

Council Minutes August 23, 2022

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

The City Council of the City of Bedford, Texas, met in Regular Session at 6:00 p.m. in the Council Chambers of City Hall, 2000 Forest Ridge Drive, on the 23rd day of August, 2022 with the following members present:

Michael Boyter
Amy Sabol
Dan Cogan
Steve Farco
Rob Gagliardi
Rich Steves

Mayor
Mayor Pro Tem
Councilmembers

constituting a quorum.

Staff present included:

Jimmy Stathatos
Caryn Riggs
Andrea Roy
Bryn Meredith
Michael Wells
Joe Grasmick
Meg Jakubik
Wes Morrison
Maria Redburn
David Smyth
Bill Walker
Blake Williams
Jeff Williams

City Manager
Assistant City Manager
Assistant City Manager
City Attorney
City Secretary
Fleet Manager
Strategic Services Manager
Planning Manager
Library Director
Public Works Operations Manager
Fire Chief
Purchasing Manager
Police Chief

REGULAR SESSION

The meeting began at 6:00 p.m.

CALL TO ORDER/GENERAL COMMENTS

Mayor Boyter called the meeting to order.

INVOCATION

Mayor Pro Tem Sabol gave the invocation.

PLEDGE OF ALLEGIANCE

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

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COUNCIL RECOGNITION

- **Employee Service Recognition**

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

Kirk Thorne, Public Works – 5 years of service
Chris West, Police Department – 25 years of service

- **Consider a resolution authorizing the Beautification Advisory Board to recognize residential and commercial properties for maintaining, improving, and/or keeping their property visually attractive to the community.**

Beautification Commission Chairperson Marty Geer presented information on the awards. The awards will be presented on August 27, 2022, starting at 8:00 a.m.

Motioned by Councilmember Steves, seconded by Councilmember Cogan, to approve a resolution authorizing the Beautification Advisory Board to recognize residential and commercial properties for maintaining, improving, and/or keeping their property visually attractive to the community.

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

PRESENTATIONS

- **Presentation and discussion regarding the City's Water and rate structure and options to provide revenues to maintain adequate operating reserves and fund capital needs.**

Chris Ekrut with NewGen Strategies & Solutions stated the City continues to see cost increases from the Trinity River Authority (TRA) and recommended the City pass along those increases to the residents. He explained that along with the water and sewer rates, the City must ensure it meets its financial targets, including there being enough money in reserves to meet debt service coverage targets, which impacts long-term borrowing costs, and that revenues are performing sufficiently. He stated at the current rates, insufficiencies are projected for next year. Mr. Ekrut discussed a higher adjustment on the volumetric side of the water and sewer rates for 2023, with the average summer bill increasing from \$103.29 to \$110.55 and the average winter bill from \$80.21 to \$85.22. He presented a comparison of the City's rates to neighboring cities. There was discussion on future capital needs, projections of increased rates from the TRA, and inflation.

- **Presentation on the Quarterly Investment Report for the Fiscal 3rd Quarter ending June 30, 2022.**

Assistant City Manager Caryn Riggs stated the City's total portfolio decreased approximately 20 percent from the same quarter the previous year as the City works on capital projects.

Tim Pinion with Valley View Consulting, the City's investment advisors, stated the City's portfolio decreased approximately \$8,000,000 from the previous quarter due to normal seasonal outflows, while State Water Implementation Fund for Texas (SWIFT) funds saw little movement. The average yield on the City's portfolio increased from 0.57 percent to 1.28 percent from the previous quarter in line with increases in rates by the Federal Reserve. He discussed the City's portfolio

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comparing favorably to benchmark yields, the inversion of the Treasury yield curves, recessionary and inflationary pressures, and current interest rates in certificates of deposit and treasuries/agencies. He stated the City should look into moving some funds to the two-year range to lock in higher interest rates. Mr. Pinion presented an overview of recent market highlights, including the Federal Reserve raising interest rates by 0.75 percent, inflation in energy and food prices, employment reaching pre-pandemic levels, a mismatch between job openings and job seekers, the increase of the median price of housing over the previous ten years, the recent increase in mortgage rates, and the decline in new home sales. He discussed the City's investment strategy, including the laddering of funds.

