” to obtain a material financial advantage based on arbitrage, within the meaning of Section 149(d)(4) of the Code apart from savings attributable to lower interest rates and reduced debt service payments in early years.

(m) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Secretary, City Manager and Director of Administrative Services, either individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(n) Qualified Tax-Exempt Obligations. In accordance with the provisions of paragraph (3) of subsection (b) of Section 265 of the Code, the City hereby designates the Bonds to be “qualified tax-exempt obligations” in that the Bonds are not “private activity bonds” as defined in the Code and represents the amount of “tax-exempt obligations” (excluding private activity bonds) to be issued by the City (including all subordinate entities of the City) for the calendar year 2013 will not exceed \$10,000,000.

SECTION 15: Sale of Bonds - Official Statement Approval. Pursuant to a public sale for the Bonds, the bid submitted by _____ and _____ (herein referred to collectively as the “Underwriters”) is declared to be the best bid received producing the lowest true interest cost rate to the City, and the sale of the Bonds to said Underwriters at the price of par **[plus a cash premium of \$_____]**, is hereby determined to be in the best interests of the City and is approved and confirmed. Delivery of the Bonds to the Underwriters shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale. The Initial Bond shall be registered in the name as provided in the winning bid form.

Furthermore, the use of the Preliminary Official Statement by the Underwriters in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement, which reflects the terms of sale (together with such changes approved by the Mayor, Mayor Pro Tem, City Secretary, City Manager and Director of Administrative Services, any one or more of said officials), shall be and is hereby in all respects approved and the Underwriters are hereby authorized to use and distribute said final Official Statement, dated August 27, 2013, in the reoffering, sale and delivery of the Bonds to the public. The Mayor and City Secretary are further authorized to execute and deliver for and on behalf of the City copies of said Official Statement in final form as may be required by the Underwriters, and such final Official Statement in the form and content executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Underwriters.

SECTION 16: Special Escrow Agreement Approval and Execution. The “Special Escrow Agreement” (the “Special Escrow Agreement”) by and between the City and The Bank of New York Mellon Trust Company, Dallas, Texas (the “Escrow Agent”), attached hereto as **Exhibit B** and incorporated herein by reference as a part of this Ordinance for all purposes, is hereby approved as to form and content, and such Special Escrow Agreement in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the City, is hereby authorized to be executed by the Mayor and City Secretary for and on behalf of the City and as the act and deed of this City Council; and such Special Escrow Agreement as executed by said officials shall be deemed approved by the City Council and constitute the Special Escrow Agreement herein approved.

Furthermore, appropriate officials of the City in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the escrowed securities referenced in the Special Escrow Agreement and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Underwriters for deposit to the credit of the “SPECIAL 2013 CITY OF BEDFORD, TEXAS, REFUNDING BOND ESCROW FUND” (the “Escrow Fund”); all as contemplated and provided in Chapter 1207, this Ordinance and the Special Escrow Agreement.

SECTION 17: Control and Custody of Bonds. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Underwriters.

SECTION 18: Proceeds of Sale. Immediately following the delivery of the Bonds, the proceeds of sale, excluding accrued interest and additional proceeds being deposited to the Interest and Sinking Fund, the amount to be deposited with an official depository of the City to finance the permanent public improvements referenced in Section 1 hereof and that amount which is to be used to pay the costs of issuance, shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Special Escrow Agreement. The proceeds of sale of the Bonds not so deposited with the Escrow Agent for the refunding of the Refunded Bonds shall be disbursed for payment of costs of issuance and the aforesaid improvements and deposited to the Interest and Sinking Fund. Any investment earnings realized shall be expended for such authorized projects and purposes or deposited in the Interest and Sinking Fund. Accrued interest received from the Underwriters, as well as all surplus proceeds of sale of the Bonds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund.

SECTION 19: Redemption of Refunded Bonds.

(a) The Series 2002 Refunded Bonds shall be redeemed and the same are hereby called for redemption on November 3, 2013, at the price of par and accrued interest to the date of redemption. The City Secretary is hereby authorized and directed to file a copy of this Ordinance, together with a suggested form of notice of redemption to be sent to bondholders, with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (successor paying agent/registrant to Bank One National Association), in accordance with the redemption provisions applicable to such bonds; such suggested form of notice of redemption being attached hereto as **Exhibit C-1** and incorporated herein by reference as a part of this Ordinance for all purposes.

(b) The Series 2004 Refunded Bonds, shall be redeemed and the same are hereby called for redemption on February 1, 2014, at the price of par and accrued interest to the date of redemption. The City Secretary is hereby authorized and directed to file a copy of this Ordinance, together with a suggested form of notice of redemption to be sent to bondholders, with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (successor paying agent/registrant to JPMorgan Chase Bank, Dallas, Texas), in accordance with the redemption provisions applicable to such certificates; such suggested form of notice of redemption being attached hereto as **Exhibit C-2** and incorporated herein by reference as a part of this Ordinance for all purposes.

(c) In order to provide for the satisfaction, discharge and retirement of the Series 2004 Refunded Bonds maturing on February 1, 2014, the City hereby directs the payment of the principal of, premium, if any, and interest on such bonds from money and/or Government Securities (as defined in the ordinance authorizing the Series 2004 Refunded Bonds) irrevocably deposited with the Escrow Agent pursuant to the Special Escrow Agreement.

(d) The redemption of the Refunded Bonds described above being associated with the refunding of such Refunded Bonds, the approval, authorization and arrangements herein given and provided for the redemption of such Refunded Bonds on the respective redemption dates designated therefor and in the manner provided shall be irrevocable upon the issuance and delivery of the Bonds; and the City Secretary is hereby authorized and directed to make all arrangements necessary to notify the holders of such Refunded Bonds of the City's decision to redeem such Refunded Bonds on the dates and in the manner herein provided and in accordance with the ordinances authorizing the issuance of the Refunded Bonds and this Ordinance.

SECTION 20: Notices to Holders - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 21: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be returned to the City.

SECTION 22: Legal Opinion. The Underwriters' obligation to accept delivery of the Bonds is subject to being furnished a final opinion of Fulbright & Jaworski LLP, Dallas, Texas,

approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion or an executed counterpart thereof shall accompany the global Bonds deposited with The Depository Trust Company or a reproduction thereof shall be printed on the definitive Bonds in the event the book-entry-only system shall be discontinued.

SECTION 23: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds deposited with The Depository Trust Company or on printed definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 24: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 25: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 26: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 27: Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 28: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 29: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 30: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year, beginning on or after 2013, financial information and operating data with respect to the City of the general type included in the final Official Statement, being the information described in **Exhibit D** hereto, and (2) if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so provided shall be prepared in accordance with the accounting principles described in **Exhibit D** hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or

the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding subsection (c)12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) of this Section of any Bond calls and defeasance that cause the City to be no longer such an “obligated person.”

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 31: Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Secretary, City Manager and Director of Administrative Services are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance, sale and delivery of the Bonds. In addition, prior to the initial delivery of the Bonds, the Mayor, Mayor Pro Tem, City Secretary, City Manager and Director of Administrative Services or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 32: Series 2004 Refunded Bond Ordinance. Pursuant to Section 13 of the ordinance authorizing the issuance of the Series 2004 Refunded Bonds (the "2004 Refunded Bond Ordinance"), the City Council of the City hereby amends the optional redemption provision found in Section 4(a) of the 2004 Refunded Bond Ordinance, and the corresponding paragraph

in the bond form found in Section 9(b), to provide that the bonds maturing on and after February 1, 2015 are subject to redemption prior to maturity on February 1, 2014 or any date thereafter rather than the erroneous provision that only bonds maturing on February 15, 2015 are subject to prior redemption on such dates. The City Council of the City hereby finds that such amendment is necessary to cure a formal defect and omission and that said amendment is not detrimental to the holders of the Series 2004 Refunded Bonds.

SECTION 33: Incorporation of Findings and Determinations. The findings and determinations of the City Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 34: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 35: Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof in accordance with the provisions of Texas Government Code, Section 1201.028, as amended.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED, this August 27, 2013.

CITY OF BEDFORD, TEXAS

Mayor

ATTEST:

City Secretary

(City Seal)

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT B
SPECIAL ESCROW AGREEMENT

EXHIBIT C-1

**NOTICE OF REDEMPTION
CITY OF BEDFORD, TEXAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS
SERIES 2002
DATED: February 15, 2002**

NOTICE IS HEREBY GIVEN that the bonds of the above series maturing on and after February 1, 2014, and aggregating in principal amount \$1,010,000 have been called for redemption on November 3, 2013 at the redemption price of par and accrued interest to the date of redemption, such bonds being identified as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>CUSIP Number</u>
2014	\$ 95,000	
2015	95,000	
2016	100,000	
2017	105,000	
2018	110,000	
2019	115,000	
2020	125,000	
2021	130,000	
2022	135,000	

ALL SUCH BONDS shall become due and payable on November 3, 2013, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said bonds shall be paid to the registered owners of the certificates only upon presentation and surrender thereof to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (successor paying agent/registrars to Bank One National Association) at its designated offices at the following addresses:

<u>First Class/ Registered/Certified</u>	<u>Express Delivery/Courier</u>	<u>By Hand Only</u>
The Bank of New York Mellon Trust Company, N.A. Institutional Trust Services P. O. Box 2320 Dallas, Texas 75221-2320	The Bank of New York Mellon Trust Company, N.A. Institutional Trust Services 2001 Bryan Street, 9th Floor Dallas, Texas 75201	The Bank of New York Mellon Trust Company, N.A. Room 234-North Building Institutional Trust Securities Window 55 Water Street New York, New York 10041

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said bonds and pursuant to an ordinance by the City Council of the City of Bedford, Texas.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Dallas, Texas
Address: 2001 Bryan Street, 11th Floor
Dallas, Texas 75201

EXHIBIT C-2

**NOTICE OF REDEMPTION
CITY OF BEDFORD, TEXAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS
SERIES 2004
DATED: March 1, 2004**

NOTICE IS HEREBY GIVEN that a portion of the bonds of the above series maturing on and after February 1, 2016, and aggregating in principal amount \$2,195,000 have been called for redemption on February 1, 2014 at the redemption price of par and accrued interest to the date of redemption, such bonds being identified as follows:

<u>Year of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Redeemed</u>	<u>CUSIP Number</u>
2016	\$ 1,175,000	\$ 205,000	
2017	215,000	215,000	
2018	225,000	225,000	
2019	235,000	235,000	
2020	240,000	240,000	
2021	250,000	250,000	
2022	265,000	265,000	
2023	275,000	275,000	
2024	285,000	285,000	

A LOT SELECTION has been made and your bond has been selected for redemption. The bonds selected for redemption shall become due and payable on February 1, 2014, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said bonds shall be paid to the registered owners thereof only upon presentation and surrender of such bonds to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (successor paying agent/registrars to JPMorgan Chase Bank, Dallas, Texas) at its designated offices at the following addresses:

<u>First Class/ Registered/Certified</u>	<u>Express Delivery/Courier</u>	<u>By Hand Only</u>
The Bank of New York Mellon Trust Company, N.A. Institutional Trust Services P. O. Box 2320 Dallas, Texas 75221-2320	The Bank of New York Mellon Trust Company, N.A. Institutional Trust Services 2001 Bryan Street, 9th Floor Dallas, Texas 75201	The Bank of New York Mellon Trust Company, N.A. Room 234-North Building Institutional Trust Securities Window 55 Water Street New York, New York 10041

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said bonds and pursuant to an ordinance by the City Council of the City of Bedford, Texas.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Dallas, Texas
Address: 2001 Bryan Street, 11th Floor
Dallas, Texas 75201

EXHIBIT D

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 30 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendices or under the headings of the Official Statement referred to) below:

1. The financial statements of the City, portions of which are appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.
2. The information included under Tables 1 through 6 and 8 through 15 in the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are generally those described in Appendix B to the Official Statement, as such principles may be changed from time to time to comply with state law or regulation.

[Closing Date]

Fulbright & Jaworski LLP
2200 Ross Avenue, Suite 2800
Dallas, Texas 75201-2784
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

IN REGARD to the authorization and issuance of the "City of Bedford, Texas, General Obligation Refunding and Improvement Bonds, Series 2013," dated August 15, 2013, in the principal amount of \$_____ (the "Bonds"), we have examined into their issuance by the City of Bedford, Texas (the "City") solely to express legal opinions as to the validity of the Bonds, the defeasance and discharge of the City's outstanding obligations being refunded by the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds.

THE BONDS are issued in fully registered form only and in denominations of \$5,000 or any integral multiple thereof (within a maturity). The Bonds mature on February 1 in each of the years specified in the ordinance adopted by the City Council of the City authorizing the issuance of the Bonds (the "Ordinance"), unless redeemed prior to maturity in accordance with the terms stated on the Bonds. The Bonds accrue interest from the dates, at the rates, and in the manner and interest is payable on the dates, all as provided in the Ordinance.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Bonds, including the Ordinance, a Special Escrow Agreement (the "Escrow Agreement") between the City and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent"), [a special report of Grant Thornton LLP, Certified Public Accountants \(the "Accountants"\)](#), and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been duly authorized by the City and, when issued in compliance with the provisions of the Ordinance, are valid, legally binding and enforceable obligations of the City payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with the general principles of equity.

2. The Escrow Agreement has been duly authorized, executed and delivered and is a binding and enforceable agreement in accordance with its terms and the outstanding obligations refunded, discharged, paid and retired with the proceeds of the Bonds have been defeased and are regarded as being outstanding only for the purpose of receiving payment from the funds held in a fund with the Escrow Agent, pursuant to the Escrow Agreement and in accordance with the provisions of Texas Government Code, Chapter 1207, as amended. In rendering this opinion, we have relied upon ~~a certificate from the paying agent for the outstanding obligations being refunded~~ the special report of the Accountants as to the sufficiency of cash deposited with the Escrow Agent pursuant to the Escrow Agreement for the purposes of paying the outstanding obligations refunded and to be retired with the proceeds of the Bonds and the interest thereon.

3. Pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance after the date hereof by the City with the provisions of the Ordinance relating to sections 141 through 150 of the Code, interest on the Bonds for federal income tax purposes (a) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (b) will not be included in computing the alternative minimum taxable income of individuals or, except as hereinafter described, corporations. Interest on the Bonds owned by a corporation will be included in such corporation's adjusted current earnings for purposes of calculating the alternative minimum taxable income of such corporations, other than an S corporation, a qualified mutual fund, a real estate mortgage investment conduit, a real estate investment trust, or a financial asset securitization investment trust ("FASIT"). A corporation's alternative minimum taxable income is the basis on which the alternative minimum tax imposed by section 55 of the Code will be computed.

WE EXPRESS NO OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Document comparison by Workshare Compare on Wednesday, August 07, 2013
10:51:23 AM

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Description	#57215263v2<US2013> - BEDFORD GO REF & IMP 2013 - Opinion
Rendering set	Standard

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<u>Insertion</u>	
Deletion	
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Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
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Deletions	3
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	7

PRELIMINARY OFFICIAL STATEMENT

Dated August , 2013

Ratings:
S&P: "Xx"
(See "Other Information - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on corporations.

THE BONDS WILL BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS



\$5,375,000*
CITY OF BEDFORD, TEXAS
(Tarrant County)

GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2013

Dated Date: August 15, 2013

Due: February 1, as shown below

PAYMENT TERMS . . . Interest on the \$5,375,000* City of Bedford, Texas, General Obligation Refunding and Improvement Bonds, Series 2013 (the "Bonds") will accrue from August 15, 2013 (the "Dated Date"), will be payable February 1 and August 1 of each year commencing February 15, 2014, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Bonds - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution, the City's Home Rule Charter, and general laws of the State of Texas (the "State"), including particularly Texas Government Code, Chapters 1207 and 1331, as amended, and are direct obligations of the City of Bedford, Texas (the "City"), payable from an annual ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, as provided in the ordinance authorizing the Bonds (the "Ordinance") (see "THE BONDS - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Bonds will be used for the purposes of (i) providing funds for permanent public improvement and public purposes, to wit: (a) residential street improvements, including curbs, gutters, sidewalks, drainage and utility line relocations incidental thereto, and (b) construct a parks maintenance service center and make improvements to existing parks and linear trails; (ii) providing funds for the discharge and final payment of certain outstanding obligations of the City (the "Refunded Bonds"); and (iii) to pay costs of issuance of the Bonds. See "Plan of Financing - Purpose" herein and Schedule I attached hereto for a detailed description of the Refunded Bonds and their call dates.

MATURITY SCHEDULE*

CUSIP Prefix: 076465⁽¹⁾

Principal Amount	Maturity February 1	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾	Principal Amount	Maturity February 1	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾
\$285,000	2014				\$345,000	2024			
280,000	2015				85,000	2025			
530,000	2016				90,000	2026			
505,000	2017				90,000	2027			
415,000	2018				95,000	2028			
425,000	2019				100,000	2029			
435,000	2020				105,000	2030			
450,000	2021				110,000	2031			
465,000	2022				110,000	2032			
340,000	2023				115,000	2033			

(Accrued Interest from August 15, 2013 to be added)

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the Initial Purchasers, the City nor the Financial Advisor are responsible for the selection or correctness of the CUSIP numbers set forth herein.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 1, 2024, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof within a maturity, on February 1, 2023, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE BONDS - Optional Redemption").

LEGALITY . . . The Bonds are offered for delivery when, as and if issued and received by the Initial Purchasers and subject to the approving opinion of the Attorney General of Texas and the opinion of Fulbright & Jaworski LLP, Bond Counsel, Dallas, Texas, a member of Norton Rose Fulbright, (see Appendix C, "Form of Bond Counsel's Opinions").

DELIVERY . . . It is expected that the Bonds will be available for delivery through DTC on October 1, 2013.

BIDS DUE TUESDAY, AUGUST 27, 2013, AT 11:00 AM, CDT

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale and Bidding Instructions.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

This Preliminary Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), this document constitutes an Official Statement of the City with respect to the Bonds that have been "deemed final" by the City as of its date except for the omission of no more than the information permitted by the Rule.

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described. See "Other Information - Continuing Disclosure of Information" for a description of the City's undertaking to provide certain information on a continuing basis.

NEITHER THE CITY NOR ITS FINANCIAL ADVISOR MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY ONLY SYSTEM.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE INITIAL PURCHASERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

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The cover page hereof, this page, the schedule, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

- THE CITY**..... The City of Bedford, Texas (the "City") is a political subdivision and municipal corporation of the State, located in Tarrant County, Texas. The City covers approximately 10.1 square miles (see "INTRODUCTION - Description of the City").

- THE BONDS** The Bonds are issued as \$5,375,000* General Obligation Refunding and Improvement Bonds, Series 2013. The Bonds are to mature on February 1 in each of the years 2014 through 2033, inclusive (see "THE BONDS - Description of the Bonds").

- PAYMENT OF INTEREST** Interest on the Bonds accrues from August 15, 2013, and is payable February 1, 2014, and each August 1 and February 1 thereafter until maturity or prior redemption (see "THE BONDS - Description of the Bonds" and "THE BONDS - Optional Redemption").

- AUTHORITY FOR ISSUANCE**..... The are issued pursuant to the Texas Constitution, the City's Home Rule Charter, and general laws of the State, including particularly Texas Government Code, Chapters 1207 and 1331, as amended, and the Ordinance passed by the City Council of the City (see "THE BONDS - Authority for Issuance").

- SECURITY FOR THE BONDS** The Bonds constitute direct obligations of the City, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City (see "THE BONDS - Security and Source of Payment").

- QUALIFIED TAX-EXEMPT OBLIGATIONS**..... The City will designate the Bonds as "Qualified Tax-Exempt Obligations" for financial institutions (see "TAX MATTERS - Qualified Tax-Exempt Obligations for Financial Institutions").

- REDEMPTION** The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 1, 2024, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 1, 2023, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE BONDS - Optional Redemption").

- TAX EXEMPTION**..... In the opinion of Bond Counsel, the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under the caption "TAX MATTERS" herein, including the alternative minimum tax on corporations.

- USE OF PROCEEDS** Proceeds from the sale of the Bonds will be used for the purposes of (i) providing funds for permanent public improvement and public purposes, to wit: (a) residential street improvements, including curbs, gutters, sidewalks, drainage and utility line relocations incidental thereto, and (b) construct a parks maintenance service center and make improvements to existing parks and linear trails; (ii) providing funds for the discharge and final payment of certain outstanding obligations of the City (the "Refunded Bonds"); and (iii) to pay costs of issuance of the Bonds.. See "Plan of Financing - Purpose" herein and Schedule I attached hereto for a detailed description of the Refunded Bonds and their call dates.

- RATINGS** The Bonds, along with the presently outstanding general obligation debt of the City, are rated "Xx" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") (see "Other Information - Ratings"). The City also has tax-supported debt that is rated by Moody's Investors Service, Inc. ("Moody's")

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale and Bidding Instructions.

BOOK-ENTRY-ONLY SYSTEM..... The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System").

