



October 1, 2012

Honorable Mayor and City Council
City of Bedford, Texas

In accordance with the requirements set forth in the City charter, the annual operating budget and capital improvement program for FY 2012/2013 is submitted for consideration and review by the City Council. This budget represents the financial plan for providing public services and capital improvements during the coming year. The plan is focused on City Council priorities and follows the fundamentals of the City's Financial Policy statements. The plan addresses City Council vision, mission and critical focus areas while maintaining current level of services, fiscal stability and improving the City's infrastructure. The recommended budget is the product of many staff hours dedicated to meeting the challenge of allocating diminishing financial resources among the increasing list of community needs.

This budget serves as a policy document for the City of Bedford. With the approval of this budget, the City Council establishes the community goals and programs for the upcoming fiscal year. The annual budget contains appropriations in order to achieve specified purposes, functions, activities and objectives. Ultimately, this budget communicates who we are and what we do, and is directed to a wide audience -- Bedford citizens, community investors, elected officials and city staff.

Services provided by the City include fire and police protection, emergency medical services, planning and zoning, economic development, code enforcement and inspections, street maintenance, parks, recreation, library and senior citizen services. A special revenue fund is used to account for revenues derived from hotel/motel taxes, with proceeds used to promote Tourism. Water and sewer services are provided under an enterprise fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt. Drainage maintenance services are also provided under the enterprise fund concept, implemented in 1991 in accordance with amendments to Title 13 of the Texas Local Government Code. A wide variety of special revenue funds account for fees, donations and other forms of revenue that are designated for a specific purpose, either by statute or local option. Finally, continuing a practice that began in 2004, several funds have been established to set aside resources for future capital replacement and facilities and infrastructure.

➤ **City Council Goals**

In January of 2006, the Bedford City Council began the process of creating a long term vision, mission and goals to move the City forward and prepare for the many challenges the City would face in the future. The City Council has met at least annually since that time, reaffirming the vision and mission and adjusting the long term goals as deemed necessary. During this time they also establish their top priority goals for the next two to three years.

Vision: To be a quality residential community balanced with an environment for planned economic vitality.

Mission: Be responsive to the needs of the community
Demonstrate excellent customer service in an efficient manner
Foster economic growth
Provide a safe and friendly community environment
Protect the vitality of neighborhoods
Encourage citizen involvement

In order for the City to achieve this vision, the mission statements were established to provide direction to the staff. As a reflection of the vision and mission statements three critical focus areas were identified.

➤ Economic Development:

GOAL: Implement a plan to create and foster an environment that encourages redevelopment, business retention, attraction and creation in order to foster economic growth through a managed and balanced approach.

The objectives for this goal are as follows:

- Create a Central Bedford Development Zone
- Develop plans to improve vacant or underutilized commercial property
- Develop plans to transition existing shopping centers

➤ City Codes:

GOAL: Present the City in a manner that creates an image of success by providing resources required to meet these goals and objectives.

The objective for this goal is as follows:

- Enforce and as necessary upgrade ordinances in order to promote and continuously improve:
 - Health
 - Safety
 - Overall appearance of the community

➤ **Budget:**

GOAL: Develop a budget that will prioritize, control expenditures and support economic development, city infrastructure and quality of life opportunities.

The objectives for this goal are as follows:

- Resources for support of economic development
- Code enforcement
- Parks and recreation
- Investment in staff satisfaction
- Library
- Roads/Drainage/Water

The City vision, mission and top critical focus areas communicate a clear direction for staff as they develop action plans, projects and funding requirements to implement the “blueprint” that has been established for our city.

➤ **Economic Outlook**

The financial plan as presented in the proposed operating budget should be considered from the broad perspective of the specific environment within which the City operates. The City of Bedford is located in the center of the Dallas-Fort Worth Metroplex. The city encompasses 10.1 square miles and is 97% developed. The 2010 census reflects a population of 46,979, consistent with the North Central Texas Council of Governments 2012 estimated population of 46,990. The total taxable assessed value of property within the City peaked in FY 2007/2008 at \$2,962,919,394, but declined the following year and has gradually increased again to the FY 2012/13 value of \$2,961,094,384.

