

**Council Minutes February 28, 2017**

**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 28th day of February, 2017 with the following members present:**

Jim Griffin	Mayor
Michael Boyter	Council Members
Roger Fisher	
Dave Gebhart	
Rusty Sartor	
Roy Turner	

constituting a quorum.

Staff present included:

Kelli Agan	Interim City Manager
Cliff Blackwell	Interim Assistant City Manager
Cathy Cunningham	City Attorney
Michael Wells	City Secretary
Natalie Foster	Public Information Officer
Meg Jakubik	Strategic Services Manager
Jill McAdams	Human Resources Director
Kenny Overstreet	Public Works Director

**COUNCIL CHAMBER 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: 3, 5, 6, 7, 8 and 9.

Interim Assistant City Manager Cliff Blackwell presented information regarding Item #5, which is to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2016. This report concludes the audit process performed by BKD, the City's auditors. This was their fifth year working with the City and they have done an excellent job working with staff. Mr. Blackwell stated that he could not have a better staff throughout the process, including Interim Administrative Services Director Paula McPartlin, Accountant Crystal Segovia, Account Clerk Addy Calderon, Finance Supervisor Jo Quarles and Accounting Technician Michele Farbes. The CAFR is currently online, and there will be copies at the Library and filed with the City Secretary's Office. The CAFR is composed of a financial section, notes to the financial section, and a statistics section. Kevin Kemp with BKD stated that he appreciated working with City staff. They issued their opinion on January 31, 2017, four months after the end of the fiscal year. The City has applied for and won the Excellence in Financial Reporting Certificate from the Government Finance Officers Association for the past 20 years. BKD did their audit in accordance with generally accepted auditing standards and based on their audit, they believe the financial statements are presented fairly and in accordance with generally accepted accounting principles. He stated that BKD issued a clean, unmodified opinion. They looked at internal controls over financial reporting, tested key controls, and found no material weaknesses or sufficient deficiencies and proposed no auditing adjustments. The City had a

## Council Minutes February 28, 2017

very strong year financially, including revenue exceeding projections and expenditures being under projections. The City's net pension liability is \$12.5M, up from \$11.5M, driven by investment returns in 2015 and TMRS lowering their long-range expected rate of return from seven percent to 6.75 percent. He stated that the figure fluctuates year-to-year and there is no cause for concern. In answer to questions from Council, Mr. Blackwell stated that the City's reserve limit is 20 percent, and the unassigned portion of the fund balance is at 22.8 percent; that the City has a AA bond rating and it is rare to find a AAA rating for a city Bedford's size; that the increase in the debt obligations was from the \$30M bond issuance for the SWIFT program; that regarding the impact of the increased debt obligations on the City's bond rating, there would only be an effect if the City did not have the capacity to pay off the debt; that factors affecting the bond rating include economic climate, cash reserves, and the City's overall ability to manage fiscal constraints. He confirmed that there is no danger of an adverse effect on the City's bond rating because the City can meet those obligations; and that the City is in good standing with its pension fund. He further stated that the City must report its pension liability, and what the City is currently doing to pay those pensions and the contribution rate from TMRS allows the City to meet the liability over time; and that in the City's case, it is amortized over 30 years. Regarding the statistic showing the number of stormwater miles increasing from 90 to 173, he stated the City installed a new AutoCAD system in Public Works, which provided a more accurate number of miles.

