

## Council Minutes August 26, 2014

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

**The City Council of the City of Bedford, Texas, met in Work Session at 5:30 p.m. and Regular Session at 6:30 p.m. in the Council Chambers of City Hall, 2000 Forest Ridge Drive, on the 26th day of August, 2014 with the following members present:**

Jim Griffin	Mayor
Michael Boyter	Council Members
Ray Champney	
Jim Davisson	
Steve Farco	
Roy W. Turner	

constituting a quorum.

Councilmember Fisher arrived at 5:37 p.m.

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	Deputy Director of Information Services
Natalie Foster	Marketing Specialist
Roger Gibson	Police Chief
Tom Hoover	Public Works Director
Meg Jakubik	Assistant to the City Manager
Mirenda McQuagge-Walden	Managing Director
Maria Redburn	Library Director
Bill Syblon	Development Director
James Tindell	Fire Chief

### **WORK SESSION**

Mayor Griffin called the Work Session to order at 5:30 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: 2, 5, 6 and 7.

Public Works Director Tom Hoover presented information regarding Item #5. The State requires that municipalities have a water conservation and a drought contingency plan on file with the Texas Commission on Environmental Quality (TCEQ) and that they be updated every five years. The City's water conservation plan was last updated in 2011 and the drought contingency plan was last updated in 2009. Both plans have been reviewed and approved by the TCEQ, the Trinity River Authority and the Texas Water Development Board. There are a few changes to get current with distribution system improvements. In answer to questions from Council, Mr. Hoover stated that the plans were done in-house and that there are no changes to the plans that affect residents.

- **Presentation of monument sign options for Central Drive.**

Managing Director Mirenda McQuagge-Walden presented options for the monument signs at Central Drive and requested feedback and direction from Council. As part of the construction of the North Tarrant Expressway (NTE), Bluebonnet Contractors had to remove the monument signs. They have offered to replace them with something that mirrors what was there previously and matches the sign at Murphy Drive in Euless. They have offered to pay up to \$9,000 for each sign; if the City goes over that amount, it would have to make up the difference. Quotes were received in the amount of \$23,000 for a monochromatic sign and \$32,000 for a full color sign. She displayed examples of signage with brick and a capstone that matches the Old Bedford School and the Library. Such signage would operate off of data so there would be an ongoing cost.

In answer to questions from Council, Ms. McQuagge-Walden stated that the medians will have electricity established by Bluebonnet as well as water for irrigation. There was discussion on having the electronics on one side of the signs; funding for the signs; other locations to put signage, including Fire Station 3; installing signage at Murphy Drive and phasing in the rest of the City; getting information out through other means; the signs being lighted at night; and that \$9,000 was the cost of the sign in Euless. In answer to questions from Council, Deputy City Manager David Miller stated that signs could be designed close to the \$9,000 budget and presented to Bluebonnet to see if more money could be made available; and that the traffic count shows 35,000 to 40,000 vehicles a day go through the intersection. There was discussion on signage similar to Coppell and seeing if other cities had similar costs for signs. In answer to questions from Council, Police Chief Roger Gibson stated that he agrees with the concerns of Council regarding electronic signs being a distraction to drivers and discussed the possibility of the signage being sequenced with the traffic lights. There was discussion on incorporating landscaping with the sign and getting recommendations from landscapers and architects.

- **Presentation on Public Funds Investment Act and Investment Policy.**

Administrative Services Director Cliff Blackwell stated that each year, staff presents the Investment Policy, which determines how the City invests its funds, for Council's review. The Investment Committee recently met and Councilmember Turner asked that a presentation be made to Council with an overview of the Public Funds Investment Act and how it relates to the Policy. Dick Long with Valley View Consulting presented an overview of the Act. It gives the City the authority to invest funds and engage with an investment management firm. It contains an operational component, including adopting a written policy, that emphasizes safety of principal and liquidity, and which addresses diversification, yield and maturity, and quality and capability of investment. The Act defines some of the risks, including what the City is eligible to invest in, maturity, methods to monitor market prices and issuer ratings, and delivery versus payment. It addresses strategy by fund type, which deals with operating money, debt service money and special project money and emphasizes safety of principal and investing within liquidity requirements. The Act requires an annual review of the City's policy and strategies, allows Council to delegate to one or more investment officer, and such officers are required to disclose conflicts of interest to the Texas Ethics Commission and Council. The Policy must be sent to any entity the City with whom the City is doing investments, who then must send back an acknowledgement certificate. An annual audit of the City's internal controls must be performed. In regards to standards of care, officers are not supposed to speculate and must go to training on a regular basis, with Council approving the independent sources of training. Mr. Long discussed eligible investments including obligations of or guaranteed by governmental entities; CDs or other forms of deposits; repurchasing agreements; securities lending; bankers acceptances; commercial paper; mutual funds, including money markets; guaranteed investment contracts; investment pools; municipal utilities; and mineral rights. Any investment pool must be AAA rated. He discussed internal management reports and that authorized broker dealers are voted on by the Investment Committee. He further discussed the Public Funds Collateral Act, which requires a written collateral policy.