The most significant challenge that Bedford has faced during the last two years is the expansion of State Highway 183 (Airport Freeway), which runs east/west through the center of the City. This \$2.5 billion construction project, which began in October of 2010, has impacted many businesses along the corridor, including the 50 individual properties with existing businesses that have lost parking, landscaping, and in some cases, the entire building. Multiple homes adjacent to the freeway were removed as well.

The fiscal impact to the City of Bedford as a result of the highway project has been significant. City utility lines for water and wastewater that were in or adjacent to the highway right-of-way must be relocated, at a total estimated cost to the City of Bedford of \$2,500,000. With construction comes traffic congestion, creating customer inconvenience and disruption of owner access to properties. Some businesses are reporting a decline in sales during this time, some are not. Sales tax collections to the City peaked at \$9,670,754 in FY 2009/2010, just prior to construction. And during construction, collections have declined but managed to finish FY2011/2012 with a total of \$9,363,047 in sales tax revenue, exceeding budget projections of \$9,200,000 by 1.75%.

Since before the project began, the Bedford City Council approached this situation as an opportunity and began planning for ways to maximize the development potential created by the highway widening project. Property takings have created vacant sites, and there is a high level of interest at major intersections for new business development that did not exist prior to the construction. Increased traffic on major thoroughfares has resulted in new interest along those corridors. Vacant office and retail space is now being occupied. Several shopping centers, both on the highway and along the thoroughfares, have undergone major remodeling and renovation.

A significant portion of the City's general operating revenue is derived from sales tax and efforts to maintain and grow our sales tax base is a high priority. As a policy, the City strives to attract high quality, visually appealing businesses, as well as revitalize and invest in areas that have seen some deterioration of economic activity.

Current long range financial planning primarily revolves around several major water/sewer system infrastructure projects as well as significant improvements to our stormwater drainage system. As the City approaches full build out, planning initiatives are underway to provide for re-development of certain aging corridors within the City. Maintenance funds have been established for capital assets, recognizing that a scheduled maintenance, repair and replacement program provides for the best utilization of financial resources. Finally, to the extent that operations result in surplus funds, it is recommended that we continue to fund various capital needs of a one-time nature from operations rather than issuing debt.

➤ **Financial Highlights**

The total proposed budget for FY 2012/2013, including transfers between funds, is \$58,652,510. This represents an increase of \$1,660,475, or 2.8%, when compared to FY 2011/2012. Changes in expenditures/expenses vary in each fund based on the nature of the service provided in each fund.

The proposed budget provides funding for continuation of all current programs and services. The tax rate required to fund the proposed budget is \$0.499115, a decrease of 0.005214 from the current tax rate for FY 2011/2012. No fee increases are proposed in the General Fund at this time. Water and wastewater rates will be reviewed, and recommendations for rate adjustments will be presented to City Council.

➤ **Funding Priorities**

Funding priorities are established each year based on City Council goals and objectives. The process of making funding decisions begins with staff budget meetings to discuss budget history and trends, review current year initiatives, status of year to date spending and identification of major challenges that will be faced in the upcoming fiscal year.

This proposed budget includes recommendations addressing many of these challenges. Support of economic development initiatives relies on delivery of high-quality City services, maintenance of our infrastructure, a dedicated and committed work force of city employees and the tools and equipment to safely do their jobs daily as they serve our citizens. In order to allocate the resources necessary to provide these services, the following supplemental funding requests are hereby submitted.

Supplemental funding requests in the proposed budget are itemized for Council consideration. The proposed budget as presented already includes sufficient funding for each of the items listed below.