PAYMENT RECORD The City has never defaulted on the payment of its bonded indebtedness.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated City Population	Taxable Assessed Valuation	Per Capita Taxable Assessed Valuation	Tax Supported Debt at End of Year	Per Capita Tax Supported Debt	Ratio Tax Supported Debt to Taxable Assessed Valuation	% of Total Tax Collections
2009	46,039 ⁽¹⁾	\$2,934,974,731	\$ 63,750	\$ 52,485,000	\$ 1,140	1.79%	99.36%
2010	46,979 ⁽²⁾	2,802,441,727	59,653	54,440,000	1,159	1.94%	99.27%
2011	46,980 ⁽³⁾	2,877,028,431	61,239	61,170,000	1,302	2.13%	99.97%
2012	46,990 ⁽³⁾	2,965,988,327	63,120	55,365,000	1,178	1.87%	99.54%
2013	47,001 ⁽¹⁾	2,973,502,369 ⁽⁴⁾	63,265	56,075,000 ⁽⁵⁾	1,193	1.89%	99.00% ⁽⁶⁾

- (1) Source: City Staff.
- (2) Source: U.S. Census Bureau.
- (3) Source: North Central Texas Council of Governments.
- (4) As reported by the Tarrant Appraisal District on City's annual State Property Tax Reports; subject to change during the ensuing year.
- (5) Preliminary, includes the Bonds; excludes the Refunded Bonds.
- (6) Collections for partial year only, through July 1, 2013.

For additional information regarding the City, please contact:

Beverly Queen Griffith Clifford Blackwell City of Bedford 2000 Forest Ridge Drive Bedford, Texas 76021 (817) 952-2164	or	David K. Medanich Laura Alexander Nick Bulaich First Southwest Company 777 Main Street, Suite 1200 Fort Worth, Texas 76102 (817) 332-9710
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CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

<u>City Council</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Jim Griffin Mayor	2 Years	May, 2015	Senior Consultant
Michael Boyter Councilmember Place 1	1 Year	May, 2015	Medical Sales
Jim Davisson Councilmember Place 2	1 Year	May, 2015	Education
Ray Champney Councilmember Place 3	Newly Elected	May, 2016	Marketing
Patricia Nolan Councilmember Place 4	1 Year	May, 2014	Marketing
Roy Turner Councilmember Place 5	6 Years	May, 2016	Physician
Chris Brown Councilmember Place 6	4 Years	May, 2014	Student

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>	<u>Length of Service with City</u>	<u>Length of Government Service</u>
Beverly Queen Griffith	City Manager	18 Years	35 Years
Clifford Blackwell	Director of Administrative Services	3 1/2 Years	17 Years
Michael Wells	City Secretary	6 1/2 Years	12 Years
Stan Lowry	City Attorney	18 Years	23 Years

CONSULTANTS AND ADVISORS

Auditors	BKD, L.L.P Dallas, Texas
Bond Counsel	Fulbright & Jaworski LLP Dallas, Texas
Financial Advisor	First Southwest Company Fort Worth, Texas

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

CITY OF BEDFORD, TEXAS

\$5,375,000*

**GENERAL OBLIGATION REFUNDING
AND IMPROVEMENT BONDS, SERIES 2013**

INTRODUCTION

This Official Statement, which includes the Schedule and Appendices hereto, provides certain information regarding the issuance of \$5,375,000* City of Bedford, Texas, General Obligation Refunding and Improvement Bonds, Series 2013 (the "Bonds"). The Bonds are being authorized for issuance under an ordinance relating to the Bonds (the "Ordinance") to be adopted by the City Council of the City. Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Ordinance except as otherwise indicated herein.

There follows in this Official Statement descriptions of the Bonds and certain information regarding the City and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the City's Financial Advisor, First Southwest Company, Fort Worth, Texas.

DESCRIPTION OF THE CITY . . . The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1953, and first adopted its Home Rule Charter in 1966. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Councilmembers, with their term of office as three years. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, culture-recreation, public improvements, planning and zoning, and general administrative services. The 2010 Census population for the City was 46,979, while the 2013 estimated population is 47,001. The City covers approximately 10.1 square miles.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Bonds will be used for the purposes of (i) providing funds for permanent public improvement and public purposes, to wit: (a) residential street improvements, including curbs, gutters, sidewalks, drainage and utility line relocations incidental thereto, and (b) construct a parks maintenance service center and make improvements to existing parks and linear trails; (ii) providing funds for the discharge and final payment of certain outstanding obligations of the City (the "Refunded Bonds"); and (iii) to pay costs of issuance of the Bonds. See Schedule I for a detailed listing of the Refunded Bonds and their call dates.

REFUNDED BONDS . . . A description and identification of the Refunded Bonds appears in Schedule I attached hereto. The Refunded Bonds and interest due thereon, are to be paid on their respective redemption dates from funds to be deposited with The Bank of New York Mellon Trust company, N.A., Dallas, Texas (the "Escrow Agent") or its successor.

The Ordinance provides that the City will deposit certain proceeds of the sale of the Bonds, along with other lawfully available funds, if any, of the City, with the Escrow Agent in the amount necessary and sufficient to accomplish the discharge and final payment of the Refunded Bonds on their respective redemption dates. Such funds shall be held by the Escrow Agent in an escrow fund (the "Escrow Fund") irrevocably pledged to the payment of principal of and interest on the Refunded Bonds. The paying agent/registrar for the Refunded Bonds will certify as to the sufficiency of the amount initially deposited to the Escrow Fund, without regard to investment, to pay the principal of and interest on the Refunded Bonds, when due, on the respective redemption dates (the "Sufficiency Certificate").

Amounts on deposit in the Escrow Fund shall, until such time as needed for their intended purpose, be (i) held uninvested in cash and/or (ii) invested in certain direct, noncallable obligations of the United States of America (including obligations unconditionally guaranteed by the United States of America). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of principal of and interest on the Refunded Obligations and amounts therein will not be available to pay the Bonds.

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale and Bidding Instructions.

Simultaneously with the issuance of the Bonds, the City will give irrevocable instructions to the Escrow Agent to provide notice to the owners of the Refunded Bonds that the Refunded Bonds will be redeemed prior to stated maturity on their respective redemption dates from funds held under the Escrow Agreement. By the deposit of the funds with the Escrow Agent pursuant to the Escrow Agreement, the City will have effected the defeasance of the Refunded Bonds pursuant to the terms of the ordinance authorizing their issuance. It is the opinion of Bond Counsel that, as a result of such defeasance, and in reliance upon the Sufficiency Certificate provided by the paying agent/registrar for the Refunded Bonds, the Refunded Bonds will no longer be payable from the ad valorem taxes pledged as security therefor, but will be payable solely from the funds on deposit in the Escrow Fund and held for such purpose by the Escrow Agent, and that the Refunded Bonds will be defeased and are not to be included in or considered to be indebtedness of the City for the purpose of a limitation of indebtedness or for any other purpose. See "Appendix C – Form of Legal Opinion of Bond Counsel" attached hereto for a form of Bond Counsel's legal opinion to be delivered in conjunction with the issuance of the Bonds.

The City has covenanted in the Escrow Agreement to make timely deposits to the Escrow Fund, from lawfully available funds, of any additional amounts required to pay the principal of and interest on the Refunded Bonds, if for any reason the fund balance on deposit or scheduled to be on deposit in the Escrow Fund should be insufficient to make such payment.

THE BONDS

DESCRIPTION OF THE BONDS . . . The Bonds are dated August 15, 2013 (the "Dated Date"), and mature on February 1 in each of the years and in the amounts shown on the cover page. Interest will accrue from the Dated Date, will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 1 and August 1 of each year, commencing February 1, 2014, until maturity or prior redemption. The definitive Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "Book-Entry-Only System" herein.

Interest on the Bonds shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest shall be paid (i) by check sent United States Mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Bonds will be paid to the registered owner at their stated maturity or upon earlier redemption upon presentation to the designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "The Bonds - Book-Entry-Only System" herein. If the date for any payment on the Bonds shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

AUTHORITY FOR ISSUANCE . . . The Bonds are being issued pursuant to the Constitution, the City's Home Rule Charter, and general laws of the State, particularly Texas Government Code, Chapters 1207 and 1331, as amended, and the Ordinance passed by the City Council.

SECURITY AND SOURCE OF PAYMENT . . . The principal of and interest on the Bonds is payable from a direct and continuing annual ad valorem tax levied by the City, within the limits prescribed by law, upon all taxable property in the City.

TAX RATE LIMITATION . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limit prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and provides for a maximum ad valorem tax rate of \$2.50 per \$100 Taxable Assessed Valuation for all City purposes. The Home Rule Charter of the City authorizes the constitutionally authorized maximum tax rate of \$2.50 per \$100 Taxable Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all general obligation debt service, as calculated at the time of issuance and based on a 90% collection rate.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem the Bonds having stated maturities on and after February 1, 2024, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 1, 2023, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the City may select the maturities of Bonds, to be redeemed. If less than all of the Bonds of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book-Entry-Only form) shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY OBLIGATION OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH OBLIGATION OR PORTION THEREOF SHALL CEASE TO ACCRUE.

AMENDMENTS . . . The City, may, without the consent of or notice to any registered owners, from time to time and at any time, amend the Ordinance in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the City may, with the written consent of holders of a majority in aggregate principal amount of the Bonds, as the case may be, then outstanding, amend, add to, or rescind any of the provisions of the Ordinance; provided that, without the consent of the registered owners of all of the Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on any Bond, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, as the case may be, or (3) reduce the aggregate principal amount of the Bonds, as the case may be, required to be held by the owners of the Bonds, as the case may be, for consent to any such amendment, addition, or rescission.

DEFEASANCE . . . The Ordinance provides for the defeasance of the Bonds when the payment of the principal of and premium, if any, on the Bonds, as the case may be, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar or other authorized escrow agent, in trust (1) money sufficient to make such payment or (2) Government Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the paying agent for the Bonds being defeased. The Ordinance provides that "Government Securities" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (d) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under the then applicable laws of the State of Texas. The City has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance. Upon making such deposit in the manner described, such Bonds shall no longer be deemed outstanding obligations secured by the Ordinance but will be payable only from the funds and Government Securities deposited in escrow and will not be considered debt of the City for purposes of taxation or applying any limitation on the City's ability to issue debt or for any other purpose.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Ordinance does not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Government Securities or that for any other Government Security will be maintained at any particular rating category.

Furthermore, all rights of the City to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the

making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and accredited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.*

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate for each maturity will be issued for the Bonds in the aggregate principal amount thereof and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participant to whose account such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to DTC is the responsibility of the City, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City and the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinance will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City or the Financial Advisor.

Effect of Termination of Book-Entry-Only System In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the City, printed Bonds will be issued to the holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Ordinance and summarized under "THE BONDS - Transfer, Exchange and Registration" below.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. In the Ordinance the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State of Texas or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of the Bonds is payable to the registered holder appearing on the registration books of the Paying Agent/Registrar (the "Registered Owner") at the designated corporate trust office of the Paying Agent/Registrar upon surrender of the Bonds for payment; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "THE BONDS - Book-Entry-Only System" herein. Interest on the Bonds is payable to the Register Owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (identified below) and such interest shall be paid by the Paying Agent/Registrar by check mailed, first class postage prepaid, to the Register Owner or by such other arrangement, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the Registered Owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the designated corporate office of the Paying Agent/Registrar is located is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, printed Bonds will be delivered to the registered owners and thereafter the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender of such printed Bonds to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered

owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer. See "THE BONDS—Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the last business day of the preceding month of such interest payment date.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

REMEDIES . . . If the City defaults in the payment of principal of or interest on the Bonds when due, or if it fails to make payments into any fund or funds created in the Ordinance, or defaults in the observation or performance of any other covenants, conditions or obligations set forth in the Ordinance, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Bonds if there is no other available remedy at law to compel performance of the Bonds or the Ordinance and the City's obligations are not uncertain or disputed. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Bonds or Ordinance and the City's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinance does not provide for the appointment of a trustee to represent the interest of the holders of the Bonds upon any failure of the City to perform in accordance with the terms of the Ordinance, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. The Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the City for breach of the Bonds or Ordinance covenants in the absence of City action. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors and by general principles of equity which permit the exercise of judicial discretion.

Initially, the only registered owner of the Bonds will be Cede & Co., as DTC's nominee. See "THE BONDS - Book-Entry-Only System" herein.

DEFEASANCE . . . The Ordinance provides for the defeasance of the Bonds when the payment of the principal of and premium, if any, on the Bonds plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar or other authorized Escrow Agent, in trust (1) money sufficient to make such payment or (2) Government Securities, maturing as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the paying agent for the Bonds being defeased. The Ordinance provides that "Government Securities" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of acquisition or purchase thereof, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of the acquisition or purchase thereof, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (d) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under the then applicable laws

of the State of Texas. The City additionally has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance. There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Ordinance does not contractually limit such investments, registered owners will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law.

Upon making such deposit in the manner described, such Bonds shall no longer be deemed outstanding obligations secured by the Ordinance, but will be payable only from the funds and Government Securities deposited in escrow and will not be considered debt of the City for purposes of taxation or applying any limitation on the City's ability to issue debt or for any other purpose. There is no assurance that the ratings for U.S. Treasury securities used for defeasance purposes or that for any other Government Securities will be maintained at any particular rating category. Furthermore, all rights of the City to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

AMENDMENTS . . . The City may amend the Ordinance without the consent of or notice to any registered owners of the Bonds in any manner not detrimental to the interests of such registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the City may, with the consent of the registered owners of a majority in aggregate principal amount of the Bonds then Outstanding, amend, add to, or rescind any of the provisions of the Ordinance; provided that, without the consent of all registered owners of all Outstanding Bonds, no such amendment, addition, or rescission may (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by registered owners of such Bonds for consent to any such amendment, addition, or rescission under the Ordinance.

TAX INFORMATION

AD VALOREM TAX LAW . . . The appraisal of property within the City is the responsibility of the Tarrant Appraisal District (the "Appraisal District"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under the Texas Property Tax Code to appraise all property within the Appraisal District on the basis of 100% of its market value and are prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. State law requires the appraised value of a residence homestead to be based solely on the property's value as a residence homestead, regardless of whether residential use is considered to be the highest and best use of the property.

State law further limits the appraised value of a residence homestead for a tax year to an amount not to exceed the lesser of (1) the market value of the property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of (a) 10% of the property's appraised value the preceding year plus (b) the property's appraised value in the preceding year plus (c) the market value of all new improvements to the property. The value placed upon property within the Appraisal District is subject to review by an Appraisal Review Board, consisting of members appointed by the Board of Directors of the Appraisal District. The Appraisal District is required to review the value of property within the Appraisal District at least every three years. The City may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the City by petition filed with the Appraisal Review Board.

Reference is made to Title I of the Texas Tax Code (the "Property Tax Code") for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value and the exemption of certain personal property from ad valorem taxation.

Under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant an exemption of not less than \$3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision. Once authorized, such exemption may be repealed or decreased or increased in amount (i) by the governing body of the political subdivision or (ii) by a favorable vote of a majority of the qualified voters at an election called by the governing body of the political subdivision, which election must be called upon receipt of a petition signed by at least 20% of the number of qualified voters who voted in the preceding election of the political subdivision. In the case of a decrease, the amount of the exemption may not be reduced to less than \$3,000 of the market value.

The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving

spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In addition to any other exemptions provided by the Property Tax Code, the governing body of a political subdivision, at its option, may grant an exemption of up to 20% of the market value of residence homesteads, with a minimum exemption of \$5,000.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

As of January 1, 2004, under Article VIII and State law, the governing body of a county, municipality or junior college district may provide for a freeze on total amount of ad valorem levied on the residence homestead of a disabled person or persons 65 years of age or older above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five percent of the registered voters of the county, municipality or junior college district, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons 65 years of age or who are disabled. Upon providing for such exemption, such freeze on ad valorem taxes is transferable to a different residence homestead. Also, a surviving spouse of a taxpayer who qualifies for the freeze on ad valorem taxes is entitled to the same exemption so long as the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse and the spouse was at least 55 years of age at the time of the death of the individual's spouse. If improvements (other than repairs or improvements required to comply with governmental requirements) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following years. Once established such freeze cannot be repealed or rescinded.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from \$5,000 to a maximum of \$12,000; provided, however, that beginning in the 2009 tax year, a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. Furthermore, effective January 1, 2012, surviving spouses of a deceased veteran who had received a disability rating of 100% are entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Sections 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Article VIII, Section 1-j, provides for "freepoint property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Notwithstanding such exemption, counties, school districts, junior college districts and cities may tax such tangible personal property provided official action to tax the same was taken before April 1, 1990. Decisions to continue to tax may be reversed in the future; decisions to exempt freepoint property are not subject to reversal.

Under Section 11.253 of the Texas Tax Code, "Goods-in-Transit" are exempt from taxation unless a taxing unit opts out of the exemption. Goods-in-Transit are defined as tangible personal property that: (i) is acquired in or imported into the state to be forwarded to another location in the state or outside the state; (ii) is detained at a location in the state in which the owner of the property does not have a direct or indirect ownership interest for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property; (iii) is transported to another location in the state or outside the state not later than 175 days after the date the person acquired the property in or imported the property into the state; and (iv) does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory. A taxpayer may receive only one of the freeport exemptions or the goods-in-transit exemptions for items of personal property.

The City may create one or more tax increment financing districts ("TIF") within the City and freeze the taxable values of property in the TIF at the value at the time of its creation. Other overlapping taxing units levying taxes in the TIF may agree to contribute all or part of future ad valorem taxes levied and collected against the value of property in the TIF in excess of the "frozen values" to pay or finance the costs of certain public improvements in the TIF. Taxes levied by the City against the values of real property in the TIF in excess of the "frozen" value are not available for general city use but are restricted to paying or financing "project costs" within the TIF. The City also may enter into tax abatement agreements to encourage economic development. Under tax abatement agreement, a property owner typically agrees to construct certain improvements on its property. The City in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

Municipalities are also authorized, pursuant to Chapter 380, Texas Local Government Code, as amended ("Chapter 380"), to establish programs or promote state or local economic development and to stimulate business and commercial activity in the city. In accordance with a program established pursuant to Chapter 380, a city may make loans or grants of public funds for economic development purposes, however, no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the city.

EFFECTIVE TAX RATE AND ROLLBACK TAX RATE . . . Section 26.05 of the Property Tax Code provides that the governing body of a taxing unit is required to adopt the annual tax rate for the unit before the later of September 30 or the 60th day after the date

the certified appraisal roll is received by the taxing unit, and a failure to adopt a tax rate by such required date will result in the tax rate for the taxing unit for the tax year to be the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. Furthermore, Section 26.05 provides the City Council may not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate until two public hearings are held on the proposed tax rate following a notice of such public hearings (including the requirement that notice be posted on the City's website if the City owns, operates or controls an internet website and public notice be given by television if the City has free access to a television channel) and the City Council has otherwise complied with the legal requirements for the adoption of such tax rate. The tax rate consists of two components: (1) a rate for funding of maintenance and operation expenditures, and (2) a rate for debt service.

Under the Property Tax Code, the City must annually calculate and publicize its "effective tax rate" and "rollback tax rate". If the adopted tax rate exceeds the rollback tax rate the qualified voters of the City by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

"Effective tax rate" means the rate that will produce last year's total tax levy (adjusted) from this year's total taxable values (adjusted). "Adjusted" means lost values are not included in the calculation of last year's taxes and new values are not included in this year's taxable values.

"Rollback tax rate" means the rate that will produce last year's maintenance and operation tax levy (adjusted) from this year's values (adjusted) multiplied by 1.08 plus a rate that will produce this year's debt service from this year's values (unadjusted) divided by the anticipated tax collection rate.

The Property Tax Code provides that certain cities and counties in the State may submit a proposition to the voters to authorize an additional one-half cent sales tax on retail sales of taxable items. If the additional tax is levied, the effective tax rate and the rollback tax rate calculations are required to be offset by the revenue that will be generated by the sales tax in the current year.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

PROPERTY ASSESSMENT AND TAX PAYMENT . . . Property within the City is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of February 1. Oil and gas reserves are assessed on the basis of a valuation process which uses an average of the daily price of oil and gas for the prior year. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1.

PENALTIES AND INTEREST . . . Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, the penalty remains at 12%, and interest accrues at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. A delinquent tax continues to accrue interest as long as the tax remains unpaid, regardless of whether a judgment for the delinquent tax has been rendered. The purpose of imposing such interest is to compensate the taxing unit for revenue lost because of the delinquency. In addition the taxing unit may contract with an attorney for the collection of delinquent taxes and the amount of compensation as set forth in such contract may not provide for a fee that exceeds 20% of the amount of delinquent tax, penalty, and interest collected, and such fee may be added to the total tax penalty and interest charged to the taxpayer. Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the City's lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

CITY APPLICATION OF PROPERTY TAX CODE . . . The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of \$50,000.

The City has not granted an additional exemption of 20% of the market value of residence homesteads.

The City has established a freeze on the taxes on residence homesteads of persons 65 years of age or who are disabled.

See Table 1 for a listing of the amounts of the exemptions described above.

Ad valorem taxes are not levied by the City against the exempt value of residence homesteads for the payment of debt.

The City does not tax nonbusiness personal property and Tarrant County collects taxes for the City.

The City does permit split payments, and discounts are allowed.

The City does not tax freeport property.

The City does collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City has adopted a tax abatement policy.

The City does not tax goods in transit.

TAX ABATEMENT POLICY . . . The City has established a tax abatement program to encourage economic development. In order to be considered for tax abatement, a project must meet certain criteria pertaining to property value enhancement and amount expended on the proposed project. Projects may be eligible for a tax abatement of up to 100% of the incremental value and may be for a period of ten years. The City has granted several tax abatements for several projects, with an estimated maximum of \$3 million in tax and permit revenues abated over 10 years beginning in tax year 2013.