Human Resources Director Jill McAdams presented information regarding Item #6, which is for a broker services agreement with IPS. Staff previously came to Council for an interlocal agreement with the cities of Colleyville and Watauga to collectively seek a broker services contract. The cities have been very pleased with the interlocal agreement as it allowed the cities to go through the process together, along with cost savings of \$1,500 per year per city. The items used to assess the bid were put together by the Watauga purchasing/assistant finance director. The information examined included the scope of services offered; the demonstrated ability to produce cost savings using a strategic planning element; firm qualifications; project requirements, including a demonstrated understanding of those requirements such as potential problem areas, project approach, workplan, and quality assurance programs; and ultimately cost. Another important element was the client base brought forward by the agencies in terms of the north Texas municipal market. She stated one of the goals of the employee benefit program is to jointly purchase health insurance with other cities, and having a broker that has strong presence in the market brings more cities to the table and helps facilitate those discussions. IPS has over 40 municipal clients in Texas and 15 in the immediate area. Services offered by IPS include the ability for staff to receive training, bulletins when laws change, a five-year strategic plan for employee benefits, a comprehensive audit of employee benefits plans, and comprehensive employee communication materials, all of which is included in the annual fee. IPS is willing to put 100 percent of their fees at risk for client satisfaction. In answer to questions from Council, Ms. McAdams confirmed that the \$41,000 is Bedford's portion based on the number of employees. She further stated that each city would be independent in picking their plans; that the agreement is for three years, with the option to renew two additional times; that the company's references were checked, including the cities of Keller, Fort Worth and Conroe, all of which spoke highly of IPS; that IPS is known in the area for their customer service; that the company has a complete customer service team behind the scenes; and that they bring forth creative solutions, including a phone app that has coupons and gives the costs of prescriptions. She confirmed that the current broker services agreement ends that day, so the new agreement would go into effect the following day; and that staff received five proposals and used a scoring system developed by Watauga's purchasing department. Andrew Weegar with IPS stated that they look at cities around the same size in the area and see about getting three or four to include on an agreement; and that they look at insurance carriers, plan designs and do a full Request for Proposal process.

Ms. McAdams presented information regarding Item #7, which is for changes to the Job Posting and Internal Promotion personnel policy. Staff wanted to come back to Council to provide a clearer definition for new hire compensation. General government new hires will come in at the minimum of the paygrade unless approved by the City Manager. Transfers and promotions, unless it is a lateral transfer, will be the minimum of the new paygrade or five percent. For certified public safety, employees would move to step one of the new position and that date becomes their anniversary date. For voluntary and involuntary demotions, general government employees would have their pay adjusted down to the minimum of the new paygrade, but with the City Manager's approval, the department manager can ask for up to five

## Council Minutes February 28, 2017

percent over the minimum if skills, knowledge and attributes allow for it. For public safety demotions, employees would revert to their previous step, or if the chief believes it warrants a more severe action, they may seek City Manager approval to go lower. Regarding the Temporary Assignment Pay (TAP) policy, Ms. McAdams stated that it is unique to public safety and is common with neighboring cities. This policy was brought to Council in January to shore up the amount of TAP and to standardize how it is administered across the board. At that time, TAP would be done in full-shift increments; however, employees going to training would only TAP for a certain number of hours. The revised policy has language that TAP could be done in less than one hour increments in certain circumstances where it is administratively necessary to make a partial shift adjustment at the convenience of the department, not the employee. There was discussion on Council concerns for the previous versions of the policies and adding more specificity. In answer to questions from Council, Ms. McAdams stated that all positions are banded and in a grade system, in which there is a minimum, a mid-range, and maximum; that if an employee is demoted, they would go to the minimum of the new paygrade, while under the old policy, they would go to the maximum of the new paygrade or a reduction in pay of five percent, whichever was greater; that if the department manager feels like the employee is worth more than the minimum and/or brings a particular skill set, the department manager has, with the approval of the City Manager, the ability to pay up to five percent over the minimum as long as there are no incumbents in that position; and that new employees are hired at entry, but if there is a desire to go higher than that, there is a process and a check-and-balance system that occurs. There was discussion on clarity in the new policies.

Public Works Director Kenny Overstreet presented information regarding Item #8, which is a contract with SYB Construction Company in the amount of \$677,455 for water and sewer replacement in the Loma Verde addition. He stated that this was another SWIFT project. There have been multiple breaks in the area and the lines are cast iron and transite water pipe. The City received bids and SYB was the apparent low bidder. Staff checked their references and they all checked out good. They have worked for the City on five other projects, including two current projects. To his knowledge, the City has never had to have them perform any additional warranty work. Some of their more recent projects include replacing water and sewer lines along the NTE right-of-way and water, sewer and wastewater lines in the Avalon subdivision. Regarding the low bid, Mr. Overstreet stated that he talked to the owner of SYB, who assured him that nothing was left out of the bid and he is conformable with the bid prices. In answer to questions from Council, Mr. Overstreet stated that a performance bond is not done until the contractor and the City sign the contract, which is then given to the insurance company that provides the bond; that the bid bond is five percent of the project; and that in looking at the bid tabs on other projects done by SYB, they were lower in some areas and higher in other areas. He confirmed that the project is 210 days and stated that once the contractor signs the contract, it must go to the Texas Water Development Board to authorize the release of the SWIFT funds, which may take 30 to 45 days.

