

Council Minutes September 9, 2014

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

The City Council of the City of Bedford, Texas, met in Work Session at 4:00 p.m. and Regular Session at 6:30 p.m. in the Council Chambers of City Hall, 2000 Forest Ridge Drive, on the 9th day of September, 2014 with the following members present:

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

constituting a quorum.

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
Chuck Carlisle	Risk and Contract Services Manager
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 4:00 p.m.

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

This item was discussed after the second Work Session item.

Council discussed placing the following items on consent: 2, 5, 7, 8 and 9.

Public Works Director Tom Hoover presented information regarding Item #8, which is to add a bridge railing on Forest Ridge Drive. The one on the east side was damaged the previous year and replaced. Money was set aside to make the railing on the west side compliant with TxDOT requirements. Proposals were sent out and three quotes were received, including one from a Historically Underutilized Business. The lowest cost proposal was submitted by Vann/Elli to put in a new concrete parapet wall with a railing. In answer to questions from Council, Mr. Hoover stated that there are funds in the current budget for this project; that Vann/Elli is not the same contractor that installed the other

railing; and that they are piggybacking off of another entity's contract.

Administrative Services Director Cliff Blackwell presented information regarding Item #10, which is for approval of the City's Investment Policy. State law requires that the governing body review and approve the Policy yearly. A presentation was made at the last Council meeting on the Public Funds Investment Act and how it relates to the Policy. The highest priorities are safety, liquidity, marketability, diversification and finally yield. Changes to the Policy include adding the Managing Director position to the list of investment officers, adding that position to the Investment Committee, and changing language on calculating the market value of the portfolio from the Wall Street Journal to "recognized sources."

- **Discussion of various implementation strategies for the Central Bedford Development Zone (Bedford Commons).**

Development Director Bill Syblon stated that a meeting has been scheduled for October 14 to receive feedback from the public on the Bedford Commons. Since the last work session, there has been talk at the staff level that it was good time to discuss the next steps. They are in the process of creating the designs standards for the Commons to lay the ground rules.

Jay Narayana with Gateway Planning stated that this is a continuation of the discussion at previous work sessions. She displayed the original vision plan that was adopted by Council in 2013. Since that time, the vision has been refined and there has been discussion on a preliminary regulatory framework. She stated that they needed to make sure that the development standards match the vision and relaying them to private development. She discussed the City acting as a master developer, including creating the rules and the City's role in the infrastructure. She further discussed letting the market drive the decisions and figuring out the financial tools available to the City. She stated that that the goal of this meeting is to discuss two of these tools: a Public Improvement District (PID) and Tax Increment Financing and Tax Increment Reinvestment Zones (TIF/TRZ).

Ms. Narayana discussed a PID, which is managed and administered by a City entity. It depends on an increased tax rate agreed to by the property owners and can be used for such things as parks, parking garages, landscaping, arts, and capital improvements. Many property owners would need to get on board, which may be more difficult from a political standpoint; however, there is low financial risk to the City due to the additional assessment that goes towards the bonds to fund infrastructure. She discussed that the new infrastructure will raise the base value of properties. In answer to questions from Council, City Attorney Stan Lowry stated that the process for creating a PID could be initiated by 50 percent of the property owners or imposed by the Council. In answer to questions from Council, Ms. Narayana stated that the additional taxes would only be applicable to those properties in the PID and would affect both residential and commercial properties.

Ms. Narayana discussed a TIF, which takes a portion of the increased valuation from infrastructure and development, and creates a mechanism to use future revenue to fund current infrastructure improvements. It is usually set to 20 or 30 years, while a PID runs through the life of the property. The base tax value is frozen and everything beyond the rate goes into a separate fund. Once it sunsets, the value goes to the General Fund. It can be applied to projects outside of the TIF. She stated that it is not an additional tax nor an abatement or rebate of taxes. Steps in creating a TIF include defining a boundary, measuring potential development and redevelopment, looking at infrastructure needs including a phasing plan and matching revenues to spending, a public hearing, and creating a board. She discussed an incentive policy to match financial tools to developers and using City-owned property as a catalyst.