- \$15,500 – General Fund/ Public Works/Fleet Services – replacement vehicle lift
- \$48,586 – General Fund/Fire Department/Fire Administration – Fire Inspector (Unfunded state mandate)
- \$87,380 – General Fund/Fire Department/Fire Operations - SCBA replacement
- \$20,000 – General Fund/Community Services/Parks – replacement mower
- \$16,279 – General Fund/Community Services/Recreation – CLASS online registration software program
- \$ 5,361 – General Fund/Community Services/Parks – increase in cost of mowing contract
- \$25,000 - General Fund/Community Services/Library – establish a Library Facility Maintenance Fund
- \$49,541 - Tourism Fund/Community Services/Administration/Special Events – Marketing Specialist

- \$16,000 - Water & Sewer Fund/Administrative Services/Customer Service - Replacement meter reading hand held devices
- \$64,270 - Water & Sewer Fund/Public Works/Water Distribution – Utility costs for Simpson Terrance and Stonegate well sites
- \$26,800 Water & Sewer Fund/Public Works/Water Distribution – XL Van with cargo racks
- \$ 6,500 - Water & Sewer Fund/Public Works/Water Distribution – Irrigation System Evaluation program (matching funds - 1/2 funded by state grant)
- \$39,500 - Water & Sewer Fund/Public Works/Water Distribution – Replacement water repair truck
- \$ 6,600 - Water & Sewer Fund/Public Works/Water Distribution – Mowing for water tank sites
- \$17,000 - Water & Sewer Fund/ Public Works/Water Distribution – Light tower system
- \$ 6,930 - Stormwater Fund/Public Works/Administration – Mowing of city owned lots
- \$188,279 - Vehicle Replacement Fund/Fire Department/Operations – Medic Unit Replacement

Additional supplementals were added to the budget following discussions with the Council throughout the budget process. Sufficient funding is included in the budget for the items listed below.

- \$3,000- General Fund/General Government/City Council – Additional funding for Council sponsorship opportunities
- \$86,000- General Fund/Support Services/Code Enforcement – Additional funding for code enforcement initiatives
- \$68,675- General Fund/Fire/Operations – Replacement Battalion Chief Vehicle
- \$80,074- General Fund/Community Services/Library – Library staffing
- \$55,000- General Fund/Community Services/Parks – Exercise stations for Bedford Trails

Compensation/Salary Plan Adjustments

The City of Bedford has faced funding constraints over the last several years, in part due to a general decline in the local economy. One area that has not been adequately funded in the last three fiscal years is employee compensation. The last pay increase for city employees came in the form of a 3% cost-of-living adjustment in October of 2008. Increased cost of health

insurance coverage was passed on to employees in 2010 in the form of higher deductibles and maximum out of pocket expenses.

While these moves resulted in cost savings to the City, there have been other undesirable results. Citywide, employee turnover has increased from 6.81% in FY 2010/2011 to over 7% for the first 9 months of the current fiscal year, trending to a projected turnover rate exceeding 9% by the end of the current fiscal year. The majority of the turnover has occurred in Police, Fire and Public Works. Earlier this year our Human Resources Department conducted a salary survey, benchmarking 63 different positions in the City of Bedford against similar positions in area cities of like size and demographics. The compensation policy for the City of Bedford was established in FY 2000/2001 and identified the 50th percentile of the market as our target. Based on the 2012 salary survey, only 13 of the 63 positions were greater than or equal to the 50th percentile. Fifty (50) positions were below the 50th percentile. Of those 50 positions, 19 were below the 40th percentile, and of those 19, 2 were below the 30th percentile.

Two positions were permanently eliminated in the FY 2011/2012 budget, and those duties were absorbed by other existing personnel. Several positions remain frozen (authorized but unfunded) in this proposed budget, including a building inspector, 4 police officers, 1 parks maintenance worker, Senior Citizen Center customer service clerk, and 1 water maintenance worker.

Included in this budget is funding for a salary plan that would provide for a one time, lump sum payment-in-lieu-of-raise for each full time and year-round part time employee with at least one year of tenure with the City, to be paid in October of 2012. Further, funding for merit increases equivalent to 2% beginning in April of 2013 is also included. Total cost for the Salary Plan Adjustments across all funds is \$540,135. Funding is available within the current revenues of the various funds to fully fund the Salary Plan Adjustments.

