

Council Minutes August 12, 2021

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. in the Council Chambers of City Hall, 2000 Forest Ridge Drive, on the 12th day of August, 2021 with the following members present:

Michael Boyter	Mayor
Amy Sabol	Mayor Pro Tem
Cindy Almendarez	Councilmembers
Dan Cogan	
Ruth Culver	
Rob Gagliardi	

constituting a quorum.

Also present: Councilmember-Elect Rick Steves

Staff present included:

Jimmy Stathatos	City Manager
Cliff Blackwell	Assistant City Manager
Michael Wells	City Secretary
Stephanie Ayers	Human Resources Director
Wendy Hartnett	Special Events Manager
Meg Jakubik	Strategic Services Manager
Maria Joyner	Finance Director
Joey Lankford	Deputy Fire Chief
Kenny Overstreet	Public Works Director
Maria Redburn	Library Director
Andrea Roy	Development Director
Bill Walker	Fire Chief
Jeff Williams	Police Chief

CALL TO ORDER/GENERAL COMMENTS

Mayor Boyter called the Work Session to order at 5:01 p.m. He discussed the opportunities with the budget and the budget process.

City Manager Jimmy Stathatos discussed his budget philosophy of bringing the Council's vision to life and stated the budget lowers the tax rate by approximately three percent, makes a commitment to staffing by being competitive in terms of salary and benefits, includes funding for the master plan for street improvements, and addresses quality of life issues.

WORK SESSION

1. Receive and discuss FY 2021-2022 budget overview.

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Strategic Services Manager Meg Jakubik discussed the budget process and stated strategies and assumptions built into the budget include Council goals and their strategic plan, funding the existing levels of service, and employee retention and recruitment. She presented a history of sales tax, which has continued to increase during the current year. A comparison of taxable values shows a steady increase starting in 2015 and the average net taxable value of a house increased from \$227,410 in 2020 to \$240,452 in 2021. She presented a comparison of budget and employees per capita with neighboring cities.

Ms. Jakubik presented an overview of the proposed budget, including revenues totaling \$81,684,349 and expenditures totaling \$80,509,743. She stated fund balance would be used for any fund where expenditures are greater than revenue. Revenues by fund show the General Fund making up a majority, followed by the Water/Sewer Fund. She presented a comparison of revenues from Fiscal Year 2021 and 2022, which shows a significant increase in sales tax. Expenditures by department from all funds shows Public Works to be the largest portion, while expenditures by classification shows personnel making up 41.6 percent of the budget. A comparison of expenditures from Fiscal Year 2021 and 2022 shows a change in the Street Improvement Economic Development Corporation (SIEDC) Fund due to changes on funding certain projects.

Ms. Jakubik presented information on the General Fund. The trend over the last several years shows revenues outpacing expenditures, with the decline in expenditures the previous year being due to the decision to stop most spending to determine the impact of the COVID-19 pandemic on revenue. The largest portion of revenue is from property tax, followed by sales tax. There was an increase in revenue from permits and reductions in revenue from fines and forfeitures as well as charges for service is due to a cancellation of a contract with the Immigration and Custom Enforcement. Personnel makes up 76 percent of expenditures in the General Fund, with two-thirds being public safety.

Ms. Jakubik presented an overview of new General Fund items already included in the proposed budget, including a three percent cost of living adjustment (COLA) for all employees and market adjustments to the public safety step plan. Mr. Stathatos stated the police officer and firefighter positions are the most below the market average, which has an impact on recruitment and retention, and that the proposed market adjustments will correct that issue. There was discussion on public safety pay compared to the market, recruitment and retention, current Police Department openings, and public safety employees at already at the market average receiving the COLA.