There was discussion on the City's investments having a yield of 17 basis points and the City's prime motivation being not to lose any capital and liquidity. Mr. Long stated that as the City leaves several

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millions in the bank to offset service charges, the average yield is actually 33 basis points. In answer to questions from Council, Mr. Long stated that Valley View and staff collaborate on calculating whether the City leaves money in the bank or invests it; that Valley View is considered a non-discretionary investment advisor and that they do not touch any of the funds nor direct investments without the authority of the investment officers; that in regards to holding bonds to maturity or liquidating them if interest rates change, the City is not allowed to speculate on the market; and that the City does not enter into repurchase agreements.

Mayor Griffin adjourned the Work Session at 6:18 p.m.

### **EXECUTIVE SESSION**

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

- a) Pursuant to Section 551.071, consultation with the City Attorney regarding pending or contemplated litigation regarding 533 Bedford Road.
- b) Pursuant to Section 551.087, deliberation regarding economic development negotiations regarding active economic development agreements.
- c) Pursuant to Section 551.071(2), consultation with the City Attorney on matters in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code – Bluebonnet Construction payment.
- d) Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to “Project Flamingo.”

Council convened into Executive Session pursuant to Texas Government Code Section 551.071, consultation with the City Attorney regarding pending or contemplated litigation regarding 533 Bedford Road; Section 551.087, deliberation regarding economic development negotiations regarding active economic development agreements; Section 551.071(2), consultation with the City Attorney on matters in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code – Bluebonnet Construction payment; and Section 551.087, deliberation regarding economic development negotiations relative to “Project Flamingo” at 6:20 p.m.

Council reconvened from Executive Session at 6:25 p.m. Council was unable to finish the Executive Session and will convene again at the end of the Regular Session.

### **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.

### **INVOCATION (Pastor Cory Kuhn, The Mission)**

Pastor Cory Kuhn of The Mission gave the invocation.

### **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was given.

### **ANNOUNCEMENTS/UPCOMING EVENTS**

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Marketing Specialist Natalie Foster announced that Blues Fest begins on Friday and that tickets are still available online. "Harvey the RV" on 820 AM will be doing a live broadcast in Bedford from 5:00 a.m. to 9:00 a.m. on Friday to promote the event. On Saturday, September 5, the 2K9 run will begin at 8:30 a.m. and Dog Splash Day will begin at 10:00 a.m. Crud Day will be on Saturday, September 13 from 9:00 a.m. to 11:00 a.m. at 3200 Meadow Park Drive for the recycling of household hazardous waste and electronics.

### **OPEN FORUM**

John DeLorme, 1129 Woodvale Drive, Bedford – Mr. DeLorme signed up to speak on the Work Session item for monument signs at Central Drive. He agreed with a majority of Council that non-electronic signs would be best due to the traffic through the intersection. He urged the City to go back to the contractor who removed the signs for the widening of the freeway and that they bear the entire cost of the signs. They should be replaced with regular brick signs, which incorporate the new logo.

### **CONSIDER APPROVAL OF ITEMS BY CONSENT**

Motioned by Councilmember Champney, seconded by Councilmember Davisson, to approve the following items by consent: 2, 5, 6 and 7.

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

### **COUNCIL RECOGNITION**

#### **1. Employee Service Recognition**

The following employees received recognition for dedicated service and commitment to the City of Bedford:

Leslie Preuss, Police Department - 5 years of service  
Melissa Briggs, Police Department - 15 years of service

### **APPROVAL OF THE MINUTES**

#### **2. Consider approval of the following City Council minutes:**

- a) August 8, 2014 budget work session**
- b) August 12, 2014 regular meeting**

This item was approved by consent.

### **NEW BUSINESS**

#### **3. Public hearing on the annual budget for the City of Bedford, Texas for the fiscal period of October 1, 2014 through September 30, 2015; levying taxes for 2014 tax year.**

Assistant to the City Manager Meg Jakubik presented information on the annual budget. The budget strategy included Council goals; responses from the citizen satisfaction survey; fiscal responsibility and having a balanced budget; investments in infrastructure and human capital; accountability; and keeping an eye on the radar. Performance measures were revisited and are more closely related to Council goals. Assumptions include conservative sales tax growth, net of any incentives approved by Council; targeted service level increases, including a crime-free multifamily program, an improved multifamily inspection program and replacement of capital equipment; fee increases including pass-throughs for increased costs from TRA, the multifamily inspection fee and the day camp; a portion of the increase for health insurance being passed onto employees; debt service issued for Phase 1 of the Boys Ranch and capital purchases approved by Council; and maintaining the current property tax rate in order to have

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savings for onetime expenses and absorbing the costs for Fire Station 2. She stated that the City received the platinum level Leadership Circle Award from the Texas Comptroller.