Ms. Narayana reviewed a tentative timeline, including the public meeting on October 14, joint work sessions with the Planning and Zoning Commission in November and December, formal hearings and adoption in the first quarter of 2015, a feasibility assessment of financing tools, and finally, formal creation once the zoning is in place. There was discussion on combining financing tools; additional funding from tourism and development; creating different packages for developers; matching the

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financing tool to the right infrastructure; that one financing source could not fund everything; creating a PID within a TIF; treating like properties the same; residual benefits from enhanced development; that the General Fund guarantees the TIF debt, while PID bonds stand alone; funding specific development related improvements geared towards one area; taking the creation of a TIF to the voters; the Commons being in the fastest growing area in the country; and the Cultural District being an enhancement. In answer to questions from Council regarding an impact study of increased population, density and visitors on the City's infrastructure, Ms. Narayana stated that the next step in looking at the feasibility of the tools is to have qualitative information based on the Vision, and quantifying the potential development, increased valuation, and infrastructure needs. There was discussion on the October 14 meeting, including that there will be an explanation of the zoning tool including its predictability and flexibility, how it implements the Vision, and if it is consistent with expectations; having images in the code to show the intent and character of the development as well as criteria and images for guidance; seeking public input; that it would be an open house with maps and a brief presentation; the public's expectation of the finished product; funding mechanisms and having different scenarios to present; vetting implementation scenarios with the Council and developers; that the meeting would be focused on zoning tools; and that staff has met with the businesses in the Commons and prospective developers. Mr. Lowry stated that financing options and scenarios are difficult to do at this point; that what is packaged to developers would dictate public improvements; and that PIDs and TIFs cannot pay for private infrastructure. There was further discussion on receiving Council's blessing on performing the financial analysis.

Mayor Griffin adjourned the Work Session at 5:01 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 551.087, deliberation regarding economic development negotiations relative to "Project Flamingo."**
- b) Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to Block 1, Lot 1RB, Bedford Meadows Shopping Center.**

Council convened into Executive Session pursuant to Texas Government Code Section 551.087, deliberation regarding economic development negotiations relative to "Project Flamingo"; and Section 551.087, deliberation regarding economic development negotiations relative to Block 1, Lot 1RB, Bedford Meadows Shopping Center, at approximately 5:10 p.m.

Council reconvened from Executive Session at 6:01 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.

Mayor Griffin reopened the Work Session at 6:02 p.m.

Assistant to the City Manager Meg Jakubik presented information regarding Item #3, which is to adopt the budget and set the tax rate. The maximum tax rate the Council will consider is the current tax rate. Council discussed a monument sign in the southern part of the City based on citizen requests and considering it in the overall discussion on monument signs. Council discussed increasing the amount going to 6Stones for the Community Powered Revitalization (CPR) program by \$15,000; the program recently being rolled out in Watauga and Haltom City; the threshold for participation in other cities being \$25,000 for support and \$35,000 for reimbursements; the City needing to increase its participation for the program to have the impact it is designed to have; that 26 houses in Bedford have been part of the program; estimates showing the investment in the City exceeding the costs; and amending the 380 agreement with 6Stones. There was discussion on paying for items out of the remaining balance or out of the surplus. In answer to questions from Council regarding the Bedford Commons, it was stated that there is nothing in the proposed budget allocated for the project; that it

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would be addressed later and a determination made if the budget would need to be adjusted or if it could be absorbed in Operations or other funding; and that \$28,000 has gone to Gateway Planning and \$75,000 to Kimley-Horn for the project. In regards to a new Code Compliance vehicle, Police Chief Roger Gibson stated that the Department will keep a $\frac{3}{4}$ ton truck to expedite activity on the highway and for towing the portable tower; and that they are comfortable with a $\frac{1}{2}$ ton truck for Code, which would save approximately \$4,000. In regards to the multi-family inspector, the fee will cover the entire cost of the inspector and a portion of the truck the first year, and the entire cost of the inspector will be recouped starting in the second year. In regards to a GapVax vehicle, Public Works Director Tom Hoover stated it is a hydraulic excavator, which has a larger capacity and can clean out larger diameter sewer mains; and that the jet truck in the unfunded supplementals would have replaced a smaller vehicle that services smaller lines. In regards to the Old Bedford School (OBS) centennial celebration, Managing Director Mirenda McQuagge-Walden stated that staff would solicit sponsors but not charge admission. In regards to replacing windows and tuckpointing the brick at the OBS, Risk and Contractual Services Manager Chuck Carlisle stated that there are problems with moisture coming in from the bricks, stucco coming away from the windows as well energy efficiency; and that the entire building will be tuckpointed and sealed this year, with the rear windows being replaced in the next budget year. There was discussion replacing all of the windows at one time.