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2012/13 Market Valuation Established by Tarrant Appraisal District (excluding totally exempt property)		\$3,088,448,090
Less Exemptions/Reductions at 100% Market Value:		
Over 65	\$ 162,337,993	
Disabled Veterans Exemption	7,901,833	
Abatements	8,408,663	
Prorated Absolute	1,251,005	
Agricultural Land Use Reductions	<u>188,858</u>	<u>180,088,352</u>
2012/13 Taxable Assessed Valuation		\$2,908,359,738
Plus Net Taxable Value in Arbitration and Incomplete		<u>65,142,631</u>
2012/13 Taxable Assessed Valuation		<u><u>\$2,973,502,369</u></u>
2013/14 Taxable Assessed Valuation		\$3,006,179,994 ⁽⁶⁾
Debt Payable from Ad Valorem Taxes (as of 7-1-13)		
General Obligation Indebtedness ⁽¹⁾	\$ 50,700,000	
The Bonds ⁽²⁾	<u>5,375,000</u>	
Debt Payable from Ad Valorem Taxes		\$ 56,075,000
Self Supporting General Obligation Debt: ⁽³⁾		
Economic Development Corporation Sales Tax Revenues ⁽⁴⁾	\$ 6,170,000	
Tourism Development Fund (Hotel/Motel Tax) ^{(5) (7)}	375,000	
Stormwater Utility System Revenues	3,165,000	
Waterworks and Sewer System Revenues	<u>15,110,000</u>	<u>24,820,000</u>
Net Funded Debt Payable From Ad Valorem Taxes		<u><u>\$ 31,255,000</u></u>
Interest and Sinking Fund as of 7-1-13		\$ 1,099,199
Ratio Tax Supported Debt to Taxable Assessed Valuation		1.89%
Ratio Net Tax Supported Debt to Taxable Assessed Valuation		1.05%

2013 Estimated Population - 47,001
Per Capita Taxable Assessed Valuation - \$63,265
Per Capita Funded Debt - \$1,193
Per Capita Net Funded Debt - \$665

- (1) Excludes the Refunded Bonds. Preliminary, subject to change.
- (2) Preliminary, subject to change.
- (3) General obligation debt in the amounts shown for which repayment is provided from revenue sources other than ad valorem tax receipts, as shown in Table 10. It is the City's current policy to provide for the payment of the general obligation debt shown from these revenue sources. This policy is subject to change in the future. See also "Table 8 – General Obligation Debt Service Requirements".
- (4) See "Table 14 - Municipal Sales Tax History" herein for a description of the arrangement between the City and the City of Bedford Street Improvement Economic Development Corporation for payment of the general obligation debt shown from sales tax revenues collected on behalf of the Corporation. See also "Table 8 – General Obligation Debt Service Requirements".
- (5) It is the City's current policy to provide for the payment of the general obligation debt shown from these revenue sources. This policy is subject to change in the future. See also "Table 8 – General Obligation Debt Service Requirements".
- (6) Estimated Net Taxable Value including suggested values to be used for pending ARB accounts and incomplete accounts.
- (7) Includes a portion of the Bonds.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2013		2012		2011	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	\$2,003,195,685	64.86%	\$1,987,715,627	68.27%	\$1,986,597,091	65.31%
Real, Residential Multi-Family	414,960,572	13.44%	291,145,940	10.00%	340,719,435	11.20%
Real, Vacant Lots/Tracts	21,033,457	0.68%	19,067,285	0.65%	22,230,002	0.73%
Real, Acreage (Land Only)	7,229,190	0.23%	7,285,333	0.25%	8,044,972	0.26%
Real, Commercial	509,355,990	16.49%	477,887,650	16.41%	520,601,155	17.11%
Real, Industrial	5,090,000	0.16%	5,466,619	0.19%	5,266,619	0.17%
Real and Tangible Personal, Utilities	32,879,841	1.06%	35,847,781	1.23%	37,043,385	1.22%
Tangible Personal, Commercial	92,293,917	2.99%	83,871,850	2.88%	117,497,878	3.86%
Tangible Personal, Industrial	1,930,078	0.06%	2,545,540	0.09%	2,828,276	0.09%
Tangible Personal, Other	-	0.00%	-	0.00%	-	0.00%
Real Property, Inventory	479,360	0.02%	900,800	0.03%	1,145,840	0.04%
Total Appraised Value Before Exemptions	\$3,088,448,090	100.00%	\$2,911,734,425	100.00%	\$3,041,974,653	100.00%
Net Taxable Value in Arbitration and Incomplete Adjustments	65,142,631		195,494,153		-	
	-		22,836,689		-	
Less: Total Exemptions/Reductions	(180,088,352)		(164,076,940)		(164,946,222)	
Taxable Assessed Value	<u>\$2,973,502,369</u>		<u>\$2,965,988,327</u>		<u>\$2,877,028,431</u>	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2010		2009	
	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	\$1,958,971,240	63.42%	\$1,943,640,922	61.98%
Real, Residential Multi-Family	373,223,462	12.08%	388,528,037	12.39%
Real, Vacant Lots/Tracts	20,434,968	0.66%	26,169,396	0.83%
Real, Acreage (Land Only)	8,003,716	0.26%	7,688,275	0.25%
Real, Commercial	548,077,190	17.74%	583,559,402	18.61%
Real, Industrial	5,284,583	0.17%	5,284,583	0.17%
Real and Tangible Personal, Utilities	37,076,425	1.20%	38,026,653	1.21%
Tangible Personal, Commercial	131,111,715	4.24%	132,656,235	4.23%
Tangible Personal, Industrial	2,779,123	0.09%	2,973,607	0.09%
Tangible Personal, Other	-	0.00%	2,744,000	0.09%
Real Property, Inventory	4,147,983	0.13%	4,421,755	0.14%
Total Appraised Value Before Exemptions	\$3,089,110,405	100.00%	\$3,135,692,865	100.00%
Net Taxable Value in Arbitration and Incomplete Adjustments	-		-	
	(132,673,554)		(53,359,545)	
Less: Total Exemptions/Reductions	(153,995,124)		(147,358,589)	
Taxable Assessed Value	<u>\$2,802,441,727</u>		<u>\$2,934,974,731</u>	

NOTE: Valuations shown are certified taxable assessed values reported by the Tarrant Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

The City is approximately 97% built out and currently cannot annex additional territory as it is surrounded by other political subdivisions.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population	Taxable Assessed Valuation	Taxable Assessed Valuation Per Capita	Tax Supported Debt Outstanding at End of Year	Ratio of Tax Supported Debt to Taxable Assessed Valuation	Tax Supported Debt Per Capita
2009	46,039 ⁽¹⁾	\$2,934,974,731	\$63,750	\$ 52,485,000	1.79%	\$ 1,140
2010	46,979 ⁽²⁾	2,802,441,727	59,653	54,440,000	1.94%	1,159
2011	46,980 ⁽³⁾	2,877,028,431	61,239	61,170,000	2.13%	1,302
2012	46,990 ⁽³⁾	2,965,988,327	63,120	55,365,000	1.87%	1,178
2013	47,001 ⁽¹⁾	2,973,502,369 ⁽⁴⁾	63,265	56,075,000 ⁽⁵⁾	1.89%	1,193

(1) Source: City Staff.

(2) Source: U.S. Census Bureau.

(3) Source: North Central Texas Council of Governments.

(4) As reported by the Tarrant Appraisal District on City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(5) Preliminary, includes the Bonds; excludes the Refunded Bonds.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate ⁽¹⁾	Distribution		Tax Levy	% of Current Tax Collections to Tax Levy	% of Total Tax Collections to Tax Levy
		General Fund	Interest and Sinking Fund			
2009	\$0.446882	\$0.285847	\$ 0.161035	\$ 13,584,386	98.99%	99.36%
2010	0.463348	0.299096	0.164252	13,688,110	99.09%	99.27%
2011	0.491609	0.309075	0.182534	13,897,299	99.29%	99.97%
2012	0.504329	0.311257	0.193072	14,374,422	99.10%	99.54%
2013	0.499115	0.306043	0.193072	14,328,253	98.67% ⁽¹⁾	99.00% ⁽¹⁾

(1) Collections for partial year only, through July 1, 2013.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2012/13 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
CMF 15 Portoflio LLC	Real Estate/Retail	\$ 68,671,000	2.31%
Wal-Mart Real Estate Business Trust	Retail	26,946,603	0.91%
WDOP SUB LP	Apartments	22,185,965	0.75%
Oncor Electric Delivery	Electric Utility	19,287,940	0.65%
Pem 121 Airport Centre II Lp	Office Space	18,678,384	0.63%
Paramount Villages LLC	Multi Family	15,825,000	0.53%
Shops/Dunhill @ Central Park	Real Estate/Retail	14,000,000	0.47%
ARC Rrbdfx001 LLC	Real Estate/Medical	13,701,831	0.46%
2007 Amherst Etal	Apartments	12,500,000	0.42%
Parc Plaza Homes LP	Multi Family	12,207,893	0.41%
		<u>\$ 224,004,616</u>	<u>7.53%</u>

(1) Values based on year 2012/2013 Top Ten Taxpayers and Taxable Assessed Valuation. As of the date of this Preliminary Official Statement, the Top Ten Taxpayers for the year 2013/2014 have not been reported.

GENERAL OBLIGATION DEBT LIMITATION . . . No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter (see "The Certificates – Tax Rate Limitation").

TABLE 6 - TAX ADEQUACY⁽¹⁾

2014 Principal and Interest Requirements	\$ 5,146,330
\$0.1749 Tax Rate at 99% Collection Produces	\$ 5,148,649
Average Annual Principal and Interest Requirements, 2014 - 2033	\$ 1,889,844
\$0.0642 Tax Rate at 99% Collection Produces	\$ 1,889,899
Maximum Principal and Interest Requirements, 2014	\$ 5,146,330
\$0.1749 Tax Rate at 99% Collection Produces	\$ 5,148,649

(1) Less revenue supported general obligation debt; based on 2013/14 Taxable Assessed Valuation.

TABLE 7 - ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional Tax Debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Jurisdiction	2012/13 Taxable Assessed Value	2012/13 Tax Rate	Total Tax Supported Debt	Estimated % Applicable	City's Overlapping Tax Supported Debt As of 7-1-13	Authorized But Unissued Debt As Of 7-1-13
City of Bedford	\$ 2,965,988,327	\$0.504329	\$ 31,255,000	100.00%	\$ 31,255,000 ⁽¹⁾	\$ 10,725,000 ⁽²⁾
Hurst-Eules-Bedford Independent School District	8,649,491,017	1.407500	323,966,880	31.62%	102,438,327	0
Tarrant County	124,676,098,060	0.264000	332,165,000	2.38%	7,905,527	136,520,000
Tarrant County College District	125,092,633,012	0.149000	22,705,000	2.38%	540,379	-
Tarrant County Hospital District	124,838,781,318	0.227900	26,285,000	2.38%	625,583	-
Total Direct and Overlapping Tax Supported Debt					\$ 142,764,816	
Ratio of Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation					4.81%	
Per Capita Overlapping Tax Supported Debt					\$ 3,037.48	

(1) Less revenue supported general obligation debt.

TABLE 8 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Debt ⁽¹⁾		The Bonds ⁽²⁾		Total Outstanding Debt	Economic Development Self-Supporting Requirements ⁽³⁾	Water and Sewer Self- Supporting Requirements ⁽³⁾	Stormwater Drainage Self- Supporting Requirements ⁽³⁾	Tourism Self- Supporting Requirements ⁽³⁾⁽⁴⁾	Total Debt Less Self- Supporting Requirements	% of Total Outstanding Principal Retired
	Principal	Interest	Principal	Interest							
2014	\$ 5,840,000	\$ 1,859,107	\$ 285,000	\$ 145,452	\$ 8,129,558	\$ 1,377,875	\$ 1,262,851	\$ 245,800	\$ 96,703	\$ 5,146,330	
2015	6,050,000	1,608,488	280,000	145,456	8,083,944	1,382,738	1,258,213	243,100	95,100	5,104,794	
2016	5,745,000	1,363,707	530,000	136,850	7,775,557	1,389,475	1,267,726	245,350	98,134	4,774,872	
2017	5,700,000	1,120,338	505,000	125,853	7,451,191	1,391,600	1,274,638	241,850	101,063	4,442,041	
2018	4,620,000	901,188	415,000	115,041	6,051,229	1,390,475	1,284,285	247,500	-	3,128,969	53.45%
2019	2,295,000	768,932	425,000	104,016	3,592,948	40,800	1,130,296	243,000	-	2,178,851	
2020	2,330,000	693,542	435,000	92,728	3,551,270	-	1,131,864	243,425	-	2,175,981	
2021	2,055,000	622,505	450,000	81,113	3,208,617	-	1,141,838	243,700	-	1,823,079	
2022	1,990,000	556,405	465,000	67,941	3,079,345	-	1,154,703	248,538	-	1,676,104	
2023	1,665,000	492,639	340,000	55,363	2,553,001	-	1,144,880	242,375	-	1,165,746	75.65%
2024	1,755,000	429,810	345,000	43,797	2,573,607	-	1,157,679	245,375	-	1,170,553	
2025	1,825,000	363,326	85,000	35,791	2,309,116	-	1,158,695	247,975	-	902,447	
2026	1,890,000	293,787	90,000	32,181	2,305,968	-	1,158,360	240,375	-	907,234	
2027	1,980,000	220,594	90,000	28,469	2,319,063	-	1,171,198	242,575	-	905,290	
2028	1,225,000	160,656	95,000	24,653	1,505,309	-	652,984	244,244	-	608,081	92.38%
2029	1,270,000	114,214	100,000	20,631	1,504,846	-	649,189	245,238	-	610,419	
2030	1,335,000	64,346	105,000	16,403	1,520,749	-	658,958	245,531	-	616,259	
2031	820,000	23,306	110,000	11,900	965,206	-	490,759	245,250	-	229,197	
2032	310,000	4,025	110,000	7,225	431,250	-	314,026	-	-	117,224	
2033	-	0	115,000	2,444	117,444	-	-	-	-	117,444	100.00%
	<u>\$ 50,700,000</u>	<u>\$ 11,660,912</u>	<u>\$ 5,375,000</u>	<u>\$ 1,293,305</u>	<u>\$ 69,029,217</u>	<u>\$ 6,972,963</u>	<u>\$ 19,463,140</u>	<u>\$ 4,401,200</u>	<u>\$ 391,000</u>	<u>\$ 37,800,915</u>	

DEBT INFORMATION

(1) "Outstanding Debt" includes self-supporting debt; excludes Refunded Bonds.

(2) Average life of the Bonds – 7.226 years. Interest calculated at 3.33% for purposes of illustration.

(3) It is the City's current policy to provide for the payment of the general obligation debt shown from the revenue sources indicated. This Policy is subject to change in the Future. See "Table 10 – Computation of Self-Supporting Debt".

(4) Includes a portion of the Bonds.

TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION ⁽¹⁾

Projected Tax Supported Debt Service Requirements, Fiscal Year Ending 9-30-13		\$ 6,714,081 ⁽²⁾
Interest and Sinking Fund, 9-30-12	\$ 1,108,669	
Budget Interest and Sinking Fund Tax Levy	5,222,199	
Transfer from EDC	1,388,416	
Estimated Investment Income	9,000	
Miscellaneous	<u>37,629</u>	<u>7,765,913</u>
Estimated Balance, 9-30-13		<u><u>\$ 1,051,832</u></u>

(1) Source: City's Annual Budget for Fiscal Year 2012/13; includes fiscal agent charges and does not include debt service on the Bonds.

(2) Does not include self-supporting general obligation debt payable from the City's Waterworks and Sewer System.

TABLE 10 - COMPUTATION OF SELF-SUPPORTING DEBTStormwater System

Net Revenue from Stormwater System, Fiscal Year Ended 9-30-12	\$ 318,466
Less: Stormwater System Revenue Bond Requirements, 2013 Fiscal Year	<u>243,450</u>
Balance	<u><u>\$ 75,016</u></u>

Economic Development Corporation

Revenue Available from Economic Development Corporation Sale Tax, Fiscal Year Ended 9-30-12	\$ 1,693,162
Economic Development Corporation Sales Tax General Obligation Bond Requirements, 2013 Fiscal Year	<u>1,388,416</u>
Balance	<u><u>\$ 304,746</u></u>

Tourism Development

Tourism Development Fund Balance, Fiscal Year Ended 9-30-12	\$ 273,453
Tourism Development Fund General Obligation Bond Requirements, 2013 Fiscal Year	<u>100,193</u>
Balance	<u><u>\$ 173,260</u></u>

Waterworks and Sewer System

Revenue Available for Debt from Waterworks and Sewer System Fund, Fiscal Year Ended 9-30-12	\$ 5,456,965
Less: Revenue Bond Requirements, 2013 Fiscal Year	<u>-</u>
Balance Available for Other Purposes	\$ 5,456,965
Waterworks and Sewer System Fund General Obligation Bond Requirements, 2013 Fiscal Year	<u>1,249,013</u>
Balance	<u><u>\$ 4,207,952</u></u>

TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Purpose	Date Authorized	Amount Authorized	Amount	Amount	Unissued Balance
			Previously Issued	Being Issued	
Police Facility Improvements	9/12/1995	\$ 6,625,000	\$ 6,295,000	\$ -	\$ 330,000
Street Improvements and Drainage	9/12/1995	13,200,000	12,675,000	-	525,000
Park Improvements (Maintenance Service Center)	11/6/2001	2,235,000	1,940,000	295,000	-
Drainage Improvements	11/6/2001	5,895,000	1,800,000	-	4,095,000
City Building Improvements	11/6/2001	1,075,000	885,000	-	190,000
Animal Control	11/6/2001	240,000	-	-	240,000
Public Safety Improvements	11/6/2001	4,060,000	2,885,000	-	1,175,000
Street Improvements (Thoroughfares and Traffic Signalization)	11/6/2001	5,430,000	3,265,000	-	2,165,000
Street Improvements (Residential Street Improvements)	11/6/2001	3,730,000	325,000	1,400,000	2,005,000
		<u>\$42,490,000</u>	<u>\$ 30,070,000</u>	<u>\$ 1,695,000</u>	<u>\$ 10,725,000</u>

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT . . . The City anticipates issuing additional general obligation debt of \$3 to \$6 million within the next 12 months.

TABLE 12 – OTHER OBLIGATIONS

The City has no unfunded debt outstanding as of July 1, 2013.

PENSION FUND . . . The City provides pension benefits for all of its full-time employees through the Texas Municipal Retirement System ("TMRS"), a State-wide administered pension plan. The City makes annual contributions to the plan equal to the amounts accrued for pension expense.

Plan Description . . . The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS. TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS: the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System.

	Plan Year 2012	Plan Year 2011	Plan Year 2010	Plan Year 2011
Employee deposit rate	5.0%	5.0%	5.0%	5.0%
Matching ratio (city to employee)	2 to 1	2 to 1	2 to 1	2 to 1
Years required for vesting	5	5	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20	60/5, 0/20	60/5, 0/20
Updated Service Credit	0%	0%	0%	0%
Annuity Increase (to retirees)	0% of CPI	0% of CPI	0% of CPI	0% of CPI

Contributions . . . Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

Fiscal Year	Annual Required Contribution	Interest on Net Pension Obligation	Adjustment to the ARC	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC	Net Pension Obligation/ (Asset)
2010	\$ 1,024,167	\$ -	\$ -	\$ 1,024,167	\$ 1,024,167	100.00%	\$ -
2011	1,282,457	-	-	1,282,457	1,282,457	100.00%	-
2012	1,262,583			1,262,583	1,262,583	100.00%	

Only two years of data are available for the City's calculation of annual pension costs and net pension obligation because the City only began participating in TMRS in fiscal year 2010.

The required contribution rates for fiscal year 2011 were determined as part of the December 31, 2009 and 2010 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

	12/31/2009	12/31/2010 ⁽¹⁾	12/31/2010 ⁽²⁾	12/31/2011	12/31/2012
Actuarial Cost Method	Projected Unit Credit				
Amortization Method	Level Percent of Payroll				
GASB 25 Equivalent Single	25.1 years -	24.0 years -	24.1 years -	23.1 years -	23.1 years -
Amortization Period	closed period	closed period	closed period	closed period	closed period
Amortization Period for New Gains/Losses	25 years				
Asset Valuation Method	10-year Smoothed Market				
<u>Actuarial Assumptions:</u>					
Investment Rate of Return*	7.5%	7.5%	7.0%	7.0%	7.0%
Projected Salary Increases*	Varies by age and service				
* Includes Inflation at	3.0%	3.0%	3.0%	3.0%	3.0%
Cost-of-Living Adjustments	0.0%	0.0%	0.0%	0.0%	0.0%

(1) Prior to restructuring.

(2) Restructured.

Funded Status and Funding Progress . . . In June 2011, SB 350 was enacted by the Texas Legislature, resulting in a restructure of the TMRS funds. This legislation provided for the actuarial valuation to be completed, as if restructuring had occurred on December 31, 2010. In addition, the actuarial assumptions were updated for the new fund structure, based on an actuarial experience study that was adopted by the TMRS Board at their May 2011 meeting (the review compared actual to expected experience for the four-year period of January 1, 2006 through December 31, 2009). For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS City rates and funding ratios, please see the December 31, 2012 TMRS Comprehensive Annual Financial Report (CAFR).