In regards to cost of services, Ms. Jakubik stated that there are 48,271 residents and untold visitors in the City and that the operating budget is just over \$64M for services, which equates to \$2.00 a day on the property tax rate. On the average home value, holding the current tax rate equates to approximately \$750 a year. In the General Fund, there are \$500,000 in expenses that were either mandated or contractually obligated, and were then either absorbed in the budget or came from reallocated funds. There is an \$118,000 difference in the Fund to build the contingency for Fire Station 2. In the Tourism Fund, there are savings of \$11,000 and supplementals for a special events coordinator and facility repairs at the Old Bedford School. In the Water Fund, expenditures exceed revenues due to the purchase of capital equipment. The Stormwater Fund is coming back in line due to a decrease in legal fees and includes a supplemental for a hydroseeder. The 4B Fund has unusual expenditures for the design and reconstruction of Bedford Road and the design of Harwood Road. She discussed the Consumer Price and Municipal Cost Indexes and stated there have been average increases of two percent a year, with an increase the previous year of 1.4 percent. Revenue by source shows that the largest portion being the General Fund followed by the Water Sewer Fund. Expenditure by function shows the largest portion being Public Services followed by Public Safety. Expenditures by classification show personnel being the largest portion and she explained that water purchases and sewer treatment have been separated from contractual services.

Ms. Jakubik stated that the City's taxable value is \$3.12B, an increase of 3.8 percent from the previous year. Changes in appraised values include a \$4M increase from new construction. She discussed the history of the City's tax rate and that the maximum rate being considered is the current rate of \$0.494830 per \$100 valuation. Overlapping tax rates show the City's portion being approximately 20 percent, with the largest portion being HEB ISD. She discussed the proposed tax rates of neighboring cities. The effective tax rate is \$0.479538 per \$100 valuation and the proposed rate used for revenue calculation is the current tax rate. With the current tax rate, the impact to the average home is approximately \$20 a year. A tax rate comparison shows an increase on the Debt portion of 6.9 percent and a decrease on Maintenance and Operations portion of 4.4 percent. A per capita comparison, net of capital, shows that that the City spends approximately \$1,200 per capita.

Ms. Jakubik discussed the annual funding requirements for the Debt Service Fund and stated that there is a downward trend and that the City retires approximately \$5M of debt per year. There is an ncrease of \$492,000 from the GO bonds for the Boys Ranch and PFCOs for capital items. She discussed the current water and sewer rates, and projected cost increases from TRA. The previous year, Council decided to pass through such increases to residents. A proposed rate increase equivalent to the increase from the TRA will be presented to Council in September.

Ms. Jakubik discussed supplemental, including Municipal Court, records management, and GIS software; facility improvements at Public Works and the OBS, as well as signage at Splash; and vehicle replacements including a remount for a medic unit, trucks for Code Compliance and Parks, and a camera van.

Mayor Griffin opened the public hearing at 6:59 p.m.

John DeLorme, 1129 Woodvale Drive, Bedford - Mr. DeLorme stated that between 2009 and 2012, the City's tax rate increased 30 percent during the recession because commercial values were down 20 percent. Instead of cutting the budget, the Council just raised the tax rate. Now that values have increased, there is the capacity to bring the tax rate back down. He urged Council to adopt the effective tax rate because of the improving economic picture on values and taxes. He asked why Harwood Road and Bedford Road are being reconstructed as they only need to be repaved. In regards to having a lower number of employees, he stated that the City is built out and not growing and there is no need for additional staff. The Council needs to look at funding priorities for basic City services and not get-rich-quick-schemes. The citizen survey showed the worst ratings being on streets, water and sewer, and money needs to be put towards those items. He stated that the 4B tax was not designed to be a fix-all

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for the roads and that money needs to be put in for streets. In regards to water and sewer lines, 80 percent are over 30 years old and should be on a schedule for replacement.