➤ **General Fund**

General Fund Revenue is estimated at \$27,475,032, an increase of \$651,962 (2.37%) over the FY 2011/2012 budgeted revenue of \$26,823,070, but reflects a modest increase of \$56,892 (0.21%) when compared to projected 2011/2012 revenue of \$27,418,140. Significant increases compared to current year budget are projected for Municipal Court Fines, Ambulance Fees, Permit Fees and some categories of Recreation Fees. No increase is projected for sales tax. Property tax revenues are estimated based on actual collection rates for the current year, with the exception of accounts that qualify for property tax ceilings, which are budgeted at a more conservative collection rate.

- ✓ Property taxes – Property taxes make up the largest single revenue source for General Fund operations. The property tax rate is made up of two segments. The first is the Operations and Maintenance (O&M) rate. This amount is dedicated to daily operations of the City that fall within the General Fund. Services such as Police, Fire, Parks and

Recreation, Library, Senior Citizens Center, Code Enforcement and Inspections, Finance and general governmental functions are included in the General Fund. The second piece of the tax rate is the Debt Service rate. This is the tax rate that is pledged to repay long term debt obligations of the City. The property tax rate is calculated annually based on property values as submitted to the City by the Tarrant Appraisal District. The property tax rate is approved by the City Council after state and charter mandated public hearings.

The tax rate proposed to fund the FY 2012/2013 program of service is \$0.499115. This is a slight decrease from the tax rate as adopted for FY 2011/2012. It is also below the effective tax rate, which is the tax rate that will generate the same amount of revenue from the same properties that were on the tax rolls in FY 2011/2012. The effective tax rate for FY 2012/2013 is \$0.499197.

The net increase in net taxable property values in the City of Bedford is \$63,702,895. This represents an increase of 2.2%. The increase is primarily in commercial real property (\$42,367,921). Total 2012 taxable value of new construction added to the tax base for the first time is 2012 totaled \$6,794,133. Properties eligible for tax ceilings increased from 3,208 in 2011 to 3,355 in 2012.

Since 1995, the city of Bedford has collected an additional one-half of one percent in sales tax for the reduction of property taxes. Sales tax collections from July 2011 thru June 2012 declined slightly, which affects the 2012 tax rate calculation by increasing the effective tax rate for operations and maintenance. The sales tax adjustment rate decreased from the 2011 rate of \$.090493 to the estimated 2012 sales tax adjustment rate of \$0.088918.

- ✓ Sales tax - Sales tax revenue projections increased from the FY 2011/2012 budgeted amount, consistent with the anticipated collections in sales tax revenue in the current year. Monthly collections vary significantly from historic trends, making it difficult to forecast future collections. Limited information is available from the Texas Comptroller of Public Accounts that would give us the ability to identify patterns. As a result, staff estimates remain very conservative, due to the current economic outlook and the resulting volatility in sales tax collections.
- ✓ Franchise Fees – This revenue source is sometimes referred to as “street rental fees” or “right-of-way rental fees” paid by utility companies that install their service lines within city right-of-way. These fees are calculated in several ways, either on a gross receipts basis, per access line, per kilowatt hour of power consumed, etc. The methodology for each utility franchise is somewhat different. A revenue increase of approximately 1% is included in the proposed budget for franchise fees.

- ✓ Licenses/permits – This category includes a wide of variety of building related permits, fire marshal permits, alarm permits, sign permits, etc. Revenue for all classifications of licenses and permits is projected to increase significantly in the upcoming fiscal year. This is primarily attributed to the increased building activity associated with structures affected by highway construction and redevelopment in other areas of the City not on the highway corridor.
- ✓ Fines and Fees – The two major drivers in this revenue category are Municipal Court Fines and Ambulance Fees. In both of these areas collections significantly exceeded projections in the current fiscal year by more than 10%. This is based on an increase in collection activity, not on an increase in individual fee amounts.