- **Third Quarter Financial Report.**

Strategic Services Manager Meg Jakubik presented a financial report on the third quarter of the City's fiscal year. She presented information on the General Fund, including a comparison of actual and budgeted revenues and expenditures, which shows sales tax ahead of the budgeted amount. Charges for service increased, including from ambulance fees. She presented a comparison of revenues and expenditures from Fiscal Year 2021 and 2022, including correcting entries on operating transfers, a reimbursement from Tarrant County for staff time at the COVID-19 vaccine clinic, and an increase in public safety due to salary dollars the previous year being paid through Coronavirus Aid, Relief, and Economic Security Act (CARES) funding. She presented information on the Water and Sewer Fund, including three-year histories of revenue and expenditures, and correcting entries on operating transfers similar to the General Fund. She presented information on other funds, including Tourism, Stormwater, and the Street Improvement Economic Development Corporation (SIEDC). She stated Tourism is showing increases from the hotel-motel occupancy tax and increased expenditures from one-time expenses remodeling the Old Bedford School. There was discussion regarding projections and public safety salary dollars being paid from CARES Act funding.

OPEN FORUM

Nobody signed up to speak under Open Forum.

CONSIDER APPROVAL OF ITEMS BY CONSENT

City Manager Jimmy Stathatos presented an overview of items on the consent agenda.

Motioned by Councilmember Gagliardi, seconded by Councilmember Cogan, to approve the following items by consent: 1, 2, 3, 4, 5, 6, 7 and 8.

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

1. **Consider approval of the following City Council minutes:**
 - a) **August 9, 2022 regular meeting**
 - b) **August 10, 2022 work session**

This item was approved by consent.

2. **Consider a resolution of the City Council of the City of Bedford, Texas, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the Company's 2022 Rate Review Mechanism filing.**

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This item was approved by consent.

- 3. Consider a resolution authorizing the City Manager, or his designee, to establish an annual requirements contract for the purchase of maintenance, repair, and operational supplies from Home Depot Pro in an amount not to exceed \$100,000 with the National Intergovernmental Purchasing Alliance, dba Omnia Public Sector.**

This item was approved by consent.

- 4. Consider a resolution authorizing the City Manager to utilize the City of North Richland Hills Water and Wastewater Repair Material requirements contract with Atlas Utility Supply Company in an estimated amount of \$130,000 through the Master Interlocal Cooperative Purchasing Agreement.**

This item was approved by consent.

- 5. Consider a resolution authorizing the submission of a grant to the 2022 Transportation Alternatives Set-Aside Call for Projects for the North Central Texas Region for a proposed trail extension through the Ridgewood neighborhood between Forest Ridge Drive and Harwood Road.**

This item was approved by consent.

- 6. Consider a resolution approving the City of Bedford Investment Policy.**

This item was approved by consent.

- 7. Consider a resolution authorizing the City Manager or his designee to approve the rejection of the bids relative to bid project 2022-05 for City-wide mowing services.**

This item was approved by consent.

OLD BUSINESS

- 8. Consider an ordinance to rezone the property described as Lot 10R1 Block 6 Bedford Meadows Addition, located at 2815 Central Drive, from Heavy Commercial (H) to Heavy Commercial/Specific Use Permit/Indoor Amusement Center. (PZ-SUP-2022-500031)**

Planning Manager Wes Morrison presented information regarding this item. He stated the request is to allow an indoor amusement use, which requires a Specific Use Permit, at the shopping center at the corner of Harwood Road and Central Drive. Customers would be allowed to splatter paint on canvas and smash breakables and electronics, and there would be a party room for birthdays and other celebrations. He stated the use complies with the future land use designation of commercial. The City Council tabled this item at their June 14, 2022 meeting over concerns regarding noise and its impact on surrounding businesses as well as disposal of the electronics and other items that would be destroyed.

Susan Linter, the applicant, presented an overview of the methods that would be utilized to reduce noise transference, including the construction of the interior cinder block wall, insulation in the ceiling, a soundproofing barrier on top of the cement floor, and tables consisting of cable spools with rubber underneath. She stated the smash room would be allowed once per hour, with a time frame of 20 to 25 minutes, or up to 45 minutes for parties. Regarding waste, Ms. Linter stated that

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they would use DFW Recyclers for the electronic waste, while the housing for the waste would be put in the regular trash.

In response to questions from Council, Ms. Linter stated the location is approximately 1,500 square feet. She discussed the size of the splatter, smash, and party rooms, and safety protocols, including protective equipment and clothing as well as waivers and liability insurance. She stated customers would be able to bring their own breakable items with certain restrictions. She further stated she did not speak to sound engineers but did research online regarding soundproofing and provided an overview of the measures that would be put in place. Mr. Morrison stated there is not a defined building code for the use and that staff did not receive any opposition to the legally required notices, thought such notices would have gone to the owners of the shopping center, not the tenants.