Patricia Nolan, 1005 Carousel Drive, Bedford – Ms. Nolan stated that in 2013, there was an incident on Forest Ridge Drive that led to the replacement of a bridge railing and Council agreed to replace the railing on the other side. She does not see it in the budget for this year. She wants to ensure that the City's aesthetics looks like they have done their job and that Council should be concerned about how the City looks to visitors. She stated that the City has extra money and she would like to see more items purchased with cash as not to burden taxpayers with bonds. In regards to employee merit raises, she is glad to see them but asked if school crossing guards were due a raise this year. It was stated that Council had discussed merit raises and market adjustments, and a pool of money was established. Staff is working on a market analysis, which the crossing guards are part of, and once completed, their salaries would be adjusted accordingly. Ms. Nolan stated that when she was running for re-election, she received comments from crossing guards that raises have been given to employees the previous two years, but that they have not had raises in six years. They were considered part-time employees at one time but, unbeknownst to them, their status was changed to seasonal in October of 2013. She stated that seasonal employees work for three months, not nine to ten months like the crossing guards. They only realized the status change when they were notified their incentives or 401K had been changed. A letter was written to their immediate supervisors but there has been no reply. She stated that the City needs to realize that these people are important to the children, HEB ISD and the neighborhoods. She asked Council to revisit this particular situation and make sure the crossing guards are given due raises. They make \$9.87 an hour while some cities give up to \$14.00 an hour.

Mayor Griffin adjourned the public hearing at 7:12 p.m.

There was discussion on 64 percent of the budget being for the Police, Fire and Public Works Departments; that the value of the debt service for the Boys Ranch, at three-quarters of a penny, is included; the per capita expenses for the City being the lowest amongst the other cities benchmarked against it; looking into the crossing guard issue; and that the railing for the bridge on Forest Ridge Drive is in the budget and will be presented at the next Council meeting.

#### **4. Public hearing to consider the proposed 2014 tax rate.**

Ms. Jakubik stated that per the Tax Code, if a governmental body would consider a tax rate higher than the effective rate, then two public hearings would have to be held. The proposed tax rate is the current tax rate, which is higher than the effective tax rate.

Mayor Griffin opened the public hearing at 7:18 p.m.

John DeLorme, 1129 Woodvale Drive, Bedford – Mr. DeLorme urged the Council to lower the tax rate and that they have the ability to do so. He stated that it is unconscionable as a Council not to lower the rate. From 2009 through 2012, the rate went up 30 percent and the budget was not cut. The City has to deal with the revenue it has and not the revenue it wishes it has. He stated that it would have been fiscally responsible to cut the budget accordingly during the tougher years and deal with the revenue the City had.

Mayor Griffin adjourned the public hearing at 7:20 p.m.

#### **5. Consider an ordinance amending Chapter 118 "UTILITIES," Article IV "WATER RESOURCE MANAGEMENT," Division 2, Section 118-114(b) "Drought Contingency Plan" to adopt the current plan, as attached hereto as Exhibit A and is incorporated herein by reference to the City of Bedford Code of Ordinances, and amending Chapter 118 "UTILITIES," Article IV "WATER RESOURCE MANAGEMENT," Division 3, Section 118-115(b) "Water Conservation Plan" to adopt the current plan, as attached hereto as Exhibit B and is incorporated herein by reference to the City of Bedford Code of Ordinances; providing a severability clause; providing a penalty clause; and declaring an effective date.**

This item was approved by consent.

6. **Consider a resolution authorizing the City Manager to enter into the final year of a four year contract with Scobee Foods, Inc., for the purchase of prisoner meals for the Detention Facility.**

This item was approved by consent.

7. **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.**

This item was approved by consent.

8. **Report on most recent meeting of the following Boards and Commissions:**
  - ✓ **Animal Shelter Advisory Board - Councilmember Fisher**

No report was given.

- ✓ **Beautification Commission - Councilmember Turner**

Councilmember Turner reminded everybody of the upcoming Crud Cruiser Day.

- ✓ **Community Affairs Commission - Councilmember Boyter**

Councilmember Boyter acknowledged Commission member Roy Savage who was in attendance. He reported that the Commission had a frank conversation regarding misconceptions they have about Council actions to reset the particulars of the Boards and Commissions. He reminded everybody about the September 25 block party sponsored by the Commission.

- ✓ **Cultural Commission – Councilmember Champney**

No report was given.

- ✓ **Library Board - Councilmember Davisson**

No report was given.

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

No report was given.

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

No report was given.

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

Councilmember Farco reported that the Board is looking for adult volunteers and children for the Teen Court program.

## 9. Council member Reports

No other reports were given.

**10. City Manager/Staff Reports**

City Manager Beverly Griffith reminded everybody that the Senior Center would be closed for building remodeling and repairs from September 8 through September 12.

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Council reconvened from Executive Session at 8:29 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.

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

No action was necessary as a result of the Executive Session.

**ADJOURNMENT**

Mayor Griffin adjourned the meeting at 8:31 p.m.

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Jim Griffin, Mayor

ATTEST:

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Michael Wells, City Secretary