The funded status as of December 31, 2012, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	12/31/2009	12/31/2010 ⁽¹⁾	12/31/2010 ⁽²⁾	12/31/2011	12/31/2012
Actuarial Value of Assets	\$ 320,805	\$ 2,378,268	\$ 2,424,829	\$ 4,713,345	\$ 6,694,752
Actuarial Accrued Liability (AAL)	\$8,653,917	\$11,372,548	\$13,872,080	\$15,748,320	\$17,582,830
Percentage Funded	3.7%	20.9%	17.5%	29.9%	38.1%
Unfunded Actuarial Accrued Liability (UAAL)	\$8,333,114	\$ 8,994,280	\$11,447,251	\$11,034,975	\$10,888,078
Annual Covered Payroll	\$2,866,929	\$18,787,516	\$18,787,516	\$18,649,701	\$18,597,171
UAAL as percentage of Cover Payroll	290.7%	47.9%	60.9%	59.2%	58.5%

(1) Actuarial valuation performed under the original fund structure.

(2) Actuarial valuation performed under the new fund structure.

OTHER POST-EMPLOYMENT BENEFITS . . . In addition to pension benefits, the City provides certain other post-employment benefits for retired employees ("OPEB"). The costs of these benefits are recognized as expenditures on a modified accrual basis when the underlying claims are paid. Commencing in fiscal year 2009, the City implemented GASB Statement No. 43 "Financial Reporting For Post-Employment Benefit Plans Other Than Pension Plans," and in fiscal year 2009, GASB Statement No. 45 "Accounting And Financial Reporting By Employers For Post-Employment Benefits Other Than Pensions." In connection with such implementation, an actuarial study has been performed which calculated an Actuarial Accrued Liability of \$2,467,613. City Staff has recently made significant modifications to the City's active employee health insurance program and to the retiree health benefit plan. In addition, the City has established an OPEB Trust through ICMA RC and funded it with contributions based upon the tiered structure in accordance with the City's revised Retiree Health Policy.

FINANCIAL INFORMATION

TABLE 13 - CHANGES IN NET ASSETS

	Fiscal Year Ended September 30,				
	2012	2011	2010	2009	2008
Revenues:					
<u>Program Revenues</u>					
Charges for Services	\$ 5,985,730	\$ 6,183,407	\$ 5,179,961	\$ 4,966,348	\$ 5,659,004
Operating Grants and Contributions	599,111	711,749	3,092,958	735,473	666,150
Capital Funds & Contributions	44,102	1,695,184	-	35,973	33,737
<u>General Revenues</u>					
Property Taxes	13,735,255	13,968,871	13,714,212	13,486,685	13,227,183
Other Taxes	13,564,826	13,340,659	13,589,736	13,422,780	13,753,137
Other	2,997,838	2,999,220	3,584,984	2,917,679	3,233,706
Total Revenues	<u>\$ 36,926,862</u>	<u>\$ 38,899,090</u>	<u>\$ 39,161,851</u>	<u>\$ 35,564,938</u>	<u>\$ 36,572,917</u>
Expenses:					
General Government and Administration	\$ 4,796,677	\$ 3,906,050	\$ 4,117,515	\$ 4,184,723	\$ 3,824,933
Community Services	1,986,123	1,848,795	1,883,752	2,270,248	1,847,222
Public Services	8,354,007	8,876,104	9,038,955	8,185,269	10,375,836
Public Safety	17,292,190	18,358,228	18,500,766	19,499,698	17,811,789
Leisure Services	3,690,814	4,754,190	4,100,548	4,191,990	4,181,914
Interest Expense	2,169,120	2,213,384	2,140,046	2,254,217	2,415,600
Total Expenses	<u>\$ 38,288,931</u>	<u>\$ 39,956,751</u>	<u>\$ 39,781,582</u>	<u>\$ 40,586,145</u>	<u>\$ 40,457,294</u>
Increase (Decrease) in Net Assets	\$ (1,362,069)	\$ (1,057,661)	\$ (619,731)	\$ (5,021,207)	\$ (3,884,377)
Net Assets - October 1	26,518,481	29,740,453	30,360,184	35,381,391	39,265,768
Restated	-	(2,164,311)	-	-	-
Net Assets - September 30	<u>\$ 25,156,412</u>	<u>\$ 26,518,481</u>	<u>\$ 29,740,453</u>	<u>\$ 30,360,184</u>	<u>\$ 35,381,391</u>

TABLE 13-A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

Revenues	Fiscal Year Ended September 30,				
	2012	2011	2010	2009	2008
Taxes, Penalty and Interest	\$ 19,371,190	\$ 19,202,290	\$ 19,489,620	\$ 19,257,302	\$ 19,379,609
Licenses/Permits	863,709	521,463	710,722	614,126	802,498
Charges for Services	2,494,185	2,505,240	2,232,194	2,398,459	2,454,530
Fines/Forfeitures	1,595,887	1,451,436	1,201,247	978,079	1,265,296
Other Governmental	517,289	545,572	536,328	839,366	703,691
Interest Income	6,783	20,434	55,695	184,145	380,813
Miscellaneous	399,578	414,904	195,871	261,633	435,493
Total Revenues	\$ 25,248,621	\$ 24,661,339	\$ 24,421,677	\$ 24,533,110	\$ 25,421,930
Expenditures					
General Government	\$ 4,705,742	\$ 6,199,598	\$ 6,648,389	\$ 6,900,264	\$ 6,805,340
Public Safety	16,126,751	16,349,974	16,522,429	16,675,173	16,304,113
Culture/Recreation	3,649,483	3,768,063	3,636,902	3,585,827	3,537,905
Public Works	2,425,856	2,418,811	1,408,113	1,656,476	1,329,765
Total Expenditures	\$ 26,907,832	\$ 28,736,446	\$ 28,215,833	\$ 28,817,740	\$ 27,977,123
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,659,211)	\$ (4,075,107)	\$ (3,794,156)	\$ (4,284,630)	\$ (2,555,193)
Other Financing Sources (Uses):					
Proceeds from the Sales of Capital Assets	\$ 219,723	\$ 44,797	\$ 38,152	\$ 5,265	\$ 22,472
Insurance Proceeds	339,011	10,288	55,023	99,735	-
Transfers In	41,100	2,431,528	2,214,949	2,534,113	2,158,944
Transfers Out	2,431,760	-	(201,200)	(349,562)	-
Total Other Financing Sources (Uses)	\$ 3,031,594	\$ 2,486,613	\$ 2,106,924	\$ 2,289,551	\$ 2,181,416
Net Change in Fund Balance	\$ 1,372,383	\$ (1,588,494)	\$ (1,687,232)	\$ (1,995,079)	\$ (373,777)
Beginning Fund Balance	4,413,940	6,002,434	7,689,696	9,670,500	10,437,180
Prior Period Adjustment	-	-	-	14,275	(392,903)
Ending Fund Balance	\$ 5,786,323	\$ 4,413,940	\$ 6,002,464	\$ 7,689,696	\$ 9,670,500

TABLE 14 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, Texas Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Certificates. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

Fiscal Year Ended 9/30	2% Total Collected ⁽¹⁾	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2009	\$9,360,239	68.90%	\$0.3189	\$ 203
2010	9,531,017	69.63%	0.3401	203
2011	9,060,295	65.19%	0.3149	193
2012	9,363,047	65.14%	0.3157	199
2013	7,978,569 ⁽²⁾	55.68%	0.2683	170

(1) Includes the ½ cent sales tax for property tax reduction and ½ cent 4B sales tax described below.

(2) Collections through July 1, 2013.

On November 4, 1997, the voters of the City approved the imposition of an additional sales and use tax of one-half of one percent (½ of 1%) for economic development. Collection for the additional tax went into effect on April 1, 1998. The sales tax for economic development is collected solely for the benefit of the City of Bedford Street Improvement Economic Development Corporation (the "Corporation"), and may be pledged to secure payment of sales tax revenue bonds issued by the Corporation. On January 21, 1995, the voters of the City approved the imposition of an additional sales and use tax of one-half of one percent (½ of 1%) for property tax reduction. Collection for the additional tax went into effect on October 1, 1995.

Fiscal Year Ended 9/30	Property Tax Reduction Collected	4B Sales Tax Collected
2009	\$2,340,060	\$2,340,060
2010	2,382,754	2,382,754
2011	2,265,074	2,265,074
2012	2,340,762	2,340,762
2013	1,994,642 ⁽¹⁾	1,994,642 ⁽¹⁾

(1) Collections through July 1, 2013.

The sales tax breakdown for the City is as follows:

	Cents
Property Tax Relief	1/2
Economic and Community Development	1/2
City Sales and Use Tax	1
State Sales and Use Tax	6 1/4
Total	8 1/4

FINANCIAL POLICIES

Basis of Accounting . . . The City's accounting records of the governmental fund revenues and expenditures are recognized on the modified accrual basis. Revenues are recognized in the accounting period in which they are available and measurable. Expenditures are recognized in the accounting period in which the fund liability occurred, if measurable, except for unmatured interest on general long-term debt and on special assessment indebtedness secured by interest-bearing special assessment levies, longevity and certain other employees' benefits are recognized when due.

Proprietary Fund revenues and expenses are recognized on the accrual basis. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized in the accounting period incurred.

Fiduciary Fund revenues and expenses or expenditures are recognized on the modified accrual basis.

Transfers are recognized in the accounting period in which the interfund receivable and payable arise (see Appendix B - "Excerpts from The City of Bedford, Texas, Comprehensive Annual Financial Report for the Year Ended September 30, 2012").

Reporting Entity . . . Generally accepted accounting principles require that financial statements present the City (the primary government) and its component units. Component units are organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. Based on these criteria, the following blended component unit is included in the accompanying financial statements. Blended component units, although legally separate entities, are, in substance, part of the City's operations.

The City of Bedford Street Improvement Economic Development Corporation (the "EDC") is governed by a seven-member board appointed by the City Council. Although it is legally separate from the City, the EDC is reported as a Special Revenue Fund as if it were part of the primary government because its sole purpose is to operate, maintain, and finance the costs of the City's street improvements using taxes collected under Section 4B of the Development Corporation Act of 1979.

Government-Wide Financial Statements . . . The government wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) prepared under GASB 34 report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Fiduciary funds are also excluded from the government-wide financial statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and tile restrictions on their net asset use.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements . . . Fund financial statements prepared under GASB 34 report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds . . . All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes, ambulance fees and municipal court fines and fees as available if they are collected within 60 days after year-end.

Those revenues susceptible to accrual are property taxes, sales taxes, franchise taxes, special assessments, fines, interest and charges for services. Permits are not susceptible to accrual because generally they are not measurable until received in cash.

The City reports the following major governmental funds:

General Fund: The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds: The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The blended component unit is reported here.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

Street Capital Projects Fund: The Street Capital Projects Fund is used to account for construction of improvements to streets, street related drainage and sidewalks.

Series 2002 Capital Projects Fund: The Series 2002 Capital Projects Fund is used to account for construction authorized for the General Obligation Series 2002 bond issue.

Series 2003 Capital Projects Fund: The Series 2003 Capital Projects Fund is used to account for construction authorized for the General Obligation Series 2003 bond issue.

Series 2004 Capital Projects Fund: The Series 2004 Capital Projects Fund is used to account for construction projects authorized for the General Obligation Series 2004 refunding and improvement bond issue.

Series 2005 Capital Projects Fund: The Series 2005 Capital Projects Fund is used to account for construction projects authorized for the Tax Note Series 2005 bond issue.

Series 2007 Capital Projects Fund: The Series 2007 Capital Projects Fund issued to account for construction projects authorized for the General Obligation Series 2007 and Combination Tax & Revenue Certificates of Obligation Series 2007 bond issues.

Series 2010 Capital Projects Fund: The Series 2010 Capital Projects Fund issued to account for construction projects authorized for the General Obligation Series 2010 and Combination Tax & Revenue Certificates of Obligation Series 2010 bond issues.

Proprietary Funds . . . All proprietary funds are accounted for under GASB 34 using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility service receivables are recorded at each year-end.

Propriety funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses. The City's policy is to apply all Financial Accounting Standards Board standards issued after November 30, 1989 to its proprietary funds unless they conflict with GASB guidance.

The City's proprietary funds are:

Water and Sewer Fund: To account for providing water and sewer services to residential and commercial users in the City.

Stormwater Utility Fund: To account for the storm drainage runoff service provided to the residential and commercial users of the City.

Agency Funds...Agency funds are used under GASB 34 to account for assets held in a trustee capacity as an agent for other funds within the City and individuals. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

General Fund Balance . . . The City's policy is to maintain surplus and unencumbered funds equal to 25% of the next fiscal year's operating budget.

Use of Bond Proceeds, Grants, etc . . . The City's policy is to use bond and certificate proceeds, grants, revenue sharing or other non-recurring revenues for capital expenditures only. Such revenues are never to be used to fund City operations.

Budgetary Procedures . . . The City Charter establishes the fiscal year as the twelve-month period beginning October 1. The departments submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year by the middle of May. The City Manager subsequently submits a budget of estimated expenditures and revenues to the City Council by August 15. The City Council shall hold a public hearing on the budget after giving at least 10 days notice of the hearing in the official newspaper of the

City. The Council shall then make any changes in the budget as it deems advisable and shall adopt a budget prior to October 1. If the Council fails to adopt a budget then the budget proposed by the City Manager shall deem to have been adopted.

During the fiscal year, strict budgetary control is maintained by various methods, including the review of departmental appropriation balances with purchase requisitions prior to their release to vendors.

Departmental appropriations that have not been expended lapse at the end of the fiscal year. Therefore, funds that were budgeted and not used by the departments during the fiscal year are not available for their use unless appropriated in the ensuing fiscal year's budget.

Fund Investments . . . The City's investment policy parallels state law which governs investment of public funds. The City currently utilizes State of Texas Investment Pools for the bulk of its investments. The Pool investments are restricted to direct obligations of the U.S. Government and its agencies.

INVESTMENTS

The City invests its investable funds in investments authorized by Texas law and in accordance with investment policies approved by the City Council. Both state law and the City's investment policies are subject to change.

LEGAL INVESTMENTS . . . Under Texas law, including specifically the Public Funds Investment Act Texas Government Code, Chapter 2256, as amended, (the "PFIA"), the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, (4) other obligations, the principal and interest of which are unconditionally guaranteed, insured, or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent, (6) bonds issued, assumed, or guaranteed by the State of Israel, (7) certificates of deposit and share certificates (i) issued by a depository institution that has its main office or a branch office in the State of Texas, that are guaranteed or insured by the Federal Deposit Insurance Corporation, its successor, or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by an investing entity through a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the City as required by the PFIA or a depository institution that has its main office or a branch office in the State of Texas that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the investing entity appoints the depository institution selected under subdivision (a), a custodian as described by Texas Government Code, Section 2257.041(d), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3); (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) above which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer or a financial institution doing business in the State of Texas, (9) bankers' acceptances with a stated maturity of 270 days or less from the date of its issuance, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (10) commercial paper that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (11) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share, (12) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in the preceding clauses, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent, and (13) public funds investment pools meeting the requirements of the PFIA and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or AAA-m or at an equivalent rating. Texas law also permits the City to invest bond proceeds in a guaranteed investment contract, subject to limitations as set forth in the PFIA.

A political subdivision such as the City may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (10) through (12) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the

investment is made with the City or a third party designated by the City; (iii) a loan made under the program through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAM or an equivalent by at least one nationally recognized rating service. The City is specifically prohibited from investing in (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years, and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest during the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

TABLE 15 - CURRENT INVESTMENTS

As of July 1, 2013, the City's investable funds were invested in the following categories:

Description	Percent	Market Value
Banks/CDARS	22.85%	\$ 6,467,330
TexSTAR Investment Pool	41.77%	11,822,068
Texas Daily Investment Pool	4.27%	1,208,882
Certificate of Deposit	30.10%	8,517,569
MBIA	0.71%	201,882
LSIP Lig +	0.30%	83,728
	<u>100.00%</u>	<u>\$ 28,301,459</u>

TAX MATTERS

TAX EXEMPTION . . . The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Code, pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals or, except as hereinafter described, corporations. A form of Bond Counsel's opinion is reproduced as APPENDIX C. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

Interest on the Bonds owned by a corporation will be included in such corporation's adjusted current earnings for purposes of calculating the alternative minimum taxable income of such corporation, other than an S corporation, a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit, or a financial asset securitization investment trust ("FASIT"). A corporation's alternative minimum taxable income is the basis on which the alternative minimum tax imposed by Section 55 of the Code will be computed.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the City with the provisions of the Ordinance subsequent to the issuance of the Bonds. The Ordinance contains covenants by the City with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the IRS with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the City may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

QUALIFIED TAX-EXEMPT BONDS FOR FINANCIAL INSTITUTIONS . . . Section 265 of the Code provides, in general, that interest expense to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner of such obligations. In addition, section 265 of the Code completely disallows any deduction for interest expense which is incurred by "financial institutions" described in such section and is allocable, as computed in such section, to tax-exempt interest on obligations acquired after August 7, 1986. Section 265(b) of the Code provides an exception to this rule for interest expense allocable to tax-exempt obligations (other than private activity bonds) which are designated by an issuer, such as the City, as "qualified tax-exempt obligations." An issuer may designate obligations as "qualified tax-exempt obligations" only if the amount of the issue of which they are a part, when added to the amount of all other tax-exempt obligations (other than private activity bonds) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed \$10,000,000.

The City will designate the Bonds as "qualified tax-exempt obligations" and will certify its expectation that the above-described \$10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions which purchase the Bonds will

not be subject to the one-hundred percent (100%) disallowance of interest expense allocable to interest on the Bonds under Section 265(b) of the Code. However, twenty percent (20%) of the interest expense incurred by a financial institution which is allocable to the interest on the Bonds will not be deductible pursuant to section 291 of the Code.

TAX ACCOUNTING TREATMENT OF DISCOUNT AND PREMIUM ON CERTAIN BONDS . . . The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the alternative minimum taxable income of a corporation, for purposes of calculating a corporation's alternative minimum tax imposed by Section 55 of the Code, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the "Premium Bonds") may be greater than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

OTHER INFORMATION

RATINGS

The Bonds and the presently outstanding tax-supported debt of the City are rated "Xx" by S&P. The City also has tax-supported debt rated by Moody's. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organization and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

LITIGATION

It is the opinion of the City Attorney and City Staff that there is no pending litigation against the City that would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "OTHER INFORMATION - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

LEGAL OPINIONS AND NO LITIGATION CERTIFICATE

The City will furnish a complete transcript of proceedings relating to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of Texas approving the Initial Bond and to the effect that the Bonds are valid and legally binding obligations of the City, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "Tax Matters" herein, including the alternative minimum tax on corporations. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds, or which would affect the provision made for their payment or security, or in any manner questioning the validity of said Bonds will also be furnished. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Official Statement to verify that such description conforms to the provisions of the Ordinance. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. The legal opinion will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from City records, audited and unaudited financial statements and other sources, which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and Ordinance contained in this Preliminary Official Statement are made subject to all of the provisions of such statutes, documents and Ordinance. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance the City has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The City is required to observe the agreement while it remains obligated to advance funds to pay such Bonds. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and the

timely notice of specified events, to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

ANNUAL REPORTS . . . The City will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Official Statement under Tables numbered 1 through 6 and 8 through 15 and in Appendix B. The City will update and provide this information within six months after the end of each fiscal year ending in or after 2013.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the Securities and Exchange Commission (the "SEC") as permitted by SEC Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements, if the City commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the City will provide unaudited financial information of the type described in the preceding paragraph by the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation.

The City's current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

NOTICE OF CERTAIN EVENTS . . . The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material. In addition, the City will provide timely notice of any failure by the City to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

AVAILABILITY OF INFORMATION . . . The City has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of certain specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

The City's continuing disclosure agreements for the Bonds may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell the Bonds in the primary offering of such Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of the Ordinance that authorizes

such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized Bond Counsel) determines that such amendment will not materially impair the interest of the registered owners and beneficial owners of such Bonds. The City may also amend or repeal the provisions of the continuing disclosure agreements if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Bonds in the primary offering of such Bonds. If the City amends its agreements, it must include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

FINANCIAL ADVISOR

First Southwest Company is employed as Financial Advisor to the City in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. First Southwest Company, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

INITIAL PURCHASER

After requesting competitive bids for the Bonds, the City accepted the bid of _____ (the "Initial Purchaser" or "Purchaser") to purchase the Bonds at the interest rates shown on the cover page of the Official Statement at a price of (%) of par plus a cash premium (if any) of \$_____. The Initial Purchaser can give no assurance that any trading market will be developed for the Bonds after their sale by the City to the Initial Purchaser. The City has no control over the price at which the Bonds are subsequently sold and the initial yield at which the Bonds will be priced and reoffered will be established by and will be the responsibility of the Initial Purchaser.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

CERTIFICATION OF THE OFFICIAL STATEMENT

At the time of payment for and delivery of the Bonds, the City will furnish the Purchasers a certificate, executed by an authorized representative of the City, acting in such person's representative capacity, to the effect that to the best of such person's knowledge and belief: (a) the descriptions and statements of or pertaining to the City contained in the Official Statement, and any addenda, supplement or amendment thereto, on the date of the Official Statement, on the date of sale of the Bonds and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect;

(c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the City, and their activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since the date of the last audited financial statements of the City.

The Ordinance authorizing the issuance of the Bonds will also approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Bonds by the Purchaser.