Mr. Overstreet presented information regarding Item #9, which is for three monument signs at the Boys Ranch Park and one on Central Drive, south of Cheek-Sparger Road. Turner Signs did the previous two monument sign projects in the City. There were delays on the first project relating to specifications on the logo and lettering but they now have the molds preformed. Turner Signs just completed the monument sign at Fire Station #3 and are 85 percent complete on the sign on Cheek-Sparger Road. Staff feels Turner Signs can do the monument signs for this project. Regarding questions related to the size of the signs at the Boys Ranch Park, staff talked to the architect who stated the park is more drive-through and if the size of the sign is reduced, the lettering becomes blurred and there would be a halo effect with the backlit lettering. Staff feels the signs are properly sized for the Boys Ranch. The lettering with the park rules would be acrylic overlaid with shatter-resistant tempered glass. The "B" and "Boys Ranch Park" would be lit, and the message on the back of the sign reading "Thank You For Visiting" would be lit as well at the request of the Parks and Recreation Board. There was discussion on the sign at the front of the Boys Ranch Activity Center (BRAC) and whether the entrance there would be affected by "Phase Next" of the Boys Ranch improvements; the size and scale of the signs; and designing "Phase Next" around the signs or vice versa. In answer to a question from Council, Mr. Overstreet stated the lettering at the bottom of the sign would be backlit extruded aluminum. Interim City Manager Kelli Agan stated that there are no hard design plans for "Phase Next" currently other than what was in the preliminary stages of the previous four phases. There was further discussion on eliminating sign pollution, including temporary signage, at the Boys Ranch; the City's branding; the entrance to the park from Forest Ridge Drive; the signs being focal

## **Council Minutes February 28, 2017**

elements as one enters the park; investing in the City's parks; the sign not affecting the stone monument at the entrance; and the stone monument being preserved as a historical marker.

Mayor Griffin adjourned the Work Session at 6:33 p.m.

### **REGULAR SESSION**

The Regular Session began at 6:42 p.m.

### **CALL TO ORDER/GENERAL COMMENTS**

Mayor Griffin called the meeting to order.

### **INVOCATION (Pastor Tyler Eggleston, Meadow Creek Baptist Church)**

Pastor Tyler Eggleston of Meadow Creek Baptist Church gave the invocation.

### **PLEDGE OF ALLEGIANCE**

The Pledges of Allegiance to the flags of the United States and Texas were given.

### **ANNOUNCEMENTS/UPCOMING EVENTS**

Public Information Officer Natalie Foster reported that the Library will hold their 11th annual SeussFest on Sunday beginning at 1:00 p.m. The event celebrates childhood literacy and Dr. Seuss' 113th Birthday. There will be celebrity readers, snacks, a petting zoo, jugglers and a prize for the best costume. She stated that registration for the Boys Ranch Activity Center Spring Break Camp is open. The camp runs March 13 through March 17, 201 and is for children six to 12 years of age. There will be games, crafts, outdoor activities and more. She reported the Crud Cruiser event will be from 9:00 a.m. to 11:00 a.m. on March 11, 2017 at the Meadow Park Athletic Complex and that spots are available for the residential outreach meeting on Wednesday, March 22, 2017 starting at 7:00 p.m.

Mayor Griffin reported that the Central Arts of Bedford will be holding an event on March 11, 2017, which will be in honor of former Councilmember Ray Champney.

### **OPEN FORUM**

Nobody chose to speak during Open Forum.

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

Motioned by Councilmember Gebhart, seconded by Councilmember Turner, to approve the following items by consent: 3, 5, 6, 7, 8 and 9.