Councilmember Fisher requested that it be on the record that he does not think the Special Events Coordinator is necessary at this time and if needed, to find a place in the organization without adding another full-time employee. He further discussed fixing the floors in the Library, building a park structure with shaded structures as requested through the citizen satisfaction survey and the Parks and Recreation Board; maintaining the same tax rate; that the City's per capita spending is lower than most cities it is benchmarked against; and that $\frac{3}{4}$ penny on the tax rate is for the Boys Ranch Park improvements asked for by the voters.

There was discussion between Council, Ms. Jakubik and other staff members on several topics. Increases in the Municipal Cost and Consumer Price Indexes show that the percentage increase in expenditures has been less than the increased costs to the City. The benefit increase of \$409,446 is from extending the last year's compensation package over twelve months, increased health insurance costs, and a percentage increase in the City's contribution to the Texas Municipal Retirement System (TMRS). There was discussion on the City's retirement system including that after TMRS was adopted, there was a commitment to perform an evaluation of the retirement system; that proposed changes include moving from a five percent to a seven percent contribution rate, and discontinuing the four percent contribution to ICMA, with two percent going towards TMRS and two percent back to employees for a net zero effect; that the City does not participate in Social Security; that the compensation pool is approximately \$366,000; that the purpose of these changes is to ensure that the City remains competitive in the market and to reward employees; and that the two percent figure was based on the balance of where the numbers stood and what the budget could sustain. In regards to the tax rate, there was discussion that there was a six percent increase on the Debt side, based on bonds related to the Boys Ranch Park and capital items, and a decrease of 4 percent on the Maintenance and Operations side; that taxable values came in at \$3.1B; that there was a 3.8 percent increase in appraised values for an average market value of \$166,000; that the tax rate is being held at the current rate; that the overlapping tax rate shows 55 percent going to HEB ISD and 20 percent to the City; that the tax rates in the cities of Hurst, Euless and Grapevine are going down slightly; that the annual tax bill for the average resident will increase approximately \$20 per year, or \$1.69 per month; and that staff is anticipating record sales tax. In regards to the General Fund, there was discussion that 38 percent goes towards the Police Department, 24 percent towards the Fire Department, and 13 percent towards Community Services; that per capita comparisons net of capital shows the City spends \$1,200 per capita, while neighboring cities are in excess of \$1,500 per capita; and that the City has fewer employees per 1,000 residents. There was discussion on General Fund supplemental, including the following: a software maintenance agreement with New World, a crime-free multifamily officer, and a multifamily inspector. In regards to the debt service, there are payments in 2014 of \$250,000 for capital items and \$203,000 for general obligation bonds, which, if taken out, would cause the tax rate to decrease; and that the annual funding requirements would peak this year and start to slide off. In regards to water and sewer rates, there was discussion on increasing rates on volume based on

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increased rates from the Trinity River Authority (TRA); passing through the increases to the residents; that it is anticipated that rates would need to be increased in the following years; and that the impact of this year's rate change is \$4.43 to the average July bill. There was discussion on an administrative position for Facilities/Risk Management; money in 4B dedicated to designs and/or construction of Bedford Road and Harwood Road; a 14-yard tandem dump truck to replace a 4-yard truck; and the Tourism Fund, which is estimated to receive \$750,000 in hotel tax. There was discussion on the Special Events Coordinator position, a full-time position whose purpose is to help grow and improve the festivals, assist in the additional cultural events requested by the Cultural Commission, and support the Council mission of supporting arts and culture; that the position would be paid 100 percent out of the Tourism Fund; the City's goal of reducing the gap between revenues and expenditures; and freeing up staff time to solicit sponsorships. There was discussion on replacing a Code Compliance truck; a chassis remount for an ambulance; replacing a Parks vehicle; and a camera van.

Mayor Griffin adjourned the Work Session at 6:51 p.m.

REGULAR SESSION 6:30 P.M.

The Regular Session began at 6:53 p.m.

CALL TO ORDER/GENERAL COMMENTS

Mayor Griffin called the meeting to order.

INVOCATION

Councilmember Turner gave the invocation.

PLEDGE OF ALLEGIANCE (Cub Scout Pack #407)

Cub Scout Pack #407, lead by Mary Morgan, with Scouts Brandon Osborne, Corey Taylor, Danny Cors, Xander Golden, Jack Berry, Dylan Gause, Sam Teinert, Jacob Moon, Nate Moon, Ryan Gunn, David Morgan, Owen Ward, Isaiah Jolliff and Luke Bunton, lead the Pledge of Allegiance.