Motioned by Councilmember Gagliardi, seconded by Councilmember Steves, to approve an ordinance to rezone the property described as Lot 10R1 Block 6 Bedford Meadows Addition, located at 2815 Central Drive, from Heavy Commercial (H) to Heavy Commercial/Specific Use Permit/Indoor Amusement Center. (PZ-SUP-2022-500031).

Motion approved 5-1-0. Mayor Boyter declared the motion carried.

Voting in favor of the motion: Mayor Boyter, Councilmember Cogan, Councilmember Steves, Councilmember Farco, and Councilmember Gagliardi.

Voting in opposition to the motion: Mayor Pro Tem Sabol

NEW BUSINESS

- 9. Public hearing and consider an ordinance regarding a rezoning request for 2.460 acres legally described as Lots 42 & 43 of the J.R. Murphy Addition from Single-Family Detached R-15,000 (single-family homes on 15,000 square foot lots) to Single-Family Detached R-6,500 (single-family homes on 6,500 square foot lots). The property is generally located north of Bedford Road, south of Harwood Road, and west of Murphy Drive, and is commonly known as 2511 Murphy Drive. (PZ-PUD-2022-50048)**

Mr. Morrison presented information regarding this item, which is to rezone the property from R-15,000 to R 6-500 for single family detached homes. The original request was for a Planned Unit Development (PUD), which was tabled by the Planning and Zoning Commission due to concerns regarding lot size, density, and drainage. The applicant came back with a conventional zoning request that was approved. The proposed rezoning complies with the future land use of low density residential, which is defined as minimum lots sizes of 6,500 square feet or larger. Mr. Morrison stated the main differences between the R-15,000 and R-6,500 zoning designations are the lot size and the reduction of minimum floor area from 2,000 square feet to 1,200 square feet. He presented an overview of the surrounding properties.

Mr. Morrison discussed the concerns expressed at the Planning and Zoning Commission meeting regarding drainage. He stated staff does not yet have detailed drainage plans and he displayed a diagram of where water should flow based on preliminary drainage as well as what has been supplied by the applicant. Drainage would be examined during the platting process and infrastructure plan stages, including how to get water to existing infrastructure. Mr. Morrison stated they received one response to the required notifications from an adjacent property owner with concerns regarding drainage. There was discussion on the drainage concerns

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In response to questions from Council, Mr. Morrison stated the applicant addressed concerns from the Planning and Zoning Commission, including lot size and density. There would be approximately 12 lots depending on engineering and lot layout. There was further discussion on drainage and the surrounding properties.

City Attorney Bryn Meredith stated the engineering aspect of the plat review is intended to ensure that no more water be discharged from the property than done so at pre-development stages. All the City can do is review the engineering work to verify that it is sealed and done properly. If it is determined the infrastructure was improperly constructed, the City can require it to be fixed and withhold permits.

Mayor Boyter opened the public hearing at 7:16 p.m.

Nobody chose to speak during the public hearing.

Mayor Boyter closed the public hearing at 7:17 p.m.

Motioned by Councilmember Gagliardi, seconded by Councilmember Farco, to approve an ordinance regarding a rezoning request for 2.460 acres legally described as Lots 42 & 43 of the J.R. Murphy Addition from Single-Family Detached R-15,000 (single-family homes on 15,000 square foot lots) to Single-Family Detached R-6,500 (single-family homes on 6,500 square foot lots). The property is generally located north of Bedford Road, south of Harwood Road, and west of Murphy Drive, and is commonly known as 2511 Murphy Drive. (PZ-PUD-2022-50048)

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

10. Public hearing and consider an ordinance regarding a rezoning request for five acres legally described as Tracts 2D01 and 2D of the Teeter Garret Survey Abstract 1537 from R-15,000 (single-family homes on 15,000 square foot lots) to R-7,500 (single-family homes on 7,500 square foot lots). The property is generally located on the south side of Cheek Sparger Road, approximately 500 feet east of the Central Drive and Cheek Sparger Road intersection and is commonly known as 2416 Cheek Sparger Road. (PZ-ZC-2022-50049)

Mr. Morrison presented information regarding this item. He discussed the previous zoning request on the property that was denied the previous year. The new applicant is requesting the property be rezoned from R-15,000 to R-7,500, which complies with the future land use of low density residential. The major differences between the zoning designations are lot size and the reduction of minimum floor area from 2,000 square feet to 1,350 square feet. Mr. Morrison presented an overview of the surrounding properties. He stated staff received one response from the legally required notifications that had environmental concerns regarding wildlife on the site. He stated the one concern expressed at the Planning and Zoning Commission meeting was with Cheek Sparger Road being the only access point for the property.