General Fund Expenditures for FY 2012/2013 are projected to increase slightly. Base expenditures are projected to be \$26,917,133 compared to FY 2011/2012 budgeted expenditures of \$26,832,951. Base expenditures for FY 2012/2013 include increases in cost for employee health insurance benefits of \$167,892. Other increases in base expenditures, including maintenance contracts, travel/training, supply costs, replacement furnishings, equipment maintenance, scheduled vehicle replacement in Animal Control, minor supply items and furnishings total \$135,902 for a total cost increase of \$303,794, which has been largely offset by various decreases in base expenditures. The net increase in base expenditures of \$84,182 represents a 0.3% increase in the cost of providing the same level of service to our residents. Supplemental requests totaling \$695,609 (including Salary Plan Adjustments) brings total proposed expenses for the General Fund to \$27,902,490.

➤ **Water & Sewer Fund**

In January of 2009 the City contracted with Pros Consulting, LLC to conduct a utility rate study. The utility rate study was completed and the results of that rate study have been updated each year. The study verified the necessity of an increase in water and sewer rates. Failure to do so would result in the City's inability to meet the financial obligations required by revenue bond ordinances. As a result, rates for both water and wastewater were increased in October of 2009 and 2010 as part of a multi-year plan to improve the financial condition of the Water & Sewer Fund. Based on the plan, an increase in water & sewer rates was anticipated for FY 2011/2012, but based on final data received from the Trinity River Authority, the City's provider for both treated water and wastewater disposal, no rate increase was proposed. The extremely dry conditions resulted in better than anticipated financial performance of the water and sewer fund in 2011.

The Capital Improvement Plan for the Water & Sewer Fund for FY 2012/2013 includes projects that are not able to be funded through operating funds. A debt issuance was authorized in September of 2012 to fund these projects, which will result in a small (2.5% to 3.5%) increase in water and sewer rates to ensure adequate funds for debt service on those certificates of

obligation, while still maintaining the long term goal of increasing the working capital of the Water & Sewer Fund to meet the goal of 90 days of operating expenses.

Water & Sewer Fund base expenses are projected to be \$18,309,326 for FY 2012/2013, a decrease of \$146,443 below the FY 2011/2012 budgeted expenses. Supplemental requests totaling \$228,730 (including Salary Plan Adjustments) brings total proposed expenses for the Water & Sewer Fund to \$18,538,056.

➤ **Stormwater Utility Fund**

The Stormwater Utility Fund was established in 1991 in accordance with amendments to Title 13 of the Texas Local Government Code. It is structured under the enterprise fund concept. Revenues for this fund are derived from a monthly fee charged to each utility customer, calculated based on the impervious surface on the property. The residential stormwater utility rate is \$3.50 per month (\$3.00 per month for residential account holders over 65 years of age), and this number is used in the base calculation for non-residential properties. Expenses in the Stormwater Utility Fund are used for stormwater maintenance personnel, mowing and maintenance of drainage channels, mosquito control, street sweeping, environmental awareness and debt service payments on long term obligations for capital projects throughout the stormwater system. Projected revenue for the Stormwater Utility Fund for FY 2012/2013 is \$1,305,000 and expenses are projected at \$1,287,380. No increase in the Stormwater Utility rate is proposed at this time.

➤ **Debt Service Fund**

The Debt Service Fund (sometimes referred to as the Interest and Sinking Fund) is used to account for the accumulation of resources for the repayment of general long-term debt. The tax rate that is proposed for the repayment of long term debt in FY 2012/2013 is \$0.193072, which is the same as the debt rate for FY 2011/2012. Summary schedules and detailed information on individual bond obligations can be found in the Debt Service Fund section of this proposed budget document.