ANNOUNCEMENTS/UPCOMING EVENTS

Marketing Specialist Natalie Foster reported that tickets are still on sale for the Van Cliburn concert on Friday, September 12 at the OBS featuring Tomoki Sakata. The HEB musical group Suzuki Strings will perform at 7:00 p.m. There will be a wine and cheese event at 6:30 p.m. and a meet-and-greet with Mr. Sakata after the show. There will be a Vision Fair at the Library on September 20 from 10:00 a.m. to 4:00 p.m. where people can learn about low vision technology and receive a free vision screening. She reminded people to turn in their applications for the City's Boards and Commissions, which are due by 5:00 p.m. on September 12.

OPEN FORUM

Nobody chose to speak during Open Forum.

CONSIDER APPROVAL OF ITEMS BY CONSENT

Motioned by Councilmember Champney, seconded by Councilmember Turner, to approve the following items by consent: 2, 5, 7, 8 and 9.

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

Councilmember Fisher was absent from the voting.

COUNCIL RECOGNITION

1. Proclamation declaring September 2014 as Blood Cancer Awareness Month in the City of Bedford.

Mayor Griffin read a proclamation declaring September 2014 as Blood Cancer Awareness Month in the City of Bedford. Mark Lenz from the Leukemia and Lymphoma Society was present to accept the proclamation. Mr. Lenz stated that he is long term of resident and long term participant in the fight against blood cancers. After the death of a friend for leukemia, he became involved as a volunteer, fundraiser and a member of the board of trustees of the North Texas Chapter of the Society. He discussed the impact of these diseases on members of his family. The Society's goal is to raise awareness and money and they have invested \$1B in research for the treatment of these and other cancers.

APPROVAL OF THE MINUTES

2. Consider approval of the following City Council minutes:

- a) August 26, 2014 regular meeting
- b) September 2, 2014 special meeting

This item was approved by consent.

NEW BUSINESS

3. Consider an ordinance adopting 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; providing for intra-fund and/or intra-departmental transfers; providing for investment of idle funds; and declaring an effective date.

Ms. Jakubik presented further information on this item. She thanked staff, the Departments and the City Manager's Office. There was discussion on the remount of an ambulance chassis; the merit pool and bonuses; making the merit raise a onetime payment; market adjustments and the City being up to scale; rewarding exemplary employees at the same rate as employees who are doing less; merit increases being based on performance evaluations; taking care of employees; tying up resources perpetually moving forward; increases to get employees to the 40th percentile; the City taking care of the increased costs of health insurance and amending the retirement program; the City doing a hybrid of market adjustments and merit pay to get employees to the 40th percentile; that 80 percent of employees were below the 40th percentile; trying to keep pace and improve the City's position in the market to hire the most qualified people; pools for market adjustments and merit pay; merit pay being based on job performance; looking at this process every year; and running the City like a business.

Motioned by Councilmember Turner, seconded by Councilmember Champney, to approve an ordinance adopting 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; providing for intra-fund and/or intra-departmental transfers; providing for investment of idle funds; and declaring an effective date plus the addition of the \$15,000 for the 6Stones CPR program.

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

4. Consider a resolution to ratify the property tax increase as reflected in the 2014/2015 City of Bedford Program of Services (Budget).

Ms. Jakubik presented information on this item. It is a requirement of House Bill 3195, and includes statutory language that ratifies the tax increase adopted by the previous ordinance with the budget. Councilmember Fisher wanted it on the record that if a City did not go to their effective tax rate in lowering their taxes, they are passing this same resolution.

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Motioned by Councilmember Turner, seconded by Councilmember Farco, to approve a resolution to ratify the property tax increase as reflected in the 2014/2015 City of Bedford Program of Services (Budget).

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

- 5. Consider an ordinance amending the City of Bedford Code of Ordinances by amending Chapter 58 "Fire Prevention and Protection," by deleting Sections 58-97 and 58-99 through 58-104 and adding new Sections 58-97 and 58-99 through 58-104, thereby adopting the International Fire Code, 2009 Edition, and providing certain amendments and deletions thereto; providing for an effective date; providing for a penalty clause; providing a repealer clause; and providing a severability clause.**

This item was approved by consent.