Mayor Boyter opened the public hearing at 7:20 p.m.

Lynn Quincey, Bedford Estates – Ms. Quincy stated she has concerns regarding access to the property and discussed issues related to traffic and the traffic circle on Cheek Sparger Road.

In response to questions from Council, Mr. Morrison stated there would be approximately 20 lots on the property based on preliminary plans provided by the applicant. There was discussion regarding the number of lots for the project and taking traffic concerns into consideration.

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Mayor Boyter closed the public hearing at 7:22 p.m.

There was discussion on future plans to expand Cheek Sparger Road to three lanes, to possibly include a turn lane, and its effect on alleviating traffic; adding an entrance off Central Drive; traffic safety; and the density of the property compared to the previously denied project.

Motioned by Councilmember Farco, seconded by Councilmember Gagliardi, to approve an ordinance regarding a rezoning request for five acres legally described as Tracts 2D01 and 2D of the Teeter Garret Survey Abstract 1537 from R-15,000 (single-family homes on 15,000 square foot lots) to R-7,500 (single-family homes on 7,500 square foot lots). The property is generally located on the south side of Cheek Sparger Road, approximately 500 feet east of the Central Drive and Cheek Sparger Road intersection and is commonly known as 2416 Cheek Sparger Road. (PZ-ZC-2022-50049)

Motion approved 4-2-0. Mayor Boyter declared the motion carried.

Voting in favor of the motion: Mayor Boyter, Mayor Pro Tem Sabol, Councilmember Farco, and Councilmember Gagliardi

Voting in opposition to the motion: Councilmember Cogan and Councilmember Steves

11. Call a public hearing on the proposed FY 2022-2023 budget to be held on September 6, 2022 at 6:00 p.m. in the City Hall Council Chambers.

Motioned by Councilmember Cogan, seconded by Mayor Pro Tem Sabol, to call a public hearing on the proposed FY 2022-2023 budget to be held on September 6, 2022 at 6:00 p.m. in the City Hall Council Chambers.

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

12. Consider a proposed tax rate and set the public hearing on the proposed tax rate, if required.

Strategic Services Manager Meg Jakubik presented information regarding this item, which is to set the maximum tax rate the Council would consider on September 13, 2022 and to call a public hearing on the proposed tax rate for September 6, 2022. She stated the recommended tax rate to fund the proposed budget is \$0.495726 per \$100 valuation, which is the same as the Voter-Approved Tax Rate and is lower than the No-New Revenue Rate of \$0.507583 per \$100 valuation. She explained that at the proposed tax rate, the City is not required to hold a public hearing but for transparency purposes, she advised to call one.

City Manager Jimmy Stathatos stated that the proposed tax rate is the lowest rate in five or six years and is lower than the rate was before the bonds were issued for Generations Park.

Motioned by Mayor Pro Tem Sabol, seconded by Councilmember Cogan, to consider a tax rate of \$0.495726 per \$100 assessed valuation to be voted on the September 13, 2022 agenda, and schedule a public hearing to discuss the tax rate on Tuesday, September 6, 2022 at 6:00 p.m. at Bedford City Hall.

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

13. Mayor/Council Member Reports

No reports were given.

14. City Manager/Staff Reports

City Manager Jimmy Stathatos reported that Cultural Arts Manager Krissi Oden and Fire Chief Bill Walker brought a mural to the Central Fire Station, which will be featured on Channel 5. He further reported that The Center at Generations Park is almost finished, though a firm opening date cannot yet be set. The City is scheduled to get the building in late October, with a soft opening preliminarily set for November, and a grand opening in January. There was discussion regarding irrigation issues related to the ballfields.

EXECUTIVE SESSION

a. Pursuant to Section 551.071. Consultation with City Attorney regarding a resident complaint regarding police investigation.

Council convened into Executive Session pursuant to Texas Government Code Section 551.071. Consultation with City Attorney regarding a resident complaint regarding police investigation, at 7:33 p.m.

Council reconvened from Executive Session at 7:54 p.m.

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

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

ADJOURNMENT

Mayor Boyter adjourned the meeting at 7:55 p.m.

Michael Boyter, Mayor

ATTEST:

Michael Wells, City Secretary