JIM GRIFFIN
Mayor
City of Bedford, Texas

ATTEST:

MICHAEL WELLS
City Secretary

SCHEDULE OF REFUNDED BONDS*

General Obligation Refunding and Improvement Bonds, Series 2002

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Refunded</u>
2/15/2002	2/1/2014	4.450%	\$ 95,000	\$ 95,000
	2/1/2015	4.550%	95,000	95,000
	2/1/2016	4.650%	100,000	100,000
	2/1/2017	4.750%	105,000	105,000
	2/1/2018	4.850%	110,000	110,000
	2/1/2019	4.900%	115,000	115,000
	2/1/2020	5.000%	125,000	125,000
	2/2/2021	5.000%	130,000	130,000
	2/3/2022	5.000%	135,000	135,000
			<u>\$ 1,010,000</u>	<u>\$ 1,010,000</u>

The 2014 – 2022 maturities will be redeemed prior to original maturity on November 3, 2013 at par plus accrued interest to the date of redemption.

General Obligation Refunding and Improvement Bonds, Series 2003

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Refunded</u>
3/1/2004	2/1/2014	3.700%	\$ 90,000 ⁽¹⁾	\$ 90,000
	2/1/2015	3.700%	90,000	90,000
	2/1/2016	3.700%	95,000	95,000
	2/1/2017	3.700%	100,000	100,000
			<u>\$ 375,000</u>	<u>\$ 375,000</u>

The 2014 – 2017 maturities will be redeemed prior to original maturity on November 3, 2013 at par plus accrued interest to the date of redemption.

(1) Represents a mandatory sinking fund redemption of a term bond with a final maturity date of February 1, 2017.

General Obligation Refunding and Improvement Bonds, Series 2004

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Refunded</u>
3/1/2004	2/1/2016	4.750%	\$ 1,175,000	\$ 245,000
	2/1/2017	3.750%	215,000	215,000
	2/1/2018	3.800%	225,000	225,000
	2/1/2019	4.000%	235,000	235,000
	2/1/2020	4.000%	240,000	240,000
	2/1/2021	4.100%	250,000	250,000
	2/1/2022	4.200%	265,000	265,000
	2/2/2023	4.250%	275,000	275,000
	2/3/2024	4.300%	285,000	285,000
			<u>\$ 3,165,000</u>	<u>\$ 2,235,000</u>

The 2016 – 2024 maturities will be redeemed prior to original maturity on February 1, 2014 at par plus accrued interest to the date of redemption.

* Preliminary, subject to change.

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

LOCATION AND HISTORY . . . The City of Bedford, Texas (the "City") is located in northeast Tarrant County, encompassing approximately 10.1 square miles with 366 employees. The City is approximately 10 miles northeast of downtown Fort Worth and 25 miles northwest of downtown Dallas. It is a part of the mid-cities area of North Central Texas (the "Metroplex"), which includes the Cities of Dallas and Fort Worth with a total population exceeding 4 million.

The City was incorporated in 1953 under the general laws of the State of Texas and the current charter was approved by the voters in 1966. The City is a home rule city and operates under the Council/Manager form of government. The Council is composed of a mayor and six councilmembers elected at large. All City residents vote for all seven places. The members are elected for three-year staggered terms and elections are held annually.

Policy-making and oversight functions are the responsibility of, and are vested in, the City Council. The City Council is required by the charter to appoint a City Manager to serve as the chief administrative and executive officer of the City. The duties of the City Manager include the appointment of City department heads and the daily conduct of City affairs.

POPULATION . . . The City has grown steadily since the mid-1950's when it was a small bedroom community.

Population history is as follows:

<u>Year</u>	<u>Population</u>	<u>Year</u>	<u>Population</u>
1980	20,821	1997	47,850
1981	25,500	1998	48,300
1982	25,750	1999	48,800
1983	28,850	2000	47,152
1984	36,750	2001	47,309
1985	39,316	2002	47,500
1986	40,150	2003	47,750
1987	42,550	2004	47,850
1988	45,000	2005	48,050
1989	45,700	2006	48,050
1990	43,762	2007	48,600
1991	43,875	2008	45,118
1992	44,135	2009	46,039
1993	44,500	2010	46,979
1994	45,300	2011	46,980
1995	45,700	2012	46,990
1996	46,500	2013	47,001

ECONOMICS . . . The City's location in the middle of the Fort Worth/Dallas Metroplex provides access to approximately 4 million people - the sixth largest market in the United States. Bedford's proximity to the D/FW International Airport allows local businesses to capitalize on trade opportunities gained through the North American Free Trade Agreement (NAFTA).

MUNICIPAL SERVICES . . . With active involvement by the Mayor, a six member City Council and 14 citizen boards, commissions and committees, the City is assured proper and effective representation. Low crime statistics are maintained by a police force consisting of 76 police officers. The City has three professionally staffed fire stations which are fully equipped to handle most emergencies; the City utilizes its own mobile intensive care ambulance system, staffed with highly trained paramedics.

EDUCATION

Education for the citizens of the City is provided by the Hurst-Euless-Bedford Independent School District. The District conducts programs for K-12 and is fully accredited by the Southern Association of Colleges and the Texas Education Agency and operates on a middle school structure, i.e. Pre-kindergarten-5, 6-8, and 9-12.

Physical facilities include:

3 high schools	Administration complex	Computer service center
5 junior high schools	Transportation complex	Annex/materials center
19 elementary schools	Stadium	

The City's proximity to Dallas and Fort Worth gives its residents ready access to a number of fine colleges and universities. Seven major colleges and universities are in the Hurst-Euless-Bedford area or nearby:

Texas Christian University	18 miles
University of Texas at Arlington	10 miles
University of North Texas	30 miles
Texas Women's University	30 miles
Texas Wesleyan College	12 miles
Southern Methodist University	20 miles
University of Texas at Dallas	18 miles
Tarrant County College	2 miles

PARKS AND RECREATION . . . There are 9 parks, 2 public swimming pools, 4 theaters, 6 tennis courts, 80 restaurants, and 8 hotels/motels in the City. The City is close to Six Flags Over Texas, Ripley's Believe It or Not! Wax Museum, Texas Stadium and the Texas Rangers Baseball Stadium.

TRANSPORTATION . . . The City has prime positioning for easy access to major local, regional and national markets. Being just 7.5 miles from the Dallas/Fort Worth International Airport and 9 miles from the Fort Worth Alliance Airport, the City is located in the hub of business activity and is an integral part of the rapidly growing Northeast Tarrant County Area.

The City is strategically positioned on or near five major Interstate Highways. Using Interstate Loop 820, easy access is gained to Interstate 35 (north to Oklahoma and south to Austin, San Antonio and Laredo), Interstate 45 (north to Tulsa and south to Houston), Interstate 20 (west to Midland and El Paso and east to Tyler and Shreveport), and Interstate 30 (east to Texarkana, Little Rock and Memphis). The accessibility factor also includes five rail lines in the Fort Worth area, one of which - St. Louis Southwestern - is located in the City.

HISTORICAL EMPLOYMENT DATA

	June 2013	Average Annual 2012	Average Annual 2011	Average Annual 2010	Average Annual 2009
Bedford:					
Civilian Labor Force	30,736	29,940	29,309	28,952	30,103
Unemployed	1,756	1,711	2,031	2,207	2,011
Percent of Unemployed	5.7%	5.7%	6.9%	7.6%	6.7%
Dallas/Fort Worth/Arlington MSA					
Civilian Labor Force	3,422,652	3,339,582	3,286,653	3,242,289	3,157,788
Unemployed	229,071	222,748	256,529	265,611	246,095
Percent of Unemployed	6.7%	6.7%	7.8%	8.2%	7.8%
Tarrant County					
Civilian Labor Force	979,496	953,692	934,168	920,160	896,009
Unemployed	64,760	62,667	73,065	75,882	68,846
Percent of Unemployed	6.6%	6.6%	7.8%	8.2%	7.7%

Source: Texas Employment Commission, Austin, Texas.

Change in calculation methodology by the Texas Employment Commission. Employment figures are computed based on a statewide workforce and is based on local population as a percentage of statewide population.

MAJOR EMPLOYERS IN THE CITY

<u>Company</u>	<u>Type of Business</u>	<u>Estimated Number of Employees</u>
Hurst-Eules-Bedford Independent School District	School District	2,500
Harris Methodist Hospital HEB	Hospital	1,600
Carter BloodCare/Blood Systems, Inc.	Blood Testing/Distribution Center	1,100
Wal-Mart Supercenter	Retail Sales	435
Warrantech	Equipment Warranty Company	415
Beryl Companies	Call Center	400
State National Insurance	Financial	400
City of Bedford	City Government	366
Transamerica Insurance	Financial	300
Aystar Television Network	Religious Institution	200
Grubbs Nissan	Auto Dealer	155
Heartland Nursing Home	Health Care	110
Kroger	Retail Grocery	105

BUILDING PERMIT INFORMATION

<u>Fiscal Year</u>	<u>Commercial Construction</u>		<u>Residential Construction</u>		<u>Total Value</u>
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>	
2008	15	\$ 6,706,475	75	\$ 8,553,880	\$ 15,260,355
2009	8	8,502,000	5	1,287,430	9,789,430
2010	198	21,674,929	77	4,470,777	26,145,706
2011	57	7,408,944	53	1,903,085	9,312,029
2012	239	37,676,880	624	5,816,034	43,492,914

Source: City Records.

APPENDIX B

EXCERPTS FROM THE
CITY OF BEDFORD, TEXAS
ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2012

The information contained in this Appendix consists of excerpts from the City of Bedford, Texas Annual Financial Report for the Year Ended September 30, 2012, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

APPENDIX C

FORMS OF BOND COUNSEL'S OPINION



Council Agenda Background

PRESENTER: Thomas L. Hoover, P.E.
Public Works Director

DATE: 08/27/13

Council Mission Area: Protect the vitality of neighborhoods.

ITEM:

Consider an ordinance approving a resolution authorizing the issuance, sale, and delivery of Trinity River Authority of Texas (Tarrant County Water Project) improvement revenue bonds, and approving and authorizing instruments and procedures relating thereto.

City Attorney Review: Yes

City Manager Review: _____

DISCUSSION:

In 1972, the City of Bedford entered into a 35-year contract with the Trinity River Authority (TRA) for the purchase of water. The original contract term extends as long as there remains any outstanding debt; therefore, even though 35 years has lapsed the contract remains in force.

The Trinity River Authority of Texas (Tarrant County Water Project) plans to issue revenue bonds in order to obtain funds to pay for the acquisition and construction of improvements, betterments, extensions and replacements of the Trinity River Authority of Texas Tarrant County Water Project, in one or more series, in the aggregate principal amount of not to exceed \$5.425 million.

In accordance with the provisions of the contractual agreements with TRA, the City of Bedford must approve the issuance of debt by ordinance and is required to pay a proportional share of the debt service obligations, which at this time is approximately 25% relating to this bond issue. The payment of the debt service is handled by a "debt service" component built into the cost of the water purchased from TRA by all contracting parties.

RECOMMENDATION:

Staff recommends the following motion:

Approval of an ordinance approving a resolution authorizing the issuance, sale, and delivery of Trinity River Authority of Texas (Tarrant County Water Project) improvement revenue bonds, and approving and authorizing instruments and procedures relating thereto.

FISCAL IMPACT:

N/A

ATTACHMENTS:

Ordinance
Certificate for Ordinance
TCWSP – CIP Financial Overlay

ORDINANCE NO. 13-

AN ORDINANCE APPROVING A RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS (TARRANT COUNTY WATER PROJECT) REVENUE BONDS, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO.

WHEREAS, it is necessary and advisable that the City approve a resolution proposed to be adopted by the Board of Directors of Trinity River Authority of Texas authorizing the issuance, sale, and delivery of Trinity River Authority of Texas (Tarrant County Water Project) Revenue Bonds, and approving and authorizing instruments and procedures relating thereto hereinafter described.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1. That the City Council does hereby authorize the City Manager to enter into a draft of a "RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS (TARRANT COUNTY WATER PROJECT) REVENUE BONDS, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO" (the "Bond Resolution") proposed to be adopted by the Board of Directors of Trinity River Authority of Texas (the "Authority") on August 28, 2013, has been submitted to the City in the form attached hereto, and made a part hereof for all purposes. Said draft is hereby approved by the City as to form and substance, and the bonds (the "Bonds") described therein may be issued by the Authority in accordance with the terms and provisions set forth therein and herein.

SECTION 2. That the principal amount and maturities of the Bonds, the interest rates for the Bonds, the purchaser of the Bonds, and other details and provisions for the Bonds, and the price to be paid for the Bonds, shall be determined by the General Manager of the Authority in accordance with the procedures and parameters set forth in the Bond Resolution in the manner determined by the Board of Directors of the Authority in consultation with First Southwest Company, its Financial Advisor; and all such matters and procedures are hereby approved by the City.

SECTION 3. That it is acknowledged and agreed by the City that the Bonds authorized pursuant to said Bond Resolution will be issued in strict conformance and compliance with the water supply contract dated as of January 21, 1972, executed between the Authority and the City, and amended as of January 22, 1975, and further amended as of December 11, 1979 (the "Contract"), relating to the project as defined in said Contract and described in said Bond Resolution, and that the City will be fully bound by the provisions of said Bond Resolution insofar as they pertain to the City, and the City will be unconditionally obligated to make the payments with respect to said Bonds as required by the Contract and said Bond Resolution.

SECTION 4. That, in accordance with the Contract, and as a prerequisite to the issuance of the Bonds, the City finds that a case of emergency exists which requires the City to request the Authority to finance and construct the facilities for which the Bonds are to be issued, and the City hereby formally requests the Authority to proceed with such financing and construction.

SECTION 5. That all ordinances and resolutions of the City in conflict or inconsistent with this Ordinance are hereby repealed to the extent of such conflict or inconsistency.

PASSED AND APPROVED this 27th day of August, 2013, by a vote of ___ ayes, ___nays, and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

ORDINANCE NO. 13-

Jim Griffin, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry City Attorney

CERTIFICATE FOR
ORDINANCE APPROVING A RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND
DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS (TARRANT COUNTY WATER
PROJECT) IMPROVEMENT REVENUE BONDS, AND APPROVING AND AUTHORIZING
INSTRUMENTS AND PROCEDURES RELATING THERETO

THE STATE OF TEXAS :
COUNTY OF TARRANT :
CITY OF BEDFORD :

We, the undersigned officers of the City of Bedford, Texas, hereby certify as follows:

1. The City Council of said City convened in REGULAR MEETING ON THE 27TH DAY OF AUGUST, 2013, at the City Hall, and the roll was called of the duly constituted officers and members of said City Council, to-wit:

Jim Griffin, Mayor
Chris Brown, Mayor Pro-Tem
Patricia Nolan
Michael Boyter

Michael Wells, City Secretary
Roy Turner
Ray Champney
Jim Davisson

and all of said persons were present, except the following absentees: _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

ORDINANCE APPROVING A RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS (TARRANT COUNTY WATER PROJECT) IMPROVEMENT REVENUE BONDS, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

was duly introduced for the consideration of said City Council and duly read. It was then duly moved and seconded that said Ordinance be adopted; and, after due discussion, said motion, carrying with it the adoption of said Ordinance, prevailed and carried with all members present voting "AYE" except the following:

NAY: _____.

ABSTAIN: _____.

2. That a true, full, and correct copy of the aforesaid Ordinance passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that the above and foregoing paragraph is a true, full, and correct excerpt from said City Council's minutes of said Meeting pertaining to the passage of said Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said City Council as indicated therein; and that each of the officers and members of said City Council was duly and sufficiently notified officially, in advance, of the time, place, and purpose of the aforesaid Meeting; and that said Meeting was open to the public, and public notice of the time, place, and purpose of said Meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the Mayor of said City has approved, and hereby approves, the aforesaid Ordinance; that the Mayor and the City Secretary of said City have duly signed said Ordinance; and that the Mayor and the City Secretary of said City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED the 27th day of August, 2013.

City Secretary

Mayor

(SEAL)

TCWSP - CIP Financial Outlay

2013 - 2018

7/8/2013

Trinity River Authority of Texas/NR Planning and Development

AGENDA HANDOUT ITEM III.D.

Trinity River Authority of Texas - Tarrant County Water Supply System

Five Year CIP - Breakdown by Project and Funding Source

Scheduled Period 2013 - 2018 (Project Cost in Millions)

Project ID	Project Name	Phase(1)	Series 2013	Series 2014	Series 2015	Series 2016	Series 2017	Series 2018	Total Funded	Bond Term
Raw Water System										
RW-010	Raw Water intake	PD,FD CA,CO,IN					\$ 0.140		\$ 0.140	
								\$ 1.225	\$ 1.225	
RW-010 Total									\$ 0.140	20
RW-020	Raw Water Pump Assessment, VFD Pumps and Raw Water Pipeline Rehabilitation	PD,FD CA,CO,IN	\$ 0.350						\$ 0.350	
			\$ 1.075						\$ 1.075	
RW-020 Total									\$ 1.425	20
Total Raw Water System			\$ 1.425	\$ -	\$ -	\$ -	\$ 0.140	\$ 1.225	\$ 2.790	
Treatment Plant										
Treatment and Management										
P-010	Full-Scale Biological Filter Pilot Test	PD	\$ 0.250						\$ 0.250	
P-010 Total									\$ 0.250	5
Infrastructure Rehabilitation										
P-020	VFD for High Service Pumps	PD,FD CA,CO,IN		\$ 0.075					\$ 0.075	
				\$ 0.210					\$ 0.210	
P-020 Total									\$ 0.285	20
P-030	Replace Baffles	PD,FD CA,CO,IN		\$ 0.150					\$ 0.150	
				\$ 1.950					\$ 1.950	
P-030 Total									\$ 2.100	20
P-040	Replace Tube Settlers with Plate Settlers	PD,FD CA,CO,IN		\$ 0.450					\$ 0.450	
					\$ 7.200				\$ 7.200	
P-040 Total									\$ 7.650	20
P-050	Raw Ozone Building Rehabilitation	PD FD CA,CO,IN	0.045						\$ 0.045	
				\$ 0.090					\$ 0.090	
				\$ 1.530					\$ 1.530	
P-050 Total									\$ 1.665	20
P-060	Caustic Storage Tanks & Piping	PD FD CA,CO,IN			\$ 0.068				\$ 0.068	
					\$ 0.120				\$ 0.120	
						\$ 1.490			\$ 1.490	
P-060 Total									\$ 1.678	20
P-070	Filter Media Replacement	PD, FD CA,CO,IN			\$ 0.350				\$ 0.350	
						\$ 3.950			\$ 3.950	
P-070 Total									\$ 4.300	20

Trinity River Authority of Texas - Tarrant County Water Supply System

Five Year CIP - Breakdown by Project and Funding Source

Scheduled Period 2013 - 2018 (Project Cost in Millions)

Project ID	Project Name	Phase(1)	Series 2013	Series 2014	Series 2015	Series 2016	Series 2017	Series 2018	Total Funded	Bond Term
Plant-Wide										
P-080	Master Plan Update	PD	\$ 1.250						\$ 1.250	
P-080 Total									\$ 1.250	5
P-090	GIS/Maximo Asset Condition Assessment	PD	\$ 0.150	\$ 0.160	\$ 0.165		\$ 0.180	\$ 0.191	\$ 0.846	
P-090 Total									\$ 0.846	5
P-100	Land Rights	PD		\$ 0.250					\$ 0.250	
P-100 Total									\$ 0.250	5
Total Treatment			\$ 1.695	\$ 4.865	\$ 7.903	\$ -	\$ 5.620	\$ 0.191	\$ 20.274	
Water Delivery System										
Murphy Pump Station										
WD-010	Murphy Pump Station Rehabilitation	PD, FD CA,CO,IN			\$ 0.200			\$ 0.100	\$ 0.300	
WD-010 Total									\$ 4.860	
WD-020	Murphy Drive Pump Station Electrical Facility Improvements	CA,CO,IN	\$ 1.215						\$ 1.215	20
WD-020 Total									\$ 1.215	20
Water Delivery System General										
WD-030	Meter Vaults, Radios & Security	PD,FD CA,CO,IN	\$ 0.045						\$ 0.045	
WD-030 Total									\$ 0.460	
Total Water Delivery System			\$ 1.720	\$ -	\$ 1.360	\$ -	\$ -	\$ 3.800	\$ 6.880	10
GRAND TOTAL (PD,FD,CA,CO,IN,LR)			\$4.840	\$4.865	\$9.263	\$ -	\$5.760	\$5.216	\$ 29.944	

Notes;

(1) Phases:

PE Preliminary Engineering

FD Final Design Engineering

LR Land Rights & Legal

CA Construction Administration

CO Construction

IN Inspection (Internal Cost)

**TRINITY RIVER AUTHORITY
TARRANT CO. WATER SUPPLY SYSTEM**
Summary of Outstanding Debt and Pro-Formas (Level Debt Service Structure / No Capitalized Interest)
Preliminary - For Discussion Purposes Only