- 6. Consider an ordinance amending Chapter 82 – "Offenses and Miscellaneous Provisions," Article III "Smoking," Section 82-71 "Definitions" and Section 82-73 "Food Products Establishment" of the City of Bedford Code of Ordinances; providing that this ordinance shall be cumulative of all ordinances; providing a severability clause; providing a penalty clause; and providing an effective date.**

Assistant to the City Manager Meg Jakubik presented information on this item, which is based on a request by Council to eliminate smoking in restaurants. It was a topic in the citizen satisfaction survey, which showed that 87.1 percent of residents support or strongly support such a ban. It was the will of the Council for smoking to continue to be permitted on patios and the ordinance provides a definition of a patio, which is open-air with no permanent structures restricting ventilation. After reviewing restaurants that had patios, it was found that in general, the distance between the primary entrance and the patio is approximately 10 feet. Two restaurants with less than this distance expressed no issues with these regulations. The only restaurant that was opposed was Applebee's, whose patio is seven feet from the primary entrance. She stated that Council can pass the ordinance as is or request staff to do further research. The regulations apply to e-cigarettes as well. An exemption was built in for restaurants that receive more than 50 percent of their gross sales from the sale of alcohol, and is a true exemption and not a defense to prosecution.

There was discussion on the 10 foot distance, which is measured from the patio edge. In answer to questions from Council, Mr. Syblon stated that some business owners were concerned but that the ordinance addressed those concerns, and that there is the possibility that Applebee's could modify their patio.

Motioned by Councilmember Turner, seconded by Councilmember Champney, to approve an ordinance amending Chapter 82 – "Offenses and Miscellaneous Provisions," Article III "Smoking," Section 82-71 "Definitions" and Section 82-73 "Food Products Establishment" of the City of Bedford Code of Ordinances; providing that this ordinance shall be cumulative of all ordinances; providing a severability clause; providing a penalty clause; and providing an effective date.

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

- 7. Consider a resolution authorizing the City Manager to enter into a Memorandum of Understanding (MOU) between the City of Bedford and Bluebonnet Contractors, LLC (BBC) for acceptance of payments related to water and sewer facilities located within the North Tarrant Express Project (NTE).**

This item was approved by consent.

8. Consider a resolution authorizing the City Manager to enter into a contract with Vann/Elli, Inc. for the replacement of 58 linear feet of bridge railing on the west side of the bridge located at 2200 Forest Ridge Drive the in amount of \$14,345.

This item was approved by consent.

9. Consider a resolution approving the City of Bedford Investment Policy.

This item was approved by consent.

10. Presentation on the Block Party scheduled for September 25 sponsored by the Community Affairs Commission.

Gary Morlock of the Community Affairs Commission reminded Council of the Block Party scheduled for September 25. He stated that Council should have received a packet at the last Council meeting and any final details will be available at the September 23 Council meeting. They have received approval from all the residents on Honor Oak Drive to hold the party in that section. The party will be from 6:00 p.m. to 8:00 p.m. All of Council is invited and several City departments are expected to have displays. This event will bring the City to the neighborhood and is the first of many they hope to sponsor. There will be free hot dogs, face painting, cotton candy, Fire trucks, Police cars and ambulances.

11. 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**

No report was given.

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

Councilmember Boyter urged people to attend the Commission-sponsored Block Party and stated that Commission members Gary Morlock and Sal Caruso did a good job. He thanked several members of the Commission who were in attendance earlier.

- ✓ **Cultural Commission – Councilmember Champney**

Councilmember Champney reported that the Commission met the previous evening and they have a work session scheduled for Sunday, October 5 from 12:00 p.m. to 4:00 p.m. to address the formation of a 501(c)3.

- ✓ **Library Board - Councilmember Davisson**

Councilmember Davisson presented information on the North Texas Giving Day on September 18 and that donations can be made to the Library at the event's website.

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

Councilmember Davisson reported that the shade structures have been installed in both the little and big dog areas of the Dog Park.

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

No report was given.

12. Council member Reports

Councilmember Fisher stated that he intended to vote yes on Item #2. He stated that the 13th anniversary of September 11 will be this Thursday and he encouraged people to thank first responders. He stated that out of that tragedy sprung a new hope and optimism in the American spirit and way, and it has been lost over those 13 years.

Councilmember Farco thanked staff for the good time he had at Blues Fest.

13. City Manager/Staff Reports

No report was given.

14. 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 7:50 p.m.

Jim Griffin, Mayor

ATTEST:

Michael Wells, City Secretary