Ms. Jakubik presented information on more new General Fund items. There is a video producer position for the Communications Department, with the equipment for that position being paid out of the Public, Educational, and Government (PEG) Fund. There is no longer a grant to pay for the mental health coordinator position and funding is included for Bedford's one-third share of the cost. There are increases for forensic laboratory services and travel and training for the Police Department, as well as leasing replacement equipment for their body and in-car camera system. There was discussion on the services provided by the mental health coordinator. There was further discussion on the new camera system, including that the cameras would be triggered by more actions by the officers, that the videos would be stored in the cloud and could be viewed more quickly, possible grant funding to offset the costs of the equipment, and that the cameras would be replaced on a two-and-a-half-year rotation. Ms. Jakubik stated items for the Fire Department include a part-time emergency management coordinator position, an increase for program funding, and three-year replacement cycles for extractors/dryers and workout

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equipment. The final item is to establish a library technology fund. There was discussion on the emergency coordinator position and post-disaster grants.

Ms. Jakubik presented an overview of one-time or split changes to the General Fund, including an expansion of the Laserfiche records management system for the City Secretary's Office; an update to the City's Master Plan for the Development Department; a Tyler Content Management System for the Finance Department; a facility assessment for the Fire Department; a brake lathe for Fleet; a security camera system for the Law Enforcement Center; technology and furniture upgrades for the Fire Department training room; a defibrillator replacement; and two mowers and an excavator for the Parks Division, partially in preparation for Generations Park. There was discussion regarding the brake lathe, including that it was pulled from the previous budget, and the defibrillators.

Ms. Jakubik presented an overview of the tax rate. The current tax rate is \$0.569 per \$100 valuation, the No-New-Revenue Tax Rate is \$0.549319 per \$100 valuation, the Voter-Approval Tax Rate is \$0.552691 per \$100 valuation, and the rate used in the proposed budget is \$0.552 per \$100 valuation, a three percent decrease from the current rate. There would be 0.6 percent increase in the maintenance and operations portion of the proposed rate, while there would be a 10.5 percent decrease in the debt portion. She presented a history of the tax rate going back to 2012. She stated there would be a \$27 yearly difference on the average home in Bedford with the proposed tax rate. She presented a breakdown of the monthly cost allocation of a taxpayer's bill and stated approximately half goes towards funding public safety.

Ms. Jakubik presented information on the Debt Service Fund, including an overview of the current debt service schedule totaling \$7,167,776. She stated several issuances rolled off during the current year and the Series 2011 bonds were refunded.

Ms. Jakubik presented an overview of special revenue funds. She stated the SIEDC Fund is seeing an increase in revenue due to the increase in sales tax, and contractual services makes up the largest portion of expenditures. She stated the Tourism Fund is status quo budget-wise. There was discussion on personnel being paid out of the Fund and a request from Council to prorate their salaries.

Mr. Stathatos introduced Cultural Arts Manager Krissi Oden. Ms. Oden stated she wants to get a feel for the community and to understand what art programs and public art would work best in Bedford. She discussed various art projects, including wrapping the traffic boxes, murals, painting crosswalks, projects on the City's trails, partnering with a class the University of North Texas to create a piece of public art, and arts programs and events. There was discussion on the use of the Tourism Fund.

Ms. Jakubik presented an overview of revenues and expenditures in the City's Minor Funds and the Enterprise Funds. She stated revenue from the Water/Sewer Fund comes from charges, billing, and late fees, while the largest expenditures are for payments to the Trinity River Authority (TRA) for water and sewer, and debt service. Changes in the Water/Sewer Fund include its portion of the Tyler Content Management System and a construction engineer, which would be funded through repurposing a currently funded position resulting in a zero net change. Ms. Jakubik stated TRA is projecting a cost decrease from what the City is currently paying. Ms. Jakubik presented an overview of the current water and sewer rates and the water and wastewater rate study presented to Council the previous year. She stated Council began a course of even revenue rate increases over the next five years; however, due to not issuing debt during the year and the

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decrease in TRA costs, staff recommends holding the rate constant. There was discussion on future debt issuances and the reasons for the TRA decrease.