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

### **COUNCIL RECOGNITION**

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

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

Biff Schuessler, Police Department - 35 years of service

**2. Proclamation declaring March 2, 2017 as American Legion Post 379 Day in the City of Bedford.**

Mayor Griffin read a proclamation declaring March 2, 2017 as American Legion Post 379 Day in the City of Bedford. Legion Commander Dennis Gossett thanked the Mayor and Council and invited them to the Post's 50th anniversary celebration on March 2, 2017 from 5:00 p.m. to 7:00 p.m. He stated they are the second largest Post in Texas, with close to 1,200 veterans, 550 auxiliary members, 146 sons and a rider group. In answers to questions from Council, Mr. Gossett stated that part of the American Legion's four pillars is children and youth and they support two Boy Scout troops out of their post. He discussed the Boys State program, whereby they pay for the top one or two percent of high school boys to go to Austin for a week to learn how government works. He stated that several past United States presidents have been through the Boys State program and they sent 17 boys the previous year at \$500 per person. The post also supports youth baseball teams, organizes Toys-for-Tots drives and cancer fund raisers, and provides services for needy veterans and their families.

**3. Consider approval of the following City Council minutes:**

**a) February 14, 2017 regular meeting**

This item was approved by consent.

**4. The following individuals have requested to speak to the Council tonight under Persons to be Heard:**

**a) Dorothy McWhorter, 1600 Martha Drive, Bedford, Texas 76022 - Request to speak to the Council regarding water bills.**

Dorothy McWhorter, 1600 Martha Drive, Bedford – Ms. McWhorter addressed the issue of the billing method for replacing the City's water meters. She agreed the \$14M for self-reading meters is justified due to problems encountered with the City's meter reading service. Some time ago, some meters were not being read, while others were being inaccurately read. Some households were being overcharged and some were being undercharged. When this was discovered, the City was forced to play catchup with some 400 households due to lost funds. To some homeowners, it was confusing, and to others, it produced outright anger. She took exception to the method adopted for the payment for the new meters. She stated the charge is to be added to the water rate, which is currently \$3.74 per 1,000 gallons, and when this is done, the charge becomes lost. She presented a copy of a water bill to Council showing 3,000 gallons in the usage box, with no other explanation of charges being listed. She also presented the City's schedule of minimum water charges, meter sizes, the cost of \$3.74 per 1,000 gallons, and the effective date. The minimum charge for water is based on the size of the meter and the charge for water is computed by taking the usage figure times the water rate plus the City's minimum charge. In response to Ms. McWhorter's question regarding what the \$37.46 minimum charge consists of, it was stated by Council that it is for the costs of operating the water system if the City did not sell any water, and includes overhead, paying debt obligations, servicing the notes, equipment purchases, and infrastructure. It was further stated that the \$3.74 per 1,000 gallons is a pass through from the Trinity River Authority. Ms. McWhorter stated that adding the costs of the meters to the water rate charge begs for misuse by future Councils. Governments at all levels cannot take a tax off the taxpayer once it has been added, and to some politicians, there is nothing to governing except spending tax dollars. She discussed the half-cent sales tax for streets and stated that prior budgeted items are being taken out of that fund, with the net results of not gaining anything for the streets. She further discussed the drainage fee, which was reported to be used to keep Sulfur Branch clean. It was her opinion that consumers, regardless of the product, are entitled to justification and transparency for charges on any bill they are to pay. She asked that Council revisit this item and consider the follow changes: show the costs of the new meters as a separate item on the water bill; and to put the water and sewer rates, along with their effective dates, on the back of the water bill. She wanted to poll the Council to get a consensus that they would revisit this item. It was stated by Council that staff was currently working with a software designer on devising a method to show a breakdown on the water bill. There was discussion on staff working with the software designer on putting the water and sewer rates, and their effective dates, on the front or back of the water bill.

**NEW BUSINESS**

5. Consider a resolution accepting the report from the independent auditor and the audited financial statements for the fiscal year ending September 30, 2016 and providing an effective date.

This item was approved by consent.