➤ **Special Revenue Funds**

Tourism Fund – This fund was established to record revenue and expenditures associated with the collection of a 7% hotel/motel occupancy tax levied by the City of Bedford and authorized by the State of Texas. The tax is levied on the rental rate for hotel rooms in Bedford when the room is occupied by the same tenant for a period of not more than 30 days. Funds generated by the hotel occupancy tax are used to promote tourism, arts and culture and historic preservation.

Significant programs funded by the Tourism Fund include July 4thFest and the Labor Days Blues & BBQ Festival, which has developed a national reputation for quality Blues music and a fantastic BBQ contest sanctioned by the Kansas City Barbeque Society.

Also included in this fund are resources for the operation and preservation of the Old Bedford School and support of arts and culture in Bedford, including Arts Council Northeast, Trinity Arts Guild and Onstage Theatre.

Street Improvement Economic Development Corporation – In November of 1997 the citizens of Bedford approved an additional one-half of one percent sales tax for the purpose of economic development. Specifically, these funds are to be allocated to street and road related improvements within the City of Bedford, along with paying for the maintenance and operating expenses related to the projects. The City of Bedford Street Improvement Economic Development Corporation was subsequently formed to administer the funds provided by the additional sales tax revenue.

Projected revenue for the Corporation in FY 2012/2013 is \$2,310,000 and projected expenditures total \$2,106,536. These expenditures include debt service payments on City of Bedford debt service obligations issued specifically for the initial street reconstruction program in 1998 and 1999, as well as preventive maintenance contracting, supplies and capital equipment.

➤ **Miscellaneous Special Revenue Funds**

Court Security Fund – This fund accounts for monies collected under State Statute designed to provide security for the Municipal Court facilities. These funds are used specifically to pay for a portion of the salary, benefit and operating costs of two (2) full-time bailiff/warrant offices in the Municipal Court.

Court Technology Fund – This fund is used for monies collected under State Statute designed to provide increased technology for the Municipal Court facilities. These funds are used specifically to pay for the operating costs of the Municipal Court computer systems, audio-video system in the court room, and hand-held ticket writers used by the Police Officers in the Traffic Division of the Police Department.

Park Donations Fund – This fund is used for contributions from citizens designated for park improvements. Specifically, this donation is shown on utility bills, and citizens may voluntarily include the \$0.50 donation when making their utility bill payment.

Beautification Fund – This fund accounts for revenue and expenditures related to various citywide beautification programs proposed by the City's Beautification Commission. Annual revenue of \$10,000 is collected via a grant from Allied Waste Services, designated specifically for beautification projects within the City.

Drug Forfeiture Fund – This fund accounts for monies received from participation in federal drug enforcement activities. Expenditures from this fund must also be used toward drug enforcement and prevention activities.

Traffic Safety Fund – This fund accounts for revenues generated from red light camera fines. Expenditures associated with operation of the red light camera program are also paid from this fund. Fifty percent (50%) of the net revenue from the operation of the red light camera program is rebated to the State of Texas at the end of each fiscal year.

Economic Development Fund – The Economic Development Fund was established mid-year in FY 2011/2012. In this fiscal year, the City of Bedford sold two pieces of property that were deemed to be surplus property and no longer useful to the City. Those two properties were the Sotogrande Community Building and Tennis Center and the Brown Trail water well site. Per City Council direction, proceeds from these two property sales were put into escrow in the new Economic Development Fund. Additional funds derived specifically from new development activity in the city will be deposited into this fund as well. Revenues from this fund will be used in conjunction with the City of Bedford Economic Development Policy and Program and the City of Bedford Retail Center Revitalization Program (RCR).

PEG (Public, Educational and Governmental) Fund - In December 2012, Time Warner Cable terminated its local franchise with the City of Bedford and opted into statewide franchising in accordance with the adoption of SB 1087 in the 2011 legislature. SB 1087 allows each local incumbent cable franchisee to terminate all of its local franchises in cities of less than 215,000, if done so by December 31, 2011. This is also in compliance with the SB 5 from the 2005 legislature which transferred cable franchising authority to the Public Utility Commission. In accordance with SB 1087, a municipality must set up a separate PEG fund at the time of franchise termination to collect and account for the public, educational and governmental (PEG) fee which goes into effect at the time of termination. The PEG fee is an additional 1% of gross revenue and can only be spent on capital items for the local access channel as described by federal law. The PEG fee is also required of AT&T as well as any future cable provider that may chose to provide service in Bedford.