Ms. Jakubik presented an overview of the Stormwater Fund. Revenue mainly comes from charges, with most expenditures going towards administrative overhead payments and debt service. She presented information on the current rates. Chris Ekrut with NewGen Strategies presented information on a stormwater fee study performed by the company. He stated the fee can be used to pay for anything associated with stormwater management, including rights-of-way, curbs, gutters, channels, and culverts. He presented a comparison of the current fee with neighboring cities, showing Bedford to be in the mid-range for residential customers, and the highest for commercial customers, which he stated helps maintain equity within the system due to the amount of runoff from businesses. Mr. Ekrut presented an overview of the Fund's performance under current revenues, minus any future capital investment. He presented an overview of upcoming stormwater projects, including erosion control at Brookhollow Park, Rankin Drive, channel improvements from State Highway 183 to Bedford Road, tributary culvert improvements at bridges, and a drainage system study. There was discussion on the prioritization of the projects and the delay in the channel improvement project, which was designed in 2008. Mr. Ekrut recommended raising the fee by \$0.50 a month, which would give the City money to issue debt and to pay the debt through incremental revenues plus the increment still in the Stormwater Fund. There was discussion on the fees in other cities.

Ms. Jakubik presented a five-year forecast for the General Fund at the proposed tax rate. For 2022, there would be \$4,000 in revenue over expenditures, and a fund balance of 35.68 percent. She stated the forecast shows the tax rate and budget to be sustainable over the next few years. There was discussion on the factors built into the metrics, the reserve requirement, and the impact of the opening of Generations Park.

Ms. Jakubik presented an overview of unfunded supplemental requests, including a vacation buyback policy program, an additional accountant position, body worn cameras for fire inspectors, and an increase to move three Library employees from 32 hours to 40 hours. Unfunded capital projects include painting and interior coating the Cummings elevated storage tank, generator installation at well sites and the Public Works building, and Sulphur Branch channel improvements from State Highway 183 to Bedford Road. There was discussion on the use of American Rescue Plan Act (ARPA) funds and State Water Implementation Fund for Texas (SWIFT) funds for the unfunded capital projects, state legislation regarding the installation of generators at the well sites, and that ten percent of water in Bedford is generated by the wells. Ms. Jakubik presented an overview of unfunded equipment and maintenance items, including a station alerting system, a drive-on lift for Fleet, and roof and heating, ventilation, and air conditioning (HVAC) systems at various City facilities.

Ms. Jakubik presented an overview of the City's various funds. There was discussion on increases or decreases in various contractual services, supplies, maintenance, and personnel services line items in the General Fund; employees and equipment being paid out of the Tourism Fund; funding for cultural arts projects and programs; the decline in interest revenue; revenue and expenditures in the Economic Development Fund; projects being paid out of the Parks Maintenance Fund; funding for entrance improvements to the City; increasing the budget for the Beautification Commission; replacing the server for the Finance Department's enterprise resource planning (ERP) system out of the Computer Replacement Fund; the Enterprise vehicle replacement program; projects being paid out of the Parks Donation Fund; a frozen Teen Court Clerk position; the Commercial Vehicle Enforcement program; a decrease in the Water Utility Maintenance Fund;

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staffing in the Neighborhood Services Division and the impact of the new manager, permitting process, and software on the Division; and decreases in franchise fees and court fines.

There was discussion on the various departmental and divisional budgets, including payment for the Northeast Transportation Service; the video producer position; a frozen position in the Facilities Maintenance Division; HVAC services; frozen and eliminated positions in the Development Department; the Community Powered Revitalization Program; the health and dental insurance benefits approved by Council at the previous meeting; additional auditing services due to the City receiving federal funds during the pandemic; funding for the Bedford Connection; increases to legal fees; operating transfers; payment to the City of Euless for jail services; public safety overtime; increases in the budget for Fire Department training; billing for Emergency Medical Services, cost recovery, and the ambulance subscription program; payment to the City of Hurst for sewer treatment; Public Works vehicles; the mowing contract in the Parks Division; City event expenses; increasing the budget for higher fireworks and using drones during FourthFest; and the maintenance line item for the Old Bedford School.

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

There was discussion on the use of the approximately \$360,000 in discretionary funding and the next steps in the budget process.

ADJOURNMENT

Mayor Boyter adjourned the Work Session at 8:12 p.m.

Michael Boyter, Mayor

ATTEST:

Michael Wells, City Secretary