6. Consider a resolution authorizing the Interim City Manager to enter into an agreement with IPS Advisors in the amount of \$41,000 to provide benefit brokerage and consulting services for employee benefits.

This item was approved by consent.

7. Consider a resolution authorizing amendments to the employee handbook by revising the Job Posting and Internal Promotion Policy, and Temporary Assignment Pay/Out of Grade Policy.

This item was approved by consent.

8. Consider a resolution authorizing the Interim City Manager to enter into a contract with SYB Construction Company, Inc. in the amount of \$677,455 for the Loma Verde Addition Water System Improvements Project.

This item was approved by consent.

9. Consider a resolution authorizing the Interim City Manager to enter into a contract with Turner Sign Systems, Inc. in the amount of \$198,062 for the Boys Ranch Monument Signs at Various Locations and Central Drive Monument Sign Project.

This item was approved by consent.

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

- ✓ Animal Shelter Advisory Board

No report was given.

- ✓ **Beautification Commission**

Councilmember Turner stated that at their last meeting, the Commission discussed planting items at the site of the new monument sign on Harwood and Highway 121 in conjunction with the Parks and Recreation Board.

- ✓ **Community Affairs Commission**

Councilmember Boyter reported that the Commission will host a residential outreach meeting on March 22, 2017 at the old library building and the City Expo and Pet Fair on April 1, 2017 at the BRAC. He recognized Commission Members Margaret Hall, Gary Morlock and Steve Grubbs, who were in attendance.

- ✓ **Cultural Commission**

Mayor Griffin reported that the Central Arts of Bedford will host an art event on March 11, 2017, which will be dedicated to former Councilmember Ray Champney.

## Council Minutes February 28, 2017

### ✓ **Library Advisory Board**

Councilmember Boyter reminded everybody that the Library will host SeussFest on March 1, 2017 from 1:00 p.m. to 4:00 p.m.

### ✓ **Parks and Recreation Board**

Councilmember Sartor recognized Board Member Randy Newby who was in attendance. He reported that an event was held the previous Saturday at the Boys Ranch Park, where Boy Scouts assisted in planting multiple trees. He thanked Parks Superintendent Don Henderson, Community Services Manager Eric Valdez and their respective staff.

### ✓ **Teen Court Advisory Board**

Councilmember Gebhart reported that the Board will meet the upcoming Thursday.

### ✓ **Senior Citizen Liaison**

Councilmember Turner stated that Senior Center Manager Cathy Haskell continues to do an excellent job at Senior Center and that he had presented Senior Center statistics at the previous meeting.

## **11. Council Member Reports**

Councilmember Fisher thanked staff for their work on the technology upgrades in the Council Chambers. He praised Councilmember Sartor on his eloquent lesson on the history of the United States flag to fourth and fifth grade boys.

## **12. City Manager/Staff Reports**

Ms. Agan echoed Councilmember Sartor's comments regarding the Parks and Recreation staff for their work on the Boy Scout project. She further echoed Councilmember Fisher's comments on the technology upgrades to the Council Chambers, which was a joint project of Communications, the City Secretary's Office and IT.

## **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 551.071, consultation with City Attorney regarding pending or contemplated litigation – Congilio v City of Bedford.
- b) Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to Williams, TW Survey A1735 Tr 6C02, also known as, 1805 L. Don Dodson Drive.
- c) Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to Lot 2R, Block 1, Cardio Place Addition.

Council convened into Executive Session pursuant to Texas Government Code Section 551.071, consultation with City Attorney regarding pending or contemplated litigation – Congilio v City of Bedford; Section 551.087, deliberation regarding economic development negotiations relative to Williams, TW Survey A1735 Tr 6C02, also known as, 1805 L. Don Dodson Drive; and Section 551.087, deliberation regarding economic development negotiations relative to Lot 2R, Block 1, Cardio Place Addition, at 7:15 p.m.

Council reconvened from Executive Session at 7:58 p.m.

**Council Minutes February 28, 2017**

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.

**13. 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 7:59 p.m.

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Jim Griffin, Mayor

ATTEST:

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Michael Wells, City Secretary