➤ **Maintenance Funds**

Various funds have been established in the last several years to allow for designating funds for specific maintenance purposes. Monies are deposited in these funds each fiscal year in order to accumulate funding for capital equipment and large, infrequently occurring maintenance projects. These funds include:

- **Aquatics Maintenance Fund** – This fund is used to account for deposits and expenditures related to the maintenance of both Splash Aquatics Park and Central Park Pool.
- **Facility Maintenance Fund** – This fund is used to account for deposits and expenditures related to the maintenance of all City facilities.
- **Equipment Replacement Fund** – This fund is used to account for deposits and expenditures related to the replacement of capital equipment, including trucks, cars, ambulances, construction equipment, etc.
- **Water & Sewer Vehicle Replacement Fund** – This fund is used to account for deposits and expenditures related to the replacement of capital equipment, including trucks, construction equipment, etc. for the Water & Sewer Fund.
- **Computer Replacement Fund** – This fund is used to account for deposits and expenditures related to the replacement of computers, printers, software, communications equipment and any other items necessary to efficiently operate the City’s communications and technology network.
- **Library Maintenance Fund** – This fund is recommended to be established this fiscal year in order to account for deposits and expenditures related to the long term maintenance of the new Bedford Public Library.

➤ **Capital Projects – Water and Wastewater**

Several capital projects are scheduled to be constructed beginning in FY 2012/2013. The majority of these projects are related to the maintenance and improvement of the water and wastewater systems. On July 24, 2012, the City Council authorized publication of two notices of intent to issue certificates of obligation for the projects described below. Sale of these certificates took place on September 11, 2012. These certificates are scheduled to mature over a 20 year period, and will be repaid from revenues generated by the Water & Sewer Utility Fund.

Sulphur Branch Drainage Area Sewer Mains Replacement: \$300,000

The “Comprehensive Wastewater Collection System Evaluation” (2008) performed by Espey Consultants, Inc. for the City of Bedford assessed the adequacy of currently installed pipelines under design storm conditions and identified areas that had hydraulic capacity limitations. The evaluation identified the 8” sanitary sewer line in the Sulphur Branch tributary north of SH 121/183 and west of Forest Ridge Drive as having hydraulic capacity limitation that could cause sanitary sewer outflows at some of the manholes. This project would replace the 8” with a 12” sanitary sewer main.

Texas Water Development Board (TWDB) Segment 11: \$700,000

The TWDB notified the City of Bedford in October of 2011 that the TWDB approved the City’s financial assistance request of \$630,000 from the Clean Water State Revolving Fund. The

Opinion of Probable Cost for the project is \$700,000. The improvements consist of 3,260' of 21" & 15" sanitary sewer mains which would replace the existing 18" & 12" mains. The location is generally in the area of Circle Lane, Briar Drive and Shirley Way.

Simpson Terrace Elevated Tank Site Well: \$1,600,000

An additional potable water well is desired to offset some demand for potable water purchased from the Trinity River Authority (TRA). A Cost Benefit Analysis was performed on this project and the results showed that the well will pay for itself in approximately six (6) years. This well will be a replacement for the Central Well whose production was lost when the well was inadvertently plugged while repairs were being made to the well by the contractor. The well water will be treated on-site and pumped into the system at the existing Simpson Terrace elevated storage tank. Water treatment will be designed to be compatible with TRA treated water, and installed at the new Simpson Terrace well and at the existing Stonegate well. To improve control of both wells and the existing elevated storage tanks, supervisory control and data acquisition (SCADA) will be designed for the system. The Opinion of Probable Cost for the project is \$2,900,000. \$1,300,000 was included in last year's Certificates of Obligation sale.