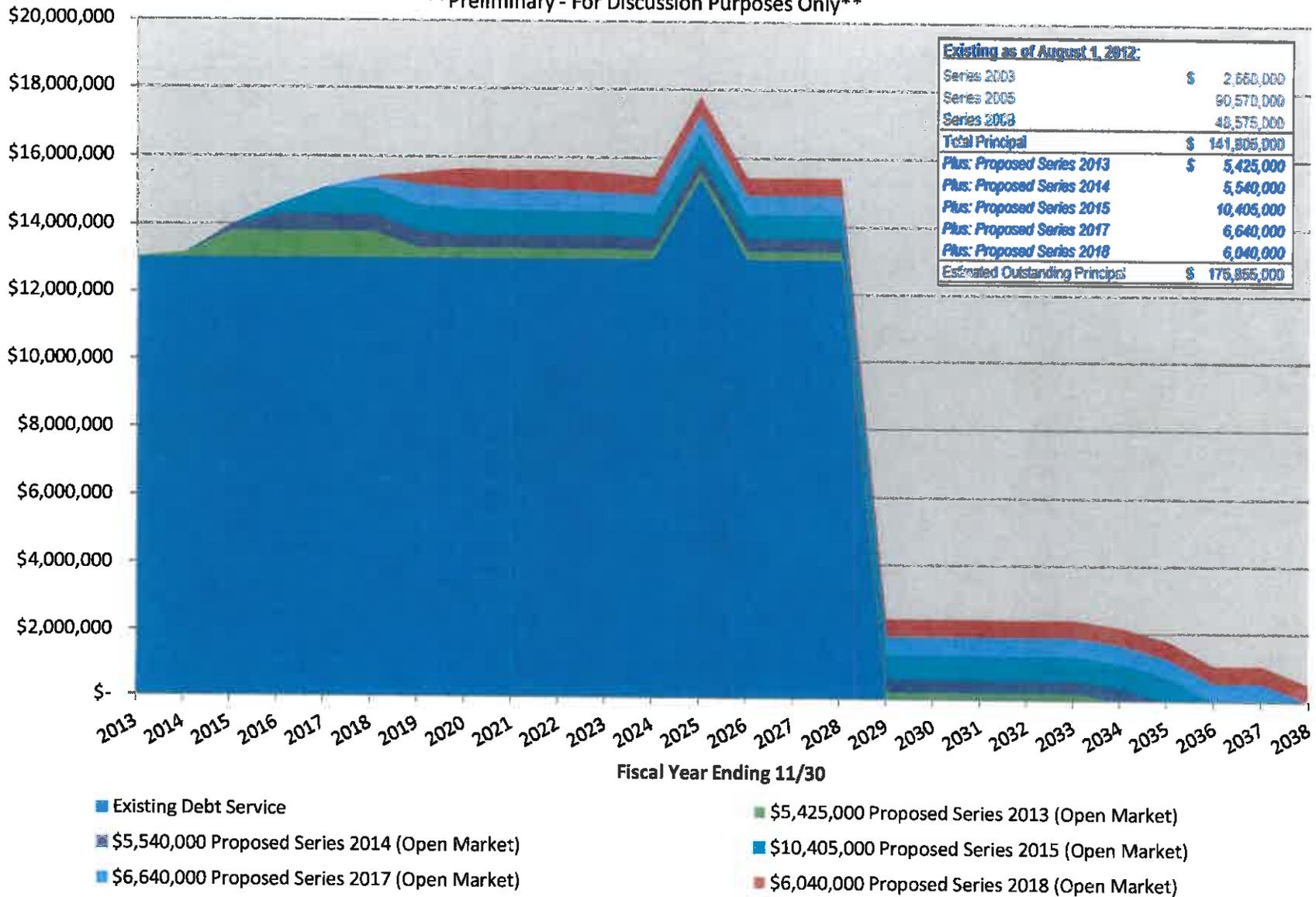
FYE	Existing Debt Service	\$5,425,000 Proposed Series 2013 (Open Market)	\$5,540,000 Proposed Series 2014 (Open Market)	\$10,405,000 Proposed Series 2015 (Open Market)	\$6,640,000 Proposed Series 2017 (Open Market)	\$6,040,000 Proposed Series 2018 (Open Market)	Estimated Agg Debt Service
11/30/2013	13,020,081						13,020,081
11/30/2014	13,020,831	111,521					13,132,352
11/30/2015	13,023,706	771,063	186,725				13,981,494
11/30/2016	13,020,581	770,625	499,575	291,324			14,582,105
11/30/2017	13,020,706	774,750	511,050	773,668			15,080,174
11/30/2018	13,023,081	778,375	502,250	774,945	314,644		15,393,295
11/30/2019	13,021,831	292,450	498,381	775,443	597,853	319,905	15,505,863
11/30/2020	13,024,288	296,838	380,688	775,133	596,855	573,525	15,647,325
11/30/2021	13,024,231	295,378	383,806	729,510	595,443	572,363	15,600,731
11/30/2022	13,020,394	298,156	385,891	733,520	598,511	575,606	15,612,078
11/30/2023	13,024,344	295,406	382,131	731,403	537,000	573,256	15,543,540
11/30/2024	13,021,603	228,619	382,788	732,989	540,565	516,463	15,423,026
11/30/2025	15,368,963	223,019	378,163	728,486	542,611	514,925	17,776,166
11/30/2026	13,024,519	227,138	378,413	727,978	548,105	516,997	15,423,148
11/30/2027	13,021,513	220,869	383,019	726,224	542,464	512,775	15,406,863
11/30/2028	13,023,975	224,194	381,794	728,234	546,051	512,513	15,416,760
11/30/2029		222,122	384,703	724,105	543,928	516,244	2,391,101
11/30/2030		224,638	381,916	728,711	545,678	514,138	2,395,079
11/30/2031		221,738	383,406	727,080	541,058	515,822	2,389,103
11/30/2032		223,406	374,275	729,330	540,021	515,925	2,382,957
11/30/2033		224,538	384,281	730,348	537,644	514,397	2,391,208
11/30/2034			383,203	730,108	543,609	516,275	2,173,194
11/30/2035				728,585	542,760	511,519	1,782,864
11/30/2036					545,045	510,113	1,055,158
11/30/2037					545,304	516,538	1,061,841
11/30/2038						510,778	510,778
Total	210,724,647	6,324,840	7,926,457	14,327,120	10,845,146		261,078,284
Net to Construction⁽²⁾	N/A	\$4,886,400	\$4,913,650	\$9,355,630	\$5,817,600	\$5,268,160	

⁽¹⁾ Existing debt service as of August 1, 2012, includes the following:

Series 2003	\$ 2,660,000
Series 2005	\$ 90,570,000
Series 2008	\$ 48,575,000
Total	\$ 141,805,000

⁽²⁾ Project fund amounts include 1% of overhead costs.

**TRINITY RIVER AUTHORITY
TARRANT CO. WATER SUPPLY SYSTEM**
Summary of Pro-Formas (Level Debt Service Structure / No Capitalized Interest)
Preliminary - For Discussion Purposes Only





Council Agenda Background

PRESENTER: James Tindell, Fire Chief

DATE: 08/27/13

Council Mission Area: Provide a safe and friendly community environment.

ITEM:

Consider a resolution authorizing the City Manager to enter into a contract with Buy Board Cooperative Purchasing Network for the purchase of one replacement command vehicle, being a 2013 Chevrolet Suburban, in the amount of \$68,447.95.

City Attorney Review: N/A

City Manager Review: _____

DISCUSSION:

On September 11, 2012, the Bedford City Council passed an ordinance adopting the FY 2012/2013 Budget. Funds in the amount of \$68,675 were allocated for the purchase of one replacement command vehicle. The current command vehicle is 15 years old and has become unreliable with many maintenance issues. It no longer fits the needs of the Department in the role that it currently fills. Technology and advancements in this field have surpassed what this vehicle can deliver. The Ford Expedition has also reached 122.8 Decision Tree points.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into a contract with Buy Board Cooperative Purchasing Network for the purchase of one replacement command vehicle, being a 2013 Chevrolet Suburban, in the amount \$68,447.95.

FISCAL IMPACT:

Purchase price for one 2013 Chevrolet Suburban Command vehicle totals \$68,447.95. This is the total price for the vehicle and all associated equipment. Funding will be allocated from the approved, FY 2012/2013 Fire Department Operations Budget.

ATTACHMENTS:

Resolution
Equipment
Buy Board Quote

RESOLUTION NO. 13-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH BUY BOARD COOPERATIVE PURCHASING NETWORK FOR THE PURCHASE OF ONE REPLACEMENT COMMAND VEHICLE, BEING A 2013 CHEVROLET SUBURBAN, IN THE AMOUNT OF \$68,447.95.

WHEREAS, the City Council of Bedford, Texas, determines the need to purchase one Chevrolet Suburban Command Vehicle; and,

WHEREAS, the City Council of Bedford, Texas, recognizes that the current command vehicle, being a 1998 Ford Expedition has reached its serviceable life and is in need of replacement.

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

SECTION 1. That the City Council does hereby authorize the City Manager to enter into a contract with Buy Board Cooperative Purchasing Network for the purchase of one 2013 Chevrolet Suburban in the amount of \$68,447.95

SECTION 2. That this resolution shall take effect from and after the date of its passage.

PASSED AND APPROVED this 27th day of August, 2013, by a vote of __ ayes, __ nays, and __ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Griffin, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

QUOTE# 001

CONTRACT PRICING WORKSHEET

End User: CITY OF BEDFORD	Contractor: CALDWELL COUNTRY
Contact Name: JAMES RICHARDSON	CALDWELL COUNTRY
Email: JAMES.RICHARDSON@BEDFORDTX.GOV	Prepared By: Averyt Knapp
Phone #: 817-713-0520	Email: aknapp@caldwellcountry.com
Fax #:	Phone #: 800-299-7283 or 979-567-6116
Location City & State: BEDFORD, TX	Fax #: 979-567-0853
Date Prepared: AUGUST 21, 2013	Address: P. O. Box 27, Caldwell, TX 77836
Contract Number: BUY BOARD #358-10	Tax ID # 14-1856872

Product Description: 2013 CHEVROLET 2500 SUBURBAN 4X4 CK20906

A Base Price & Options:	\$68,447.95
-------------------------	-------------

B Published Options

Code	Description	Cost	Code	Description	Cost
	4X4, 6.0LV8-GAS, 6-SPD AUTOMATIC, ALUMINUM WHEELS (P25), 40-20-40 SEATS FRONT/REAR, FULL RUBBER FLOOR, REMOTE START, REAR PARK ASSIST W/AUDIBLE WARNING, REAR VISION CAMERA, POWER PEDALS, INSIDE MIRROR AUTO DIM, LUGGAGE RACK-CROSS BARS, 160 AMP ALTERNATOR, FOG LAMPS, LOCKING REAR AXLE DIFFERENTIAL, SKID PLATE PACKAGE, SIDDONS APPARATUS PACKAGE #2549895	INCL			
	GM WARRANTY 5YR/100,000 MILES POWERTRAIN @ N/C	INCL		CALDWELL COUNTRY	
				PO BOX 27	
				CALDWELL, TEXAS 77836	
Subtotal B					INCL

C Unpublished Options

Code	Description	Cost	Code	Description	Cost

Subtotal C		
D Other Price Adjustments (Installation, Delivery, Etc...)		
Subtotal D		INCL
E Unit Cost Before Fee & Non-Equipment Charges(A+B+C+D)		\$68,447.95
X Quantity Ordered		1
Subtotal E		\$68,447.95
F Non-Equipment Charges (Trade-In, Warranty, Etc...)		
BUY BOARD		INCL
G. Color of Vehicle: VICTORY RED WA9260-5T4		INCL
H. Total Purchase Price (E+F)		\$68,447.95
Estimated Delivery Date:		UNIT IN STOCK - VIN#DR329351



a division of ...

Siddons Martin Emergency Group

1443A Aldine Bender Rd Houston, TX 77032
 P: 281.219.1920 F: 281.219.2560

Quote

Date	Quote #
8/19/2013	EVSQ1570-2

Quote is valid for 30 days.

Bill to
BEDFORD FIRE DEPARTMENT 1816 BEDFORD RD. BEDFORD, TEXAS 76021

Ship To

Quoted prices do not include freight unless otherwise specified

P.O. No.	Terms	Due Date	Rep	Project
	Net 30	9/13/2013	GS	EVS

Qty	Item	Description
1	EVS-MISC*	2013 - 2500 SUBURBAN 4X4, 6.0LV8-GAS, 6-SPD AUTOMATIC, ALUMINUM WHEELS (P25), 40-20-40 SEATS FRONT/REAR, FULL RUBBER FLOOR, REMOTE START, REAR PARK ASSIST W/AUDIBLE WARNING, REAR VISION CAMERA, POWER PEDALS, INSIDE MIRROR AUTO DIM, LUGGAGE RACK-CROSS BARS, 160 AMP ALTERNATOR, FOG LAMPS, LOCKING REAR AXLE DIFFERENTIAL, SKID PLATE PACKAGE GM WARRANTY 5YR/100,000 MILES POWERTRAIN @ N/C - UNIT SOLD BY CALDWELL COUNTRY - PO ISSUED TO CALDWELL COUNTRY - PO BOX 27 - CALDWELL TEXAS 77836
1	EVS-091-55-20-120-BLK	SUPER AUTO EJECT 120 VOLT AC 20 AMPS- WITH AUTO CHARGER
6	EVS-VTX609D	Whelen Hideaway LED Red/Clear split
2	EVS-FECT10RR	4" EXTEND LED FOG LT SYNC - RED (TAHOE)
10	EVS-M7RC	M7 LED FLASHER RED W CLR LENS -
10	EVS-M7FC	M7 SERIES FLANGE CHROME
4	EVS-LINZ65	LINZ6 LED HORIZ SYNC RED/RED
1	EVS-FREEDOM-MCHD	FREEDOM LIGHTBAR - ALL RED WITH OPTICOM BUILT IN
1	EVS-295SLSA6	200 watt 295SLSA6 SIREN/CONTROL CENTER
2	EVS-SA315P	SA315P SPEAKER, BLACK PLASTIC
1	EVS-HOWLER	LOW FREQUENCY TONE SIREN SYS
1	EVS-L31HGF	L31 SUPER-LED FLAT MT. GREEN
1	EVS-CCTAHOE-AR	CUSTOM PLASTIX CONSOLE WITH ARM PAD, HIDDEN STORAGE, LOCKING COMPARTMENT
1	EVS-MISC*	VULCAN LED BOX LIGHT
2	EVS-PELCB	PERIMETER ENHANCEMENT LT BLK
1	EVS-MISC*	RANCHAND GRILL GUARD FOR 2014 SUBURBAN
1	EVS-MISC*	CUSTOM PAINT TO MATCH CURRENT FLEET - BLACK OVER RED
1	EVS-MISC*	STINGER LED FLASH LIGHT
1	EVS-4TSMAC	CHROME SURFACE MOUNT FLANGE FOR 400 SERIES
1	EVS-MISC*	HAVIS DOCKING STATION
1	EVS-C-MD-202	Tilt Swivel Motion Device
1	EVS-MISC*	HAVIS DS-PAN 103 REAR DOCKING STATION
1	EVS-GRAPHICS	Custom Graphics Package -
1	EVS-MISC*	EXTENDO BED - EBL-857-800
1	EVS-MISC*	SIGTRONICS US45S INTERCOM 2 PPT & 5 INTERCOMM
2	EVS-MISC*	SIGTRONICS HEAD SET

*For any questions regarding this estimate please contact
 Petra Ibarra or Glenn Schimcek at 281.219.1920
 petra@siddons-martin.com or glenn.schimcek@siddons-martin.com
 Thank you for choosing EVS. Please visit our website at
 www.evspecialists.com or www.siddons-martin.com*

Subtotal
Sales Tax (0.0%)
Total



a division of ...

Siddons Martin Emergency Group

1443A Aldine Bender Rd Houston, TX 77032
 P: 281.219.1920 F: 281.219.2560

Quote

Date	Quote #
8/19/2013	EVSQ1570-2

Quote is valid for 30 days.

Bill to
BEDFORD FIRE DEPARTMENT 1816 BEDFORD RD. BEDFORD, TEXAS 76021

Ship To

Quoted prices do not include freight unless otherwise specified

P.O. No.	Terms	Due Date
	Net 30	9/13/2013

Rep	Project
GS	EVS

Qty	Item	Description
1	EVS-MISC*	SIGTRONICS MOBILE RADIO ADAPTER
1	EVS-INSTALLKIT.	Installation kit. Includes all wire, loom, fuses, breakers, heat shrink and wire ties.
1	EVS-LABOR	Labor to install above listed equipment and customer Shadow Command Light : Includes a 5 year warranty in Labor.

*For any questions regarding this estimate please contact
 Petra Ibarra or Glenn Schimcek at 281.219.1920
 petra@siddons-martin.com or glenn.schimcek@siddons-martin.com
 Thank you for choosing EVS. Please visit our website at
 www.evspecialists.com or www.siddons-martin.com*

Subtotal	\$68,447.95
Sales Tax (0.0%)	\$0.00
Total	\$68,447.95



Council Agenda Background

PRESENTER: Mirenda McQuagge-Walden, Managing Director of Community Services

DATE: 08/27/13

Council Mission Area: Be responsive to the needs of the community.

ITEM:

Consider a resolution authorizing the City Manager to enter into a Lease Agreement with Planet Kidz for the purpose of holding the Fun Time Live Program at the Boys Ranch Activity Center.

City Attorney Review: Yes

City Manager Review: _____

DISCUSSION:

This item is an annual renewal of an existing contract with Planet Kidz to hold the Fun Time Live program at the Boys Ranch Activity Center. This program, for children in the 3rd – 8th grades, has been offered at the Boys Ranch for over 11 years. The average attendance is about 250 per Saturday night and participants enjoy games, contests, dancing and concessions. This is a renewal of an ongoing contract with a term of 12 months. The Planet Kidz program schedule follows the HEB ISD school calendar and only meets when school is in session.

The agreement is for Planet Kidz to pay a fee of \$445 per Saturday. The agreement has worked extremely well over the years and both staff and Planet Kidz Inc. are pleased with the arrangement. Therefore, there are no proposed changes to the agreement.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into a Lease Agreement with Planet Kidz for the purpose of holding the Fun Time Live Program at the Boys Ranch Activity Center.

FISCAL IMPACT:

\$13,500 revenue for the General Fund

ATTACHMENTS:

Resolution Agreement

RESOLUTION NO. 13-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A LEASE AGREEMENT WITH PLANET KIDZ FOR THE PURPOSE OF HOLDING THE FUN TIME LIVE PROGRAM AT THE BOYS RANCH ACTIVITY CENTER.

WHEREAS, the City Council of Bedford, Texas wishes to provide Planet Kidz meeting space to hold a Saturday night program to the youth of Bedford; and,

WHEREAS, the staff of the City of Bedford Boys Ranch Activity Center wishes to provide supervision of the Lease Agreement to Planet Kidz for the purposes of holding the Fun Time Live Program.

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

SECTION 1. That the City Council does hereby authorize the City Manager to enter into a Lease Agreement for a term of one year with Planet Kidz for the purposes of holding the Bedford Saturday Night Program for \$445 payable weekly each time that the Fun Time Live Program is held.

SECTION 2. That this resolution shall take effect from and after the date of passage.

PASSED AND APPROVED this 27th day of August 2013, by a vote of __ ayes, __ nays and __ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Griffin, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

LEASE AGREEMENT

THIS LEASE AGREEMENT, made as of the 27th day of August, 2013, by and between the City of Bedford, Texas (herein called "Lessor"), and PLANET KIDZ, INC., whose principal mailing address is 330 Oaks Trail Suite 118 Garland, Texas 75043 Organization, (herein called "Lessee").

In consideration of the covenants and agreements hereafter reserved and contained on the part of Tenant to be observed performed, the Lessor demises and leases to Lessee, and Lessee rents from Lessor, those certain Leased Premises described as follows:

Boys Ranch Activity Center
2801 Forest Ridge Dr.
Bedford, TX 76021

The subject property is herein called the "Leased Premises" or the "Leased Property". The Leased Premises includes the exclusive use of the Boys Ranch Activity Center as further described below. Tenant shall use the Leased Premises for "Youth Activity Program". No other activities are allowed.

The following, hereto and incorporated herein by reference constitute the provisions of the Lease.

WITNESSETH:

WHEREAS, Lessor presently owns and maintains a facility located at **2801 Forest Ridge Dr.** in the City of **Bedford**, Texas, known as the Leased Premises, and

WHEREAS, Lessee wishes to utilize a portion of said Leased Premises for the purpose of operating therein during the term hereof a "Youth Activity Program", and

WHEREAS, the Parties wish hereby to set forth the terms and conditions upon which Lessee shall be permitted to utilize such facility for such purpose.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That for and in consideration of the mutual promises and covenants contained herein, and in order to obtain the mutual benefits provided hereunder, the Parties hereto agree as follows:

1. Grant. Lessor hereby grants Lessee permission to utilize the Leased Premises to conduct a Youth Activity Program in the manner and during the term hereafter specified.

2. Leased Premises. For purposes hereof, the Leased Premises shall include the **Gym, classroom A, B, & C along with the lobby** located at **2801 Forest Ridge Dr.** in the City of Bedford, Texas known as the **Boys Ranch Activity Center**.

3. Access to Leased Premises. Lessee shall have exclusive use of the Leased Premises each **Saturday** night during the term hereof, from the hours of 7:00 p.m. until 11:00 p.m., in order to conduct its activities hereunder. It is understood that Lessee operates following the HEB ISD school calendar. Lessee shall give Lessor 14 days notice if program is not going to occur on a given Saturday. Further, Lessee shall have non-exclusive access to the Leased Premises for one (1) hour preceding and one (1) hour following each such period for the limited purposes of setting up and

cleaning up the Leased Premises. Lessee shall have no right or access to the Leased Premises at any other time.