Northwest Pressure Plane Improvements: \$2,100,000

The "Pressure Analysis and Recommendations for the City of Bedford Northwest Study Area" (2010) prepared by Kimley-Horn & Associates concluded a new higher pressure plane would need to be created in the northwest part of the City. The study recommended the addition of a new booster pump station located at the Simpson Terrace Elevated Tank site and the establishment of a new pressure plane to serve northwest Bedford. \$200,000 was included in last year's Certificates of Obligation sale for the design of the project.

Replace Water Mains in the Shady Brook Addition: \$200,000

This continues the replacement of the water mains in the Shady Brook Addition. Some of the original cast iron water mains were installed in the 1960's. The water mains are a maintenance issue and the Public Works Department has been gradually replacing them since 2007.

➤ Capital Projects – Stormwater

Channel Improvements from North Tarrant Expressway to Bedford Road: \$120,000

The concrete Sulphur Branch channel downstream from the North Tarrant Expressway (NTE) is experiencing structural failure causing the sidewalls to move and the bottom to uplift and break apart. The channel needs to be replaced between NTE and Bedford Road before it fails and causes damage to adjacent properties. This project is for the design of the project with construction funds to come later. Funds are available for design of this project from General

Obligation Bonds issued in 2011.

Erosion Control at Brookhollow Park: \$100,000

The channel downstream from the end of the concrete channel south of Rankin Drive in Brookhollow Park is experiencing erosion problems. Erosion into the banks near the pedestrian footbridge and the high bluff south and west of the foot bridge is continuing during periods of high flow. This project is to perform an analysis and design improvements to stop the erosion. Funding for the improvements would come at a later date. Funds are available for design of this project from General Obligation Bonds issued in 2011.

Hurricane Creek Tributary South of Commerce Place: \$150,000

The channel in this tributary is overgrown with trees and brush that impede the flow during periods of heavy rainfall. This work would clear and shape the sides and bottom of the channel to provide a smooth flow down the channel.

➤ **Capital Projects – Street and Traffic**

Dora Street Improvements: \$1,300,000

The reconstruction of Dora Street from Belle Street to Pipeline Road was included in the Bedford 2005 Bond Program. The project was described as “Reconstruction of Dora Street due to failed sections that are unable to withstand loads distributed during average traffic flows.” In addition, the street has an unusually high crown that presents a hazardous driving condition. The contract for the design was awarded in November of 2011. Implementation of this project is contingent on issuance of \$1,300,000 of currently authorized General Obligation Bonds. No date has been set for this bond issuance.

➤ **Conclusion**

The budget for FY 2012/2013 is a financially sound plan for providing public services to the residents of the City of Bedford. Based on the current economic conditions, priority has been placed on continuing the current level of services, with minimal new programs or capital outlay. Development of a salary and compensation plan that can be continued in future years has also been a priority, and every effort has been made to provide initial funding for a salary plan that provides adequate compensation to the dedicated employees of the City, while also being mindful of the need to be prudent with the resources we are given. City staff members are aware of the challenges that face the City Council in directing the growth of the City and hope to meet those challenges by developing efficient programs and professional customer service through the guidance of the City Council and approval of the programs reflected within this budget.

➤ **Acknowledgments**

The staff would like to extend appreciation to the City Council members who sacrifice many hours to make difficult priority decisions and set policies that guide the City into the future in a fiscally responsible manner. Appreciation is also expressed to the City employees throughout the organization, especially those responsible for the maintenance of records that are utilized in the development of this program of services. Many members of the City staff take part in the development of this document, and these members allow the team as a whole to look into the future with pride and anticipation.

Respectfully submitted,

A handwritten signature in cursive script that reads "Beverly Griffith". The signature is written in black ink and is positioned above the typed name and title.

Beverly Griffith, CGFO, CGFM
City Manager
City of Bedford, Texas