4. Temporary Suspension. The Parties agree that the Lessor shall have right from time to time to terminate this Lease or suspend Lessee's right hereunder to possession of the Leased Premises in the event such Premises become necessary, in sole opinion and discretion of the Lessor, for other Lessor activities or functions. In the event of such temporary suspension, the Lessor shall use reasonable efforts to reschedule Lessee's use of the Leased Premises at another available date. In no event, however, shall any such temporary suspension give rise to any claim against the Lessor by the Lessee, whether for lost profits, cost, overhead or otherwise.

5. Youth Activity Program. For purposes hereof, Youth Activity Programs shall mean organized, supervised youth activities including, but not limited, to the following:

(a) Game activities, such as volleyball, basketball, walleyball, dancing, ping pong, video games as permitted, relay games, etc.;

(b) Audio and video activities, including performances of persons to coordinate or direct the playing of records, compact discs, videos, laser discs, etc.;

(c) Concession activities, including the sale of soft drinks, sandwiches, chips, candy, pennants, tee-shirts, etc.; and

(d) Advertising and marketing promotions related to the Youth Activity Program.

6. Restrictions on Use. Lessee shall operate or utilize the Leased Premises for no purpose other than the Youth Activity Program defined herein, which shall be subject to the following restrictions:

(a) All participants in the Youth Activity Program shall be in grades 3-8. **Lessee shall provide age appropriate activities for all participants.**

(b) Lessee shall not allow more than maximum building capacity on contract premises at any time.

(c) Lessee shall make food and drink concessions available during the hours of operation. **Lessee shall provide all equipment and supplies needed for concession operations.** Prior to commencement thereof, **Lessee shall submit for approval by Lessor a schedule of proposed menu items.**

(d) Lessee shall provide adequate supervision at all times. All supervisors shall be at least eighteen (18) years of age and have passed a "Criminal History Check". Lessee shall staff supervisors at a ratio of not less than one (1) supervisor to every thirty (30) Youth Activity Program participants.

(e) Lessee shall provide adequate security at all times. Such security shall include, **at Lessee's expense** one (1) off-duty officer. Every effort will be made to secure a Bedford police officer. If a Bedford officer is not available Lessee must get prior approval to use security from another agency.

(f) Lessee shall conduct the activities provided for herein on each **Saturday** night during the term hereof, save for legal holidays, upon which Lessee shall not be required to conduct its activities.

(g) Lessee shall at all times conduct its activities provided for hereunder in a wholesome, diligent, and efficient manner.

(h) Preparation of the Leased Premises for Lessee's activities and clean-up of the Leased Premises following such activities shall be the sole responsibility of Lessee. **Lessee agrees that the Lessor will not provide storage for any equipment, supplies, concession products or any other items need by Lessee.** Lessee agrees that it will, following each use of the Leased premises, restore same to as good a condition as existed prior to such use by Lessee. **Lessee agrees to complete a facility walk through with BRAC staff prior to opening Fun Time Live program as well as after the Fun Time Live program prior to leaving the premises. Lessor will be responsible for any damages to property.**

(i) Lessee shall not cause or permit any illegal activity to be conducted upon the Leased Premises including smoking and no illegal weapons are allowed.

(j) Lessee shall be allowed to use and display its company logo banner each night of said event.

(k) Lessee shall make no changes or structural alterations to the Leased Premises without prior written consent of Lessor. Lessee shall be responsible for any damages to the Leased Premises resulting from use or occupancy thereof by Lessee, its agents, servants or invitees.

7. Term of Agreement. The term of this Agreement shall be from date August 28, 2013 until August 31, 2014. Lessee shall operate each **Saturday** night during the term of this lease from the hours 7:00 p.m. to 11:00 p.m. only, commencing upon the effective date hereof.

8. Payment to Lessor. As payment for the rights granted hereunder, Lessee shall agree to pay to the Lessor **a flat fee of \$445.00**. All such sums payable to Lessor shall be due at the conclusion of each weekly event. Lessee agrees that Lessor shall have the right, upon reasonable notice, to audit all sign-in sign-out sheets of Lessee to determine compliance with the payment provisions set forth hereinabove.

9. Protection against Accident to Employees and the Public. The Lessee shall at all times exercise reasonable precautions for the safety of employees and others on or near the Leased Premises and shall comply with all applicable provisions of Federal, State, and Municipal safety laws.

10. Laws and Ordinances. The Lessee shall at all times observe and comply with all Federal, State, and local laws, ordinances and regulations, which in any manner affect the Lessee or the work, and shall indemnify and save harmless the Lessor against claim arising from the violation of any such laws, ordinances and regulations whether by the Lessee or its employees.

11. Venue. The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement and the exclusive venue for any legal proceedings involving this Agreement shall be in the courts of **Tarrant County**, the State of Texas.

12. Assignment and Subletting. The Lessee shall **not** have the right to assign or sublet to a qualified licensee with liability on assignment **without the express** written approval by Lessor. Any assignment or sublet shall not release Lessee of any responsibilities under this agreement.

13. Notices. All notices to be sent to the offices of PLANET KIDZ, INC. 330 Oaks Trail Suite 118 Garland, Texas 75043 for the duration of the lease or any extensions thereof. **All notices shall be to the City of Bedford, at the following address 2801 Forest Ridge Dr. , Bedford, Texas 76021.**

14. Termination. The parties agree that the Lessor or Lessee shall have the right to terminate this agreement upon **thirty (30)** days written notice without cause.

15. Indemnification. The Lessee shall defend, indemnify and hold harmless the Lessor and its elected and appointed officials, officers, agents and employees from and against all damages, injuries (including death), claims, property damages (including loss of use), losses, demands, suits, judgments and costs, including reasonable attorney's fees and expenses, in any way arising out of or resulting from the performance of this Agreement or caused by the negligent act or omission of the Lessee, its officers, agents, employees, subcontractors, franchisees or invitees.

16. Insurance and Certificates of Insurance. Without limiting any of the other obligations or liabilities of the Lessee or Sub-Lessee, the Lessee or Sub-Lessee shall, during the term of the agreement, purchase and maintain the hereinafter stipulated minimum insurance with companies duly licensed to write business in the State of Texas and rated A-1 or better by A.M. Best. The Lessor shall be named as an additional insured on all required policies except Workers' Compensation. Valid Certificates of Insurance for each policy covering the Lessee and Subcontractors, together with a statement by the issuing company to the extent that said policies shall not be canceled without thirty (30) days prior notice being given the Lessor, shall be delivered to the Lessor and reviewed for sufficiency by the Lessor's Risk Manager before this Agreement is executed or any activities commenced:

(a) Workers' Compensation as required by the laws of the State of Texas with the policy endorsed to provide a waiver of subrogation as to the Lessor; Employer's Liability insurance of not less than \$100,000 for each accident.

(b) Commercial General Liability Insurance, Including, premises operations, Independent Contractor's Liability, completed Operations and Contractual Liability, covering but not limited to, the liability assumed under the indemnification provisions of this Agreement, fully insuring Lessee's liability for injury to or death of owners, employees and third parties, extended to include personal injury liability coverage, and for damage to property of third parties, with the following limits:

General Aggregate	\$2,000,000
Each Occurrence	\$1,000,000
Products – Comp/Op Agg	\$2,000,000
Personal & Adv injury	\$1,000,000
Fire Damage to rented premises	\$ 300,000
Med Exp (Any one person)	\$ 5,000

Lessee's insurance shall be primary and shall be endorsed to provide a waiver of subrogation in favor of the Lessor. The Commercial General Liability Policy should be endorsed using Endorsement No. SRPGP-101

Deductibles on each insurance policy shall no greater than \$100.00

17. Hindrances and Delays. No claims shall be made by the Lessee for damages resulting from hindrances or delays from any cause during the progress of any portion of the operations or activities embraced in this Agreement.

18. This Agreement shall be binding upon the parties hereto, their successors, heirs, personal representatives and assigns.

19. Lessor agrees to include leasee in all publications used to promote programs of said location (for the purpose of advertising the PLANET KIDZ, INC., AMERICA'S KIDZ, COMMUNITIES FOR KIDZ, FUN TIME LIVE and FRIDAY NITE LIVE Program).

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below.

Lessor City of Bedford

Lessee: PLANET KIDZ, INC. &
COMPANIES

By: _____
Beverly Griffith, City Manager

By: _____
Dale A. Oakes, President

Date: _____

Date: _____



Council Agenda Background

PRESENTER: Roger Gibson, Police Chief

DATE: 08/27/13

Council Mission Area: Demonstrate excellent customer service in an efficient manner.

ITEM:

Consider a resolution authorizing the City Manager to enter into the third year of a four-year contract with Scobee Foods, Inc., for the purchase of prisoner meals for the Detention Facility.

City Attorney Review: Yes

City Manager Review: _____

DISCUSSION:

The Police Department provides meals to all individuals held at the Bedford Detention Facility, including those detained by Immigration and Customs Enforcement (ICE).

Prisoner meals consist of three meals per day (breakfast, lunch and dinner) and all three meals combined must meet a minimum of 2,400 calories, per ICE contract guidelines. To simplify the feeding process, all individuals housed at the Bedford Detention Facility are provided the same meals.

On September 13, 2011, the Police Department awarded Scobee Foods, Inc. the contract to provide prisoner meals. Scobee Foods, Inc. was awarded the contract based upon prior performance and submitting the lowest bid. The contract duration is for four years, with a yearly contract renewal.

The Police Department has utilized Scobee Foods, Inc. since 2004 and has been pleased with their level of service.

The quantity of prisoner meals purchased varies year-to-year based upon prisoner counts, especially ICE detainees. Based upon current fiscal year expenditures, the Police Department projects prisoner meals to total approximately \$35,000.

A portion of the revenues received through the ICE contract offsets the costs incurred with providing meals to ICE detainees.

The awarded contract has been reviewed and approved by the City Attorney. This contract has not changed from the original contract awarded on September 13, 2011.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into the third year of a four-year contract with Scobee Foods, Inc., for the purchase of prisoner meals for the Detention Facility.

FISCAL IMPACT:

Approximately \$35,000 paid out of Prisoner Care in the Detention Services budget.

ATTACHMENTS:

Resolution
Prisoner Meal Contract
Exhibit "A" (Quote Sheet)

RESOLUTION NO. 13-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO THE THIRD YEAR OF A FOUR-YEAR CONTRACT WITH SCOBEE FOODS, INC., FOR THE PURCHASE OF PRISONER MEALS FOR THE DETENTION FACILITY.

WHEREAS, the City Council of Bedford, Texas determines the need to provide prisoner meals for those individuals held at the Detention Facility; and,

WHEREAS, the City Council of Bedford, Texas recognizes that in order to meet Immigration and Customs Enforcement contract guidelines, three meals containing a combined minimum of 2,400 calories must be provided each day.

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

SECTION 1. That the City Manager is hereby authorized to enter into the third year of a four-year contract with Scobee Foods, Inc., for the purchase of prisoner meals for the Detention Facility.

PASSED AND APPROVED this 27th day of August, 2013, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Griffin, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

**STANDARD FORM OF AGREEMENT
BETWEEN THE CITY OF BEDFORD AND CONTRACTOR**

THIS AGREEMENT is dated as of the _____ day of _____ in the year 2013 by and between the City of Bedford (hereinafter called OWNER) and

SCOBEE FOODS, INC.

of the City of Dallas, County of Dallas, State of Texas (hereinafter called CONTRACTOR).

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

Article 1. PROJECT SCOPE

The PROJECT for the WORK detailed under the Contract Documents (see Article 8 of this Agreement for items included in the Contract Documents) is generally identified as following:

**CONTRACTOR'S Service Quotation – Exhibit "A"
Subject: Prisoner Meals**

Article 2. CONTRACT TIME.

The Work will be completed in accordance with CONTRACTOR'S Service Quotation as outline in the attached hereto exhibit "A".

Article 3. CONTRACT PRICE.

3.1. OWNER shall pay CONTRACTOR the prices in the CONTRACTOR'S price agreement proposal plus additional work performed or when authorized by OWNER.

Article 4. PAYMENT PROCEDURES.

4.1. Payment to CONTRACTOR will be paid as addressed on the quotation from the CONTRACTOR. All charges are to be less sales tax as OWNER is tax exempt.

Article 5. CONTRACTOR'S REPRESENTATIONS.

In order to induce OWNER to enter into this agreement, CONTRACTOR makes the following representations:

5.1. CONTRACTOR has familiarized itself with the nature and extent of the Contract Documents and Specifications.

5.2. CONTRACTOR has correlated the results of all such observations and studies with the terms and conditions of the Contract Documents.

5.3. CONTRACTOR has given OWNER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution by OWNER is acceptable to CONTRACTOR.

Article 6. MISCELLANEOUS.

6.1. ASSIGNMENTS: No assignments by a party hereto of any rights under or interest in the Contract Documents will be binding on another party hereto without written consent of the party sought to be bound; and specifically but without limitation moneys that may come due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in written consent to an assignment will release the assignor from any duty or responsibility under the Contract Documents.

6.2. OWNER and CONTRACTOR each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns and legal representatives in respect of all covenants, agreements and obligations contained in the Contract Documents.

6.3. TERMINATION: OWNER may terminate the Contract by giving CONTRACTOR a **ten day notice** in writing. Upon delivery of such notice by OWNER to CONTRACTOR, CONTRACTOR shall discontinue all services in connection with the performance of the Contract and shall proceed to cancel promptly all existing orders and contracts insofar as such orders or contracts are chargeable to this Contract. As soon as practicable after receipt of notice of termination, CONTRACTOR shall submit a statement, showing in detail the services performed under this Contract to the date of termination. OWNER shall then pay CONTRACTOR that portion of the prescribed charges which the services actually performed under this Contract bear to the total services called for under this Contract less such payments on account of the charges as have been previously made.

6.4. SUBCONTRACTING:

1. CONTRACTOR shall not award any work to any subcontractor until CONTRACTOR submits to OWNER a written statement concerning the proposed award to the subcontractor, which statement shall contain such information as OWNER may require.

2. CONTRACTOR shall be fully responsible to OWNER for the acts and omissions of his subcontractors, and of persons either directly or indirectly employed by them, as he is for acts and omissions of persons directly employed by him.

3. Nothing contained in this Contract shall create any contractual relation between any subcontractor and OWNER. CONTRACTOR is an independent contractor.

Article 7. GOVERNING LAWS, VENUE.

The Contract shall be construed according to the laws of the State of Texas; and, venue shall lie in the State district courts of Tarrant County, Texas.

Article 8. CONTRACT DOCUMENTS.

The Contract Documents which comprise the entire agreement between the OWNER and CONTRACTOR, same being attached hereto and incorporated herein as Exhibit A, consist of the following:

8.1 CONTRACTOR'S Service Quotation

Article 9. INDEMNIFICATION.

The CONTRACTOR hereby agrees to defend, indemnify, and hold the City and all of its officers, agent, employees, and elected officials whole and harmless against any and all claims for damages, cost, and expenses of persons or property that may arise out of, or be occasioned by, of from any negligent act, or omission of the CONTRACTOR, or any agent, servant, or employee of the CONTRACTOR in the execution of performance of this Contract, without regard to whether such persons are under the direction of City agents or employees.

Executed on behalf of the CONTRACTOR by its owner shown below, and on behalf of the OWNER by its City Manager, or authorized representative, this agreement will be effective

on the _____ day of _____, 2013.

OWNER:

CITY OF BEDFORD
2000 FOREST RIDGE DRIVE
BEDFORD, TEXAS 76021

By: Beverly Griffith, City Manager

CONTRACTOR:

Name: Scobee Foods, Inc.

Address: 1812 Corinth Street

City: Dallas

State & Zip: TX, 75215

By: _____

Richard Inge
(214)421-0898

(City Attorney review if Contracted Service Cost is Greater than \$15,000)

Approved as to Form and Legality this _____ day of _____ 2013.

City Attorney

CONTRACTOR'S Seal (if incorporated)

EXHIBIT "A"

QUOTE SHEET

The quantities listed are estimates only and the City reserves the right to order more or less during the term of the contract.

This contract is for twelve months with three consecutive twelve month renewals. Each renewal will require a 30 day advance notice from the contractor. A price increase at the time of renewal will be considered by the City based on the consumer price index, but not to exceed 5% of the total annual contract.

ITEM	ITEM DESCRIPTION	UNIT PRICE
Breakfast	SEE ATTACHMENT	
Lunch		
Dinner		

AUTHORITY TO QUOTE

I agree to meet the stated minimum requirements as set forth in these specifications and in the Instructions to Bidders for the quoted prices indicated above.

Date: 7/26/2011

Bidder/Company Name: SCUBEE FOODS, INC.

Authorized Representative: RICHARD PGE

Signed: Richard PGE Title: VP BUSINESS DEVELOPMENT

Address: 1812 CORWATH ST.

City, State & Zip: DALLAS, TX 75245

Phone: 214-421-0898 E-mail: RICHARD@SCUBEE-FOODS.COM

NON-DISCRIMINATION

Contractor shall not discriminate against any employee or applicant for employment because of race, age, color, religion, sex, ancestry, national origin, disability, or place of birth. Contractor shall take action to ensure that applicants are employed and treated without regard to their race, age, color, religion, sex, ancestry, national origin, disability, or place of birth. This action shall include, but is not limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection of training, including apprenticeship.

VENDOR COMPLIANCE WITH STATE LAW

The 1985 Session of Texas Legislature passed House Bill 620 relative to the award of contracts to non-resident bidders. This law provides for non-resident bidders to bid projections for construction, improvements, supplies or services in Texas. To be awarded these contracts, the non-resident bidder must bid an amount lower than the lowest Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid a non-resident bidder to obtain a comparable contract in the state of the non-resident principal place of business.

NOTE: A non-resident bidder is a contractor whose corporate offices or principal place of business is located outside the State of Texas.

ITEM A: ALL BIDDERS

I hereby certify that our principal place of business is in the State of Texas: Yes No

ITEM B: NON-RESIDENT BIDDERS

Non-resident vendors in _____ (State), our principal place of business, are required to bid _____% lower than resident bidders by State Law. A copy of the statute is attached.

Non-resident vendors in _____ (State), our principal place of business, are **NOT** required to underbid resident bidders.

Richard Fox
Signature

Richard WGE
Printed Name

SCOBEE FOODS, INC.
Company Name

VP BUSINESS DEVELOPMENT
Title

DALLAS, TX 75215
Company City, State Zip

AFFIDAVIT AGAINST PROHIBITED ACTS

I hereby affirm that I am aware of the provisions of the Texas Penal Code Sec. 36.02, 36.08, 36.09, and 36.10, dealing with Bribery and Gifts to Public Servants. I further affirm that I will adhere to such rules and instruct and require all agents, employees and subcontractors to do the same. I am aware that any violation of these rules subjects this agreement to one or more of the following: revocation, removal from bid lists, prohibiting contract/subcontract work, revocation of permits and/or prosecution.

SCOBBE FOODS, INC.
Signature

7/26/2011
Date

Rubén Pineda
Attest (if Contractor is a Corporation)

7/26/2011
Date



Council Agenda Background

PRESENTER: David Miller, Deputy City Manager

DATE: 08/27/13

Council Mission Area: Protect the vitality of neighborhoods.

ITEM:

Consider a resolution authorizing the City Manager to enter into an interlocal agreement with the City of Colleyville for the construction of a roundabout at the intersection of Cheek-Sparger Road and Jackson Road/Central Drive.

City Attorney Review: Yes

City Manager Review: _____

DISCUSSION:

The City of Colleyville desires to place a roundabout for traffic control at the intersection of Central Drive and Cheeksparger Road. This roundabout will encroach into the city limits of Bedford approximately 208 square feet as well as the greenbelt enacted by the Council in the 1990s. The greenbelt, as passed, prohibited the use of the right of way (ROW) for vehicular traffic. As directed by Council, at the June 12, 2013 work session, staff has been working with the City of Colleyville to resolve the ROW issue.

In order to accomplish the proposed roundabout, the City of Colleyville purchased the needed 208 square feet from the owner, thus resolving the vehicular travel issue. Colleyville is now ready to move forward. The attached interlocal agreement will give Colleyville the right to build the proposed roundabout in the encroached areas of Bedford's city limits. Additionally, the agreement will allow Colleyville to:

- Construct a temporary asphalt road on the south side of Cheeksparger to accommodate vehicle travel while replacing a bridge on Cheeksparger just west of the proposed roundabout including returning the area of the temporary road back to the same as or better conditions prior to construction.
- Rebuild the portion of Central Drive and the median to accommodate the roundabout.
- Absorb all expenses related to the project.
- Perpetually allow for the use of the ROW once the roundabout is complete.
- Provide needed future maintenance of the portions of the intersections that are in the corporate city limits of Bedford north of the Central Drive crosswalk and including the crosswalk.

The City of Colleyville City Council approved the interlocal agreement at their August 20, 2013 meeting.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into an interlocal agreement with the City of Colleyville for the construction of a roundabout at the intersection of Cheek-Sparger Road and Jackson Road/Central Drive.

FISCAL IMPACT:

None. All costs will be paid by the City of Colleyville.

ATTACHMENTS:

Resolution
Agreement
ROW Exhibit
June 12, 2013 Council work session minutes

RESOLUTION NO. 13-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE CITY OF COLLEYVILLE FOR THE CONSTRUCTION OF A ROUNDABOUT AT THE INTERSECTION OF CHEEK-SPARGER ROAD AND JACKSON ROAD/CENTRAL DRIVE.

WHEREAS, the City of Colleyville desires to place a roundabout for traffic control at the intersection of Central Drive and Cheeksparger Road; and,

WHEREAS, an interlocal agreement needs to be entered into between the City of Colleyville and the City of Bedford to allow the City of Colleyville to build the proposed roundabout in the encroached areas of the City of Bedford's City limits; and,

WHEREAS, the City of Council of Bedford, Texas desires to enter into said interlocal agreement.

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

SECTION 1. That the City Council authorizes the City Manager to enter into an interlocal agreement with the City of Colleyville for the construction of a roundabout at the intersection of Cheek-Sparger Road and Jackson Road/Central Drive.

SECTION 2. That this resolution shall take effect from and after the date of passage.

PASSED AND APPROVED this 27th day of August 2013, by a vote of ___ayes, ___nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Griffin, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

STATE OF TEXAS §

COUNTY OF TARRANT §

INTERLOCAL AGREEMENT BETWEEN THE CITY OF COLLEYVILLE AND THE CITY OF BEDFORD FOR JACKSON ROAD/CENTRAL DRIVE AT CHEEK-SPARGER ROAD INTERSECTION IMPROVEMENTS

THIS INTERLOCAL AGREEMENT is entered into on this the 20th day of August, 2013 by and between the **CITY OF COLLEYVILLE, TEXAS**, a municipal corporation (hereinafter referred to as "COLLEYVILLE"); and the **CITY OF BEDFORD, TEXAS**, a municipal corporation (hereinafter referred to as "BEDFORD");

Both COLLEYVILLE and BEDFORD execute this Interlocal Agreement pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, as amended, and in accordance with Chapter 273 of the Texas Local Government Code, as amended.

WHEREAS, the parties to this Interlocal Agreement, hereinafter referred to as "AGREEMENT", wish to cooperate in the construction of intersection improvements on Jackson Road/Central Drive at Cheek-Sparger Road. The intersection improvements will be included in a construction contract administered by COLLEYVILLE.

WHEREAS, the governing bodies of each party find that the project or undertaking is necessary for the benefit of the public and that each party has the legal authority to build or maintain the project or to provide such service, and the construction and improvement thereof is in the common interest of both parties hereto; and that the covenants and promises constitutes adequate consideration to each party; said project being more particularly described below; NOW THEREFORE,

In consideration of the premises and the agreements, covenants, and promises herein set forth, it is agreed as follows:

**I.
DEFINITIONS**

The following terms shall have the following meanings when used in this AGREEMENT:

- A. "Jackson/Cheek-Sparger Roundabout" or "project" means: those portions of Jackson Road, Cheek-Sparger Road and Central Drive as shown on the attached Exhibit "A".
- B. "CITIES" or "PARTIES" means COLLEYVILLE and BEDFORD, Tarrant County, Texas.
- C. "Project Costs" include design, construction, inspection, rights-of-way acquisition, traffic control, striping, signs, and all other costs incident thereto.

II. PURPOSE

The purpose of this AGREEMENT is to provide for all functions and services required for the construction of the Jackson Road/Cheek-Sparger Roundabout intersection improvements.

III. TERMS, RIGHTS, OBJECTIVES, AND DUTIES OF THE PARTIES

The following shall apply to the CITIES in the performance of this AGREEMENT.

- A. This Agreement shall be effective on the date written above.
- B. COLLEYVILLE will have prepared the construction plans, and assumes all costs associated with preparation of construction plans ("the plans"), and specifications of the proposed intersection improvements.
- C. The parties acknowledge that Colleyville has obtained the property rights to allow for motor vehicle traffic across the approximately 208 square feet of Bedford right of way at the southeast corner of Central and Cheek-Sparger. By the execution of this Agreement BEDFORD and COLLEYVILLE agree to authorize the perpetual use of any of the rights-of-way owned by either City for the project. Any future improvements or redesigns of the project intersection will require the approval of both cities.
- D. Colleyville will coordinate any necessary action(s) to provide for all franchised utility companies to relocate facilities within both cities. In any event, all costs attributable to relocation shall be deemed "Project Costs", as that term is defined herein. Colleyville will provide "as built" for all utility relocates.

- E. Except as otherwise specified in this AGREEMENT, COLLEYVILLE shall be responsible for all project costs, as herein defined.
- F. The project plans will be prepared to include improvements necessary to construct a northbound right turn lane and a single lane roundabout in accordance with prevailing engineering standards. BEDFORD concurs to the building of the improvements by the standards required of COLLEYVILLE by its ordinances and regulations.
- G. BEDFORD agrees that COLLEYVILLE shall have the authority to provide inspection for the construction of the project. BEDFORD will be notified and afforded the opportunity to inspect the construction. BEDFORD further agrees that any contact with the contractor will be directed through COLLEYVILLE.
- H. In addition to the above, BEDFORD agrees to allow COLLEYVILLE to construct a temporary asphalt roadway in BEDFORD's right-of-way on the south side of Cheek-Sparger Road in order to allow two way traffic on Cheek-Sparger during the construction of a new bridge over the creek west of Jackson Road/Central Drive.
- I. COLLEYVILLE agrees to remove the temporary asphalt road and restore the right-of-way to a condition equal to, or better than, before the temporary road was constructed.
- J. Once the roadway is completed and the two-year maintenance bond expires, each city will be responsible for the roadway maintenance within their respective corporate limits. Colleyville shall perpetually maintain and keep in a state of good repair, the improvements, and property as shown on attached Exhibit "B".

IV. DEFAULT

If at any time during the term of this AGREEMENT, either party shall fail to commence the work in accordance with the provisions of this AGREEMENT or fail to diligently provide the services in an efficient, timely, and careful manner and in strict accordance with provisions of this AGREEMENT, or fail to use an adequate number or quality of personnel or equipment to complete the work or fail to perform any of its obligations under this AGREEMENT, then the other party shall have the right, if the defaulting party shall not cure any such default after thirty (30) days written notice thereof, to terminate this AGREEMENT and complete the work in any manner it deems desirable, including engaging the services of other parties therefore. Any such act by the

other party shall not be deemed a waiver of any other right or remedy of the other party.

**V.
NO VERBAL AGREEMENT**

This AGREEMENT contains all the terms, commitments and covenants of the CITIES pursuant to this AGREEMENT. Any verbal or written commitment not contained in this AGREEMENT or expressly referred to in this AGREEMENT and incorporated by reference shall have no force or effect.

**VI.
AGREEMENT INTERPRETATION AND VENUE**

The CITIES covenant and agree that any litigation relating to this AGREEMENT, the terms and conditions of the AGREEMENT will be interpreted according to the laws of the State of Texas and venue shall be proper exclusively in Tarrant County, Texas.

**VII.
CAPTION**

The captions to the various clauses of this AGREEMENT are for informational purposes only and in no way alter the substance of the terms and conditions of this AGREEMENT.

**VIII.
IMMUNITY**

It is expressly understood and agreed that, in the execution of this AGREEMENT, no party waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions.

**IX.
SEVERABILITY**

If any of the terms, sections, subsections, sentences, clauses, phrases, provisions, covenants, or conditions of this AGREEMENT are for any reason held to be invalid, void or unenforceable, the remainder of the terms, sections, subsections, sentences, clauses, phrases, provisions, covenants, or conditions in this AGREEMENT shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

EXECUTED in multiple original counterparts to be effective on the date above first written.

ATTEST:

CITY OF BEDFORD

City Secretary

City Manager

Approved as to Form:

City Attorney

ATTEST:

CITY OF COLLEYVILLE



City Secretary



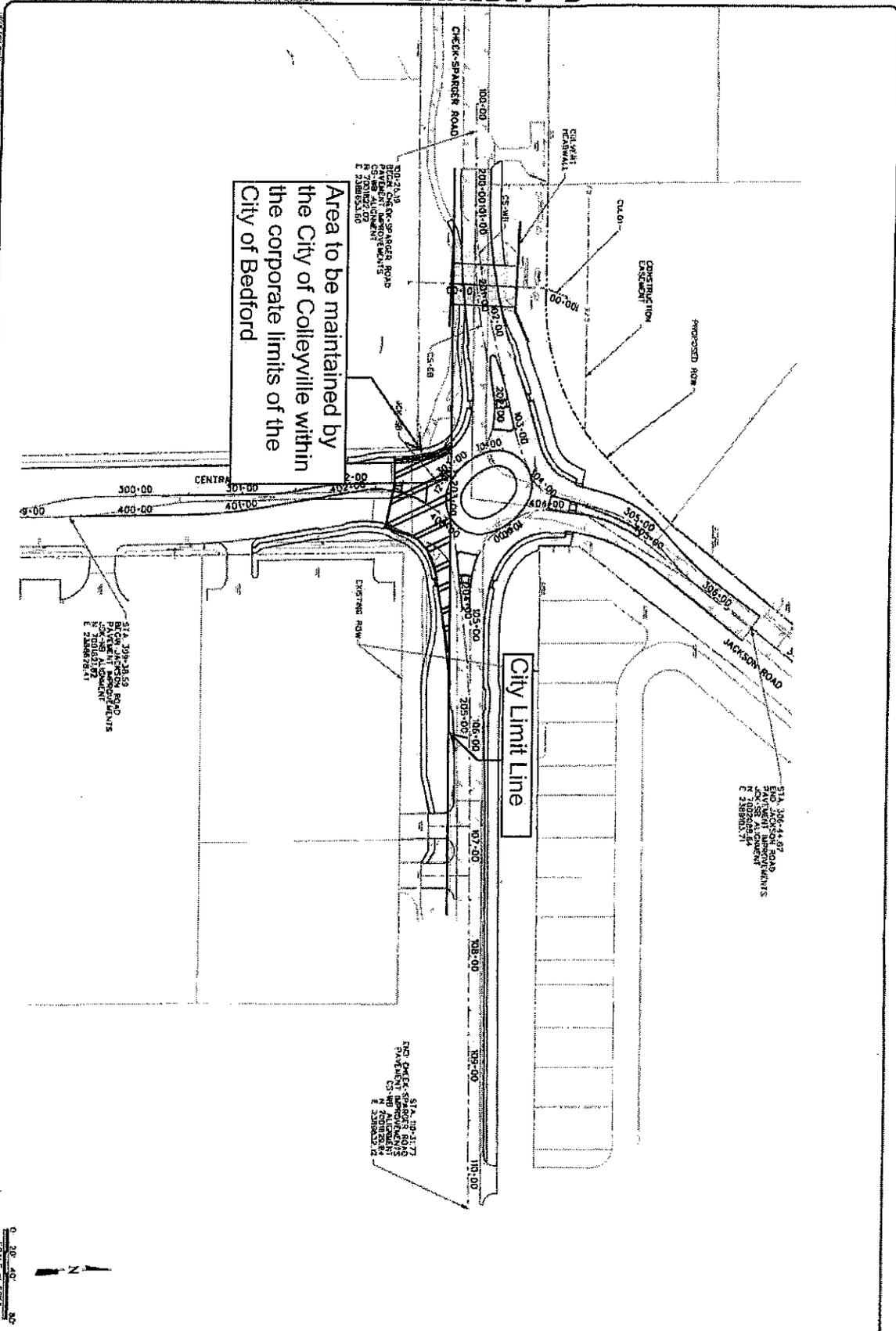
City Manager

Approved as to Form:



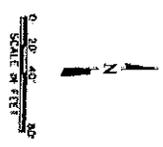
City Attorney

EXHIBIT "B"



Area to be maintained by the City of Colleyville within the corporate limits of the City of Bedford

City Limit Line



NO.	DATE	BY	DATE	REV.	DESCRIPTION

VERIFY SCALE: 3/16" = 1'-0" (check on original drawing, if not one inch on this sheet, correct error)

CITY OF COLLEYVILLE, TEXAS
JACKSON / CHEEK-SPARGER
 CIVIL
PROJECT LAYOUT

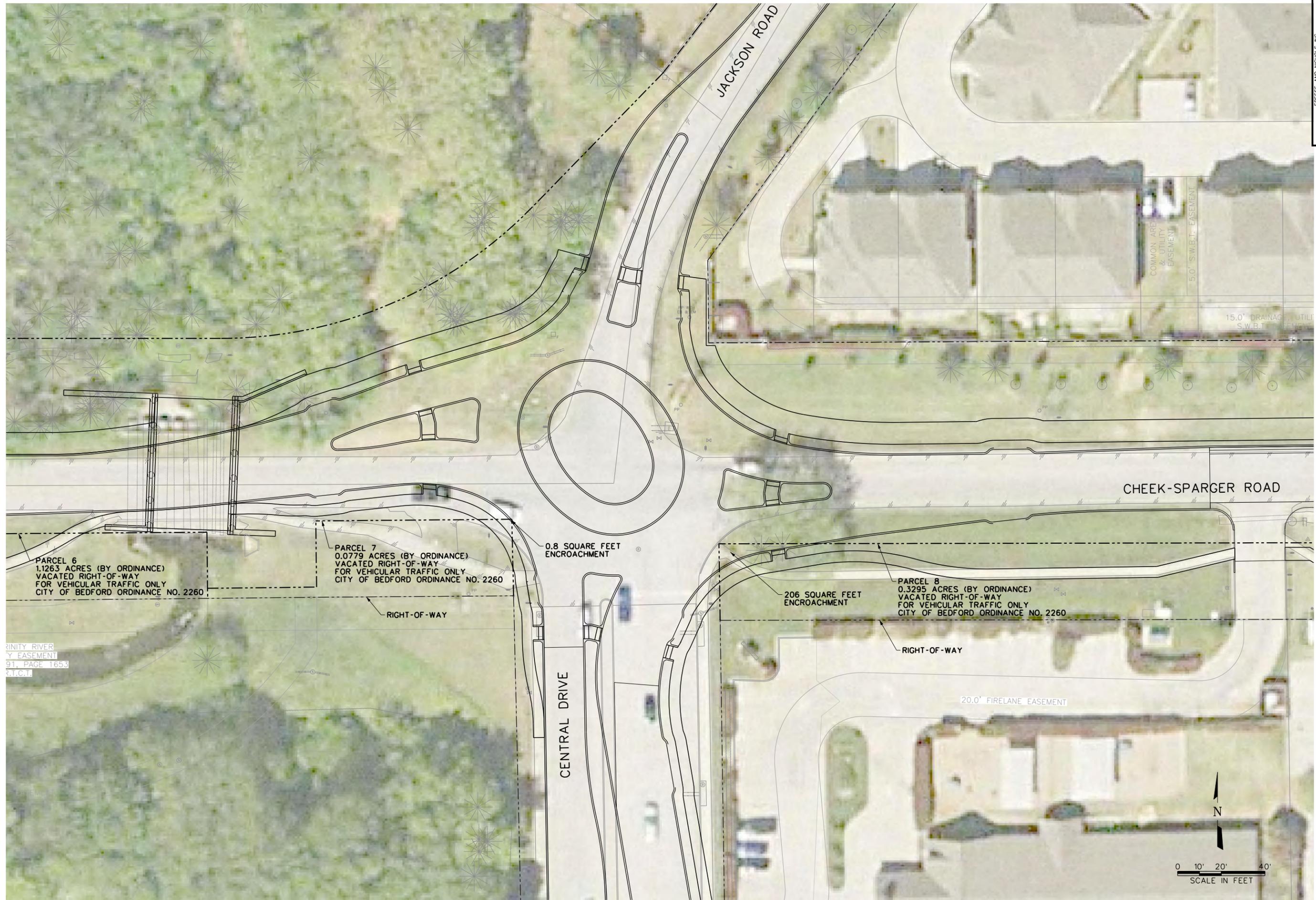
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 CIVIL ENGINEERS
 2000 W. UNIVERSITY BLVD., SUITE 200
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MicroStation V8 User: sbm Office: Fort Worth
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 Plot Scale: 1/4" = 1'-0" Date: Apr 23, 2013 06:17:41 PM
 Project: Freese and Nichols, Inc.

CV-TRT-PL-ALICH01.DGN
 Survey: 24.dwg
 3/4/2013
 CV-TRT-PL-HAT01.DGN

Central Dr and Cheek existing utilities-pl-rdn.dwg
 Aerial.dwg
 embdr-jmk.dwg
 cv-trt-pl-row.dwg
 CV-TRT-PL-DESIGN01.DGN



FREESE AND NICHOLS, INC.
 TEXAS REGISTERED ENGINEERING FIRM F-2144

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 PURPOSE OF PROVIDING INFORMATION UNDER THE
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 TEXAS NO. 99316 DATE: APR. 2013
 IT IS NOT TO BE USED FOR CONSTRUCTION,
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CITY OF COLLEYVILLE, TEXAS
JACKSON / CHEEK-SPARGER
 CIVIL
PROPOSED LAYOUT

NO.	ISSUES	BY	DATE	FN	JOB NO.	DATE	DESIGNED	SBM	SJS	REVISED	CHECKED	FILE NAME	ROW	Exhibit
					CLV12190									

VERIFY SCALE Bar is one inch on original drawing. If not one inch on this sheet, adjust scale.

SHEET 1

SEQ.

new interactive software program called publicstuff.com that allows people the ability to take cell phone pictures of violations that is uploaded into the City's database with GPS coordinates. It also allows for multiple replies. There is also a supplemental for iPads that would allow Code Compliance officers the ability to follow-up on complaints while in the field. Also included is the budget supplemental for software that includes field reporting capabilities and provides better mechanisms for tracking calls and information being put into the system. The hiring of the Code Compliance PSO would help to address concerns regarding follow-up.

There was discussion on what has been done since Council approved funding in the amount of \$86,000 in October of 2012; that money has not been utilized for personnel but has been used for clean up; recouping costs of clean up through liens; publicizing these changes to the citizens; performance measures; issues related to how Council first heard about the changes; and issues related to the Permit Department not returning a phone call to an air conditioning technician regarding a permit.

4. Discussion regarding intersection improvements at Cheek Sparger and Central Drive and an interlocal agreement with the City of Colleyville.

Deputy City Manager David Miller discussed issues related to a planned roundabout at Central Drive and Cheek Sparger. The City recently received 95% of the plans from the City of Colleyville and there are issues that need to be worked through as they did not contact Bedford before the design. In 1996, the Council passed an ordinance creating a greenbelt on the south side of Cheek Sparger, which means the City gave up vehicular travel rights on the right-of-way. This was in response to the County wanting to expand Cheek Sparger as a thoroughfare. Colleyville cannot put a roundabout in as it encroaches on 208 square feet of the greenbelt. There are also issues with a tree in that area. The lane widths are not wide enough for fire trucks to make a radius turn so it has been designed with a mountable curb. In regards to it being a traffic control device, the City's traffic engineers were sent Colleyville's traffic study and they have agreed that it is viable. In order to get around the issue with the greenbelt, the City would either have to buy the land from the property owner or take it through eminent domain. Colleyville has stated they would take the right hand turn lane out of the design, which is unacceptable to the City. The roundabout cannot be shifted north due to a large sewer line. A daycare center owns the land in question. There was discussion on Colleyville reimbursing the City for the land; the queuing of traffic in front of the daycare; that Colleyville would have to enter into an interlocal agreement before they could do any work in the City; and the viability of the property at the southwest corner of the intersection. Council was of the consensus for staff to continue negotiations with Colleyville.

5. Discussion regarding technology improvements and FY 13/14 Capital Requests.

Ms. Griffith stated that this item is for larger capital items, including software, hardware and larger pieces of equipment that are beyond the City's capability to fund in the operating budget. Gary Clopton of the Information Services Department presented information regarding two hardware supplementals. One is for the replacement of Mobile Data Computers (MDCs) in law enforcement vehicles and the other is for regular computer replacement. After April 8, 2014, there will be issues with Windows XP Pro related to peripherals and security. With the MDCs, there are statutory concerns in that the Department of Justice has a policy whereby computers are required to be "patchable", meaning that the operating system receives periodic security updates. There would be dangers of losing connectivity to databases. The current MDCs are approximately five years old. The Department tried but failed to install Windows 7 on the current MDCs. In regards to staff PCs, they have identified 142 computers that need to be replaced. They received notice from the audit company regarding being diligent on getting computers patched. Overall, the City has 457 computers, including 60 at the Library and the Council laptops. Staff has been utilizing attrition replacement and 88 computers have been replaced with Windows 7 compatible computers. They did contact the manufacturer to see if they could utilize Windows 7 but they could not as they were older computers. Staff would still be utilizing Lenovo. Council was of the consensus to move forward with including these supplemental as part of the budget process.



Council Agenda Background

PRESENTER: Michael Wells, City Secretary

DATE: 08/27/13

Council Mission Area: Encourage citizen involvement.

ITEM:

Consider a resolution appointing a member to Place 2 on the Zoning Board of Adjustment.

City Attorney Review: N/A

City Manager Review: _____

DISCUSSION:

With a recent resignation by one of its members, the Zoning Board of Adjustment (ZBA) is down to three members. By law, it takes four votes to grant a variance. Though the ZBA has not met since June of 2012, there may be a case coming up in the near future that will require them to meet.

The City Secretary's Office received an application from John Thompson and one of his choices was to serve on the ZBA. There are currently two regular positions and two alternate positions open on the ZBA.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution appointing a member to Place 2 on the Zoning Board of Adjustment.

FISCAL IMPACT:

N/A

ATTACHMENTS:

Resolution

RESOLUTION NO. 13-

A RESOLUTION APPOINTING A MEMBER TO PLACE 2 ON THE ZONING BOARD OF ADJUSTMENT.

WHEREAS, the City Council of Bedford, Texas desires to fill an opening on the Community Affairs Commission.

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

SECTION 1. That John Thompson is appointed to Place 2 on the Zoning Board of Adjustment with a term expiring in December of 2014.

PASSED AND APPROVED this 27th day of August 2013, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Griffin, Mayor

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney