

AGENDA

Regular Meeting of the Bedford City Council
Tuesday, August 9, 2011
2000 Forest Ridge Drive
Bedford, Texas 76021

Council Chambers Work Session 5:30 p.m.
Council Chambers Regular Session 6:30 p.m.

COMPLETE COUNCIL AGENDAS AND BACKGROUND INFORMATION ARE AVAILABLE FOR REVIEW
ONLINE AT <http://www.bedfordtx.gov>

CALL TO ORDER

WORK SESSION

- Review and discuss items on the regular agenda and consider placing items for approval by consent.
- Presentation regarding the current drought conditions and raw water supply for the area served by the Tarrant Regional Water District (TRWD) and the budget implications.
- Presentation regarding the staff and Employee Insurance Committee recommendations for FY 11/12 for employee Vision, Dental and Health insurance and a recommendation to unplug Health Savings Accounts (HSAs) from the insurance carrier. Also, present an update on the Employee Health and Wellness Clinic operated by the Kaner Medical Group.

EXECUTIVE SESSION:

To convene before the Regular Session, if time permits, in the conference room in compliance with Section 551.001 et. Seq. Texas Government Code, to discuss the following:

- Pursuant to Section 551.071, consultation with City Attorney regarding pending or contemplated litigation – The Oaks of Landera Apartments.

REGULAR SESSION 6:30 P.M.

CALL TO ORDER/GENERAL COMMENTS

INVOCATION (Reverend Ted McIlvain, Martin Methodist Church)

PLEDGE OF ALLEGIANCE

OPEN FORUM

(The public is invited to address the Council on any topic that is posted on this agenda. Citizens desiring to speak on Public Hearing(s) must do so at the time the Public Hearing(s) are opened. In order to speak during Open Forum a person must first sign in with the City Secretary prior to the Regular Session being called to order. Speakers will be called upon in the order in which they sign in. Any person not signing in prior to the commencement of the Regular Session shall not be allowed to speak under Open Forum. Further, Open Forum is limited to a maximum of 30 minutes. Should speakers not use the entire 30 minutes Council will proceed with the agenda. At the majority vote of the Council the Mayor may extend the time allotted for Open Forum.)

CONSIDER APPROVAL OF ITEMS BY CONSENT

APPROVAL OF THE MINUTES

1. Consider approval of the following City Council minutes:
 - a) July 26, 2011 regular meeting

OLD BUSINESS

2. Consider a resolution authorizing the City Manager to enter into Change Order #1 with Ziegler Construction, Inc., relocating the Spring Valley Drive Sidewalk & Handicap Ramps Improvements from Spring Valley Drive to Shady Brook Drive.

NEW BUSINESS

3. Receive the 2011 Certified Ad Valorem Tax Roll from the Tarrant Appraisal District.
4. Receive the certified anticipated collection rate from the Tarrant County Tax Assessor-Collector for the City of Bedford.
5. Consider a proposed tax rate and set two public hearings on the proposed tax rate.
6. Call a public hearing on the proposed FY2011-2012 budget to be held on August 23, 2011 at 6:30 p.m.
7. Consider an ordinance of the City of Bedford, Texas amending Chapter 58 of the Code of the City of Bedford "International Fire Code" by deleting Sections 58-97 and 58-99 and adding new Sections 58-97 and 58-99 through 58-104 thereby adopting the International Fire Code, 2009 edition, and providing certain amendments and deletions thereto.
8. Consider an ordinance of the City Council of the City of Bedford, Texas, ("City") approving a negotiated resolution between the Atmos Cities Steering Committee ("ACSC" or "Steering Committee") and Atmos Energy Corp., Mid-tex Division ("Atmos Mid-tex" or "Company") regarding the Company's fourth annual rate review mechanism ("RRM") filing in all cities exercising original jurisdiction; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement and finding the rates to be set by the attached tariffs to be just and reasonable; requiring the company to reimburse Cities' reasonable ratemaking expenses.
9. Consider a resolution authorizing the purchase of a replacement dump truck in the amount of \$36,674 through the State of Texas Buy Board Purchasing Program.
10. Consider a resolution authorizing the purchase of a replacement wood chipper in the amount of \$29,322 through the State of Texas Buy Board Purchasing Program.
11. Consider a resolution authorizing the City Manager to purchase portable trunked radios from Motorola Solutions, Inc. in the amount of \$689,503.47.
12. Consider a resolution authorizing the City Manager to enter into a contractual agreement for employee health insurance benefits with CIGNA.
13. Consider a resolution authorizing the City Manager to enter into a contractual agreement for employee dental insurance benefits with CIGNA.
14. Consider a resolution authorizing the City Manager to enter into a contractual agreement with Davis Vision to provide supplemental vision insurance to employees as a voluntary benefit.
15. Consider a resolution approving the City of Bedford's Section 125 Plan that allows employees to make contributions for insurance premiums and Health Savings Accounts (HSA) on a pre-tax basis as allowable under the Internal Revenue Service (IRS) Code Section 125.
16. Consider a resolution authorizing the City Manager to enter into a contractual agreement with Optum Health Financial Services to provide Health Savings Account (HSA) banking services for employee accounts.

17. Consider a resolution authorizing the City Manager to enter into a contract with the Trinity River Authority of Texas (TRA) to perform water and wastewater analytical services and to conduct industrial inspection and sampling services for an amount not to exceed \$12,000 per year.
18. Consider a resolution to accept bids and authorize the City Manager to enter into a contract with Sweeping Services of Texas for the 2011-2013 Street Sweeping Program in the amount of \$60,597.
19. Consider a resolution authorizing the City Manager to enter into a Professional Services Agreement with Gary Burton Engineering, Inc., in the amount of \$50,000, for the 19.1W Sanitary Sewer Renewal and Rehabilitation Project.
20. Consider a resolution authorizing the Mayor to sign a Public Right-of-Way easement for Brown Trail from property conveyed to the City of Bedford by deed, as recorded in Volume 4656, Page 972, Deed Records, Tarrant County, Texas.
21. Report on most recent meeting of the following Boards and Commissions:
 - ✓ Animal Control Board- Councilman Griffin
 - ✓ Animal Shelter Advisory Board- Councilman Griffin
 - ✓ Beautification Commission- Councilman Turner
 - ✓ Community Affairs Commission- Councilman Fisher
 - ✓ Library Board- Councilman Brown
 - ✓ Parks & Recreation Board- Councilman Griffin
 - ✓ Senior Citizen Advisory Board- Councilman Savage
 - ✓ Teen Court Advisory Board- Councilman Griffin
 - ✓ Investment Committee- Councilman Savage

22. Council member reports

23. City Manager report

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

(Any item on this posted agenda may be discussed in executive session provided it is within one of the permitted categories under Chapter 551 of the Texas Government Code.)

ADJOURNMENT

CERTIFICATION

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted on the outside window in a display cabinet at the City Hall of the City of Bedford, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted by the following date and time: Friday, August 5, 2011 at 5:00 p.m., and remained so posted at least 72 hours before said meeting convened.

Michael Wells, City Secretary

Date Notice Removed

(Auxiliary aids and services are available to a person when necessary to afford an equal opportunity to participate in City functions and activities. Auxiliary aids and services or accommodations should be requested forty-eight (48) hours prior to the scheduled starting time of a posted council meeting by calling 817.952.2101.)



Council Work Session

PRESENTER:

John F. Kubala, P.E., Public Works Director
Linda Christie, Community and Government Relations Director

ITEM:

Presentation regarding the current drought conditions and raw water supply for the area served by the Tarrant Regional Water District (TRWD) and the budget implications.

DISCUSSION:

Ms. Christie will update the City Council on the current drought conditions and the effect on water supply and the TRWD budget.

RECOMMENDATION:

N/A

FISCAL IMPACT:

N/A

ATTACHMENTS:

N/A



Council Work Session

PRESENTER:

Jill McAdams, *SPHR*, Human Resources Director

ITEM:

Presentation regarding the staff and Employee Insurance Committee recommendations for FY 11/12 employee Vision, Dental and Health insurance and a recommendation to unplug Health Savings Accounts (HSAs) from the insurance carrier. Also, present an update on the Employee Health and Wellness Clinic operated by the Kaner Medical Group.

DISCUSSION:

The City's dental and health insurance contract expires with the current providers on September 30, 2011. In addition, employees expressed interest in having voluntary supplemental insurance for vision. As a result, a Request for Proposal was sent out by Benefits Seminar Plus (BSP) on behalf of the City for medical and dental insurance along with a request for supplemental vision insurance to be offered to employees. BSP also sent out a Request for Proposal seeking independent banking services to maintain employee HSAs.

This presentation will outline the decision making process used by staff and the Employee Insurance Committee to come to the recommendations being presented this evening.

In addition, staff will provide Council with an update on the Employee Health and Wellness Clinic operated by the Kaner Medical Group.

RECOMMENDATION:

N/A

FISCAL IMPACT:

N/A

ATTACHMENTS:

Background information for this presentation can be found under items 12, 13, and 16.



Council Agenda Background

PRESENTER:

Michael Wells, City Secretary

ITEM:

Consider approval of the following City Council minutes:
a) July 26, 2011 regular session

DISCUSSION:

N/A

RECOMMENDATION:

N/A

FISCAL IMPACT:

N/A

ATTACHMENTS:

Minutes

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 26th day of July, 2011 with the following members present:

Jim Story	Mayor
Chris Brown	Council Members
Ray Champney	
Roger Fisher	
Jim Griffin	
Roy Savage	
Roy W. Turner	

constituting a quorum.

Staff present included:

Beverly Griffith	City Manager
David Miller	Deputy City Manager
Stan Lowry	City Attorney
Michael Wells	City Secretary
Cliff Blackwell	Director of Administrative Services
Roger Gibson	Interim Police Chief
John Kubala	Public Works Director
Mirenda McQuagge-Walden	Managing Director of Community Services
Bill Syblon	Development Director

CALL TO ORDER

Mayor Story called the Work Session to order at 5:30 p.m.

WORK SESSION

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

Council discussed placing the following items on consent: 3a, 3b, 7, 8, 9 and 10.

- **Present report on the 2011 City of Bedford Fourth Fest.**

Special Events Coordinator Wendy Hartnett presented a report on the 2011 City of Bedford Fourth Fest. The theme this year was "Big Top 4thFest". The goals of the festival were to provide a community event, foster economic growth, encourage citizen involvement and produce a phenomenal festival that enhances the image of the City. The objectives achieved at this year's festival were the successful use of the volunteer program, the addition of new vendors, including Roadrunner Coach from Euless, the addition of new sponsors, including Freebirds and Jason's Deli, having a fun and exciting theme, increased departmental synergy, and reduced expenses. There was also the goal of increasing the attendance for SPLASH which had a total attendance of 1,116 for the day and it reached capacity at 3:45 p.m.

There was 24.1% of cost recovery. Of the expenses, \$27,000 was for fireworks and \$35,000 was for staff. Merchandise for the event was sold out by 9:00 p.m., so there will be a need to order more next

year. It was felt that the inflatable area was closed too early. It is difficult to determine the attendance; however, due to the heat, it did not get really busy at the festival until much later in the day.

In regards to the volunteer program, 328 volunteer hours were logged that are paid back to non-profits. Other factors contributing to savings included in-house beverage sales of \$1,800, a percentage of the Friends of the Library Parking of \$1,700, the strategic use of advertising and printing funds, moving the VIP parking on-site, and starting the event at 4:00 p.m. to maximize revenue and decrease expenses.

Future challenges for the event include adding more sponsors, including labeling some as sponsors for both 4thFest and BluesFest, the strategic use of volunteers, the strategic use of VIP parking and inflatable land, more inflatable options to include increased cost recovery, continuing to theme the event and continuing to search for ways to further reduce expenses. Next year's theme will be a celebration of the soldiers.

- **Discussion and possible Council direction regarding the impact of S.B. 100 on Municipal Elections.**

City Secretary Michael Wells presented information regarding the impact of S.B. 100 on municipal elections and what options Council has regarding next year's election. Tarrant County is currently rethinking their earlier position on not contracting with municipalities for the elections to be held in May 2012. There would not be a definite answer from the County until the middle part of August. One of the stated provisions is that the County will only want to use their own early voting locations. However, there is not a County early voting site in the City, so if the County is able to contract, there would not be an early voting location within the City. Council was advised that they may want to contact the Tarrant County Commissioner's Courts to both urge them to contract with municipalities in 2012 and to ensure that the City does have an early voting site.

Council was of the consensus not to pursue the option of changing the terms of office or moving municipal elections to November. Mr. Wells then presented information on the costs for purchasing or leasing voting equipment for the City to run its own elections. The number of equipment is based on the amount of equipment currently used during elections. Through Hart Intercivic, the company that Tarrant County uses, the initial election costs for next year, including a possible runoff, are estimated at \$68,155. The subsequent years' election costs, including possible runoffs, are estimated at \$21,490. Through ES&S, the initial election costs, including a possible runoff, are estimated at \$67,508. The subsequent years' election costs, including possible runoffs, are estimated at \$16,650. None of these totals include election training or the possibility of having to hire extra staff to help manage the election. Funds would also have to be budgeted in future years for equipment replacement.

For leasing equipment through ES&S, the costs for next year's election, including a possible runoff, are estimated at \$34,472. This total does not include training or the possibility of having to hire extra staff to help manage the election. There is also no guarantee of equipment until a contract is signed. Mr. Wells stated that he will contact Dallas County Elections regarding piggybacking off of their interlocal agreement with ES&S to possibly reduce the costs of leasing equipment.

Council was of the consensus to write a letter to Tarrant County Judge Glen Whitley and County Commissioner Gary Fickes urging the County to continue to contract for elections and to establish an early voting location in the City.

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

EXECUTIVE SESSION:

To convene before the Regular Session, if time permits, in the conference room in compliance with Section 551.001 et. Seq. Texas Government Code, to discuss the following:

- **Pursuant to Section 551.071, consultation with City Attorney regarding pending or contemplated litigation – The Oaks of Landera Apartments.**

Council convened into Executive Session pursuant to the Texas Government Code regarding Section 551.071, consultation with City Attorney regarding pending or contemplated litigation – The Oaks of Landera Apartments at 8:53 p.m.

Council reconvened from Executive Session at approximately 9:01 p.m.

Any necessary action to be taken as a result of the Executive Session will occur during the regular session of the Bedford City Council Meeting.

REGULAR SESSION 6:30 P.M.

Regular Session began at 6:40 p.m.

CALL TO ORDER/GENERAL COMMENTS

Mayor Story called the meeting to order.

INVOCATION (Dr. Timothy Pierce, Woodland Heights Baptist Church)

Dr. Timothy Pierce of Woodland Heights Baptist Church gave tonight's invocation.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was given.

OPEN FORUM

Carisma Dunbar, 21 Yorkshire - Ms. Dunbar supports the Spring Valley Drive sidewalk project. She stated that many students at Shady Brook Elementary are dropped off in the back of the building and have to walk on the street. She stated she has been a Shady Brook parent for seven years and the street and driveway are very congested. The sidewalk is needed to keep the children safe when they enter and exit the school.

Ron Owens, 848 San Marcos Lane – Mr. Owens owns property at 2508 Spring Valley Drive. Construction started last week. He wanted to let everyone know he is for the sidewalk and that it is for all citizens, not just the children. He supports having the sidewalks away from the curb. A continuation of the sidewalk from 2500 Spring Valley to the end of his property would be appropriate. There are some legitimate issues with his neighbors to the north but he likes how the sidewalk is currently designed.

Linda Provence, 2600 Spring Valley Drive – Ms. Provence has been a resident at that address for 39 years. She is not against safety for children, but she is against the sidewalk project. Her yard is not large to begin with and the sidewalk coming in four feet with four feet of grass cuts into the lawn. She would prefer the sidewalks to be next to the street. She was also concerned about the location of the ADA ramp in that she may only have two feet of grass on either side of it.

Public Works Director John Kubala explained that it is a requirement to have an ADA ramp built even if the sidewalk is not installed, because a driveway is not sufficient. It is also a federal regulation that a sidewalk has to be five feet wide if it is against the curb.

C.W. Koellman, 2500 Spring Valley Drive –Mr. Koellman felt that they should have received more official notice regarding the project. He is not against the safety of children, but putting in a sidewalk on one side of the street is not going to prevent children from walking in the street. His parents live on the end of Spring Valley and he walks down the street all the time and he has hardly seen any foot traffic in the 11 years he has lived there. It is a nice, established neighborhood and he would hate to see everything uprooted to put in sidewalks. Mr. Koellman suggested that Council consider putting in road humps because of the speed of cars going down the street and going through the stop sign.

In regards to how this project came about, Mr. Kubala explained that Lee Engineering performed a study in 2006 that looked at some of the schools on the west and east side of the City. They did a survey and made observations and from that information, they made recommendations to the City about where they thought sidewalks needed to be installed to in order for kids to travel safely to and from school. This was one of the areas identified.

CONSIDER APPROVAL OF ITEMS BY CONSENT

Motioned by Councilman Champney, seconded by Councilman Fisher, to approve the following items by consent: 3a, 3b, 7, 8, 9 and 10.

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

COUNCIL RECOGNITION

1. Employee Service Recognition

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

Nathan Noble, Police Department – 5 years of service
Linda Cook, Police Department – 5 years of service
Ross Brookbank, Public Works – 5 years of service
Joshua Starkey, Fire Department – 5 years of service

PERSONS TO BE HEARD

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

- a) Pamela Stroud, 1820 Wimbleton Drive, Bedford, TX 76021 – Requested to speak to the Council regarding businesses located in homes such as a nursing home in Bedford Estates.**

Pamela Stroud, 1820 Wimbleton Drive – Ms. Stroud has lived in Bedford since 1971 and gave a history of the property at 1900 Wimbleton. She says that an Ohana residential nursing home is now being operated out of that location. There are 10-12 cars that park along the front and side of the building, as well as around the half circle. She feels that they should not be able to operate in the City. There are two other homes in her neighborhood that are doing the same thing but they are so low key, she did not notice them. Ohana had previously operated out of Hurst and North Richland Hills, but had to leave due to the number of cars. She feels those cities are being proactive and that Bedford is being reactive. She would like the City to do the right thing and hope the Council will address this issue. She also explained that the homeowner's association is broke and cannot enforce their rules.

Development Director Bill Syblon explained that homerun businesses are allowed in the City as long as they are transparent to the community.

- b) Robert and Patricia Seeley, 2604 Spring Valley, Bedford, TX 76021 – Requested to speak to the Council regarding Spring Valley Drive Sidewalk Project.**

Robert and Patricia Seeley, 2604 Spring Valley Drive – Ms. Seeley first read an email from Ginger Headlee, 2616 Spring Valley Drive, who was unable to attend the meeting tonight. Ms. Headlee expressed her opposition to the plan. They were not given enough notice of the plan or the reasoning for the sidewalks. She does not ever see children walking down the street. Children are usually dropped off and picked up at the bridge. She believes the project is a waste of money and asks the Council to reconsider.

Ms. Seeley stated that she cares about the safety of children. However, she felt that the City acted in a devious manner in moving forward with this project without any input from the citizens. She felt that homeowners were left completely in the dark. They protested with phone calls, emails and visits to City Hall and expressed that this project is not in the best interest of the homeowners. She and Mr. Seeley spent several hours talking to their neighbors on their feelings on the proposed sidewalk. Her first reaction was distress about the possible damage to an old oak tree. A four foot wide sidewalk with a four foot wide grass median means the sidewalk would come within a foot of the tree. She was also concerned about the ripping out of ground cover. Most homeowners in that area do their own yard work and do not have sprinkler systems. This project would increase the time, effort and money to maintain an attractive lawn. Using manual sprinkler placement to maintain the four foot wide median of grass would increase the amount of wasted water. Further, if eight to nine feet of their driveway is removed, they will be unable to park two cars, one behind the other. She has only seen a few children walking to the school early in the morning and the area is mostly senior citizens. The sidewalk is not a viable use of tax money. She asked Council to reconsider going forward on this project and to make repairs to damage already done by construction and to not exclude taxpayers and home/business owners from the decision making process.

Mr. Seeley wanted to thank the Council members who decided to suspend the operation until they had their say. He wanted to make the point on how this project was handled as compared to the Sulphur Branch Creek project in 1998. On that project, residents were given ample notice and had participation by invitation. In regards to the Lee Engineering Study, it does not provide any data about student traffic that is specifically elementary school children or the numbers of children as opposed to the number of vehicles. A critical situation is that parents park their cars on either side of San Marcos and people are crossing the street between parked cars. If there is no need for a school crossing guard in that situation, then why is there need for a sidewalk? Their street is a well-kept but modest income neighborhood. It would be fitting that the sidewalk be installed against the curb and for the City to pay for the extra one foot strip of concrete. Mr. Seeley also asked why does the sidewalk stop on Shady Lake when there are additional properties that would need a sidewalk on the north boundary of Shady Lake and Harwood Road. He would be in favor of the sidewalk, if it is for the greater good. Mrs. Seeley stated that instead of spending money on this sidewalk, speed bumps would be a much better use of the funds.

Council requested that in the future, if the City puts in a sidewalk or does repairs that affects homeowners, that there be a public hearing or at least two weeks notice. It was explained that since this project was not funded by CDBG money, a public hearing was not held.

In regards to parking a car one behind the other in a driveway, Interim Police Chief Roger Gibson stated that it was Municipal Court Judge Murphy's interpretation that as long as a person in a wheelchair, or a child on a bike with training wheels, can safely move around the obstruction without going into the street, then it is not a violation.

Public Works Director John Kubala explained the reason for the short notice was to get the sidewalks done before school started. To terminate the contract would cost \$17,000. If it is decided to move the sidewalk against the curb, it will increase costs \$2,000 to \$3,000. The contractor would be willing to move to another location to do sidewalk work. If they proceed with the project, repairs to the property such as replacing grass and fixing sprinklers are part of the standard operating procedure. Mr. Kubala stated that the site they are looking to moving the project to is for sidewalks off of Bedford Heights Elementary School across Cummings where there is a vacant track of land that was requested by residents in that area. Per the City Attorney, there is no liability to the City if the sidewalks are not put in. Mr. Kubala stated that the money budgeted for this project would approximately cover the costs for the work already completed by the contractor, the work at the new location and the repairs to the properties on Spring Valley Drive.

The options are to proceed with the project on Spring Valley Drive, stop the work and make repairs to the properties, discuss a project that may be more compatible, or moving the project to another site by change order to the contract. Council was of the consensus for staff to look at other options and to bring back the pros and cons of those options at a future Council meeting.

APPROVAL OF THE MINUTES

3. Consider approval of the following City Council minutes:
 - a) July 7, 2011 work session
 - b) July 12, 2011 regular meeting

This item was approved by consent.

NEW BUSINESS

4. Consider all matters incident and related to the issuance and sale of \$6,640,000 "City of Bedford, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2011," dated July 15, 2011, including the receipt of bids therefore and the adoption of an ordinance authorizing the issuance of such obligations. (Improvements to the City's Waterworks and Sewer System, capital equipment purchases, and City facility improvements)

Administrative Services Director Cliff Blackwell presented information regarding this ordinance, as well as Item #5. As of yesterday, complete bids have been received on the Certificates of Obligation (CO) and the General Obligation (GO) bonds and, as a result, staff has put together the finalized numbers and the debt service schedule. With Mr. Blackwell tonight is David Medanich with First Southwest and Corey Albright of Fulbright and Jaworski. In January 2011, staff proposed a capital improvement program that included capital equipment purchases, City facility repair and improvements, street improvements, park improvements, water work improvements, sanitary improvements, and stormwater/drainage improvements. After much discussion, Council approved the following projects to be funded by property taxes: traffic synchronization, a custom fire pumper, a complete trunk radio operating system, a dump truck, a wood chipper, major City facility repairs, design work for the Boys Ranch lake dredging project, the design work for Dora Street, and land/building improvements along Bedford Road. These projects totaled approximately \$2.8M and are funded partially from GO bonds and from CO's. The difference between the two is that GO bonds are backed by the credit from the taxes that the City collects and require voter approval. The traffic synchronization project and the design of the Dora Street improvements were approved by the voters in 2001 as part of \$51M in projects. The overall fiscal impact is \$0.015 on the debt side of the tax rate.

The City Council also recommended projects to be funded out of water and sewer revenues. These included Infiltration and Inflow studies, the Sulphur Branch sewer main rehabilitation, sanitary sewer creek crossing rehabilitations, construction of the Simpson Terrace well and design work for the Northwest Pressure Plane. These projects total \$2.5M and the fiscal impact is 3.5%. This amounts to \$0.64 onto the base water rate and \$0.38 on the base sewer rate each month.

The City Council also approved storm water projects to include the purchase of structures on Sulphur Branch in the amount of \$1.8M, drainage improvements on Schumac and Monterrey in the amount of \$1.4M, and drainage improvements on Glenda Drive in the amount of \$200,000. These projects total \$3.4M and will be absorbed in the current rate structure of the storm water fund.

In addition to these new projects, another item included in the debt obligation is refunding current debt from the 1998 and 2002 water and sewer bonds and the 2002 GO bonds. There will be a recognized savings of \$1.4M over the life of this debt. With these new projects, debt service totals \$14.7M, of which \$8.2M is related to the 2011 GO Refunding and Improvement Bonds and \$6.6 million tax and revenue CO's.

Mr. Medanich stated that the City received an AA rating from Standard & Poors and they were pleased with where the City is headed. The \$6.6M in CO's have a rate of 3.8% and GO's have a rate of 3.21%. Both are 20 year obligations. The reason the GO rate is lower is that \$6M in bonds are being refunded and so have a shorter bond issue. This is the lowest interest rate that the City has borrowed at on a bond issuance of this length since well before 2000.

Motioned by Councilman Champney, seconded by Councilman Griffin to adopt Ordinance No. 11-3002 authorizing the issuance of "City of Bedford, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2011" and approving and authorizing the execution of a Paying Agent/Registrar Agreement, and a Purchase Contract with Southwest Securities, Inc. and BOSCO, Inc., in relation to such Certificates, and the approval and distribution of an Official Statement and resolving other matters incident and related thereto.

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

- 5. Consider all matters incident and related to the issuance and sale of \$8,420,000 "City of Bedford, Texas, General Obligation Refunding and Improvement Bonds, Series 2011," dated July 15, 2011, including the receipt of bids therefore and the adoption of an ordinance authorizing the issuance of such bonds. (Refunding Series' 1998 and 2002 G.O. Bonds, plus traffic signalization, street and drainage improvements)**

This item was discussed along with Item #4.

Motioned by Councilman Champney, seconded by Councilman Griffin to adopt Ordinance No. 11-3001 authorizing the issuance of "City of Bedford, Texas, General Obligation Refunding and Improvement Bonds, Series 2011" providing for the redemption of the obligations being refunded and approving and authorizing the execution of a Paying Agent/Registrar Agreement, Special Escrow Agreement and a Purchase Contract with Southwest Securities, Inc. and BOSCO, Inc., in relation to such Bonds and the approval and distribution of an Official Statement and resolving other matters incident and related thereto.

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

- 6. Consider an ordinance amending the City of Bedford Code of Ordinances, Chapter 82, "Offenses and Miscellaneous Provisions," Article III, "Smoking," by amending Section 82-72, "Prohibited in Certain Areas," in its entirety; providing for a penalty; providing a severability clause; and providing an effective date.**

Deputy City Manager David Miller stated that staff went back and measured the area around the Library and he recommends adopting a 100-foot rule instead of the 50-foot rule currently in the ordinance. Markers could be installed on the pavement which could be used for the electioneering setbacks during elections as well.

In regards to a future ordinance that covers all municipal buildings, staff could look at addressing any door versus the main entrance. For designated smoking areas, the ordinance would literally have to carve out the dimensions of that area. This ordinance can be adopted tonight and other options for the Library and other City facilities can be brought back to Council in the form of a comprehensive ordinance amendment.

Motioned by Councilman Brown, seconded by Councilman Griffin to approve an ordinance amending the City of Bedford Code of Ordinances, Chapter 82, "Offenses and Miscellaneous Provisions," Article III, "Smoking," by amending Section 82-72, "Prohibited in Certain Areas," in its entirety; providing for a penalty; providing a severability clause; and providing an effective date and changing it within the ordinance the setback from 50 feet to 100 feet.

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

- 7. Consider an Ordinance amending Chapter 118 "Utilities" Article IV "Water Resource Management Ordinance" of the City of Bedford Code of Ordinances, as amended by the revision of Division 3 Section 118-115(b) and the referenced Exhibit A; providing for a fine set at the maximum amount allowed by law for each offense in violation of the Ordinance and/or disconnection of water service for noncompliance with the provisions of the Water Resource Management Ordinance; providing a repealing clause; providing a severability clause; and declaring an effective date.**

This item was approved by consent.

8. **Consider a resolution authorizing the City Manager to enter into a Master Utility Adjustment Agreement (MUAA) with NTE Mobility Partners LLC and Bluebonnet Contractors, LLC for the adjustment of the City of Bedford's existing utilities impacted by the North Tarrant Express Project.**

This item was approved by consent.

9. **Consider a resolution authorizing the City Manager to enter into an Engineering Service Agreement with J.S. Ground Engineering, LLC, in the amount of \$23,710 for the design and coordination efforts for Glenda Drive/Patricia Lane Storm Sewer Improvements.**

This item was approved by consent.

10. **Consider a resolution declaring the furniture at the old Bedford Library to be surplus and authorizing the City Manager to dispose of surplus property.**

This item was approved by consent.

11. **Discussion and possible action on appointments to City Boards and Commissions. ***Item requested by Councilman Fisher.**

Councilman Fisher requested this item be placed on the agenda for discussion and possible action. At the last Council Work Session, the Council denied one application because, at the time, it did not meet the criteria for the place on the Community Affairs Commission. After doing some research, it was determined that the applicant, Sarah Sisson, does meet those standards.

Motioned by Councilman Fisher, seconded by Councilman Champney, to recommend Sarah Sisson for appointment to the City of Bedford Community Affairs Commission.

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

12. **Report on most recent meeting of the following Boards and Commissions:**
 - ✓ **Animal Control Board- Councilman Griffin**

No report was given.

- ✓ **Animal Shelter Advisory Board- Councilman Griffin**

No report was given.

- ✓ **Beautification Commission- Councilman Turner**

No report was given.

- ✓ **Community Affairs Commission- Councilman Fisher**

Councilman Fisher was proud to have a full Community Affairs Commission now.

- ✓ **Library Board- Councilman Brown**

No report was given.

- ✓ **Parks & Recreation Board- Councilman Griffin**

No report was given.

✓ **Senior Citizen Advisory Board- Councilman Savage**

Councilman Savage reported on the July 18 Board meeting. The attendance at the Senior Center is very good and has not seemed to drop, thanks to the volunteers who have worked 1,264 hours in the months of April, May and June. The senior aerobics classes are going great and have a very good instructor in Millie Park. The annual judged art show was very successful with 20-25 artists showing their talent. There are preparations for the annual benefit fair on September 16 from 8:30 a.m. until noon. The Monday night dance had to be cancelled because of a power outage in the building. .

✓ **Teen Court Advisory Board- Councilman Griffin**

No report was given.

13. Council member reports

✓ **Mayor Story – Information concerning Meals on Wheels.**

Mayor Story gave a report on Meals on Wheels. He received a letter earlier this month from Meals on Wheels regarding the expectation that government grants may drop 5% as they try to meet their budget. The organization delivers 4,000 meals a day and avoids putting people on a waiting list. They now deliver to 202 routes every Monday through Friday and staff 44 distribution sites. In Bedford, from October 1 through June 30, they have served almost 14,000 meals. The Mayor delivers meals a couple of times a year and this is a good volunteer opportunity.

Councilman Savage reported on the Street Improvement Economic Development Corporation meeting on July 19. Staff gave a comprehensive report on the financial status and the Fiscal Year 2010-2011 projects. Administrative Services Director Cliff Blackwell reported that an interest payment in the amount of \$194,172 will be made August 1. Sales tax receipts are currently running 3.15% below last year on a year-to-date basis. Currently, they are projected to be \$100,000 or 4% under budget for sales tax revenue. The interest bearing budget has been scaled back and they are projecting to fall short of budget in interest earnings by approximately \$2,400. The statuses of 2010-2011 projects are as follows: crack sealing – complete; Merrill and King rebuild – underway; asphalt mill overlay on Shady Brook – complete; asphalt slurry seal – complete; concrete street repairs – complete; striping and traffic markings – underway; Patti Drive improvements – complete; Barr Road construction – complete; Ravenswood Drive and King Drive reconstruction – complete; and ADA ramps on Cummings Drive – complete. The board reviewed the upcoming proposed budget for Fiscal Year 2011-2012 and voted to recommend to the Council a budget of \$2,076,310.

14. City Manager report

City Manager Beverly Griffith reported on the Extreme Mutt Makeover Contest. The Animal Control Department has entered two shelter dogs, Maverick and Nellie, in this contest sponsored by the ASPCA. Contest participants include animal shelters and rescue organizations. The overall winner of the contest will receive a \$500 grant. To participate, one would need to “Like” Maverick and Nellie on Facebook. The organization with the most fans by 12:00 p.m. Saturday, September 17 will win. The overall goal is to gain public awareness. More information can be found on the City’s website at www.bedfordtx.gov.

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 Story adjourned the meeting at 9:01 p.m.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary



Council Agenda Background

PRESENTER:

John F. Kubala, P.E., Public Works Director

ITEM:

Consider a resolution authorizing the City Manager to enter into Change Order #1 with Ziegler Construction, Inc., relocating the Spring Valley Drive Sidewalk & Handicap Ramps Improvements from Spring Valley Drive to Shady Brook Drive.

DISCUSSION:

The City Council directed staff to halt the construction of the Sidewalk & Handicap Ramp construction on Spring Valley Drive from Shady Lake Drive to San Marcos Lane at the request of the property owners along the street. Staff was directed to find another location for the improvements in the area around Shady Brook Elementary.

The School Route Assessment Study identified Shady Brook Drive from Shady Brook Elementary to Harwood Road as an area needing sidewalks. Staff has sent letters to the six property owners whose properties abut the proposed sidewalk. The five foot wide sidewalks will be installed adjacent to the curb. Two property owners have given their verbal agreement to the sidewalk location. If we are unable to contact and/or receive a response from the additional property owners prior to the Council meeting, staff recommends that the Council approve the construction of the sidewalk on the vacant property adjacent to Cummings Drive from McLain Road to Bedford Heights Elementary. This could be done by substituting the wording "Cummings Drive from McLain Road to Bedford Heights Elementary" in the resolution.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into Change Order #1 with Ziegler Construction, Inc., relocating the Spring Valley Drive Sidewalk & Handicap Ramps Improvements from Spring Valley Drive to Shady Brook Drive.

FISCAL IMPACT:

There will be no change in the originally approved contract amount of \$37,125.

ATTACHMENTS:

Resolution
Location Maps

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO CHANGE ORDER #1 WITH ZIEGLER CONSTRUCTION, INC. RELOCATING THE SPRING VALLEY DRIVE SIDEWALK & HANDICAP RAMPS IMPROVEMENTS FROM SPRING VALLEY DRIVE TO SHADY BROOK DRIVE.

WHEREAS, the City Council of Bedford, Texas determines the necessity for these sidewalk improvements; and,

WHEREAS, the City Council of Bedford, Texas determines the need to install handicap ramps.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD TEXAS:

SECTION 1. That the City Council does hereby authorize the City Manager to enter into Change Order #1 with Ziegler Construction, Inc. relocating the Spring Valley Drive Sidewalk & Handicap Ramps Improvements from Spring Valley Drive to Shady Brook Drive.

SECTION 2. That there will be no change in the originally approved contract amount of \$37,125.

PASSED AND APPROVED this 9th day of August, 2011, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

FOREST GLEN

OAKGROVE

HARWOOD

SHADY BROOK

SPRINGHAVEN

SHADY CREEK

SPRINGDALE

SPRING BROOK

SHADY MEADOW





DOVER
SIMPSON

AMHERST

WEDGLEA

MCCLAIN

SPARGERCREST

CUMMINGS

BOB NASH

BEDFORD HEIGHTS ELEMENTARY

AMHERST

CRESTVIEW

9



Council Agenda Background

PRESENTER:

Clifford Blackwell, C.G.F.O., Director of Administrative Services

ITEM:

Receive the 2011 Certified Ad Valorem Tax Roll from the Tarrant Appraisal District.

DISCUSSION:

Section 26.04 of Texas Property Tax Code requires the appraisal roll for a taxing unit shall be submitted to the governing body each year by August 1st, or as soon thereafter as practical. This information shall include the total appraised, assessed and taxable values of all property and the total taxable value of new property within the boundaries of the taxing entity.

The attached information has been supplied by Tarrant Appraisal District. It reflects the taxable values of all properties on the City of Bedford tax roll as of July 24, 2011.

RECOMMENDATION:

No action necessary – for City Council information only.

FISCAL IMPACT:

N/A

ATTACHMENTS:

2011 Certified Appraisal Roll Valuation Summary
2011 A.R.B. Protest Information
2011 Incomplete Property Information
Supporting documentation



TARRANT APPRAISAL DISTRICT

CITY OF BEDFORD

2011 Certified Appraisal Roll Valuation Summary

I, Jeff Law, Chief Appraiser for the Tarrant Appraisal District, to the best of my ability do solemnly swear that the attached is that portion of the appraisal roll of the Tarrant Appraisal District which lists property taxable by the above named entity and constitutes their certified appraisal roll.

APPRAISED VALUE (Considers Value Caps) ----- > \$ 3,347,610,264

Absolute Exemption	\$	232,927,678
Cases before ARB	\$	153,560,933
Incompletes	\$	49,387,228
Deferred, Special Use, and Partial Exemptions	\$	164,076,941

See Totals Report for breakdown of each Exemption

NET TAXABLE VALUE ----- > \$ 2,747,657,484

Appraised value minus Absolute Exemption amount, minus ARB amount, minus Incompletes, minus Deferred, Special Use and Partial Exemptions to equal the NTV.

ESTIMATED NET TAXABLE VALUE ----- > \$ 2,897,391,489

Including suggested values to be used for pending A.R.B. accounts (see page two), and Incomplete accounts (see page three).

Jeff Law, Chief Appraiser



25 JUL 2011

TARRANT APPRAISAL DISTRICT
Jeff Law, Chief Appraiser

CITY OF BEDFORD

2011 Appraisal Review Board Information

Section 25.01 (c) of the State Property Tax Code directs the chief appraiser to prepare a list of all properties under protest with the Appraisal Review Board and pending disposition at the time of value roll certification.

The values below are from the ARB roll and are not included in the totals certified by the chief appraiser and represented on page 1 of this report.

\$	153,560,933	Total appraised value of properties under protest.
\$	152,533,825	Net taxable value of properties under protest.
\$	106,773,677	Estimated minimum taxable value for the same properties. This value should be added to the net taxable value on page one.



CITY OF BEDFORD

2011 Incomplete Property Information

Section 26.01(d) of the State Property Tax Code directs the chief appraiser to prepare a list of all properties that are not on the certified appraisal roll and not included on the ARB roll.

The values below are from the incomplete property listing and are not included in the totals certified by the chief appraiser and represented on page 1 of this report.

The value of incomplete properties are subject to change and are also subject to appeal before the Appraisal Review Board.

\$	49,387,228	Total appraised value of incomplete properties
\$	42,960,328	Estimated net taxable value of incomplete properties

TARRANT APPRAISAL DISTRICT
 CITY OF BEDFORD
 TOTALS REPORT
 2011

ROLL: 002
 JUL
 CERTIFIED

REPORT ITEM		APPRAISED VALUE	ACCOUNTS	TAXABLE VALUE
1. REAL ESTATE RESIDENTIAL	(+)	2,070,089,577	13,852	1,904,718,459
2. REAL ESTATE COMMERCIAL	(+)	1,100,684,863	749	864,014,321
3. REAL ESTATE INDUSTRIAL	(+)	5,466,619	3	5,466,619
4. PERSONAL PROPERTY COMMERCIAL	(+)	168,634,624	1,314	166,406,517
5. PERSONAL PROPERTY INDUSTRIAL	(+)	2,545,540	6	2,545,540
6. MINERAL LEASE PROPERTIES	(+)	0	2	0
7. AGRICULTURE PROPERTIES	(+)	189,041	1	181
8. TOTAL APPRAISED VALUE	(=)	3,347,610,264	15,927	2,943,151,637
9. CASES BEFORE ARB	(-)	153,560,933	261	152,533,825
10. INCOMPLETE ACCOUNTS	(-)	49,387,228	354	42,960,328
11. CERTIFIED APPRAISED VALUE	(=)	3,144,662,103	15,312	2,747,657,484

EXEMPTION DETAIL		EXEMPT AMOUNT	ACCOUNTS	APPRAISED VALUE
12. ABSOLUTE EXEMPTIONS		232,927,678	246	232,927,678
13. AG DEFERRALS		188,860	1	189,041
14. SCENIC DEFERRALS		0	0	0
15. ABATEMENTS		1,634,206	3	6,223,927
16. PUBLIC ACCESS AIRPORTS		0	0	0
17. INDIGENT HOUSING		0	0	0
18. NOMINAL VALUE ACCOUNTS		0	0	0
19. DISABLED VETS		6,264,200	250	38,212,740
20. FREEPORT INVENTORY		0	0	0
21. GOODS IN TRANSIT		0	0	0
22. HOMESTEADS - STATE MANDATE		0	0	0
23. OVER 65 - STATE MANDATE		0	0	0
24. DISABLED - STATE MANDATE		0	0	0
25. HOMESTEADS - LOCAL OPTION		0	0	0
26. OVER 65 - LOCAL OPTION		155,569,300	3,151	473,744,742
27. DISABLED - LOCAL OPTION		0	153	0
28. SOLAR/WIND		1	1	180,000
29. POLLUTION CONTROL		3,426	3	641,016
30. COMM HSE DEV		0	0	0
31. PRORATED ABSOLUTE		416,948	10	1,045,743
32. HISTORIC SITES		0	0	0
33. FOREIGN TRADE ZONE		0	0	0
34. TOTAL EXEMPT AMOUNT	(-)	397,004,619		
35. NET TAXABLE VALUE	(=)	2,747,657,484	15,312	3,144,662,103

NEW EXEMPTIONS THIS YEAR (INCLUDED IN ITEM 12 TO 33)		EXEMPT AMOUNT	ACCOUNTS	APPRAISED VALUE
36. NEW ABSOLUTE EXEMPTIONS		230,873	1	230,873
37. NEW AG DEFERRALS		0	0	0
38. NEW SCENIC DEFERRALS		0	0	0
39. NEW ABATEMENTS		0	0	0
40. NEW PUBLIC ACCESS AIRPORTS		0	0	0
41. NEW INDIGENT HOUSING		0	0	0
42. NEW NOMINAL VALUE ACCOUNTS		0	0	0
43. NEW DISABLED VETS		86,000	10	1,454,900
44. NEW FREEPORT INVENTORY		0	0	0
45. NEW GOODS IN TRANSIT		0	0	0

TARRANT APPRAISAL DISTRICT
 CITY OF BEDFORD
 TOTALS REPORT
 2011

NEW EXEMPTIONS THIS YEAR	EXEMPT AMOUNT	ACCOUNTS	APPRAISED VALUE
46. NEW HOMESTEADS - STATE MANDATE	0	0	0
47. NEW OVER 65 - STATE MANDATE	0	0	0
48. NEW DISABLED - STATE MANDATE	0	0	0
49. NEW HOMESTEADS - LOCAL OPTION	0	0	0
50. NEW OVER 65 - LOCAL OPTION	4,005,000	81	13,349,963
51. NEW DISABLED - LOCAL OPTION	0	5	0
52. NEW SOLAR/WIND	0	0	0
53. NEW POLLUTION CONTROL	0	0	0
54. NEW COMM HSE DEV	0	0	0
55. NEW PRORATED ABSOLUTE	174,477	9	186,500
56. NEW HISTORIC SITES	0	0	0
57. NEW FOREIGN TRADE ZONE	0	0	0

NEW CONSTRUCTION	TAXABLE VALUE	ACCOUNTS	APPRAISED VALUE
58. ALL REAL ESTATE	11,981,495	56	12,021,602
59. NEW BUSINESS IN NEW IMPROVEMENT	0	0	0
60. TOTAL NEW CONSTRUCTION	11,981,495	56	12,021,602
61. NEW CONSTRUCTION IN RESIDENTIAL	3,138,655	51	3,178,762
62. NEW CONSTRUCTION IN COMMERCIAL	8,842,840	5	8,842,840

63. ANNEXATIONS	0	0	0
64. DEANNEXATIONS	0	0	0

TAX CEILINGS	TAXABLE VALUE	ACCOUNTS	CEILING AMOUNT
65. OVER 65	306,211,735	3,058	1,273,021.73
66. DISABLED PERSON	20,254,296	150	88,262.72
67. TOTAL CEILINGS (INCLUDED IN ABOVE)	326,466,031	3,208	1,361,284.45
68. NEW OVER 65 CEILINGS	27,015,696	246	130,683.67
69. NEW DISABLED PERSON CEILINGS	1,804,670	14	8,891.24

CAPPED ACCOUNTS	CAP VALUE	ACCOUNTS	CAP LOSS
70. CAP TOTAL	25,947,488	160	1,419,512
71. NEW CAP THIS YEAR	22,873,085	142	1,141,115

ALL EXEMPTIONS BY GROUP	EXEMPT AMOUNT	ACCOUNTS	APPRAISED VALUE
72. ALL RESIDENTIAL ACCOUNTS	165,371,118		2,070,089,577
73. ALL COMMERCIAL ACCOUNTS	238,898,649		1,269,319,487
74. ALL INDUSTRIAL ACCOUNTS	0		8,012,159
75. ALL MINERAL LEASE ACCOUNTS	0		0
76. ALL AGRICULTURE ACCOUNTS	188,860		189,041

07/21/2011
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CITY OF BEDFORD
 ABSOLUTES, ARB & INCOMPLETE TOTALS BY CATEGORY
 2011

002
 JUL
 CERTIFIED

	ABSOLUTES AMOUNT	COUNT	ARB AMOUNT	COUNT	INCOMPLETE AMOUNT	COUNT
1. REAL ESTATE RESIDENTIAL	2,527,617	76	23,656,977	166	84,300	1
2. REAL ESTATE COMMERCIAL	228,396,865	153	116,868,462	48	12,640,270	4
3. REAL ESTATE INDUSTRIAL	0	0	0	0	0	0
4. PERSONAL PROPERTY COMMERCIAL	2,003,196	17	13,035,494	47	36,662,658	347
5. PERSONAL PROPERTY INDUSTRIAL	0	0	0	0	0	0
6. MINERAL LEASE PROPERTIES	0	0	0	0	0	2
7. AGRICULTURE PROPERTIES	0	0	0	0	0	0
TOTAL	232,927,678	246	153,560,933	261	49,387,228	354

07/21/2011
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CITY OF BEDFORD
CERTIFIED, ARB & INCOMPLETE EXEMPTION TOTALS
2011

002
JUL
CERTIFIED

	CERTIFIED LOSS	COUNT	ARB LOSS	COUNT	INCOMPLETE LOSS	COUNT	TOTAL LOSS	COUNT
1. ABSOLUTE EXEMPTIONS	232,927,678	246	0	0	115,393	3	233,043,071	249
2. AG DEFERRALS	188,860	1	0	0	0	0	188,860	1
3. SCENIC DEFERRALS	0	0	0	0	0	0	0	0
4. ABATEMENTS	1,634,206	3	0	0	6,305,922	3	7,940,128	6
5. PUBLIC ACCESS AIRPORTS	0	0	0	0	0	0	0	0
6. INDIGENT HOUSING	0	0	0	0	0	0	0	0
7. NOMINAL VALUE ACCOUNTS	0	0	400	1	5,585	19	5,985	20
8. DISABLED VETS	6,264,200	250	10,000	2	0	0	6,274,200	252
9. FREEPORT INVENTORY	0	0	0	0	0	0	0	0
10. HOMESTEADS	0	0	0	0	0	0	0	0
11. OVER 65	155,569,300	0	1,000,000	20	0	0	156,569,300	20
12. DISABLED PERSON	0	153	0	3	0	0	0	156
13. SOLAR/WIND	1	1	0	0	0	0	1	1
14. POLLUTION CONTROL	3,426	3	16,708	1	0	0	20,134	4
15. COMM HSE DEV	0	0	0	0	0	0	0	0
16. PRORATED ABSOLUTE	416,948	10	0	0	0	0	416,948	10
17. HISTORIC SITES	0	0	0	0	0	0	0	0
18. FOREIGN TRADE ZONE	0	0	0	0	0	0	0	0
19. NET TAXABLE VALUE OF ALL FROZEN ACCTS			326,466,031	3,208 ACCTS				
20. CAP LOSS ON RESIDENTIAL MARKET VALUES			1,419,512	160 ACCTS				

CERTIFIED APPRAISED VALUE 2,911,734,425 15,320 ACCTS
 PROTECTED APPRAISED VALUE 153,560,933 261 ACCTS
 INCOMPLETE APPRAISED VALUE 49,387,228 354 ACCTS
 ABSOLUTE EXEMPT VALUE 232,927,678 246 ACCTS
 TOTAL APPRAISED VALUE 3,347,610,264 15,927 ACCTS

CERTIFIED NET TAXABLE VALUE 2,747,657,484
 NET TAXABLE IN ARB 152,533,825
 NET TAXABLE IN INCOMPLETE 42,960,328
 TOTAL NET TAXABLE VALUE 2,943,151,637

CATEGORY	CERT. APPR VALUE NUMBER OF ACCTS	ARB VALUE NUMBER OF ACCTS	INCOMPLETE VALUE NUMBER OF ACCTS	AG VALUE NUMBER OF ACCTS	AG ACREAGE	NEW CONSTRUCTION NUMBER OF ACCTS
A1 RESIDENTIAL SINGLE-FAMILY	1,897,901,473 12,018	18,635,352 108	0 0	0 0	0.0000	1,511,162 34
NET TAXABLE VALUE	1,752,331,539	17,725,352	0	0	0.0000	0
A2 RESIDENTIAL MOBILE HOMES	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0	0.0000	0
A3 RESIDENTIAL CONDOMINIUMS	14,713,144 130	146,300 2	0 0	0 0	0.0000	0 0
NET TAXABLE VALUE	12,269,477	146,300	0	0	0.0000	0
A4 RESIDENTIAL TOWNHOMES	30,245,062 289	854,500 7	0 0	0 0	0.0000	0 0
NET TAXABLE VALUE	25,922,562	754,500	0	0	0.0000	0
A5 RESIDENTIAL UNDECLARED	44,855,948 386	877,700 7	0 0	0 0	0.0000	1,260,200 14
NET TAXABLE VALUE	41,283,448	877,700	0	0	0.0000	0
A9 INTERIM USE	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0	0.0000	0
** CAT A TOTALS	1,987,715,627 12,823	20,513,852 124	0 0	0 0	0.0000	2,771,362 48
** CAT A NET TAXABLE VALUE	1,831,807,026	19,503,852	0	0		
B1 RESIDENTIAL MULTI-FAMILY	238,242,213 42	74,037,295 5	0 0	0 0	0.0000	0 0
NET TAXABLE VALUE	238,242,213	74,037,295	0	0	0.0000	0
B2 RESIDENTIAL DUPLEX	50,576,927 507	2,553,100 26	84,300 1	0 0	0.0000	0 0
NET TAXABLE VALUE	44,652,027	2,553,100	84,300	0	0.0000	0
B3 RESIDENTIAL TRIPLEX	306,900 1	211,900 1	0 0	0 0	0.0000	0 0
NET TAXABLE VALUE	306,900	211,900	0	0	0.0000	0
B4 RESIDENTIAL QUADRUPLX	2,019,900 8	0 0	0 0	0 0	0.0000	0 0
NET TAXABLE VALUE	2,019,900	0	0	0	0.0000	0
** CAT B TOTALS	291,145,940 558	76,802,295 32	84,300 1	0 0	0.0000	0 0
** CAT B NET TAXABLE VALUE	285,221,040	76,802,295	84,300	0		
C1 VAC/PLATTED RES. LT 5 ACRES	2,469,304 264	5 5	0 0	0 0	0.0000	0 0
NET TAXABLE VALUE	2,469,304	5	0	0	0.0000	0
C2 VAC/PLATTED COMMERCIAL	16,411,481 68	1,454,793 4	0 0	181 1	2.4110	0 0
NET TAXABLE VALUE	16,222,621	1,454,793	0	0	0.0000	0
C3 VAC/UNPLATTED RURAL LT 5 ACRES	0 0	0 0	0 0	0 0	0.0000	0 0
NET TAXABLE VALUE	0	0	0	0	0.0000	0

CATEGORY	CERT. APPR VALUE NUMBER OF ACCTS	ARB VALUE NUMBER OF ACCTS	INCOMPLETE VALUE NUMBER OF ACCTS	AG VALUE NUMBER OF ACCTS	AG ACREAGE	NEW CONSTRUCTION NUMBER OF ACCTS
C6 VACANT EXEMPT-RIGHT OF WAY	186,500	0	0	0	0.0000	0
NET TAXABLE VALUE	12,023	0	0	0		0
** CAT C TOTALS	19,067,285	1,454,798	0	181	2.4110	0
** CAT C NET TAXABLE VALUE	18,703,948	1,454,798	0	1		0
D1 ACREAGE RANCH LAND	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
D2 ACREAGE TIMBERLAND	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
D3 ACREAGE FARM LAND	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
D4 ACREAGE UNDEVELOPED	7,285,333	866,615	0	0	0.0000	0
NET TAXABLE VALUE	7,285,333	866,615	0	0		0
** CAT D TOTALS	7,285,333	866,615	0	0	0.0000	0
** CAT D NET TAXABLE VALUE	7,285,333	866,615	0	0		0
E1 FARM/RCH HOUSE + LTD ACRES	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
E2 FARM/RCH MH + LTD ACRES	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
E3 FARM/RCH OTHER	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
** CAT E TOTALS	0	0	0	0	0.0000	0
** CAT E NET TAXABLE VALUE	0	0	0	0		0
F1 COMMERCIAL	477,887,650	40,509,759	12,640,270	0	0.0000	8,842,840
NET TAXABLE VALUE	408	38	4	0		5
F2 INDUSTRIAL	476,094,372	40,509,759	6,334,348	0	0.0000	0
NET TAXABLE VALUE	5,466,619	0	0	0		0
F3 BILLBOARDS	5,466,619	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0

CATEGORY	CERT. APPR VALUE NUMBER OF ACCTS	ARB VALUE NUMBER OF ACCTS	INCOMPLETE VALUE NUMBER OF ACCTS	AG VALUE NUMBER OF ACCTS	AG ACREAGE	NEW CONSTRUCTION NUMBER OF ACCTS
** CAT F TOTALS	483,354,269	40,509,759	12,640,270	0	0.0000	8,842,840
** CAT F NET TAXABLE VALUE	481,560,991	40,509,759	6,334,348	0	0.0000	5
G1 OIL, GAS, MINERAL RESERVE	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0	0.0000	0
** CAT G TOTALS	0	0	0	0	0.0000	0
** CAT G NET TAXABLE VALUE	0	0	0	0	0.0000	0
J1 UTILITY WATER SYSTEMS	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0	0.0000	0
J2 UTILITY GAS COMPANIES	3,663,055	0	0	0	0.0000	0
NET TAXABLE VALUE	3,663,055	0	0	0	0.0000	0
J3 UTILITY ELECTRIC COMPANIES	19,820,170	0	0	0	0.0000	0
NET TAXABLE VALUE	19,820,170	0	0	0	0.0000	0
J4 UTILITY TELEPHONE COMPANIES	8,219,380	59,704	286,817	0	0.0000	0
NET TAXABLE VALUE	8,219,380	59,704	286,817	0	0.0000	0
J5 UTILITY RAILROADS	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0	0.0000	0
J6 UTILITY PIPELINES	233,890	0	0	0	0.0000	0
NET TAXABLE VALUE	233,890	0	0	0	0.0000	0
J7 UTILITY CABLE COMPANIES	3,911,286	0	0	0	0.0000	0
NET TAXABLE VALUE	3,911,286	0	0	0	0.0000	0
J8 UTILITY OTHER	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0	0.0000	0
** CAT J TOTALS	35,847,781	59,704	286,817	0	0.0000	0
** CAT J NET TAXABLE VALUE	35,847,781	59,704	286,817	0	0.0000	0
L1 COMMERCIAL	83,871,850	12,975,790	36,375,841	0	0.0000	0
NET TAXABLE VALUE	83,871,850	12,975,790	36,375,841	0	0.0000	0
L2 INDUSTRIAL	2,545,540	0	0	0	0.0000	0
NET TAXABLE VALUE	2,545,540	0	0	0	0.0000	0

CATEGORY	CERT. APPR VALUE NUMBER OF ACCTS	ARB VALUE NUMBER OF ACCTS	INCOMPLETE VALUE NUMBER OF ACCTS	AG VALUE NUMBER OF ACCTS	AG ACREAGE	NEW CONSTRUCTION NUMBER OF ACCTS
** CAT L TOTALS	86,417,390 878	12,975,790 46	36,375,841 338	0	0.0000	0
** CAT L NET TAXABLE VALUE	86,330,565	12,958,682	36,254,863			
M1 PRIVATE WATERCRAFT	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
M2 PRIVATE AIRCRAFT	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
M3 MOBILE HOME IMPROVEMENT ONLY	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
M4 MISCELLANEOUS	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
** CAT M TOTALS	0	0	0	0	0.0000	0
** CAT M NET TAXABLE VALUE	0	0	0	0		0
N1 NOT OTHERWISE CLASSIFIED	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
** CAT N TOTALS	0	0	0	0	0.0000	0
** CAT N NET TAXABLE VALUE	0	0	0	0		0
O1 RES VACANT INVENTORY C1	0	199,800	0	0	0.0000	0
NET TAXABLE VALUE	0	199,800	0	0		0
O2 RES IMPROVED INVENTORY	0	178,320	0	0	0.0000	407,400
NET TAXABLE VALUE	0	178,320	0	0		3
O3 RES IMPROVED INVENTORY A3	0	900,800	0	0	0.0000	0
NET TAXABLE VALUE	0	900,800	0	0		0
O4 RES IMPROVED INVENTORY A4	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
O5 RES IMPROVED INVENTORY A5	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
O6 RES IMPROVED INVENTORY B2	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0

CATEGORY	CERT. APPR VALUE NUMBER OF ACCTS	ARB VALUE NUMBER OF ACCTS	INCOMPLETE VALUE NUMBER OF ACCTS	AG VALUE NUMBER OF ACCTS	AG ACREAGE	NEW CONSTRUCTION NUMBER OF ACCTS
07 RES IMPROVED INVENTORY B3	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
08 RES IMPROVED INVENTORY B4	0	0	0	0	0.0000	0
NET TAXABLE VALUE	0	0	0	0		0
** CAT 0 TOTALS	900,800	378,120	0	0	0.0000	407,400
** CAT 0 NET TAXABLE VALUE	900,800	378,120	0	0		3
** TDC TOTALS	2,911,734,425	153,560,933	49,387,228	181	2.4110	12,021,602
BEGIN CERT APPRAISED VALUE	15,066	261	354	1		56
BEGIN CERT APPRAISED ACCTS	3,144,662,103					
** TDC NET TAXABLE VALUE	2,747,657,484	152,533,825	42,960,328	181		
** TDC AG IMPROVEMENTS				0		

NOTE: ABSOLUTE EXEMPTIONS ARE NOT INCLUDED EXCEPT FOR PRORATED ABSOLUTES

AVERAGE MARKET VALUE PER ACCOUNT > 158,001 AVERAGE NET TAXABLE VALUE PER ACCOUNT > 145,765

TOTAL MARKET VALUE >>>> 1,899,178,094 ENTITY 1899,178,094

PLEASE NOTE: ACCOUNTS IN PROTEST & INCOMPLETE ACCOUNTS ARE - N O T - INCLUDED IN ANY OF THE CALCULATIONS

UND	THOUSANDS	PARCEL COUNT	DISTRIBUTION GRAPHICS
5	0	0	
10	0	1	
15	0	0	
20	0	0	
25	0	2	
30	0	4	
35	3	3	
40	12	12	
45	16	16	
50	33	33	
55	41	41	
60	33	33	
65	50	50	
70	85	85	
75	147	147	
80	168	168	
85	174	174	
90	273	273	
95	263	263	
100	266	266	
105	307	307	
110	448	448	
115	542	542	
120	623	623	
125	563	563	
130	566	566	
135	527	527	
140	548	548	
145	487	487	
150	423	423	
155	449	449	
160	378	378	
165	331	331	
170	340	340	
175	331	331	
180	256	256	
185	297	297	
190	302	302	
195	266	266	
200	253	253	
205	242	242	
210	234	234	
215	195	195	
220	185	185	
225	160	160	
230	144	144	
235	131	131	
240	123	123	
245	798	798	
DVR	12,020	12,020	

*****10*****15*****20*****25*****30*****35*****40*****45*****50*****55*****60*****65*****70*****75*****80

PARCEL COUNTS IN HUNDREDS - SINGLE FAMILY RESIDENCE ONLY - 2011



Council Agenda Background

PRESENTER:

Clifford Blackwell, C.G.F.O., Director of Administrative Services

ITEM:

Receive the certified anticipated collection rate from the Tarrant County Tax Assessor-Collector for the City of Bedford.

DISCUSSION:

Section 26.04 of the Texas Property Tax Code requires the Tax Collector to certify the anticipated collection rate for the current year.

Ron Wright, Tarrant County Tax Assessor-Collector, has certified the anticipated collection rate for the City of Bedford at 100%. If the projection is less than 100% and the sum of taxes collected exceeds the amount the collector estimated would be collected for the preceding year, the collector must determine the amount of excess debt taxes collected. When calculating the debt rate for the next year, the rate must be adjusted to compensate for the inaccurate prediction. If the prediction is greater than 100%, then 100% is used and no adjustment is necessary.

RECOMMENDATION:

No action is necessary – for City Council information only.

FISCAL IMPACT:

N/A

ATTACHMENTS:

Certification letter from the Tarrant County Tax Assessor Collector



TARRANT COUNTY TAX OFFICE

100 E. Weatherford, Room 105
Fort Worth, Texas 76196-0301
817-884-1100 taxoffice@tarrantcounty.com

Ron Wright
Tax Assessor-Collector

June 14, 2011

Mr Clifford Blackwell
Director of Administrative Services
City of Bedford
2000 Forest Ridge Dr
Bedford TX 76021

Re: Certified Estimate of Anticipated Collection Rate for Tax Year 2011

Dear Mr Blackwell:

Section 26.04 (b) of the TEXAS TAX CODE requires your Tax Collector to certify your entity's anticipated collection rate for the current year.

The anticipated collection rate for your entity for tax year 2011 is 100.00%.

If the actual collection rate for 2010 exceeded the anticipated rate for that year, the collector must also certify the amount of debt taxes collected in excess of the anticipated rate. When calculating the debt rate for 2011 the rate must be adjusted to compensate for excess debt collections in 2010.

Your excess debt collection for the 2010 tax year is \$0.00.

I am also including a form on which you should report your tax year 2011 tax rates and exemptions. Please return this completed form to the Tarrant County tax office by September 14, 2011. If you are able to set your tax rate before this date please provide the information as soon as it is available.

If I may be of further assistance to you, please call me at (817) 884-1123 or come by my office in the Administration Building – Room 102.

Sincerely,

Jim Pritchard

James E. Pritchard, RTA
Associate Chief Deputy - Property

For:
Ron Wright
Tarrant County Tax Assessor-Collector



TARRANT COUNTY TAX OFFICE

100 E. Weatherford, Room 105
Fort Worth, Texas 76196-0301
817-884-1100 taxoffice@tarrantcounty.com

Ron Wright
Tax Assessor-Collector

~~IMPORTANT~~

Required Taxing Unit Information

Deadline September 14, 2011

Mr Clifford Blackwell
Director of Administrative Services
City of Bedford
2000 Forest Ridge Dr
Bedford TX 76021

Enclosed is a form for providing the Tarrant County Tax Office with your 2011 tax rates and other information necessary to calculate and bill taxes for your unit. **We cannot begin the tax calculation process until all 63 units have responded with the complete signed and dated document.** The data must be signed by an authorized official. **The signed and dated document is an absolute requirement.**

Statewide statistics as well as our own experience in Tarrant County proves that collection rates are greater when tax bills are mailed as early as possible. Our goal is to mail bills on October 1. However, every year, some taxing units delay providing complete information. This can delay the billing process as much as three weeks.

We need the information by September 14 in order to build the 2011 tax collection database. Failure to provide the required information by the September 14th deadline will jeopardize the mailing of statements for all other entities. Please don't ask for an exception. The ultimate risk is that you will have to pay for a separate mailing for your statements only.

Please note that the appraisal district has or will ask for the same information. The appraisal district does not provide us with the information they collect from you until the appraisal roll is certified at the end of September. The information you send to us must be accurate and precisely the same as that furnished to the appraisal district.

Please let me know if you have any questions or if I can assist you in any way please contact me on my direct line at (817) 884-1159.

Sincerely,

Jeff Hodges

Jeff Hodges, RTA, CTA
Assessment Manager

For:
Ron Wright
Tarrant County Tax Assessor-Collector

-URGENT & REQUIRED-

Tax Rates and Exemptions Worksheet
Cities & County

Please complete **all** items on this form and submit to Betsy Price, Tax Assessor-Collector, by
September 14, 2011, as agreed by contract. Fax No. 817-884-1122

Tax Unit: **City of Bedford**

Tax Year: **2011**

SECTION 1 – TAX RATES

Interest and Sinking (I&S) Tax Rate for Tax Year 2011 _____
Maintenance & Operations (M&O) Tax Rate for Tax Year 2011 _____
Total Tax Rate for Tax Year 2011 _____

SECTION 2 – EXEMPTIONS

	<u>2010</u>	<u>2011</u>
Homestead (Optional)	_____ %	_____ %
Over 65 (Optional)	_____	_____
Disabled Person (Optional)	_____	_____
Freeport Exemption (Sec. 11.251)	___ Yes ___ No	___ Yes ___ No
Solar Exemption (Sec. 11.27)	___ Yes ___ No	___ Yes ___ No
Historic Exemption (Sec. 11.24)	___ Yes ___ No	___ Yes ___ No
Pollution Control (Sec. 11.31)	___ Yes ___ No	___ Yes ___ No
Foreign Trade Zone (Sec. 25.07)	___ Yes ___ No	___ Yes ___ No
Abatements Granted (Sec. 312)	___ Yes ___ No	___ Yes ___ No

SECTION 3

Delinquent Tax Attorney Contracted _____ Yes ___ No

SECTION 4

Additional Sales and Use Tax Rate (if applicable) _____

SECTION 5

Did you elect to freeze taxes for over 65 and disabled citizens? ___ Yes ___ No

Beginning with which tax year _____

Our Tax Rate was adopted on _____

Approved By: _____ Title: _____

Work Phone Number (____) _____ Date Submitted _____

Please contact Jeff Hodges at 817-884-1159 if you have any questions.



Council Agenda Background

PRESENTER:

Clifford Blackwell, C.G.F.O., Director of Administrative Services

ITEM:

Consider a proposed tax rate and set two public hearings on the proposed tax rate.

DISCUSSION:

The tax rate required to fund the FY 2011-2012 budget as presented is \$0.504329 per \$100 assessed valuation.

Definitions:

Effective Tax Rate: The tax rate that will generate the same amount of tax revenue as the previous year from the same property. This rate serves as the benchmark from which all Truth-in-Taxation requirements are measured. The effective rate for FY 2011-2012 is \$0.494387 per \$100 valuation.

Effective Maintenance & Operations (M&O) Rate: The tax rate that will generate the same amount of tax revenue for maintenance and operations as the previous year. The effective M&O rate (prior to the sales tax rate adjustment) for FY 2011-2012 is \$0.401750. The effective operating rate after the sales tax rate adjustment of \$0.090493 is \$0.311257.

Debt Tax Rate: The rate required to generate revenue to meet debt service requirements, which is unlimited in terms of calculating the rollback rate. The debt tax rate for FY 2011-2012 is \$0.193072.

Maximum Public Hearing Rate: The effective tax rate or the rollback tax rate, whichever is less. The calculated maximum public hearing rate for FY 2011-2012 is \$0.494387, which is equal to the total effective rate.

Rollback Tax Rate: The maximum tax rate the City may adopt without initiating the possibility of a rollback election. The rollback tax rate for FY 2011-2012 is \$0.536469.

It is necessary for the City Council at this time to vote on the maximum tax rate that would be considered for implementation of the FY 2011-2012 budget. The City Council is not actually setting a tax rate at this time. The purpose of this vote is to establish the upper threshold for the tax rate that the City Council will consider when an actual vote is required on September 13, 2011. At that time, the City council may consider any rate up to the amount that is approved at this time, but may not exceed that rate.

IN SUMMARY:

2010-2011 Adopted Tax Rate:	\$0.491609
2011-2012 Effective Tax Rate:	\$0.494387
Maximum public hearing rate:	\$0.494387
Rate required to fund the 2011-2012 budget as presented:	\$0.504329

If the City Council votes to consider a tax rate greater than \$0.494387, two public hearing will be required. In order to meet the publication and scheduling requirements in both the City Charter and the Truth-in-Taxation laws, the recommended dates for the public hearings are Tuesday, August 23, 2011 and Tuesday, August 30, 2011. The actual vote on the tax rate will take place on Tuesday, September 13, 2011.

RECOMMENDATION:

Staff recommends the following motion:

Consider a maximum tax rate of _____ per \$100 assessed valuation, and schedule a public hearing to discuss the tax rate on Tuesday, August 23, 2011 at 6:30 p.m. at Bedford City Hall and a second public hearing to discuss the tax rate on Tuesday, August 30, 2011 at 6:30 pm. at Bedford City Hall.

FISCAL IMPACT:

N/A

ATTACHMENTS:

N/A



Council Agenda Background

PRESENTER:

Clifford Blackwell, C.G.F.O., Director of Administrative Services

ITEM:

Call a public hearing on the proposed FY 2011-2012 budget to be held on August 23, 2011 at 6:30 p.m.

DISCUSSION:

Section 4.05 of the City Charter states that the City Council shall determine the place and time of the public hearing on the budget.

In order to meet the appropriate timeline to approve the budget and tax rate for submittal to Tarrant County, it is recommended the City Council call the public hearing on the proposed FY 2011-2012 budget for August 23, 2011 at 6:30 p.m.

RECOMMENDATION:

Staff recommends the following motion:

Call a public hearing on the proposed FY 2011/2012 budget for August 23, 2011 at 6:30 p.m. in the City Hall Council Chambers.

FISCAL IMPACT:

N/A

ATTACHMENTS:

N/A



Council Agenda Background

PRESENTER:

James Tindell, Fire Chief

ITEM:

Consider an ordinance of the City of Bedford, Texas amending Chapter 58 of the Code of the City of Bedford "International Fire Code" by deleting Sections 58-97 and 58-99 and adding new Sections 58-97 and 58-99 through 58-104 thereby adopting the International Fire Code, 2009 edition, and providing certain amendments and deletions thereto.

DISCUSSION:

The International Fire Codes are revised and published in a three-year code cycle. They provide and establish minimum standards and regulations for modern up-to-date fire codes addressing conditions hazardous to life and property from fire, explosions, hazardous materials storage, handling or use, and the use and occupancy of buildings and premises. The City of Bedford has operated on the same fire codes and code amendments from the 2001 adoption of the 2000 edition International Fire Codes. The City of Bedford has coordinated with Hurst and Euless for the past several years to adopt the same edition of these codes, as well as ensure that our amendments coincide. The previous code edition was recommended for adoption from the North Central Texas Council of Governments (NCTCOG) on January 31, 2008. So that codes and amendments could be uniform across the three cities, the Cities of Bedford, Hurst and Euless decided to continue discussions and pursue the 2009 International Codes. The City will maintain efforts to adopt current code editions, such as the 2012 International Fire Codes, that would be recommended for adoption by NCTCOG in early 2014.

NCTCOG has actively promoted the standardization of model fire codes. Code advisory boards encourage the adoption of NCTCOG's recommended model fire codes and regional amendments to reduce the variation of local fire codes in the region. NCTCOG recommended on January 31, 2011, that jurisdictions in North Central Texas adopt the 2009 International Fire Code, along with their respective regional amendments.

Fire codes provide many benefits; among which is the model code development process that offers international forums for fire safety professionals to discuss performance-based and prescriptive code requirements. This forum provides an excellent arena to debate proposed revisions. This model code also encourages international consistency in the application of the provisions.

Fire codes establish minimum standards that are applied to a practical balance between reasonable safety, and cost to protect life and property. The term "minimum requirements" means that it meets the criteria of being both practical and adequate for protecting the life, safety and welfare of the public.

Permit fees will not be changed or impacted with the adoption of the 2009 International Fire Code. Staff deems it beneficial to the community to adopt the 2009 Edition of the International Fire Code and amendments recommended by the North Central Texas Council of Governments.

RECOMMENDATION:

Staff recommends the following motion:

Approval of an ordinance of the City of Bedford, Texas amending Chapter 58 of the Code of the City of Bedford "International Fire Code" by deleting Sections 58-97 and 58-99 and adding new Sections 58-97 and 58-99 through 58-104 thereby adopting the International Fire Code, 2009 edition, and providing certain amendments and deletions thereto; providing for an effective date, providing certain amendments and deletions thereto; providing for an effective date, providing for a penalty not to exceed two thousand dollars for each offence; providing for a repeal clause; providing for a severability clause; and declaring an effective date.

FISCAL IMPACT:

N/A

ATTACHMENTS:

Ordinance

ORDINANCE NO. 11-

AN ORDINANCE OF THE CITY OF BEDFORD, TEXAS AMENDING CHAPTER 58 OF THE CODE OF THE CITY OF BEDFORD BY DELETING SECTIONS 58-97 AND 58-99 AND ADDING NEW SECTIONS 58-97 AND 58-99 THROUGH 58-104 THEREBY ADOPTING THE INTERNATIONAL FIRE CODE, 2009 EDITION, AND PROVIDING CERTAIN AMENDMENTS AND DELETIONS THERETO; PROVIDING FOR AN EFFECTIVE DATE, PROVIDING FOR A PENALTY NOT TO EXCEED TWO THOUSAND DOLLARS FOR EACH OFFENSE; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City of Bedford desires to protect the life, health and property of the citizens and businesses of the City of Bedford; and,

WHEREAS, fire prevention is important to the health, safety and welfare of the citizens, businesses and visitors of the City of Bedford.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1. That all matters stated in the preamble are hereby found to be true and correct and are incorporated herein by reference as if copied in their entirety.

SECTION 2. That the International Fire Code, a copy of which will be kept on file with the City Secretary's Office, is hereby adopted as the City of Bedford Fire Code and that Chapter 58, Section 58-97 is hereby deleted in its entirety and a new section 58-97 is adopted to read as follows:

Section 58-97 Code Adopted. The Code shall be known as the City of Bedford Fire Prevention Code. The articles of the International Fire Code (IFC), 2009 edition, save and accept such portions as are hereinafter deleted, modified, or added, shall be the Fire Prevention Code of the City of Bedford.

SECTION 3. That Chapter 58, Section 58-99 is hereby deleted in its entirety and a new section 58-99 is adopted to read as follows

Sec. 58-99 Amendments

The International Fire Code (IFC), 2009 edition, and the Bedford Fire Prevention Code are amended and changed as published in the following respects:

- (1) *General Terms*
 - (a) *Jurisdiction.* All references to "jurisdiction" shall mean the City of Bedford, Tarrant County, Texas
 - (b) *Chief.* All references to "Chief of the Bureau of Fire Prevention" shall be replaced with "Fire Marshal."

ORDINANCE NO. 11-

- (c) *Fire marshal.* All references to Fire Marshal shall include the Fire Marshal's designee.

(2) *Chapter 1. Scope and Administration*

- (a) *Section 101.1 Title* is amended by deleting that section and replacing it with a new Section 101.1 to read as follows:

Title. These regulations shall be known as the *Fire Code of the City of Bedford, Texas*, hereinafter referred to as "this Code."

- (b) *Section 102.1 Construction and design provisions* is amended by adding a new *Section 102.1.1* to read as follows:

Section 102.1.1 Reconstruction and Remodel. A building that is being altered, remodeled or reconstructed where the cost of construction is greater than 50% of the appraised value of the structure, shall comply with current fire codes in regard to:

- (1) Panic hardware;
- (2) Fire alarms;
- (3) Exit lights;
- (4) Emergency lighting;
- (5) Exits and exit ways;
- (6) Fire protection systems.

- (c) *Section 102.7* is amended by deleting and replacing with a new *Section 102.7* to read as follows:

Section 102.7 Referenced codes and standards. The codes and standards referenced in this code shall be those that are listed in Chapter 47 of the International Fire Code and such codes, when specifically adopted, and standards shall be considered part of the requirements of this code to the prescribed extent of each such reference. Where differences occur between the provisions of this code and the referenced standards, the provisions of this code shall apply. Whenever amendments have been adopted to the referenced codes and standards, each reference to said code and standards shall be considered to reference the amendments as well. Any reference to NFPA 70 or the ICC Electrical Code shall mean the Electrical Code as adopted.

- (d) *Section 105.1.1 Permits required* is amended by deleting that section and replacing it with a new Section 105.1.1 with subsections, to read as follows:

105.1.1 Permits required. Permits required by this code shall be obtained from the fire code official.

ORDINANCE NO. 11-

105.1.1.1 Permit fees. The fire marshal's office shall collect the approved fees for all inspections and permits as provided by the International Fire Code or Section 58-99 of the City of Bedford Code of Ordinances or other fire related permit or inspection fees. The minimum cost of a permit shall be twenty-five dollars (\$25.00) unless otherwise indicated on the approved fee schedule adopted by the City of Bedford. Permit fees shall be paid prior to the issuance of the permit. If work or construction occurs without obtaining the appropriate permit or permits first, the permit fee shall be doubled. In cases of emergency, the fire marshal may waive the requirement that the permit fee double. Permit fees are annual fees, and shall be due on or before January first of each year, unless otherwise indicated on the permit.

105.1.1.2 Party responsible for payment. Payment of permit fees shall be the responsibility of the property owner.

105.1.1.3 Permits required before commencement of work. Permits must be obtained prior to taking any action requiring a permit.

105.1.1.4 Permit to be on premises. Issued permits shall be kept on the premises designated therein at all times and shall be readily available for inspection by the fire code official.

105.1.1.5 Additional information. The fire marshal may request copies of bid documents, construction documents or other items necessary to process the permit.

- (e) *Section 105.1.3 Conditions of a permit* shall be amended by adding *Section 105.1.3.8 Storage of hazardous materials* to read as follows:

The permit required for storage and sale of hazardous material shall be considered an "operational permit" under section 105.1.2 Number 1 (unless modifications to the structure are required, which may also require a construction permit) and shall be the responsibility of the person engaging in the sale or storage of hazardous materials to obtain a permit, regardless of whether the person engaging in the sale or storage of hazardous materials is the owner or non-owner occupant of the premises. If the person engaging in the sale or storage of hazardous materials is not the owner, the owner may also be charged with the offenses of allowing storage or sales of hazardous materials without a permit after the owner is given notice that the offense is occurring on their property.

ORDINANCE NO. 11-

- (f) *Section 108 Board of Appeals* is amended by adding Section 108.4 to read as follows

108.4 Building and Standards Commission to function as Bedford Board of Appeals for International Fire Code. The Building and Standards Commission for the City of Bedford, as defined by the Code of Ordinances of the City of Bedford, Texas shall function as the Board of Appeals under Section 108 of the International Fire Code. Appeals shall be in accordance with section 58.03 of the Code of Ordinances of the City of Bedford, Texas.

- (g) *Section 109 Violations* is amended by adding Section 109.4 to read as follows

109.4 Summary abatement. If the fire marshal or designee becomes aware of a condition or situation that causes or creates a hazard, the fire marshal shall have the authority to summarily abate or order the summary abatement of such hazardous condition or conditions that are in violation of the this code. If the hazard cannot be immediately corrected or abated, the fire marshal shall have the authority to assign the necessary fire protection personnel to provide as safe a situation as possible until the hazard is corrected or abated.

- (h) *Chapter 1 Scope and Administration* is amended by adding *Section 114 Compliance Certification* to read as follows:

Section 114 Compliance Certification. A certification may be required by the fire marshal to show compliance with the fire code regarding technical installations of fire related equipment and systems. Such certification shall be notarized and on company letterhead. When required, certifications shall be filed with the office of the fire marshal before final approval of the activity or installation.

Section 114.1 When certification required. Certification shall be required for the following:

1. Automatic fire alarm systems;
2. Automatic fire extinguishing systems;
3. Storage and use of explosives;
4. Storage of hazardous materials;
5. Fire appliance servicing;
6. Flame retardant application;
7. Liquefied gas installations and operations;
8. Radioactive material storage and handling;
9. Emergency lighting systems;

ORDINANCE NO. 11-

- 10. Emergency power system;
- 11. Security gates;
- 12. As otherwise indicated by a specific code section or amendment.

Section 114.2 Compliance testing. All compliance testing shall be witnessed by the fire marshal.

(3) *Chapter 2. Definitions*

Section 202. Amend by adding new definitions to the existing list of definitions in Section 202 of the IFC, to read as follows:

Code official or fire code official. The fire chief or designee, fire marshal or designee, or member of the fire department, charged with the duties of administration and enforcement of this code, or a duly authorized representative.

Emergency access easement. An access road or fire lane located on private property dedicated by the owner(s) of the property to provide fire apparatus access.

High-rise building. Any structure used for human occupancy and/or storage more than 55 feet above the lowest level of fire department vehicle access or five or more stories, excluding the basement. For the purpose of this code, building height shall be the highest point of the structure excluding penthouses.

Self-service/storage facility. Real property designated and used for the purpose of renting or leasing individual storage spaces to customers for the purpose of storing and removing personal property on a self-service basis.

(4) *Chapter 3 General Requirements*

(a) *Section 307 Open Burning, Recreational Fires and Portable Outdoor Fireplaces, Section 307.1 General* is amended by adding 307.1.2 and 307.1.3 to read as follows:

307.1.2 Open burning prohibited. Open burning as defined in Section 302 (IFC) shall be prohibited unless permitted by the fire marshal.

307.1.3 Recreational fires prohibited. “Recreational fires” as defined in Section 302 (IFC) shall be prohibited unless permitted by the fire marshal.

Exception: Chimeneas are allowed at single family residences provided that they are at least ten feet away from any structure and that they only burn wood, not yard debris, trash or any other

ORDINANCE NO. 11-

material and only if attended at all times. Chimeneas must be extinguished before leaving unattended. If the wind exceeds 20 miles per hour, no recreational fires shall be allowed, and this prohibition includes chimeneas.

- (b) *Section 307.4.2 Recreational fires* is amended by to read as follows

307.4.2 Recreational fires prohibited. “Recreational fires” as defined in Section 302 (IFC) shall be prohibited unless permitted by the fire marshal.

- (c) *Section 308 Open Flames* is amended by adding Section 308.1.9 to read as follows:

308.1.9 Keep warm fires. Keep warm fires will be allowed at constructions sites when the temperature is below 45 degrees Fahrenheit, provided the fire is kept in a solid fireproof metal barrel or can, covered with a wire screen and attended at all times. The keep warm fires must be at least ten feet from all structures. The fire marshal may prohibit keep warm fires when wind or weather conditions are such that a fire hazard will be created. Keep warm fires shall always be prohibited when wind speeds exceed 20 miles per hour.

- (d) *Section 308 Open Flames* is amended by adding Section 308.5 and subsections to read as follows:

Section 308.5 Open burning. The use of open flame cooking devices shall be as follows:

Section 308.5.1. Multifamily structure. It shall be a violation of this code for any person to use, allow or permit the use of a fixed or portable grill or cooking device that uses an open flame or electrical element within ten feet of any multi-family structure, under any covered portion of a multi-family structure, under any covered parking structure or portion thereof.

Section 308.5.2 Sign. It shall be a violation of this code for any person to own or manage any multi-family structure without installing and maintaining on each balcony, patio, landing or similar structure of each dwelling unit an approved sign readily visible to the occupants that prohibits the use of any grill, hibachi, smoker, or similar apparatus within ten feet of all apartment structures. Signs shall be at least 30 square inches with the word

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“PROHIBITED” in one inch letter, and the remaining message in at least one-fourth (1/4) inch letter, red on white, and provide the following warning:

-PROHIBITED- THE USE OF ANY GRILL, HIBACHI, OR SMOKER IN OR WITHIN TEN FEET OF ALL APARTMENT STRUCTURES, PATIOS AND CARPORTS. BEDFORD FIRE CODE - FINE UP TO \$2000.00

Section 308.5.3 Written proof. It shall be a violation for any person to own or manage any multi-family structure without providing the fire marshal, upon request, written proof that each tenant has been advised of the prohibition on cooking with grills and cooking devices. Such proof shall consist of a warning document signed by the tenant and kept in the lease files that indicates the tenant is aware of the prohibition and that the sign is in place.

- (e) *Section 313 Fueled Equipment* is amended by adding *Section 313.3 Vehicle parking and storage* to read as follows:

Section 313.3 Vehicle parking and storage. No motor vehicle shall be parked or stored, assembled or disassembled, at any time within any apartment, multi-family building, hotel, motel, or commercial building unless authorized by the fire marshal and properly zoned for such use.

Exception: Vehicles within structures properly zoned for motor vehicle sales or service that comply with all other provisions of this code.

- (5) *Chapter 5 Fire Service Features*

- (a) *Section 502.1 Definitions* is amended by adding the following new definitions to the existing list of definitions in that section, to read as follows

502.1 Definitions

Security gate shall mean any device located on private property which prohibits access of motor vehicles. It includes, but is not limited to, a metal or wood swing railing extended across a street, private drive or fire lane, which can only be opened by a human operator situated on the premises or by remote control or both.

Owner shall mean a person, corporation, partnership, association or any other similar entity.

Light duty metal chain shall mean a chain with the maximum diameter of metal in the chain links being one-fourth (1/4) inch,

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and does not mean high-test proof, coil chain and other than tempered chain, regardless of size.

Main gate shall mean a security gate located on private property where more than one security gate exists. The owner shall designate in writing to the fire department the main gate.

- (b) *Section 503 Fire Apparatus Access Roads subsection 503.2 Specifications* is amended by deleting the subsections listed below and replacing the subsections to read as follows:

503.2.1 Dimensions. Fire apparatus access road and fire lanes shall have an unobstructed width of not less than 24 feet, except for approved security gates in accordance with Section 503.6, and an unobstructed vertical clearance of not less than 14 feet. Fire lanes shall have a minimum centerline turning radius of 30 feet. Unless otherwise approved by the fire department, fire lanes shall be installed before construction proceeds above grade (slab). Temporary fire lanes may be installed provided they have been approved by the fire department.

503.2.2 Authority. The fire marshal shall have the authority to require an increase in the minimum access widths and vertical clearances where they are inadequate for fire or rescue operations.

503.2.7 Grade. The grade of the fire apparatus access road/fire lane shall be within the limits established by the fire marshal based on the fire department's apparatus. When the grade is greater than 6 percent formal approval is required. At no time shall grade be greater than 8 percent.

503.3 Marking. Approved striping shall be provided for fire apparatus access roads to identify such roads or prohibit the obstruction thereof. Signs and striping shall be maintained in a clean and legible condition at all times and shall be replaced or repaired when necessary to provide adequate visibility.

503.3.1 Striping. Fire apparatus access roads shall be marked by six inch painted lines of reflective red traffic paint to show the boundaries of the lane. The words "NO PARKING--FIRE LANE" or "FIRE LANE--NO PARKING" shall appear in four inch white letters at 25 feet intervals on the red bordered marking along both sides of the fire lane. Where a curb is available, the striping shall be on the vertical face of the curb.

503.3.2 Signs. The fire marshal may allow signs instead of striping upon application of the property owner or manager and

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provided that said signs provide at least as much notice of the fire land as striping. Signs shall read "NO PARKING FIRE LANE" or "FIRE LANE NO PARKING" and shall be a minimum of 12 inches wide and 18 inches high. Signs shall be reflective, on a white background with letters and borders in red, using not less than two inch lettering. Signs shall be permanently affixed to a stationary post and the bottom of the sign shall be six feet, six inches above finished grade. Signs shall be spaced not more than 50 feet apart. Signs shall be installed on permanent buildings or wall or as approved by the fire marshal.

Section 503.4 Obstructions of fire apparatus access roads.

Fire apparatus access roads shall not be obstructed in any manner, including the parking of vehicles. The minimum widths and clearances established in Section 503.2.1, and any area marked as a fire lane as described in Section 503.3 shall be maintained at all times. A vehicle stopped or standing in a fire lane, when attended by a licensed driver capable of relocating the vehicle on command, shall not be deemed in violation of this section, provided the vehicle does not impede the designed traffic flow.

- (c) *Section 503.6 Security gates* is amended by deleting that section and replacing it with a new Section 503.6 with subsections, to read as follows:

503.6 Security gates.

503.6.1 Requirements

503.6.1.1 Distance from street, sidewalk, roadway or right-of-way. Gates shall be located at least 30 feet back from the inside edge of the sidewalk, or 40 feet from the intersection of the private drive and the street, roadway, thoroughfare, or paved portion of the right-of-way.

503.6.1.2 Electronic operation. All main gates shall be electrically operated, with a manual disconnect in case of a power failure. The manual disconnect is to be placed in a weather tight box, with a piano-type hinge on one side and a KNOX BOX, PL-1 padlock and hasp on the other side.

503.6.1.3 Open with key operated switch. All main gates shall open with the fire department KNOX K.S. #2 key-operated switch. The KNOX key-operated switch shall be provided and installed by the owner. The key-operated switch is to be located ten feet from the gate, on the left side of the approach, placed on a pedestal with the key switch facing the fire lane. The key switch

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shall be no closer than four feet six inches or no farther than five feet five inches from the ground.

503.6.1.4 Access Codes. It shall be the owner's responsibility to program the security gate with the City of Bedford's assigned access code and to maintain the Bedford Fire Department's accessibility through that assigned access code.

503.6.1.5 Medians. Where a security gate is installed with a median, the entry side of the gate shall have a minimum opening and driving surface of 20 feet.

503.6.1.6 Optically controlled emergency entry devices. All electronic security gates commercial and residential, shall be equipped with an optically controlled emergency override device that is compatible with the optical activation devices installation on fire apparatus. The devices shall provide for the opening of the gates as fire apparatus approaches and exits the property. The fire marshal shall approve the installation of all devices and shall inspect the installations upon completion to determine compliance.

503.6.1.7 Public access or fire lane easement. It shall be unlawful for a security gate to be placed within a public access or fire lane easement, unless such gate complies with the following:

503.6.1.7.1 Minimum requirements. The minimum fire lane width requirement of 24 feet and the minimum height requirement of 14 feet shall be maintained on the entrance side of all security gates.

503.6.1.7.2 Wooden gates – break away. Wooden security gates shall be constructed to break away at the base on minor impact or the application of manual pressure at the end most remote point from the mounting base. The side of the wooden rails shall be a maximum of five inches by 3/4 inches where attached to the mounting base. The wooden railing shall be of soft wood and mounted on the base by a knife-edge bracket or scored to create a weak point to break away.

503.6.1.7.3 Horizontal swing gates. Horizontal swing security gates shall be so constructed, mounted and maintained whereby such gates will open fully when manual pressure is applied by an average size individual. When opened, the gates must remain open.

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503.6.1.7.4 Other. Security gates other than electronic gates can be locked with a light duty chain and lock only with the approval of the fire department.

503.6.2 Application. An application to install security gates shall be submitted to the fire marshal and must include adequate plans to indicate and ensure that code compliance shall be provided. Security gates may be installed only after receipt of a permit from the fire marshal.

503.6.3 Disclaimer of liability. Receipt of a permit from the city for the owner to restrict public access to motor vehicles does not in any way create liability for the city and the city hereby disclaims any and all liabilities resulting from damages sustained by any person or owner, either directly or indirectly, as a result of any emergency function of the city, where such damage is occasioned by the noncompliance of any owner with the provisions of this section

- (d) *Section 503.7 Dead end fire access roads* is amended by adding *Section 503.7 Dead end fire access roads* to read as follows:

Section 503.7. Dead end fire access roads. Dead end fire access roads lanes are prohibited unless an approved turnaround is installed to comply with Appendix D-103.4 of the International Fire Code. At no time shall the minimum required width of the access road/fire lane be less than 24 feet

- (e) *Section 505.1* is amended by deleting the current *Section 505.1 Address identification* and substituting the new *Section 505.1 Address identification* and by adding subsections 505.1.1 through 505.1.3 to read as follows

Section 505.1 Address identification. New and existing buildings shall have approved address numbers, building numbers, or approved building identification placed in a position to be plainly legible and visible from the street or road fronting the property. These numbers shall contrast with their background. Address numbers shall be Arabic numerals or alphabet letters. Numbers shall be a minimum of eight inches high with a minimum stroke width of one inch. Where access is by means of a private road and the building cannot be viewed from the public way, a monument, pole or other sign or means shall be used to identify the structure. Where buildings contain multiple occupancies, the suite number or address shall appear on the front of the building and on the door of each occupancy, including front and back door.

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Section 505.1.1 Multifamily Supplemental Addresses

Reflective supplemental address shall be installed in conjunction with fire lane marking at all multi-family occupancies in excess of four dwelling units, club rooms and offices where a single street address number is used to designate the buildings official address. The marking shall be a minimum of 24 inches by 12 inches red rectangle painted on the pavement, in conjunction to the red fire lane markings. The red rectangle shall have white reflective numbers that indicate the street address of the building. Numbers shall be in a bold font, measuring a minimum of ten inches in height, easily readable from a moving vehicle. Supplemental street numbers shall only be installed on private property, near the center of the building. Where the front and end of the building, or any part of the front or end of the building, border a fire lane the numbers shall be required on each side. Maintenance of the supplemental numbers shall be the same as required for fire lanes.

Section 505.1.2. Emergency access easements – street names.

Emergency access easements and access roads, when assigned a street name for the purpose of addressing, shall have street name signs a minimum of six and one-half inches high in a format approved the City of Bedford Public Services Department. Installation and maintenance of the signs shall be the responsibility of the owner/operator of the property.

- (f) *Section 507.5 Fire hydrant systems* is amended to read as follows:

Section 507.5 Fire hydrant systems. Fire hydrant systems shall comply with Section 507.5.1 through 507.5.7.

- (g) *Section 507.5.1 Where required* is amended by deleting the *Section 507.5.1 Where required* and replacing it with *Section 507.5.1 Where required* and subsections to read as follows:

Section 507.5.1 Where required. When a portion of the facility or building hereafter constructed or moved into or within the jurisdiction is more than 300 feet from a hydrant on the fire apparatus access road, as measured by an approved route around the exterior of the facility or building, on-site fire hydrants and mains shall be provided where required by the fire marshal.

Exception: For Group R-3 and Group U occupancies, the distance requirement shall be 500 feet.

Exception 2 is deleted.

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Section 507.5.1.1 Location. The location of fire hydrants on private property or along fire access roads shall be approved by the fire marshal.

Section 507.5.1.2 Fire system connections. Fire hydrants shall be located within a 300 foot hose lay of the fire department connections to the protection system(s). Fire department connections shall have a 42” by 42” concrete pad below each connection.

Section 507.1.3 Requirements when not on public street. Fire hydrants not installed on a public street shall be looped to provide a water supply from two directions.

- (h) *Section 507.5.7 Color* is added to read as follows:

Section 507.5.7 Color All fire hydrants shall be painted an approved shade of red. This requirement applies to all fire hydrants, regardless of whether the location of the fire hydrant is on public or private property. Hydrants may be color coded to indicate the water flow or water main size as required by NFPA Standard 291 – “Fire Flow Testing and Marking of Hydrants.”

- (6) *Chapter 6 – Building Services and Systems* is amended by adding the following subsections to *Section 607.1 Emergency operation*.

Section 607.1.1 Elevator recall – fire fighter recalled. Where elevator travel is in excess of two floors, the elevator shall be “fire fighter recalled” to the designated level by the initiation of any automatic fire alarm in the building.

Section 607.1.2 Elevator recall – shunt trip mechanism. Where a shunt trip mechanism is present, a smoke and heat activated device shall be provided to return the elevator car to an egress point approved by the fire marshal.

- (7) *Chapter 8 – Interior Finish, Decorative Materials and Furnishings*

- (a) *Section 807.4.4.2 Artwork*, is amended by deleting the section in the IFC and replacing it with the following:

Section 807.4.4.2 Displayed combustible material. Displayed combustible material, including artwork and teaching material

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shall be limited on walls of corridors to not more than 20 percent of the wall area.

Exception. Corridors protected by an approved automatic sprinkler system installed in accordance with this code shall be limited to 50 percent of the wall area

- (b) *Section 864 Decorative Vegetation. Section 806.1 Natural Cut Trees*, is amended by deleting the section in the IFC and replacing it with the following:

Section 806.1 Natural Cut Trees. Natural cut trees, where allowed by this section, shall have the trunk bottoms cut off at least 0.5 inch (12.7 mm) above the original cut and shall be placed in a support device complying with Section 806.1.2.

Exception:

(1) Trees located in areas protected by an approved automatic sprinkler system installed in accordance with Section 903.3.1.1 or 903.3.1.2 shall not be prohibited in Groups A, E, M, R-1 and R-2.

(2) Trees shall not be prohibited inside private dwelling units of Group R-2 Occupancies.

- (8) *Chapter 9 Fire Protection Systems*

- (a) *Section 901 General* is amended by deleting *Section 901.3* and *901.5* as shown in the International Fire Code and adding *Section 901.3* and *901.5* with subsections, as shown below, and by adding *Sections 901.10 Certification, Section 901.11 Failure of System,* and *Section 901.12 Message alarms* to read as follows:

Section 901.3 Permits.

Section 901.3.1 Permit Required. Permits shall be required as set forth in Section 105.6 and 105.7 and as required by this section. A permit shall be required for the installation, reconsideration, modification, moving or alteration of any fixed system. Work shall not begin on any system without first obtaining a permit.

Exemption: Emergency repairs due to system malfunctions or discharging may begin, provided a permit is obtained as soon as possible, but no later than the next working day.

Section 901.3.2 Permit application. The permit application shall be submitted to the office of the fire marshal and must have attached to the application detailed construction plans and a copy of the applicant's state license.

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Section 901.3.3 Permit fee. The permit fee for the construction, repair, alteration or relocation of a fixed system shall be according to the fee schedule adopted by the City of Bedford.

Section 901.5 Installation acceptance testing. Fire detection and alarm systems, fire-extinguishing systems, fire hydrant systems, fire standpipe systems, fire pump systems, private fire service mains and all other fire protection systems and appurtenances thereto shall be subject to acceptance tests as contained in the installation standards and as approved by the fire code official. The fire code official shall be notified before any required acceptance testing. No system shall be approved until a complete inspection of materials and a functional test has been completed and witnessed by the fire marshal. The installer/technician must be present for all inspections and testing.

Section 901.10 Certification. A notarized certification indicating all work has been performed as permitted and that the work meets code requirements must be submitted at final inspection.

Section 901.11 Failure of System. All fire alarm systems shall be designed and constructed so the failure, malfunction, or removal of any single device, or failure of the wiring to a device does not interfere with the operation of other devices in the system.

Section 901.12 Message alarms. Pre-recorded or voice message fire alarms shall not be approved unless accompanied by a fire alarm signal of audio-visual devices that meet the minimum standards of the Americans with Disabilities Act (ADA).

- (b) *Section 902.1 Definitions* is amended by adding the following new definition to the existing list of definitions in that section, to read as follows:

Fire area. The aggregate floor area of a building, regardless of the installation of fire walls, fire barriers, fire partitions, or demising walls. For the purpose of calculating fire sprinkler requirements the total building will be considered one structure. For purposes of this Code, buildings must be separated by at least 20 feet to be considered separate buildings.

- (c) *Section 903 Automatic Sprinkler Systems* is amended as follows:

Section 903.1.2 is amended by adding subsection *903.1.2* to read as follows:

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903.1.2 Residential sprinklers. Unless specifically allowed by this Code, residential sprinkler systems installed in accordance with NFPA 13D or NFPA 13R shall not be granted exemptions or reductions, commonly known as “trade-offs” permitted by other requirements of this Code. Additionally, residential sprinkler systems installed in accordance with NFPA 13R must include attic protection.

Section 903.1.3 is amended by adding subsection *903.1.3* to read as follows:

Section 903.1.3 Buildings over 6,000 square feet. All provisions of this code are hereby amended to require an automatic sprinkler system throughout all buildings with a fire area over 6,000 square feet, including single family residences, or where the structure is three or more stories in height, excluding the penthouse.

Exception: Open parking garages in compliance with Section 406.3 of the building code, provided fire department stand pipes and connections are installed in such a way that no portion of the garage is more than a 100 ft. unobstructed hose lay from the connection.

Section 903.2.1.1 Group A-1, Section 903.2.1.3 Group A-3, and Section 903.2.1.4 Group A-4 are amended by deleting the number “12,000” in number one of each section and replacing it with the number “6,000.” The sections are also amended by adding the following exception: “Exception: Open parking garages in compliance with Section 406.3 of the building code, provided fire department stand pipes and connections are installed in such a way that no portion of the garage is more than a 100 foot unobstructed hose lay from the connection.”

Section 903.2.7.1 High piled storage is amended by deleting *Section 903.2.7.1* in the IFC and replacing it with the following:

Section 903.2.7.1 High piled combustible storage. Any building designed or used for high-piled storage, with a clear height exceeding 12 feet shall be equipped throughout with an automatic fire sprinkler system meeting the requirements of NFPA Standards 13.

Section 903.2.7.2 is amended by adding *Section 903.2.7.2 Self-service storage facilities* to read as follows:

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Section 903.2.7.2 Self-service storage facilities. An automatic sprinkler system meeting the requirements of NFPA 13 shall be installed throughout all self-storage facilities.

Section 903.2.8 Group R is amended to read as follows:

Section 903.2.8 Group R An automatic sprinkler system installed in accordance with Section 903.3 shall be provided throughout all buildings with a Group R fire area. An automatic sprinkler system shall be provided throughout all buildings with Group R-2 occupancy where the fire area is two stories in height, including basements, or where the building has more than three units. Any Group R-2 occupancy three or more stories in height shall be required to have a sprinkler system meeting the requirements of NFPA Standard 13.

Section 903.2.9.2 Bulk storage of tires Section is amended by deleting that section and replacing it with a new Section 903.2.9.2, to read as follows:

Section 903.2.9.2 Bulk storage of tires. Buildings and structures where the area for the storage of tires exceeds 10,000 cubic feet shall be equipped throughout with an automatic fire sprinkler system meeting the requirements of NFPA Standard 13.

Section 903.3.7 Fire department connections is amended by deleting that section and adding the following section, to read as follows:

Section 903.3.7 Fire department connections. The location of fire department connections shall be approved by the fire code official. Locking Knox caps may be required by the fire code official. Locking Knox caps shall be installed on all new installations, as replacements for lost or damaged caps on existing locations and when and where deemed necessary by the fire code official to address tampering problems at existing facilities.

Section 903.7 Installation schedule is amended by adding 903.7 *Installation schedule* to read as follows:

Installation schedule: Approved fire sprinkler systems shall be operational in a building under construction when:

- (1) The building is sufficiently constructed to the point that the exterior sheathing and roof have been installed; or
- (2) At the start of combustibile interior construction; or

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- (3) When there is an accumulation of combustible material within the building including, but not limited to, building supplies, rubbish and furniture; or
- (4) When the building goes under conditioned atmosphere.

Section 903.8 Wet sprinkler system is amended by adding *903.8 Wet sprinkler system* to read as follows:

Whenever the outside atmospheric temperature is predicted to be below 25 degrees Fahrenheit for six or more hours, a wet sprinkler system may be drained to prevent freeze damage, provided:

- (1) It has been determined by a fire sprinkler service technician and the fire marshal that there is not adequate freeze protection for the system.
- (2) The owner/occupant notifies the fire department that the system will be drained.
- (3) The owner/occupant provides an alternate means of early fire discovery and control by the employment of approved 24-hour security personnel, and/or an approved fire alarm and detection system to supplement the fire sprinkler systems. Alarms must be monitored 24- hours a day by an approved central monitoring service.
- (4) When the temperature rises above 30 degrees Fahrenheit, the drained systems shall be restored. It is the intent of this section that a fire sprinkler system will be in service and operational at all times except the cases of very cold weather.

- (c) *Section 905.9 Valve supervision* is amended to read as follows:

Section 905.9 Valve supervision. Valves controlling water supplies shall be supervised in the open position so that a change in the normal position of the valve will generate a supervisory signal at the supervising station required by Section 903.4. Where a fire alarm system is provided, a signal shall also be transmitted to the control unit.

Exceptions:

- 1. Valves to underground key or hub valves in roadway boxes provided by the municipality or public utility do not require supervision.
 - 2. Valves locked in the normal position and inspected as provided in this code in buildings not equipped with a fire alarm system.
- Sprinkler and standpipe system water-flow detectors shall be provided for each floor tap to the sprinkler system and shall cause an alarm upon detection of water-flow for more than forty-five (45) seconds. All control valves in the sprinkler and standpipe systems, except for the fire department hose connection valves,

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shall be electrically supervised to initiate a supervisory signal at the control station upon tampering.

- (d) *Section 906* is amended by adding subsection *906.3 Special fire inspections* and *Section 906.4 State licenses* to read as follows:

Section 906.3 Special fire inspections. All fire sprinkler, stand pipe, fixed fire extinguishing systems and fire alarms shall be inspected every 12 months by a technician properly licensed by the State of Texas. The licensed technician/company making the inspection shall notify the office of the fire marshal and the owner/occupant immediately when a system fails to pass a required test and/or is found inoperative.

Section 906.4 State licenses. All repair and installation of fire alarm, fire sprinkler and fixed extinguishing systems shall require the presence of a State of Texas licensed technician on the job site. The licensed technician shall be able to present a copy of appropriate State of Texas licenses upon request.

- (e) *Section 907 Fire Alarm and Detection Systems* is amended as follows:

Section 907.1.3 Equipment is amended by deleting *Section 907.1.3 Equipment* and replacing it with *Section 903.1.3 Equipment and Design standards* to read as follows

907.1.3 Equipment and design standards. Systems and components shall be listed and approved for the purpose for which they are installed. All new or replacement fire alarm systems serving 50 or more alarm actuating devices shall be addressable fire detection systems. Fire alarm systems serving more than 75 smoke detectors or more than 200 total alarm activating devices shall be analog intelligent addressable fire detection systems.

Exception: Systems already existing prior to August 2011 do not need to comply with this section unless there is a total building remodel or an expansion which increases the square footage of the building by 50% or more.

Section 907.1.4 Installations is amended by adding *Section 907.1.4 Installations* to read as follows

907.1.4. Installations. All fire alarm systems shall be installed in such a manner that the failure of any single alarm-actuating or alarm-indicating device will not interfere with the normal operation of any other such devices. All systems shall be Class "A"

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wired with a minimum of six feet of separation between supply and return loops. All underground wiring shall use listed waterproof fire alarm wire and be installed in conduit. All systems and components shall be installed in accordance with NFPA 72.

Section 907.2.3 Group E is amended by deleting *Section 907.2.3 Group E* and replacing it with the following:

Section 907.2.3 Group E. A manual fire alarm system shall be installed in Group E educational occupancies. When automatic sprinkler systems and smoke detectors are installed, such systems or detectors shall be connected to the building fire alarm system. An approved smoke detector system shall be installed in Group E day care occupancies. Unless separated by a minimum of 1,000 feet open space, all buildings, whether portable buildings or the main building, will be considered one building for occupant load considerations and the interconnection of fire alarm systems.

Section 907.3 Where required in existing buildings and structures is amended by deleting *Section 907.3 Where required in existing buildings and structures* and replacing it with the following:

Section 907.3 Where required in existing buildings and structures. All manual alarm actuating devices shall be an approved double action type.

(9) *Chapter 10 Means of Egress*

- (a) *Section 1003.6 Means of egress continuity* is amended by adding *Section 1003.6.1 Vehicle parking* to read as follows:

1003.6.1 Vehicle parking. No motor vehicle shall be parked within ten feet of any patio, stairs or egress path at any apartment, multi-family building, hotel, motel, or commercial structure unless on an approved parking space.

- (b) *Section 1008.1.9.8 Electromagnetically locked egress doors* is amended by adding number five to read as follows:

Section 1008.1.9.8 electromagnetically locked egress doors

...

5. Exit door and exit ways with electronic locking devices that must be released or operated to accomplish an emergency exit shall disconnect or “drop out” when the fire alarm system is activated

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and a Knox type key release shall be installed on the exterior of all gates and doors to allow emergency access by the fire department.

- (c) *Section 1023 Exit Passageways* is amended by adding *Section 1023.7 Exit ways – hotels, motels and multi-family* to read as follows:

1023.7 Exit ways – hotels, motels and multi-family. All public exit ways and balconies shall be constructed of material having a minimum of a class “C” flame spread (75 to 200 flame spread). All balconies and landings utilized as exit ways shall have a minimum length or height of eight feet and a minimum width of four feet.

- (10) *Chapter 15 Flammable Finishes*

Section 1504.3 shall be amended by deleting *Section 806.1 Natural Cut Trees* and replacing it with the following:

Section 1504.3 Design and construction. Design and construction of spray rooms, spray booths and spray spaces shall be in accordance with Sections 1504.3 through 1504.3.3.1. New and existing spray booths and spraying rooms shall be protected by an approved automatic fire-extinguishing system.

- (11) *Chapter 27 Hazardous Materials – General Provisions*

- (a) *Section 2703.3.1.4 Responsibility for cleanup* shall be amended by deleting *Section 2703.3.1.4 Responsibility for cleanup* in the IFC and replacing it with the following:

Section 2703.3.1.4 Responsibility for cleanup. The person, firm or corporation responsible for an unauthorized discharge or hazardous condition shall institute and complete all actions necessary to remedy the effects of such unauthorized discharge, whether sudden or gradual, at no cost to the jurisdiction. When deemed necessary by the fire code official, cleanup may be initiated by the fire department or by an authorized individual or firm. Costs associated with such cleanup shall be borne by the owner, operator or other person responsible for the unauthorized discharge. Any cost associated with a fire department response to accomplish control and mitigation of an unauthorized discharge may be charged back to the person, firm or corporation responsible for the release.

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(12) *Chapter 3404 Flammable and Combustible Liquids*

- (a) Amend *Section 3404.2.13, including subsections 3404.2.13.1 through 3404.2.13.4* by deleting the current *Section 3404.2.13, including subsection 3404.2.13.1 through 3404.2.13.4* and adding the following:

3404.2.13 Abandonment and status of tanks. Tanks taken out of service shall be removed in accordance with Section 3404.2.14, or safeguarded in accordance with Sections 3404.2.13.1 through 3404.2.13.2.3 and API 1604. P 332

Section 3404.2.13.1 Underground tanks. Underground tanks taken out of service shall comply with Sections 3404.2.13.1.1 through 3404.2.13.1.5.

Section 3404.2.13.1.1 Temporarily out of service. Underground tanks temporarily out of service shall have the fill line, gauge opening, vapor return and pump connection secure against tampering. Vent lines shall remain open and be maintained in accordance with Sections 3404.2.7.3 and 3404.2.7.4.

Section 3404.2.13.1.2 Out of service for less than 90 days. Underground tanks not used for a period of 89 days or less shall be safeguarded in accordance with all the following or be removed in accordance with Section 3404.2.14:

1. Flammable or *combustible liquids* shall be removed from the tank.
2. All piping, including fill line, gauge opening, vapor return and pump connection, shall be capped or plugged and secured from tampering.
3. Vent lines shall remain open and be maintained in accordance with Sections 3404.2.7.3 and 3404.2.7.4.

Section 3404.2.13.1.3 Out of service for 90 days or more. Underground tanks that have been out of service for a period of 90 days or more shall be removed from the ground in accordance with Section 3404.2.14.

Section 3404.2.13.1.4 Reinstallation of underground tanks. Tanks which are to be reinstalled for flammable or combustible liquid service shall be in accordance with this chapter, ASME Boiler and Pressure Vessel Code (Section VIII), API 12-P, API 1615, UL 58 and UL 1316.

- (b) Amend *Section 3406.1* by adding *subsection 3406.1.1* to read as follows:

3406.6.112 Leaving vehicle unattended. The driver, operator or attendant of a tank vehicle shall not remain in the vehicle cab and shall not leave the vehicle while it is being filled or discharged. The delivery hose, when attached to a tank vehicle, shall be considered to be a part of the tank vehicle. P. 357

ORDINANCE NO. 11-

- (c) *Amend Section 3406.6.2.3 by deleting subsection 3406.6.2.3 as shown in the IFC and adding subsection 3406.2.3 to read as follows:*

3406.6.2.3 Duration exceeding one hour. Tank vehicles shall not be parked at one point for longer than one hour. If a vehicle is to be parked in one location for longer than 59 minutes, it shall be located off of public streets, highways, public avenues or alleys, and:

1. Inside of a bulk plant and either 25 feet (7620 mm) or more from the nearest lot line or within a building approved for such use; or
2. At other approved locations not less than 50 feet (15,240 mm) from the buildings other than those approved for the storage or servicing of such vehicles.

SECTION 4. That Chapter 58, Section 58-100 is hereby deleted in its entirety and a new section 58-100 is adopted to read as follows:

Sec. 58-100. Storage of Flammable or Combustible Liquids.

(a) The storage of flammable or combustible liquids in an outside above ground storage tank is prohibited.

Exceptions:

1. An exception may be granted by the fire marshal during an emergency operation, at construction sites, and other locations where underground installations cannot be utilized. At no time will the sale or distribution of flammable or combustible liquids be allowed from above ground storage tanks by gravity, portable pump powered by vehicle batteries or pneumatic pressure.
2. Above ground fuel tanks that comply with IFC, as adopted and amended by the City of Bedford in Chapter 34 may be allowed for commercial and retail purposes when permitted by the fire marshal.

(b) The storage of flammable or combustible liquids at construction sites shall require a permit from the fire marshal's office. All fuel tanks shall be at least ten feet off the roadway, shall be provided with impact.

SECTION 5. That Chapter 58, Section 58-101 is hereby deleted in its entirety and a new section 58-101 is adopted to read as follows

Sec. 58-101. Amendments Storage and Distribution of Liquefied Petroleum Gas (LPG). Compresses Natural Gas (CNG) and Liquefied Natural Gas (LNG).

(a) The storage, sale, and distribution of LPG, CNG and LNG shall be in compliance with the rules and regulations established by the Texas Railroad Commission or successor agency and any other state agency and the provisions of the International Fire Code.

(b) The use of LPG, CNG or LNG as a heating or cooking fuel shall be prohibited where natural gas service is available. The fire marshal shall approve the size and location of LPG, CNG and LNG storage tanks.

ORDINANCE NO. 11-

(c) LPG storage shall not exceed 250 gallons per installation unless approved by the fire marshal.

(d) Storage tanks shall be installed a minimum of ten feet from all ignitions sources and five feet from all property lines and structures.

(e) A permit shall be required for the installation or removal of any LPG, CNG or LNG container or equipment. The permit shall be obtained before the start of any work and the cost of the permit shall be by the City of Bedford fee schedule.

(f) Where portable LPG containers are required for jewelry repair, dental labs, portable cookers, and other services, individual containers shall not exceed 20 pound water capacity and the aggregate capacity on premises shall not exceed 60 pounds water capacity (3 containers). Each container shall be separated from other containers by a distance of not less than 20 feet.

Exemption: Such events where commercial outdoor cooking is permitted, however, such exemption applies only when a permit is issued by the City of Bedford and the site is inspected by the fire marshal's office prior to any outdoor cooking occurring.

(g) It shall be a violation of this code to dispense LPG, CNG or LNG from a vehicle parked on a public street or roadway.

SECTION 6. That Chapter 58, Section 58-102 is hereby deleted in its entirety and a new section 58-102 is adopted to read as follows

Sec. 58-102. Storage of explosives or blasting agents.

(a) The storage or explosives or blasting agents within the city is prohibited without a permit from the fire marshal.

(b) All use and storage of explosives and blasting agents shall be in compliance with the standards of the National Fire Code and Chapter.

SECTION 7 That Chapter 58, Section 58-103 is hereby deleted in its entirety and a new section 58-103 is adopted to read as follows

Sec. 58-103. Appeal from decision of fire marshal.

(a) Whenever the fire marshal disapproves an application, or refuses a permit applied for, or when it is claimed that the provisions of this code do not apply or that the true intent and meaning of the code have been misconstrued or wrongly interpreted, the applicant may appeal the decision of the fire marshal to the building and standards commission.

(b) An application for appeal shall be filed in accordance with the provisions of Section 22-35, Code of Ordinances.

SECTION 8. That Chapter 58, Section 58-104 is hereby deleted in its entirety and a new section 58-104 is adopted to read as follows

Sec. 58-104. Penalty.

(a) Any person who shall violate any of the provisions of this article or shall fail to comply therewith or with any requirement thereof shall be deemed guilty of a misdemeanor and shall be liable to a fine and, upon conviction of any such violation, shall be fined up to the maximum amount allowed by law.

ORDINANCE NO. 11-

(b) This provision is intended to comply the state and local law relating to penalties and the provisions of Section 109.3 (IFC)

SECTION 9. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 10. This ordinance shall become effective upon passage and publication in accordance with laws of the State of Texas and the Charter of the City of Bedford.

SECTION 11. That all ordinances or any parts thereof in conflict with the terms of this ordinance shall be and hereby are deemed repealed and of no force or effect; provided, however, that the ordinance or ordinances under which the cases currently filed and pending in the Municipal Court of the City of Bedford, Texas, shall be deemed repealed only when all such cases filed and pending under such ordinance or ordinances have been disposed of by a final conviction or a finding not guilty or nolo contendere, or dismissal.

SECTION 12. Any person violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in a sum not to exceed the two thousand dollars or the maximum permissible by state law and a separate offense shall be deemed committed upon each day during or on which a violation occurs or continues.

SECTION 13. The fact that the present ordinances and regulations of the City of Bedford, Texas, are inadequate to properly safeguard the health, safety, morals, peace and general welfare of the public creates an emergency which requires that this ordinance become effective from and after the date of its passage and it is accordingly so ordained.

PASSED AND APPROVED on this 9th day of August, 2011, by a vote of ___ ayes, ___ nays, ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ORDINANCE NO. 11-

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney



Council Agenda Background

PRESENTER:

Mirenda McQuagge-Walden, Managing Director of Community Services

ITEM:

Consider an ordinance of the City Council of the City of Bedford, Texas, ("City") approving a negotiated resolution between the Atmos Cities Steering Committee ("ACSC" or "Steering Committee") and Atmos Energy Corp., Mid-tex Division ("Atmos Mid-tex" or "Company") regarding the Company's fourth annual rate review mechanism ("RRM") filing in all cities exercising original jurisdiction; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement and finding the rates to be set by the attached tariffs to be just and reasonable; requiring the company to reimburse Cities' reasonable ratemaking expenses.

DISCUSSION:

The City, along with approximately 154 other cities served by Atmos Energy Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC" or "Steering Committee"). On or about April 1, 2011, Atmos Mid-Tex filed with the City an application to increase natural gas rates pursuant to the Rate Review Mechanism ("RRM") tariff approved by the City as part of the settlement of the Atmos Mid-Tex 2007 Statement of Intent to increase rates. This is the fourth annual RRM filing.

The Atmos Mid-Tex RRM filing sought a \$15.7 million rate increase. The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its request to increase rates. The Ordinance and attached rate and RRM tariffs are the result of negotiations between ACSC and the Company to resolve issues raised by ACSC during the review and evaluation of ACSC's RRM filing. The Ordinance resolves the Company's RRM filing by authorizing supplemental revenue of \$6.6 million to be recovered through the customer charge component of rates to cover direct incremental costs associated with a steel service line replacement program approved as part of last year's rate adjustment. All other relief requested by Atmos Mid-Tex is denied.

Through this agreement, the average residential customer will have an increase of \$0.31 per month or 0.66%; the average commercial customer will have an increase of \$0.88 per month or 0.88%. The residential customer charge for Atmos Mid-Tex is one of the lowest customer charges for any utility (gas or electric) in the State. Both the Public Utility Commission and the Railroad Commission generally and consistently approve significantly higher customer charges. It has long been the policy goal of Mid-Tex Cities to promote conservation and protect low volume consumers by keeping the monthly customer charge (which has no quantity of gas associated with it) as low as possible.

RECOMMENDATION:

Staff recommends the following motion:

Approval of an ordinance approving a negotiated resolution between the Atmos Cities Steering Committee ("ACSC" or "Steering Committee") and Atmos Energy Corp., Mid-tex Division ("Atmos Mid-tex" or "Company") regarding the Company's fourth annual rate review mechanism ("RRM") filing in all cities exercising original jurisdiction; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement and finding the rates to be set by the attached tariffs to be just and reasonable; requiring the company to reimburse Cities' reasonable ratemaking expenses; repealing conflicting resolutions or ordinances; determining that this ordinance

Date: 08/02/11

_____ City Manager Review

was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this ordinance to the Company and the Steering Committee's legal counsel.

FISCAL IMPACT:

N/A

ATTACHMENTS:

Ordinance
Tariffs

ORDINANCE NO. 11-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS, (“CITY”) APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC” OR “STEERING COMMITTEE”) AND ATMOS ENERGY CORP., MID-TEX DIVISION (“ATMOS MID-TEX” OR “COMPANY”) REGARDING THE COMPANY’S FOURTH ANNUAL RATE REVIEW MECHANISM (“RRM”) FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE; REQUIRING THE COMPANY TO REIMBURSE CITIES’ REASONABLE RATEMAKING EXPENSES; REPEALING CONFLICTING RESOLUTIONS OR ORDINANCES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE STEERING COMMITTEE’S LEGAL COUNSEL.

WHEREAS, the City of Bedford, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “ Company”), and a regulatory authority with an interest in the rates and charges of Atmos Mid-Tex; and,

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC” or “Steering Committee”), a coalition of approximately 154 similarly situated cities served by Atmos Mid-Tex that have joined together to facilitate the review of and response to natural gas issues affecting rates charged in the Atmos Mid-Tex service area (such participating cities are referred to herein as “ACSC Cities”); and,

WHEREAS, pursuant to the terms of the agreement settling the Company’s 2007 Statement of Intent to increase rates, ACSC Cities and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process controlled in a three-year experiment by ACSC Cities as a substitute to the current GRIP process instituted by the Legislature; and,

WHEREAS, the City took action in 2008 to approve a Settlement Agreement with Atmos Mid-Tex resolving the Company’s 2007 rate case and authorizing the RRM Tariff; and,

WHEREAS, the 2008 Settlement Agreement contemplates reimbursement of ACSC Cities’ reasonable expenses associated with RRM applications; and,

WHEREAS, the Steering Committee and Atmos Mid-Tex agreed to extend the RRM process in reaching a settlement in 2010 on the third RRM filing; and,

WHEREAS, on or about April 1, 2011, the Company filed with the City its fourth annual RRM filing, requesting to increase natural gas base rates by \$15.7 million; and,

WHEREAS, ACSC coordinated its review of Atmos Mid-Tex’s RRM filing by designating a Settlement Committee made up of ACSC representatives, assisted by ACSC attorneys and consultants, to resolve issues identified by ACSC in the Company’s RRM filing; and,

WHEREAS, independent analysis by ACSC’s rate expert concluded that Atmos Mid-Tex is unable to justify an increase over current rates except for undisputed costs of \$6.6 million to cover the steel service line replacement program initiated in 2010; and,

WHEREAS, the ACSC Settlement Committee, as well as ACSC lawyers and consultants, recommend that ACSC Cities approve the attached rate tariffs (“Attachment A” to this Ordinance), which will increase the Company’s revenue requirement by \$6.6 million to extend current recovery of incremental direct costs of the steel service line replacement program authorized by ACSC Cities in ordinances passed in 2010; and,

ORDINANCE NO. 11-

WHEREAS, the attached tariffs implementing new rates are consistent with the negotiated resolution reached by ACSC Cities and are just, reasonable, and in the public interest.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BEDFORD TEXAS:

SECTION 1. That the findings set forth in this Ordinance are hereby in all things approved.

SECTION 2. That the City Council finds the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable and new tariffs which are attached hereto and incorporated herein as Attachment A, are just and reasonable and are hereby adopted.

SECTION 3. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC Cities in processing the Company's rate application.

SECTION 4. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

SECTION 5. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

SECTION 6. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

SECTION 7. That this Ordinance shall become effective from and after its passage with rates authorized by attached Tariffs to be effective for bills rendered on or after September 1, 2011.

SECTION 8. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of David Park, Vice President Rates and Regulatory Affairs, at Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED this 9th day of August 2011, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Mcf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 7.50 per month
Commodity Charge – All Mcf	\$ 2.5116 per Mcf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 3,000 Mcf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Mcf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 16.75 per month
Commodity Charge - All Mcf	\$ 1.0217 per Mcf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 450.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2750 per MMBtu
Next 3,500 MMBtu	\$ 0.2015 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0433 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailement Overpull Fee

Upon notification by Company of an event of curtailement or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailement or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 450.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2750 per MMBtu
Next 3,500 MMBtu	\$ 0.2015 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0433 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

Curtailement Overpull Fee

Upon notification by Company of an event of curtailement or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailement or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.



Council Agenda Background

PRESENTER:

Don Henderson, Parks Superintendent

ITEM:

Consider a resolution authorizing the purchase of a replacement dump truck in the amount of \$36,674 through the State of Texas Buy Board Purchasing Program.

DISCUSSION:

On July 26, 2011, the Bedford City Council passed an ordinance approving the sale of \$6,640,000 in Certificates of Obligation. Contained within this bond sale were funds in the amount of \$36,674 allocated for the purchase of a replacement dump truck.

The dump truck is used in tandem with the wood chipper to collect the chippings and limbs removed during regular park maintenance, as well as storm cleanup activities. The existing dump truck is 19 years old and is no longer reliable. After the dump truck is replaced, it will be sent to auction.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the purchase of a replacement dump truck in the amount of \$36,674 through the State of Texas Buy Board Purchasing Program.

FISCAL IMPACT:

Funding in the amount of \$36,674 will be paid out of the 2011 Certificates of Obligation.

ATTACHMENTS:

Resolution

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING THE PURCHASE OF A REPLACEMENT DUMP TRUCK IN THE AMOUNT OF \$36,674 THROUGH THE STATE OF TEXAS BUY BOARD PURCHASING PROGRAM.

WHEREAS, the City Council of Bedford, Texas determines the necessity to replace a dump truck with funds included in the 2011 Certificates of Obligation; and,

WHEREAS, the City Council of Bedford, Texas determines that to meet the demands for parks maintenance and storm cleanup, the existing dump truck must be replaced; and,

WHEREAS, the City Council of Bedford, Texas determines that the purchase of said replacement dump truck be through the State of Texas Buy Board Purchasing Program.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD TEXAS:

SECTION 1. That the City Manager is authorized to purchase a replacement wood chipper in the amount of \$36,674 through the State of Texas Buy Board Purchasing Program.

SECTION 2. That funding in the amount of \$36,674 will be paid out of the 2011 Certificates of Obligation.

PASSED AND APPROVED this 9th day of August 2011, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney



Council Agenda Background

PRESENTER:

Don Henderson, Parks Superintendent

ITEM:

Consider a resolution authorizing the purchase of a replacement wood chipper in the amount of \$29,322 through the State of Texas Buy Board Purchasing Program.

DISCUSSION:

On July 26, 2011, the Bedford City Council passed an ordinance approving the sale of \$6,640,000 in Certificates of Obligation. Contained within this bond sale were funds in the amount of \$40,000 allocated for the purchase of a replacement wood chipper.

The wood chipper is used to chip and mulch trees and brush during regular park maintenance, as well as during storm cleanup activities. The existing chipper is 19 years old and is no longer reliable. The chipper that will be purchased is approximately \$11,000 less than budget because this chipper was given an 11% discount, as well as it is a smaller model than originally quoted. Though it is a little smaller than originally requested, it still provides the parks maintenance crews the capacity to chip larger trees and more trees and limbs in less time. After the chipper is replaced, it will be sent to auction.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the purchase of a replacement wood chipper in the amount of \$29,322 through the State of Texas Buy Board Purchasing Program.

FISCAL IMPACT:

Funding in the amount of \$29,322 will be paid out of the 2011 Certificates of Obligation.

ATTACHMENTS:

Resolution

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING THE PURCHASE OF A REPLACEMENT WOOD CHIPPER IN THE AMOUNT OF \$29,322 THROUGH THE STATE OF TEXAS BUY BOARD PURCHASING PROGRAM.

WHEREAS, the City Council of Bedford, Texas determines the necessity to replace a wood chipper with funds included in the 2011 Certificates of Obligation; and,

WHEREAS, the City Council of Bedford, Texas determines that to meet the demands for parks maintenance and storm cleanup, the existing wood chipper must be replaced; and,

WHEREAS, the City Council of Bedford, Texas determines that the purchase of said replacement wood chipper be through the State of Texas Buy Board Purchasing Program.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD TEXAS:

SECTION 1. That the City Manager is authorized to purchase a replacement wood chipper in the amount of \$29,322 through the State of Texas Buy Board Purchasing Program.

SECTION 2. That funding in the amount of \$29,322 will be paid out of the 2011 Certificates of Obligation.

PASSED AND APPROVED this 9th day of August 2011, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney



Council Agenda Background

PRESENTER:

James Tindell, Fire Chief

ITEM:

Consider a resolution authorizing the City Manager to purchase portable trunked radios from Motorola Solutions, Inc. in the amount of \$689,503.47.

DISCUSSION:

The majority of the City's firefighters and police officers carry portable trunked radios for emergency communications that were purchased in 1994 and has since served well; however, they are no longer being manufactured, supported, or repaired. If a radio needs repair, the radio shop uses spare parts cannibalized from other radios that have been taken out of service over the years. The labor costs for repair usually exceeds the value of the radio. These radios, with their 17 year-old technology, are not capable of digital voice/data and cannot meet Project 25* requirements for interoperability. As other public safety trunk radio systems surrounding Bedford's system update their radios to digital, mutual aid operations will be hampered as firefighters and police officers from these areas try to communicate by radio placing their lives in harm's way.

All radios are listed through the Houston – Galveston Area Council Cooperative Purchasing for competitive pricing. Purchase will be funded by 2011 Certificates of Obligation issued by the City. Since all radios will carry a one-year maintenance warranty, there will not be an annual maintenance cost for the first year of service.

*Project 25 (P25) is a standards development process for the design, manufacture, and evaluation of interoperable digital two-way wireless communications products for public safety, firefighters, and police officers. The P25 suite of standards involves digital Land Mobile Radio (LMR) services for local, state and national (federal) public safety organizations and agencies. The P25 suite of standards are applicable to LMR equipment authorized or licensed in the United States, under National Telecommunications and Information Administration (NTIA) or Federal Communications Commission (FCC) rules and regulations. P25 compliant radios can communicate in analog mode with legacy radios and in either digital or analog mode with other P25 radios.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to purchase portable trunked radios from Motorola Solutions, Inc. in the amount of \$689,503.47.

FISCAL IMPACT:

Replacement of Portable Radios – Project Total – \$749,303.47

- Public Safety – \$672,093; with promotion discount (\$54,000) – \$618,093*
- Non – Public Safety – \$77,210.47; with promotion discount(\$5,800) – \$71,410.47*
- *Current Promotion Discount (\$59,800) for old radio return reducing project total to \$689,503.47

Funding will be paid out of the 2011 Certificates of Obligation.

ATTACHMENTS:

Resolution

Date: 08/09/11

_____ City Manager Review

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO PURCHASE PORTABLE TRUNKED RADIOS FROM MOTOROLA SOLUTIONS, INC. IN THE AMOUNT OF \$689,503.47.

WHEREAS, the City Council of Bedford, Texas, determines the need to purchase portable trunked radios; and,

WHEREAS, Project 25 is a standards development process for the design, manufacture, and evaluation of interoperable digital two-way wireless communications products for public safety, firefighters, and police officers; and,

WHEREAS, Motorola Solution, Inc. is listed with the Houston – Galveston Area Council Cooperative Purchase.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1. That the City Council hereby authorizes the City Manager to purchase portable trunked radios in the amount of \$689,503.47.

SECTION 2. The portable trunked radios will be purchased through 2011 Certificate of Obligations issued by the City.

PASSED AND APPROVED this 9th day of August 2011, by a vote of ___ ayes, ___ nays, and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney



Council Agenda Background

PRESENTER:

Jill McAdams, *SPHR, Human Resources Director*
Lisa Mizell, Principal, Benefits Seminar Plus

ITEM:

Consider a resolution authorizing the City Manager to enter into a contractual agreement for employee health insurance benefits with CIGNA.

DISCUSSION:

The City's contract with CIGNA for employee health insurance expires on September 30, 2011. Bids were received in May 2011. Bidding organizations were asked to provide a bid for a 12-month contract period with an expiration date of September 30, 2012.

The City of Bedford contracted with CIGNA Healthcare in October of 2010. This contract was for a 12-month contract year. Staff began the insurance renewal process in March 2011. During the 2011 bidding process, a total of seven health insurance carriers were contacted. Of the seven, five provided bids, including CIGNA, our current carrier.

Of the five bids, Blue Cross Blue Shield (BCBS) provided a plan that was very competitive with CIGNA. The other four were not viable options for consideration because the increases were between 20% and 56% over the current rates. The BCBS bid came in at 6% over the current premium, while the CIGNA bid came in at 18% over the current premium. The increase in the premiums is linked to high insurance claims, not utilization on the plan. This year the City had 14 high claims that drove 60% of the dollars spent in the plan.

The Employee Insurance Committee met on several occasions to review bid information. Through this process, it was discovered that a majority of the employees liked CIGNA and wanted to stay with CIGNA. Therefore, our consultants were asked to go back to CIGNA and see if the bid could be lowered. At that time, CIGNA was able to lower the bid (with some plan modifications) to match the rates submitted by BCBS. See attached spreadsheet for rate information. Additionally, CIGNA would offer a lower bid for dental insurance if the City renewed the health insurance. Lastly, CIGNA offered to give the City's Wellness Program \$10,000 a year for programming and provide a dedicated wellness coordinator to work with HR and the Wellness Committee to develop programs and activities for the employees.

Other items the insurance committee took into consideration in their decision to remain with CINGA were:

- It is very disruptive to employees to have to change insurance carriers because many times there are questions about whether certain physicians are in the new network and whether or not the drug formulary list contains the same drugs at the same prices.
- CIGNA offers free (to the member) generic "preventative" medication for conditions such as high blood pressure, high cholesterol, etc. This is a very popular benefit for the employees and is very much utilized within our plan.
- CIGNA offers a tobacco cessation plan to members providing a life coach to assist with ceasing to use tobacco products and providing a 3 month supply of free patches or gum to assist in this process. This is a favorable benefit to City as the Wellness Committee attempts to educate employees about the health risks associated with tobacco use and the costs associated with these risks that impact health insurance premiums.

The proposed changes to the health insurance plan under the CIGNA renewal include the following:

- Out of network co-insurance is raised from 60% to 50%
- There is enhanced step therapy for 14 drug classes. This means that employees' doctors will have to try using the generic version of drugs first. Only if the generics do not work, or other medical situations exist that would prevent the employee from trying a generic drug then the employee may use a drug in the higher tiers of the drug formulary plan. CIGNA did state that they would allow up to 90 days to educate employees about this change before implementation. This change will affect 17 employees, as there is very high utilization of generic medication in our plan already.

Although there is an increase in the cost of the health insurance of \$21,984, staff is recommending that this cost be absorbed by the savings received from unplugging the Health Savings Accounts and contracting with an independent provider. This way, the cost of the employees' premiums remains unchanged. In addition, employees will again be offered the option to buy-up on the health insurance plan. The buy-up plan offers employees a less expensive deductible and out of pocket expenses. If an employee picks this option, he or she will receive the same insurance dollars as an employee not on the buy-up plan and will be asked to pay the difference between the two plans.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into contractual agreements for employee health insurance benefits with CIGNA.

FISCAL IMPACT:

The proposed budget for FY 2011/2012 will include funding for health insurance. Please see "City of Bedford 2011 Health" table document for new monthly premiums.

ATTACHMENTS:

Resolution
City of Bedford Health Insurance Comparison 2011 spreadsheet
City of Bedford Health (table of premiums)

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACTUAL AGREEMENT FOR EMPLOYEE HEALTH INSURANCE BENEFITS WITH CIGNA.

WHEREAS, the City of Bedford provides medical benefits for all eligible employees; and,

WHEREAS, the current contract for medical insurance benefits will expire on September 30, 2011; and,

WHEREAS, the City of Bedford has received bids for medical insurance benefits and has evaluated all options; and,

WHEREAS, the City of Bedford has determined that Cigna should provide the City health insurance.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1. That the City Council does hereby authorize the City Manager to enter into a contractual agreement with Cigna for provision of employee health insurance benefits for the period of October 1, 2011 to September 30, 2012.

PASSED AND APPROVED this 9th day of August 2011, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

City of Bedford Health Insurance Comparison 2011

	A	B	C	F	G	H	I	P	Q
1		CIGNA Current		CIGNA Revised Renewal		CIGNA Alt 2 w/Dental		BCBS Revised	
2		Base	Buy Up	Base	Buy Up	Base	Buy Up	Base	Buy Up
3	Plan Type	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA
4	Maximum Benefit	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
5	Family Collective Deductible	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Deductible (In Net/Out of Net)	\$2,500/5,000	\$1,500/3,000	\$2,500/5,000	\$1,500/3,000	\$2,500/5,000	\$1,500/3,000	\$2,500/5,000	\$1,500/3,000
7	Family Deductible	\$5,000/10,000	\$3,000/6,000	\$5,000/10,000	\$3,000/6,000	\$5,000/10,000	\$3,000/6,000	\$5,000/10,000	\$3,000/6,000
8	Out of Pocket (Not including ded.)	\$2,500/10,000	\$2,000/9,000	\$2,500/10,000	\$2,000/9,000	\$2,500/10,000	\$2,000/9,000	\$2,500/10,000	\$2,000/9,000
9	Family Out of Pocket	\$5,000/20,000	\$4,000/18,000	\$5,000/20,000	\$4,000/18,000	\$5,000/20,000	\$4,000/18,000	\$5,000/20,000	\$4,000/18,000
10	Coinsurance	80%/60%	80%/60%	80%/60%	80%/60%	80%/50%	80%/50%	80%/60%	80%/60%
11	Office Visit Co-pay	NA	NA	NA	NA	NA	NA	NA	NA
17	Emergency Room Co-pay	SAAOI	SAAOI	SAAOI	SAAOI	SAAOI	SAAOI	SAAOI	SAAOI
18	Prescription Drugs:			Enhanced Step Ther	Enhanced Step Ther	Enhanced Step Ther	Enhanced Step Ther		
19	Generic	30%	30%	30%	30%	30%	30%	30%	30%
20	Generic Preventatives at 0%	Yes	Yes	Yes	Yes	Yes	Yes	No	No
21	Name brand	40%	40%	40%	40%	40%	40%	40%	40%
22	Non-formulary	50%	50%	50%	50%	50%	50%	50%	50%
23	Mail order	3X	3X	3X	3X	3X	3X	3X	3X
24	Preventive Health Care	100%	100%	100%	100%	100%	100%	100%	100%
25	Network	Cigna OAP	Cigna OAP	Cigna OAP	Cigna OAP	Cigna OAP	Cigna OAP	Blue Choice	Blue Choice
26	Website	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
27	MONTHLY Premium Base / Buy Up								
28	Employee 149 / 22	\$327.01	\$371.26	\$354.80	\$402.81	\$330.67	\$375.41	\$330.95	\$372.47
29	Employee + Spouse 23 / 4	\$667.10	\$757.38	\$723.79	\$821.74	\$674.56	\$765.85	\$675.16	\$759.86
30	Employee + Child(ren) 49 / 1	\$634.39	\$720.25	\$688.30	\$781.46	\$641.48	\$728.30	\$642.05	\$722.59
31	Employee + Family 49 / 4	\$1,059.49	\$1,202.89	\$1,149.53	\$1,305.11	\$1,071.34	\$1,216.34	\$1,072.28	\$1,206.60
32	Separate Pricing for Retirees	Yes	Yes	Yes	Yes	Yes	Yes	No	No
33	Total Annual	\$1,965,564		\$2,132,601		\$1,987,548		\$1,987,502	
34	Minus Current Ee Contributions	\$296,896		\$296,896		\$296,896		\$296,896	
35	City Paid Portion	\$1,668,668		\$1,835,705		\$1,690,652		\$1,690,606	
36	Total Increase to the City			\$167,037		\$21,984		\$21,939	
37				10%		1%		1%	

City of Bedford 2011

Buy up Comparison Cigna

2010-11 Current Base and Buy-Up						
	Count	Premium	Employee Contribution	Cost to City per Person	Monthly	Annual
Base						
Employee	149	\$327.01	\$0.00	\$327.01	\$48,724.49	\$584,693.88
EE + Spouse	23	\$667.10	\$140.58	\$526.52	\$12,109.96	\$145,319.52
EE + Child(ren)	49	\$634.39	\$89.88	\$544.51	\$26,680.99	\$320,171.88
Family	49	\$1,059.49	\$272.78	\$786.71	\$38,548.79	\$462,585.48
	270					
Buy-UP						
Employee	22	\$371.26	\$44.26	\$327.00	\$7,194.00	\$86,328.00
EE + Spouse	4	\$757.38	\$230.86	\$526.52	\$2,106.08	\$25,272.96
EE + Child(ren)	1	\$720.25	\$175.74	\$544.51	\$544.51	\$6,534.12
Family	4	\$1,202.89	\$416.18	\$786.71	\$3,146.84	\$37,762.08
	31					
Total						\$1,668,667.92
2011-12 CIGNA Renewal w/Current Contributions						
	Count	Premium	Employee Contribution	Cost to City per Person	Monthly	Annual
Base						
Employee	149	\$330.67	\$0.00	\$330.67	\$49,269.83	\$591,237.96
EE + Spouse	23	\$674.56	\$140.58	\$533.98	\$12,281.54	\$147,378.48
EE + Child(ren)	49	\$641.48	\$89.88	\$551.60	\$27,028.40	\$324,340.80
Family	49	\$1,071.34	\$272.78	\$798.56	\$39,129.44	\$469,553.28
	270					
Buy-up						
Employee	22	\$375.41	\$44.26	\$331.15	\$7,285.30	\$87,423.60
EE + Spouse	4	\$765.85	\$230.86	\$534.99	\$2,139.96	\$25,679.52
EE + Child(ren)	1	\$728.30	\$175.74	\$552.56	\$552.56	\$6,630.72
Family	4	\$1,216.34	\$416.18	\$800.16	\$3,200.64	\$38,407.68
	31					
Total						\$1,690,652.04
Total Increase						\$21,984.12
						1.32%



Council Agenda Background

PRESENTER:

Jill McAdams, *SPHR*, Human Resources Director
Lisa Mizell, Principal, Benefits Seminar Plus

ITEM:

Consider a resolution authorizing the City Manager to enter into a contractual agreement for employee dental insurance benefits with CIGNA.

DISCUSSION:

The City's dental insurance contract expires with MetLife on September 30, 2011. As a result, a Request for Proposal was sent out by Benefits Seminar Plus on behalf of the City.

Seven bids were received, including a renewal bid from the current carrier, MetLife. Of the bids submitted, MetLife, Delta Dental and CIGNA were most competitive. These three competitive bids contained increases of 17%, 9% and 11% respectively (see "City of Bedford Dental Comparison 2011 spreadsheet").

As has been the practice for the last several years, an Employee Insurance Committee was convened to participate in the insurance renewal process and make recommendations on insurance products on behalf of the employees they represent.

When the Committee reviewed the dental bids submitted, they determined that although Delta Dental presented the lowest bid, the product was not comparable with the dental insurance currently offered by the City. In addition, reference checks conducted by staff were not favorable. These references were supplied to staff by Delta Dental. These factors, combined with the fact that our insurance brokers had no previous experience with Delta Dental in their book of business, led to the elimination of Delta as a viable replacement for MetLife.

In reviewing the MetLife and CIGNA bids, the MetLife bid was 6% higher than the bid submitted by CIGNA. (See attached spreadsheet "City of Bedford Dental Comparison 2011.") CIGNA also offered a two year rate guarantee if approximately 17% of the employees enroll in the DMO. The CIGNA bid was the lowest bid of the two remaining bids. This, coupled with the freedom of choice option (meaning employees have the ability to move freely between the DMO and PPO), and the fact that employees will be asked to absorb the increase in premiums, encouraged the insurance committee members to recommend CIGNA dental over a renewal with MetLife. Please see the attached table document "City of Bedford 2011 Dental" for the renewal rates.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into a contractual agreement for employee dental insurance benefits with CIGNA.

FISCAL IMPACT:

The proposed budget for FY 2010/2011 will include funding for dental insurance. Please see "City of Bedford 2011 Dental" table document for new monthly premiums.

ATTACHMENTS:

**Resolution
City of Bedford Dental Comparison 2011 spreadsheet
City of Bedford 2011 Dental (table of premiums)**

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACTUAL AGREEMENT FOR EMPLOYEE DENTAL INSURANCE BENEFITS WITH CIGNA.

WHEREAS, the City of Bedford provides dental benefits for all eligible employees; and,

WHEREAS, the current contract for dental insurance benefits will expire on September 30, 2011; and,

WHEREAS, the City of Bedford has received bids for dental insurance benefits and has evaluated all options; and,

WHEREAS, the City of Bedford has determined that Cigna should provide the City employees with dental insurance.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1. That the City Council does hereby authorize the City Manager to enter into a contractual agreement with Cigna for provision of employee dental insurance benefits for the period of October 1, 2011 to September 30, 2012.

PASSED AND APPROVED this 9th day of August 2011, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

City of Bedford Dental Comparison 2011

	A	B	C	D	E	F	G	H	I	J	K
1	Provider	MetLife Dual Option Current	MetLife Dual Option Renewal	CIGNA Freedom of Choice		Delta Dual Option		Assurant Employee Benefit Dual Option			
2	Plan	PPO	DMO	PPO	DMO	PPO	DMO	PPO	DMO	PPO	DMO
3	Must use Network	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
4	Must pick Dentist	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
5	Maximum Annual Benefit	\$1,500	Unlimited	\$1,500	Unlimited	\$1,500	Unlimited	\$1,500	Unlimited	\$1,500	Unlimited
6	Deductible	\$50	\$0	\$50	\$0	\$50	\$0	\$50	\$0	\$50	\$0
7	Family	\$150	\$0	\$150	\$0	\$150	\$0	\$150	\$0	\$150	\$0
8	Preventive	100%	\$5	100%	\$5	100%	\$5	100%	\$5	100%	\$10
9	Definition of Cleanings	Every 6 mo.	2 per year	Every 6 mo.	2 per year	2 per year	2 per year	2 per year	Every 6 mo.	Every 6 mo.	Every 6 mo.
10	Cleanings	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
11	X-rays	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
12	Oral Evalutaion	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
13	Basic	80%	Copays	80%	Copays	80%	Copays	80%	Copays	80%	Copays
14	Fillings	80%	\$0	80%	\$0	80%	\$0	80%	\$8-22	80%	\$10-20
15	Includes endo + perio	Yes	NA	Yes	NA	Yes	NA	Yes	NA	Yes	NA
16	Major	60%	Copays	60%	Copays	60%	Copays	60%	Copays	60%	Copays
17	Crown	60%	\$225+Lab	60%	\$225+Lab	60%	\$390-480	60%	\$235+Lab	60%	\$225+ Lab
18	Wait for timely new hires	None	None	None	None	None	None	None	None	None	None
19	Late Adds	OE no wait	NA	OE no wait	NA	OE no wait	NA	OE no wait	NA	OE no wait	NA
20	Orthodontics	50%	Copays	50%	Copays	50%	Copays	50%	Copays	50%	Copays
21	Deductible	\$0	\$0	\$0	\$0	Combined	\$0	\$0	\$0	Combined	\$0
22	Adults coverage	No	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes
23	Child treatment (Lifetime)	\$1,500	\$1,695	\$1,500	\$1,695	\$1,500	\$1,872	\$1,500	25% Discounts	\$1,500	\$2,000
24	Adult treatment (Lifetime)	NA	\$1,695	NA	\$1,695	NA	\$2,184	NA	25% Discounts	NA	\$2,200
25	Waiting period	None	None	None	None	None	None	None	None	12 months	None
26	Network	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
27	% of usual + customary OON	80%	NA	80%	NA	90%	NA	80%	NA	80%	NA
28	Other					Rates with Medical				Vision Discount Plan included	
29	Rate guarantee	12 months		12 months		12 months		24 months (-3% for f2)		24 months	
30	Premium:										
31	Employee (341)	\$28.00	\$9.98	\$31.92	\$10.58	\$26.36		\$30.92	\$12.06	\$33.14	\$12.08
32	Spouse or 1 Child (73)	\$17.70	\$8.97	\$20.18	\$9.51	\$17.01		\$19.55	\$6.84	\$20.95	\$8.07
33	2 or more dependents (98)	\$65.02	\$18.45	\$74.13	\$19.56	\$61.08		\$71.80	\$11.53	\$76.95	\$22.13
34	Total Emp Premium (279/62)	\$93,744.00	\$7,425.12	\$106,868.16	\$7,871.52	\$107,865.12		\$103,520.16	\$8,972.64	\$110,952.72	\$8,987.52
35	Total +1 Dep (63/10)	\$13,381.20	\$1,076.40	\$15,256.08	\$1,141.20	\$14,900.76		\$14,779.80	\$820.80	\$15,838.20	\$968.40
36	Total +2 Dep (or more) (75/23)	\$58,518.00	\$5,092.20	\$66,717.00	\$5,398.56	\$71,830.08		\$64,620.00	\$3,182.28	\$69,255.00	\$6,107.88
37	Total Annual Premium	\$165,643.20	\$13,593.72	\$188,841.24	\$14,411.28	\$194,595.96		\$182,919.96	\$12,975.72	\$196,045.92	\$16,063.80
38	Total Annual Premium	\$179,236.92		\$203,252.52		\$194,595.96		\$195,895.68		\$212,109.72	
39	Total Annual Cost to Employees	\$35,269.68		\$35,269.68		\$35,269.68		\$35,269.68		\$35,269.68	
40	Total Annual Cost to City	\$143,967.24		\$167,982.84		\$159,326.28		\$160,626.00		\$176,840.04	
41	Increase to City			\$24,015.60		\$15,359.04		\$16,658.76		\$32,872.80	
42	% Increase to City			17%		11%		12% 9%		23%	

City of Bedford Dental Comparison 2011

	A	O	P	Q	R	S	T
1	Provider	Ameritas Group High Low Plan		Humana Dual Option		Blue Cross Blue Shield High Low Plan	
2	Plan	PPO	MAC	PPO	DMO	PPO	MAC
3	Must use Network	No	No	No	Yes	No	No
4	Must pick Dentist	No	No	No	Yes	No	No
5	Maximum Annual Benefit	\$1,500	\$1,500	\$1,500	Unlimited	\$1,500	\$1,500
6	Deductible	\$50	\$50	\$50	\$0	\$50	\$50
7	Family	\$150	\$150	\$150	\$0	\$150	\$150
8	Preventive	100%	\$16	100%	\$5	100%	100%
9	Definition of Cleanings	Every 6 mo.	Every 6 mo.	Every 6 mo.	Every 6 mo.	2 per year	Every 6 mo.
10	Cleanings	100%	\$34-\$24	100%	100%	100%	100%
11	X-rays	100%	\$9-51	100%	100%	100%	100%
12	Oral Evalutaion	100%	\$16	100%	100%	100%	100%
13	Basic	80%	Schedule	80%	Copays	80%	80%
14	Fillings	80%	\$38	80%	\$10+	80%	80%
15	Includes endo + perio	Yes	Yes	Yes	NA	Yes	Yes
16	Major	60%	Schedule	60%	Copays	60%	60%
17	Crown	60%	\$193++	60%	\$300+	60%	60%
18	Wait for timely new hires	None	None	None	None	None	None
19	Late Adds	OE no wait	NA	OE no wait	NA	OE no wait	OE no wait
20	Orthodontics	50%	50%	50%	Copays	50%	50%
21	Deductible	\$0	\$0	Combined	\$0	\$0	\$0
22	Adults coverage	No	No	No	Yes	No	No
23	Child treatment (Lifetime)	\$1,500	\$1,500	\$1,500	\$1,800	\$1,500	\$1,500
24	Adult treatment (Lifetime)	NA	NA	NA	\$2,100	NA	NA
25	Waiting period	None	None	None	None	None	None
26	Network	Yes	Yes	Yes	Yes	Yes	Yes
27	% of usual + customary OON	90%	MAC	????	NA	90%	MAC
28	Other			Vision Discount Plan included			
29	Rate guarantee	12 months		24 months		12 months	
30	Premium:						
31	Employee (341)	\$29.88	\$10.68	\$32.41	\$14.00	\$31.83	\$10.41
32	Spouse or 1 Child (73)	\$20.80	\$8.84	\$20.49	\$10.02	\$20.11	\$9.14
33	2 or more dependents (98)	\$77.00	\$37.04	\$75.27	\$19.84	\$73.90	\$20.69
34	Total Emp Premium (279/62)	\$100,038.24	\$7,945.92	\$108,508.68	\$10,416.00	\$106,566.84	\$7,745.04
35	Total +1 Dep (63/10)	\$15,724.80	\$1,060.80	\$15,490.44	\$1,202.40	\$15,203.16	\$1,096.80
36	Total +2 Dep (or more) (75/23)	\$69,300.00	\$10,223.04	\$67,743.00	\$5,475.84	\$66,510.00	\$5,710.44
37	Total Annual Premium	\$185,063.04	\$19,229.76	\$191,742.12	\$17,094.24	\$188,280.00	\$14,552.28
38	Total Annual Premium	\$204,292.80		\$208,836.36		\$202,832.28	
39	Total Annual Cost to Employees	\$35,269.68		\$35,269.68		\$35,269.68	
40	Total Annual Cost to City	\$169,023.12		\$173,566.68		\$167,562.60	
41	Increase to City	\$25,055.88		\$29,599.44		\$23,595.36	
42	% Increase to City	17%		21%		16%	

City of Bedford 2011 Dental

Dental Increase / Month if CIGNA

2010

PPO	Count	Premium	Employee	City	City Monthly
Employee	141	\$28.00	\$0.00	\$28.00	\$3,948.00
One Dependent	63	\$45.70	\$8.06	\$37.64	\$2,371.32
Two or More Dependents	75	\$93.02	\$29.24	\$63.78	\$4,783.50
DMO					
Employee	29	\$9.98	\$0.00	\$9.98	\$289.42
One Dependent	10	\$18.95	\$3.32	\$15.63	\$156.30
Two or More Dependents	23	\$28.43	\$8.92	\$19.51	\$448.73
City Total Annual Cost					\$143,967.24

2011

PPO	Count	Premium	Employee	City	City Monthly
Employee	170	\$26.36	\$0.00	\$26.36	\$4,481.20
One Dependent	73	\$43.37	\$10.00	\$33.37	\$2,436.01
Two or More Dependents	98	\$87.44	\$35.75	\$51.69	\$5,065.62
	341				
DMO					
Employee		\$10.58	\$0.00	\$10.58	\$0.00
One Dependent		\$20.09		\$20.09	\$0.00
Two or More Dependents		\$30.14		\$30.14	\$0.00
City Total Annual Cost					\$143,793.96

Increase Amt per month to Employee	%
\$0.00	
\$1.94	24%
\$6.51	22%

Difference to the City

\$173.28



Council Agenda Background

PRESENTER:

Jill McAdams, *SPHR*, Human Resources Director
Lisa Mizell, Principal, Benefits Seminar Plus

ITEM:

Consider a resolution authorizing the City Manager to enter into a contractual agreement with Davis Vision to provide supplemental vision insurance to employees as a voluntary benefit.

DISCUSSION:

Over the past couple of years, HR staff has received many requests from employees for a voluntary vision benefit plan to be included in the City supplemental benefits. Employees would pay 100% of the premium for this insurance for themselves and any eligible dependents.

This year, staff asked Benefits Seminar Plus, our broker and agent of record, to put a Request for Proposal together seeking bids for voluntary vision insurance.

Eight carriers submitted proposals. Of the eight, Davis Vision offered the most competitive plan at the most cost effective rate. Additionally, the rates are guaranteed for 48 months. See the attached spreadsheet titled "2011 Voluntary Vision Comparison for City of Bedford" for complete details on the bids submitted. Also attached is the contract, which has been approved by the City Attorney.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into a contractual agreement with Davis Vision to provide supplemental vision insurance to employees as a voluntary benefit.

FISCAL IMPACT:

There is no fiscal impact associated with this employee benefit for the City. Please see the attached spreadsheet "2011 Voluntary Vision Comparison for City of Bedford" spreadsheet for employee paid monthly premiums.

ATTACHMENTS:

Resolution
2011 Voluntary Vision Comparison for City of Bedford
Contract

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACTUAL AGREEMENT WITH DAVIS VISION TO PROVIDE SUPPLEMENTAL VISION INSURANCE TO EMPLOYEES AS A VOLUNTARY BENEFIT.

WHEREAS, the City of Bedford provides various voluntary supplemental insurance benefits for all eligible employees; and,

WHEREAS, employees have expressed a desire to have a voluntary supplemental vision insurance program; and,

WHEREAS, the City has received bids for supplemental vision insurance benefits and has evaluated all options; and,

WHEREAS, the City has determined that Davis Vision should provide the City's supplemental vision insurance benefits.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1. That the City Council does hereby authorize the City Manager to enter into a contractual agreement with Davis Vision to provide supplemental vision insurance to employees as a voluntary benefit.

PASSED AND APPROVED this 9th day of August 2011, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

2011 Voluntary Vision Comparison for City of Bedford

	A	B	C	D	E	F	G	H	I
1		Davis	VSP	Superior	United	Humana	Avesis	Block	CIGNA
2	Eye Exam	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10
3	Frequency	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
4	Lenses								
5	Frequency	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
6	Single	\$10	\$25	\$25	\$10	\$15	\$10	\$10	\$10
7	Lined Bifocal	\$10	\$25	\$25	\$10	\$15	\$10	\$10	\$10
8	Trifocal	\$10	\$25	\$25	\$10	\$15	\$10	\$10	\$10
9	Other Features	\$12 - 90	\$17 - 95	\$13 - 80	20% Discount	\$12 - 90	20% Discount	20% Discount	20% Discount
10	Frames	\$130 Allowance,	\$130 Allowance	\$130 Allowance,	\$130 Allowance,	\$100-150 Allowance	\$130 Allowance,	\$130 Allowance,	\$130 Allowance,
11		\$175 for Davis				(Wholesale)			
12	Frequency	24 months	24 months	24 months	24 months	24 months	24 months	24 months	24 months
13	Contacts (lieu of glasses)	\$130 Allowance	\$130 Allowance	\$120 Allowance	\$105 Allowance	\$150 Allowance	\$130 Allowance	\$130 Allowance	\$130 Allowance
14	Fitting and Follow Up	\$10	\$10	\$25	\$10	\$10	\$10	\$10	\$10
15	Frequency	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
16	Rate Guarantee	48 months	24 months	48 months	24 months	24 months	36 months	36 months	24 months
17	Monthly Premium:								
18	Employee	\$5.17	\$6.56	\$8.60	\$6.53	\$6.97	\$5.58	\$5.65	\$5.89
19	Employee and Spouse	\$9.29	\$10.50	\$17.02	\$11.47	\$6.97	\$9.75	\$9.65	\$13.78
20	Employee and 1 Child				\$11.47	\$6.97			\$13.91
21	Employee and Child(ren)	\$9.81	\$10.72	\$16.68			\$10.74	\$10.20	
22	Employee and Family	\$15.49	\$17.28	\$25.36	\$18.89	\$18.66	\$14.49	\$15.35	\$21.92

THE EYECARE ADVANTAGE PLAN

UNDERWRITTEN BY
HM LIFE INSURANCE COMPANY
FIFTH AVENUE PLACE, 120 FIFTH AVENUE, PITTSBURGH, PA 15222-3099
1-800-328-5433

Group Policy Number	Specimen
Policyholder Name	Specimen
Type of Coverage	Vision Care Expense Insurance
Effective Date	Specimen
Policy Delivered in	Specimen and governed by the laws of that State and to the extent applicable by the Employment Retirement Income Security Act (ERISA)

HM Life Insurance Company agrees to pay the benefits provided under this Group Policy upon satisfactory written proof of loss with respect to each insured Member or each insured Dependent of a Member in accordance with the provisions of this Group Policy. The consideration for this Group Policy is the application of the Policyholder and the payment of the required premiums as they become due.

This Group Policy takes effect on Specimen. Policy anniversaries will be on Specimen of each year, beginning in Specimen. All periods indicated in this Group Policy begin and end at 12:01 A.M. Standard Time at the address of the Employer.

All provisions on this and the following pages are a part of this Group Policy. The Certificate(s) of Insurance issued for delivery to each insured Member are part of this Group Policy. The definitions of terms in the Certificate(s) of Insurance apply whenever the terms are used anywhere in this Group Policy. The terms "we", "us", "our" and "Company" refer to HM Life Insurance Company. Other defined terms are printed with an initial capital letter. The Employer may add new Members or Dependents from time to time in accordance with the terms of this Group Policy.

By



President

Group Insurance Policy

HLGP902-VIS

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SECTION ONE - POLICYHOLDER PROVISIONS

Part 1. PREMIUMS

A. PREMIUM CHARGES

The premium rate charged on each Premium Due Date will be an aggregate amount based on the sum of the premiums due for all Members and their Dependents insured under the Group Policy. The Premium Due Date is shown on the cover of the Group Policy.

B. PREMIUM RATE

The premium rate will be determined on the basis set forth in the Policy Data sheet attached to the Group Policy.

The Initial Premium Rate is guaranteed for the Initial Policy Term shown on the Cover Page of the Group Policy.

C. CONTRIBUTIONS FROM MEMBERS

Insurance for each Member and the Dependents of each Member, if any, will either be on a Non-contributory, Contributory or Voluntary basis. The basis for the contribution and the amount of the contribution applicable to each Member and their Dependents, if any, is determined by the Policyholder.

D. CHANGES IN PREMIUM RATES

1. Premium rates may be changed at any time upon mutual agreement between the Policyholder and us.
2. If the number of insured Members changes by 15% or more, we may change any one or more of the premium rates on any Premium Due Date, but not more than once in any 12 month period.
3. We may change any one or more premium rates at any time when a change in any law or governmental regulation affects the amount payable by us under this Group Policy. Any such change in premium rates will reflect only the change in our obligations under the Group Policy.
4. Except as provided in 1, 2, or 3 above, we will not change the premium rates during the Initial Policy Term or more than once in any Contract Year thereafter. The Initial Policy Term is shown on the cover of this Group Policy. Contract Years are successive 12 month periods computed from the end of the Initial Policy Term.

We will give the Policyholder prior written notice of any change in the premium rates at least 31 days before the Premium Due Date on which the change will be effective. This notice will be mailed to the Policyholder's last address as shown on our records. The Policyholder will notify the Member in the event the Member contributes toward the cost of Insurance.

E. PAYMENT OF PREMIUMS

All premiums are due on the Premium Due Dates shown on the cover of the Group Policy. Each premium is payable by the Policyholder on or before the premium due date direct to us at our Home Office. The payment of each premium as it becomes due will maintain this Group Policy in force through the date immediately preceding the next Premium Due Date.

F. GRACE PERIOD

The Group Policy has a 31 day Grace Period for each premium due after the first premium. If a premium is not paid on or before the Premium Due Date, the premium may be paid during the 31 day Grace Period. The Group Policy will remain in force during the Grace Period, and the Policyholder is liable to us for the payment of the premium for that period.

G. TERMINATION OF GROUP POLICY FOR NONPAYMENT OF PREMIUMS

If the required premium is not paid during the Grace Period, the Group Policy will terminate automatically at 12:01 A.M. on the date following the end of the Grace Period. The Policyholder is liable for the payment of the premiums for the coverage continued during the Grace Period. Termination of this Group Policy for nonpayment of premiums will not influence a Member's right to a claim for benefits which arose prior to the termination.

H. TERMINATION OF GROUP POLICY BY THE POLICYHOLDER

The Policyholder may terminate the Group Policy and the Insurance under the Group Policy at any time by giving prior written notice to us. The effective date of the termination will be the later of:

1. The date specified in the notice; and
2. The date we receive the notice.

No coverage under the Group Policy will continue and no premium charges will accrue after the effective date of the termination of the Group Policy.

If the Policyholder terminates the Group Policy at any time during the first 12 months of the Initial Policy Term the difference between any premiums paid up to the date of termination and the total premium otherwise due during the first 12 months of the Initial Policy Term will be billed directly to the Policyholder.

I. TERMINATION OF GROUP POLICY BY US

We may terminate the Group Policy as follows:

1. On the first day after the end of any Contract Year at 12:01 A.M. Standard Time.
2. On any Premium Due Date if the number of persons insured is less than the Minimum Participation Number or less than the Minimum Participation Percentage.
3. On any Premium Due Date if we, in our sole judgement, determine that the Policyholder has:
 - a. Failed to promptly furnish any necessary information requested by us; or
 - b. Failed to perform any other obligations relating to this Group Policy.
4. On any Premium Due Date after the Policyholder ceases to qualify for Insurance in accordance with our standard underwriting rules and practices.

However, we will not terminate the Group Policy for any reason other than non-payment of premium during the Initial Policy Term. We will give the Policyholder at least 31 days prior written notice of any such termination of the Group Policy. Termination of this Group Policy by us will not influence a Member's right to a claim for benefits which arose prior to the termination.

J. PREMIUM ADJUSTMENTS

Premium adjustments involving a return of unearned premiums to the Policyholder will be limited to the 12 month period immediately preceding the date we receive a request for premium adjustment and evidence that an adjustment should be made.

Part 2. CERTIFICATES

We will issue Certificates to the Policyholder showing the insured Member's coverage under this Group Policy. The Policyholder will distribute a Certificate of Insurance to each insured Member.

Part 3. RECORDS AND REPORTS

The Policyholder must furnish on our forms all information reasonably necessary to the administration of the Insurance under the Group Policy when required by us. We have the right at all reasonable times to inspect the payrolls and other records of the Policyholder which relate to Insurance under this Group Policy.

Clerical error by the Policyholder will not:

1. Cause a Member to become insured.
2. Invalidate Insurance otherwise validly in force.
3. Continue Insurance otherwise validly terminated.

Part 4. ENTIRE CONTRACT; CHANGES

The Group Policy, including all the endorsements and attached papers, if any, constitute the entire contract between the parties.

The Group Policy may be changed in whole or in part. No change in this Group Policy will be valid unless it is approved in writing by one of our executive officers and delivered to the Policyholder for attachment to the Group Policy. No agent has authority to change this Group Policy or to waive any of its provisions.

The Policyholder acts on its own behalf or on the behalf of eligible Members. Under no circumstances will the Policyholder be deemed to act as our agent. The Policyholder does not have the authority to change the Group Policy or to waive any of its provisions, except through a formal amendment as described in the prior paragraph.

Part 5. EFFECT ON WORKER'S COMPENSATION

The coverage provided under the Group Policy is not a substitute for worker's compensation insurance and does not relieve the Employer of any obligation to provide worker's compensation.

SECTION TWO - COVERAGE PROVISIONS

Part 1. BECOMING INSURED

To become insured you must meet each of the requirements of A through D plus the Active Work requirement.

A. DEFINITION OF MEMBER

You must be a Member. You are a Member if you are all of the following:

1. An active employee of the Employer, other than a temporary or seasonal employee or a full time member of the armed forces of any country.
2. Regularly scheduled to work at least 30 hours per week.
3. A citizen or resident of the United States or Canada.

B. ELIGIBILITY FOR INSURANCE

You must be eligible for Insurance. You are eligible for Insurance on the later of the following dates if you are a Member on that date:

1. The effective date of the Group Policy.
2. The first day of the calendar month coinciding with or next following 60 consecutive days as a Member.

C. APPLICATION FOR INSURANCE

Your Insurance is Voluntary. If you wish to become insured, you must apply for Insurance and agree to make the required contributions to the Policyholder by signing a completed Enrollment Form.

You may apply for Insurance or for a change in the Insurance option you selected during the following periods:

1. Within 31 days after the date you first become eligible for Insurance.
2. During the Open Enrollment Period of each Calendar Year.
3. Within 31 days after a Life Event.

You cannot apply for Insurance or for a change in your Insurance option at any other time.

D. EFFECTIVE DATE OF INSURANCE AND CHANGES IN INSURANCE

1. Initial effective date of your Insurance:

If you meet the Active Work requirement and each of the requirements of Parts 1A through 1C, your Insurance will become effective on:

- a. The date you become eligible for Insurance, if you apply on or before or within 31 days after the date you become eligible for Insurance.
- b. The first day of calendar month following the Open Enrollment Period.
- c. The date of a Life Event, if you apply within 31 days of the Life Event.

2. Effective date of changes in the amount of your Insurance:

Changes in the amount of your Insurance become effective on the date of the change, if you meet the Active Work requirement on that date.

Your Insurance will not become effective prior to the effective date of the Group Policy.

E. **ACTIVE WORK REQUIREMENT**

You must meet an Active Work requirement to become insured.

You will automatically meet the Active Work requirement on the date your Insurance is scheduled to become effective, unless you were Disabled on the day before that date. If you were Disabled on the day before the scheduled effective date of your Insurance, the effective date of your Insurance will be delayed until the first day after the date you complete one full day of Active Work.

For purposes of this Active Work requirement, you are Disabled if you are unable, as a result of your sickness, accidental bodily injury, or pregnancy, to perform the material duties of your own occupation.

This Active Work requirement also applies to any change in your Insurance.

Part 2. INSURING YOUR DEPENDENTS

To insure your Dependents for Insurance, you must meet each of the following requirements:

1. You must be a Member who is insured for Insurance.
2. You must have one or more eligible Dependents.
3. You must apply for Insurance on your eligible Dependents.

A. **DEFINITION OF DEPENDENT**

DEPENDENT means a person who is:

1. Your spouse. Your spouse must not be legally separated from you and must meet the legal requirements of a spouse as defined by the laws of the state in which you reside.
2. Your unmarried child from birth through the date your child becomes 26* years of age. The term "child" includes a natural child, a step-child residing in your home, a child who has been placed with you for adoption by a court of competent jurisdiction, and any other child you support (a) who is chiefly dependent upon you for support and maintenance; (b) who lives with you in a parent-child relationship, (c) whose parent is your child and is insured as a Dependent under the Group Policy; or (d) who is the subject of a Qualified Medical Child Support Order.

The term "child" also includes a step-foster child residing in your home; a grandchild, niece or nephew for whom you have assumed primary care even if the legal guardian of the child is not insured under the Group Policy.

"Primary care" means that you provide food, clothing, and shelter on a regular and continuous basis for a child.

3. The term "Dependent" does not include: (a) a spouse legally divorced or separated from you, except when coverage is required by a valid court order; (b) a spouse that no longer meets the requirements of A., 1. above; (c) a spouse that does not meet the legal requirements of a spouse as defined in the State in which you reside; (d) any child for whom a petition for adoption has been denied; or (e) any child in the custody of the state until the final decree of adoption.

* A Dependent child's Insurance may be continued beyond these dates if you provide us with satisfactory written proof that the child qualifies for continued coverage as a Handicapped Child. See Part 8.

B. ELIGIBLE DEPENDENTS

Your Dependents are eligible for Insurance, except as follows:

1. You may not insure your Dependents for Insurance unless you are insured for Insurance.
2. You may not insure a Dependent for Insurance unless the Dependent is a citizen or resident of the United States or Canada.
3. You may not insure your Dependent for Insurance if your Dependent is a full-time member of the armed forces of any country.
4. You may not insure your Dependent for Insurance if your Dependent is also eligible for Insurance as a Member.

A newly born child, adopted child, child placed in your home for adoption, or stepchild residing in your home is eligible from the date of birth, adoption, placement or residence.

C. APPLICATION FOR INSURANCE ON YOUR DEPENDENTS

You must apply for Insurance on your Dependents and agree to pay the entire cost to the Policyholder by signing a completed Enrollment Form.

You are only permitted to apply for Insurance on your Dependents during one of the following periods:

1. Within 31 days after you first acquire the Dependent.
2. During the Open Enrollment Period of each Calendar Year.
3. Within 31 days after a Life Event.

D. EFFECTIVE DATE OF DEPENDENT INSURANCE

Your Dependents are eligible for Insurance on:

1. The date your Insurance becomes effective.
2. The date you first acquire a Dependent.

You must apply for Insurance on your Dependents. The Insurance on your Dependents will become effective:

1. On the date they become eligible, if you apply for Insurance on your Dependents on or before or within 31 days after that date.
2. On the first day of the month following the Open Enrollment Period.

3. On the date of a Life Event.

We will not refuse:

1. To insure a child under the Group Policy on the grounds that the child was born out of wedlock, the child is not claimed as a Dependent on the parent's federal tax return, or the child does not reside with the parent or in our service area.
2. To insure an otherwise eligible child under the Group Policy if the child is presumed to be the natural child of the insured.

A Dependent confined to a hospital or any other institution when that person's Insurance would normally begin will be insured on discharge. This limitation does not apply to a child at birth, an adopted child, or a child subject to court ordered child support

A newly born child, adopted child, child placed in your home for adoption, or stepchild residing in your home is automatically covered from the date of birth, adoption, placement or residence for 31 days. In order to continue the child's coverage beyond this period you must apply for Insurance on the child and pay the required premium, if any, within 31 days of the date of birth, adoption, placement, or residence.

Your Dependents will not be insured before the day your Insurance begins.

E. MEDICAL CHILD SUPPORT ORDERS

Regardless of any other provision in the Group Policy, we will comply with any Qualified Medical Child Support Order (QMCSO) to the extent required by law. Upon receipt of a Medical Child Support Order we will promptly notify you and each Alternative Recipient that we have received the Medical Child Support Order and have adopted procedures for determining whether the Medical Child Support Order is, in fact, a QMSO. Those procedures include notifying you, and each Alternative Recipient, that each Alternative Recipient will have the right to designate a representative to receive all communications regarding the Alternative Recipient's rights to receive benefits under the Group Policy.

We will, within a reasonable period of time, determine whether the Medical Child Support Order is a QMCSO. If the Medical Child Support Order is a QMCSO, the Alternative Recipient designated in the order will be treated as the insured Member for purposes of payment of benefits under the Group Policy and the reporting and disclosure requirements under ERISA. For example, if benefits would otherwise be payable under the plan to you on account of Covered Expenses relating to an Alternate Recipient, those benefits would be paid directly to the Alternate Recipient or his or her custodial parent or legal guardian.

Any Alternate Recipient, not already Insured as a Dependent, who is the subject of a Medical Child Support Order will be eligible, and may be enrolled, for Insurance under the Group Policy on the date we determine the order is a QMCSO. On that date we will:

1. Permit the child's parent to enroll the child for Insurance without regard to any enrollment season restrictions;
2. Permit the child's other parent, the state department of social and health services, or other agency appointed by a court of competent jurisdiction pursuant to the order, to enroll the child for Insurance, if the child's parent is enrolled but fails to make application to obtain Insurance for the child; and
3. Not terminate the child's Insurance, unless we receive satisfactory written evidence that the court or administrative order is no longer in effect, the child is or will be enrolled for comparable vision coverage through another carrier which will take effect not later than the effective date of the termination of the child's insurance, or the Employer has eliminated family vision coverage for all of its employees.

Nothing in the provisions of a QMCSO will require the Group Policy to provide any type or form of benefits, or any option, pursuant to the order that is not already provided under the Group Policy, except to the extent necessary to meet the requirements of a state law relating to medical child support orders, as described in Social Security Act sect. 1908 (as added by Omnibus Budget Reconciliation Act of 1993 sect. 13822).

The participant's Employer is authorized to withhold from the participant's salary or wages the cost of the coverage, if any, provided to the Alternative Recipient under the QMCSO.

Part 3. SCHEDULE OF BENEFITS

Subject to all the terms of the Group Policy, we will pay for Covered Expenses incurred by a Covered Person as shown below.

You and your Covered Dependents may use either an In-Network or an Out-of-Network Provider for Covered Expenses. If an In-Network Provider is used, you will only be billed for the difference between the applicable Copayment, if any, shown below and the Scheduled Fee for the Covered Expense. Use of an Out-of-Network Provider may result in additional charges. Out-of-Network Providers may bill you for the difference between the Allowance shown below and the Provider's *actual charge* for the eye examination and materials.

A. FREQUENCY OF USE

Eye Examination	Once every 12 months.
Materials	One complete set of spectacle lenses or contact lenses (in lieu of eyeglasses) every 12 months and frame every 24 months.

B. IN-NETWORK BENEFITS

	Copayment *
Eye Examination	\$10.00
Materials	
Frames**	None
Spectacle Lenses	\$25.00
Contact Lenses***	
Evaluation/Fitting****	\$25.00
Materials	None
Medically Necessary Contact Lenses	None

Note this benefit is subject to prior approval - the Covered Person or the attending Provider must send a completed request to Davis Vision for medically necessary contact lenses before the lenses are dispensed. Any amount due over the Allowance for such lenses is the Covered Person's responsibility. If the required approval is not obtained, benefits will not be paid for such lenses and the entire charge will be your responsibility.

* Does not apply to Optional In-Network items or Covered Expenses received from an Out-of-Network Provider.

** Frames other than Davis Vision's Designer Collection will be paid up to a maximum of \$130.00 plus a 20% discount on any amount over \$130.00 (note: discount does not apply at Wal-Mart locations). The balance, if any, is the Covered Person's responsibility. If the Covered Person chooses a frame from the Premier Collection there is an additional copayment; see "Optional In-Network Items" below.

*** Contact lenses other than Standard/Daily Wear, Disposable or Planned Replacement contact lenses will be paid up to a maximum of \$130.00, plus a 15% discount on any amount over \$130.00 (note: discount does not apply at Wal-Mart locations). The balance, if any, is the Covered Person's responsibility.

**** The Contact lens fitting and evaluation for Specialty contact lenses will be paid up to a maximum of \$60.00 with a 15% discount on any amount over \$60.00 (note: discount does not apply at Wal-Mart locations). The balance, if any, is the Covered Person's responsibility.

Plan Level

Designer Plan Eyewear from Davis Vision's Designer Collection. In-Network Providers will have a complete exclusive Tower Collection (of Davis Vision frames). In addition, you and your Covered Dependents may also select any of the Optional In-Network Items shown below, including frames from Davis Vision's Premier Collection. All Optional In-Network Items are subject to the applicable Copayment.

<u>Optional In-Network Items</u>	<u>Copayment</u>
Premier Frame	\$25.00
Ultraviolet Coating	\$12.00
Glass Photochromic Lenses	\$20.00
Blended Segment Lenses	\$20.00
Polycarbonate Lenses*	\$30.00
Progressive Addition Lenses	
Standard Types	\$50.00
Premium Types	\$90.00
ARC (Anti-Reflective Coating)	
Standard Types	\$35.00
Premium Types	\$48.00
Ultra Types	\$60.00
Polarized Lenses	\$75.00
Hi-Index Lenses	\$55.00
Intermediate Vision Lenses	\$30.00
Plastic Photosensitive Lenses	\$65.00

* no copayment for children or monocular patients

C. OUT-OF-NETWORK BENEFITS

A Covered Person may use the Provider of his or her choice for the following covered vision services. Benefits will be paid up to the Allowance shown below. The balance of the charge is the Covered Person's responsibility.

	Allowance *
Eye Examination	\$30.00
Materials:	
Frames	\$30.00
Lenses:	
Single Vision	\$25.00
Bifocal	\$35.00
Trifocal	\$45.00
Lenticular	\$60.00
Contact Lenses	\$75.00

13. Form completion - school, motor vehicle, etc.

Eye examinations from an In-Network Provider are subject to the Copayment shown in Part 3. Benefits under the Group Policy for eye examinations from an Out-of-Network Provider are payable up to the Allowance shown in Part 3 or the actual charge for the eye examination, whichever is less. A Covered Person is responsible for any amount in excess of the Allowance.

B. FITTING OF EYEGLASSES

If vision correction is recommended by a Provider, Covered Expenses will include the fitting of eyeglasses and follow-up adjustments.

C. MATERIALS

Designer Collection frames and the following lenses as provided through Davis Vision:

1. Glass or plastic lenses, in single vision, bifocal or trifocal prescriptions. The following types of lenses are also included:
 - a. Oversized lenses
 - b. Cataract lenses
 - c. Contact lenses
 - d. Fashion, sun or gradient tinted lenses
 - e. Glass-Grey #3 Prescription Sunglasses
 - f. Scratch Resistant Coating

The above materials are subject to the Copayment for In-Network Benefits shown in Part 3.

2. Optional In-Network Items. Charges for the following items. These materials are subject to the Copayment for Optional In-Network Items shown in Part 3:
 - a. Premier Frame
 - b. Ultraviolet Coating
 - c. Glass Photochromic Lenses
 - d. Blended Segment Lenses
 - e. Polycarbonate Lenses
 - f. Standard Progressive Addition Lenses
 - g. Premium Progressive Addition Lenses
 - h. Standard ARC (Anti-Reflective Coating)
 - i. Premium ARC (Anti-Reflective Coating)
 - j. Ultra ARC (Anti-Reflective Coating)
 - k. Polarized Lenses
 - l. Hi-Index Lenses
 - m. Intermediate Vision Lenses
 - n. Plastic Photosensitive Lenses

Frames and lenses from an In-Network Provider's own collection are payable up to the Allowance shown in Part 3. A Covered Person who uses an In-Network Provider is responsible for the full amount of the Provider's charge for the frames and lenses up to the negotiated discount. If you use an Out-of-Network Provider you are responsible for the Provider's actual charge for the frames and lenses.

Medically necessary contact lenses prescribed for a Covered person are subject to prior approval. The Covered Person or the attending Provider must send a completed request to Davis Vision before the lenses are dispensed. If the required approval is not obtained no benefit will be paid for such lenses and the entire charge will be your responsibility.

D. LOW VISION PROGRAM

Benefits are payable up to the allowance, subject to the maximum shown in Part 3 for the Covered Expense. Covered Expenses include:

- Comprehensive low vision evaluation in addition to a comprehensive eye examination when the comprehensive eye examination indicates a need for such an evaluation.
- Follow-up visits.
- Low Vision Aids

This benefit is subject to prior approval. The Covered Person or the attending Provider must send a completed request to Davis Vision prior to the initial low vision evaluation. If the required approval is not obtained, no benefits will be paid for the above expenses and the entire charge will be your responsibility.

Part 5. EXCLUSIONS AND LIMITATIONS

Benefits will not be paid for and the term "Covered Expenses" will not include charges:

1. For services or supplies not recommended by a Provider.
2. For periodic vision examinations, except as provided for in Part 3.
3. For eye examinations required by an Employer as a condition of employment.
4. For services or materials provided in connection with special procedures such as orthoptics and visual training, or in connection with medical or surgical treatment.
5. For lenses which do not provide vision correction.
6. For charges for the replacement of lost or stolen lenses or frames within 24 months of service.
7. For sickness or injury covered by a workers' compensation act or other similar legislation.
8. Incurred as a direct or indirect result of war (declared or undeclared).
9. Incurred as a result of an intentionally self-inflicted injury or injury sustained while committing a crime.
10. For services or supplies furnished to a Covered Person before the effective date of the Group Policy or after the date a Covered Person's Insurance ends.
11. For services or supplies which are not generally accepted in the United States as being necessary and appropriate for the treatment of a patient's sickness or injury.
12. For any medical treatment rendered outside the United States or Canada.
13. For services rendered by practitioners who do not meet the definition of Provider.
14. For expenses covered by:
 - a. Any other group insurance.

- b. A health maintenance organization or hospital or medical services prepayment plan available through an Employer, union or association.
- 15. For any expenses covered by any union welfare plan or governmental program or a plan required by law.
- 16. For medically necessary contact lenses prescribed for a Covered Person for which prior approval was not obtained from Davis Vision.
- 17. For comprehensive low vision evaluations, subsequent follow-up visits following such evaluation or low vision aids for which prior approval was not obtained from Davis Vision.

Part 6. OTHER VISION CARE INSURANCE PROVISIONS

A. FREE CHOICE OF PROVIDER

You have the exclusive right to select the Provider of your choice to provide you with vision care services and materials. We are not responsible for the quality of care you receive from the Provider you select. We cannot be held liable for any injuries you suffer while receiving the vision services or materials.

B. INCURRED DATE

The incurred date of charge for a vision care examination, refractive and/or post refractive services or materials, as evidenced by a proper receipt, is:

- 1. The date a service or procedure is performed; or
- 2. The date a purchase is made.

C. COORDINATION OF BENEFITS PROVISION

1. General

This Coordination of Benefits ("COB") provision applies to This Plan when a Covered Person has vision coverage under more than one plan. "Plan" and "This Plan" are defined below. If this COB provision applies, you should look first at the order of benefit determination rules. Those rules determine whether the benefits of This Plan are determined before or after those of another plan. The benefits of This Plan: (i) will not be reduced when, under the order of benefit determination rules, This Plan determines its benefits before another plan; but (ii) may be reduced when, under the order of benefits determination rules, another plan determines its benefits first. The above reduction is described in 4, "Effect on the Benefits of This Plan."

2. Definitions

- a. "Plan" means any of the following which provides benefits or services for, or because of, medical or vision care or treatment:
 - (1) Group insurance or group-type coverage, whether insured or uninsured. This includes prepayment, group practice or individual practice coverage. It also includes coverage other than school accident-type coverage.
 - (2) Coverage under a governmental plan, or coverage required or provided by law. This does not include a state plan under Medicaid (Title XIX, Grants to States for Medical Assistance Programs, of the United States Social Security Act, as amended from time to time).

- (3) "Plan" does not include school accident-type coverage, individual contracts of coverage, or some supplemental sickness and accident policies. Each contract or other arrangement for coverage under (1) or (2) is a separate plan.

If an arrangement has two parts and COB rules apply only to one of the two, each part is a separate plan.

- b. "This Plan" is the part of the Group Policy that provides benefits for vision care expenses.
- c. "Primary Plan/Secondary Plan": The order of benefit determination rules state whether This Plan is a Primary Plan or Secondary Plan as to another plan covering the person. When This Plan is a Primary Plan, its benefits are determined before those of the other plan and without considering the other plan's benefits. When This Plan is a Secondary Plan, its benefits are determined after those of the other plan and may be reduced because of the other plan's benefits. When there are more than two plans covering the person, This Plan may be a Primary Plan as to one or more other plans and may be a Secondary Plan as to a different plan or plans.
- d. "Allowable Expense" means a necessary, reasonable and customary item of expense for vision care when the item of expense is covered by This Plan. However, This Plan is not required to pay for a service, supply, or treatment which is not covered by the Group Policy. When a plan provides benefits in the form of services, the reasonable cash value of each service rendered will be considered both an allowable expense and benefit paid.

3. Order of Benefit Determination Rules

- a. When there is a basis for a claim under This Plan and another plan, This Plan is a Secondary Plan whose benefits are determined after those of the other plan, unless:
- (1) the other plan has rules coordinating its benefits with those of This Plan; and
 - (2) both those rules and This Plan's rules, in subsection below, require that This Plan's benefits be determined before those of the other plan.
- b. This Plan determines its order of benefits using the first of the following rules which applies:
- (1) The benefits of the plan which covers the person as an employee, member, insured, or subscriber (that is, other than as a Dependent) are determined before those of the plan which covers the person as a Dependent; except that: if the person is also a Medicare beneficiary, and as a result of the rule established by Title XVIII of the Social Security Act and implementing regulations, Medicare is:
 - (a) secondary to the plan covering the person as a Dependent; and
 - (b) primary to the plan covering the person as other than a Dependent (e.g. a retired employee).
 - (2) Benefits for a Dependent child whose parents are not separated or divorced will be determined as follows:
 - (a) the benefits of the plan of the parent whose birthday falls earlier in a year are determined before those of the plan of the parent whose birthday falls later in that year; but
 - (b) if both parents have the same birthday, the benefits of the plan which covered one parent longer are determined before those of the plan which has covered the other parent for a shorter period of time.

However, if the other plan does not have the rules described in (a) above, but instead has a rule based upon the gender of the parent, and if, as a result, the plans do not agree on the order of benefits, the rule in the other plan will determine the order of benefits.

- (3) Benefits for a Dependent child whose parents are divorced or separated will be determined as follows. To the extent the plan has been notified by receiving a copy of the court decree:
 - (a) If the specific terms of the court decree state that one of the parents is responsible for the vision care expenses of the child, the benefits of the plan of that parent are determined first.
The plan of the other parent will be the Secondary Plan.
 - (b) If the specific terms of the court decree state that the parents will share joint custody, without stating that one of the parents is responsible for the vision care expenses of the child, the plans covering the child will be subject to the order of benefit determination contained in subdivision (B)(2) of this section.

If neither subdivision (a) nor (b) applies, the order of benefits will be determined in the following order:

- (i) the plan of the parent with custody of the child;
 - (ii) the plan of the spouse of the parent with the custody of the child;
 - (iii) the plan of the parent not having custody of the child; and
 - (iv) the plan of the spouse of the parent not having custody of the child.
- (4) The benefits of a plan which covers a person as an employee who is neither laid off nor retired (or as that employee's Dependent) are determined before the benefits of a plan which covers that person as a laid off or retired employee (or as that employee's Dependent). If the other plan does not have this rule and if, as a result, the plans do not agree on the order of benefits, this paragraph will be ignored.
- (5) Continuation Coverage. If a person whose coverage is provided under a right of continuation pursuant to federal law (i.e., COBRA) or state law also is covered under another plan, the benefits of the plan covering the person as employee, member or subscriber (or that person's Dependent) will be determined before the benefits under the continuation coverage.

If the other plan does not have this rule and if, as a result, the plans do not agree on the order of benefits, this paragraph will be ignored.

- (6) Longer/shorter length of coverage. If none of the above rules determines the order of benefits, the benefits of the plan which covered an employee, member or subscriber longer are determined before those of the plan which covered that person for the shorter term.

4. Effect on the Benefits of This Plan

- a. This section applies when, in accordance with 3, "Order of Benefit Determines Rules," This Plan is a Secondary Plan as to one or more other plans. In that event, the benefits of This Plan may be reduced under this section. The other plan or plans are referred to as "the other plans" in "b" below.

b. Reduction in This Plan's benefits. The benefits of This Plan will be reduced to the extent that the sum of:

- (1) The benefits that would be payable for the allowable expense under This Plan in the absence of this COB provision; and
- (2) The benefits that would be payable for the allowable expenses under the other plans, in the absence of provisions with a purpose like that of this COB provision, whether or not claim is made, exceeds those allowable expenses.

5. Right to Receive and Release Needed Information

Certain facts are needed to apply these COB rules; we have the right to decide which facts we need. We may get needed facts from or give them to any other organization or person. We need not tell, or get the consent of, any person to do this. Each person claiming benefits under This Plan must give us any facts we need to pay the claim.

6. Facility of Payment

A payment made under another plan may include an amount which should have been paid under This Plan. If it does, we may pay that amount to the organization which made that payment. That amount will then be treated as though it were a benefit paid under This Plan. We will not have to pay that amount again. The term "payment made" includes providing benefits in the form of services, in which case "payment made" means reasonable cash value of the benefits provided in the form of services.

7. Right of Recovery

If the amount of the payments made by us is more than we should have paid under this COB provision, we may recover the excess from one or more of:

- a. the persons it has paid or for whom it has paid;
- b. another plan; or
- c. the provider of service.

The "amount of the payments made" includes the reasonable cash value of any benefits provided in the form of services.

D. CONFORMITY WITH STATE STATUTES

If any provision of the Policy is in conflict with the statutes of the state in which the Policy is delivered or issued for delivery, the provision is automatically amended to meet the minimum requirements of such statutes.

Part 7. WHEN A MEMBER'S INSURANCE ENDS

Your Insurance under the Group Policy will end automatically on the earliest of the following dates:

1. The last day of the calendar month in which you cease to be a Member as defined in Part 1A.
2. The date you become a full time member of the armed forces of any country.
3. The date the Group Policy terminates.
4. On the last day of the last period for which you make the required contribution for your Insurance, if you contribute toward the cost of your Insurance.

5. The last day of the calendar month in which you cease to be Actively at Work for the Employer on your regular work days for any reason, including the elimination of your job. However, your Insurance will be continued (unless it ends under any of the above items) during the following periods while you are absent from Active Work:
 - a. While you are receiving full salary (including sick pay and vacation pay) from the Employer, but not beyond the date your job is eliminated, the effective date of a severance agreement, or the date your job is terminated by you or the Employer.
 - b. For up to twelve weeks during a period of family or medical leave approved by the Employer in accordance with the Employer's uniform family and medical leave policy patterned after the federal Family and Medical Leave Act of 1993 or applicable state law.

Part 8. WHEN A DEPENDENT'S INSURANCE ENDS

Insurance on your Dependents will end automatically on the earliest of the following dates:

1. The date your Insurance ends for any reason.
2. The last day of the calendar month in which the person ceases to be your Dependent, as defined in Part 2A.
3. The date your Dependent becomes a full time member of the armed forces of any country.
4. On the last day of the last period for which you made the required contribution for Insurance on your Dependents, if you contribute toward the cost of the Insurance on your Dependents.

Continued Coverage For A Handicapped Child:

Insurance on a Dependent child will not end solely because the child ceases to be a Dependent as defined in Part 2 if you provide us with satisfactory written proof that the child qualifies for continued coverage as a Handicapped Child. This proof must be furnished to us on our forms within 31 days after the child ceases to be a Dependent as defined, and thereafter as required by us, but not more often than once a year after the two year period following the child's attainment of the limiting age. We have the right, at our expense, to have your child examined at reasonable intervals while you are claiming continued coverage under this provision.

Insurance on a Handicapped Child will end automatically on the earliest of the following dates:

1. The date the child becomes capable of self-sustaining employment.
2. The date the child ceases to be chiefly dependent upon you for support and maintenance.
3. 90 days after the date we mail you a request for proof that the child continues to qualify as a Handicapped Child, unless you provide us with the required proof within that 90 day period.
4. The date the Handicapped Child marries.
5. The date coverage would end under this Part 8 for any reason other than the child's attainment of the limiting age.

Part 9. BECOMING INSURED AGAIN AFTER INSURANCE ENDS

You and your Dependents, if any, may become insured again under the Group Policy after Insurance ends. The general rule is that you and your Dependents, if any, may become insured again on the same basis as a new Member, as provided in Parts 1 and 2. However, for purposes of becoming insured again, the following rules will apply:

1. If Insurance ends because you cease to be a Member, you and your Dependents, if any, will be immediately eligible for Insurance if you become a Member again within 90 days after your Insurance ends. If you do not apply for your Insurance or Insurance on your Dependents, if any, within 31 days after becoming eligible for Insurance again the person or persons applying for Insurance will not be eligible until the next Open Enrollment Period.
2. If your Insurance ends because you become a full time member of the armed forces of the United States, you will not be required to satisfy any eligibility waiting period shown in Part 1B again if you qualify as a Member and return to Active Work for the Employer within the time period(s) specified in the Uniform Services Employment and Reemployment Rights Act of 1994 as now in effect or hereinafter amended.
3. If Insurance ends because you fail to make the required premium contribution, you and your Dependents, if any, will not be eligible until the next Open Enrollment Period.
4. If you did not apply for Insurance within 31 days after becoming eligible again and experience a Life Event, you and your Dependents, if any, will be immediately eligible for Insurance. However, if you do not apply for your Insurance or Insurance on your Dependents, if any, within 31 days after becoming eligible again due to a change in family status you may not apply until the next Open Enrollment Period.

Insurance which becomes effective again will not be retroactive to the date the Insurance ended.

Part 10. PAYMENT OF CLAIMS

A. PAPERLESS SYSTEM

The Covered Person must contact an In-Network Provider before an eye examination. The In-Network Provider will verify that person's eligibility for Covered Expenses with Davis Vision before the examination takes place. The Provider will submit Covered Person's claim directly to Davis Vision.

B. PAYMENT OF BENEFITS

All in-network benefits will be paid directly to the Provider. Out-of-network benefits will be paid to you unless you provide written authorization for payment to the Provider. Any accrued benefits unpaid at the time of your death will either be paid to your beneficiary or to your estate. If any benefits are payable to your estate, or to a person who is a minor, or otherwise not competent to give a valid release, we may pay the indemnity to an amount not exceeding \$1,000 to any of your relatives by blood or marriage who we deem to be equitably entitled thereto. Any payment made by us in good faith pursuant to this provision will fully discharge us to the extent of such payment.

C. NOTICE OF CLAIM

Written notice of a claim must be given to us Davis Vision within 20 days after the incurred date of the Covered Expense or as soon thereafter as reasonable possible. Failure to give notice within such time shall not invalidate nor reduce any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible. If an In-Network Provider is used, notice of claim will be given to Davis Vision directly by the Provider on behalf of the Covered Person.

D. CLAIM FORMS

All claims for benefits should be submitted on our forms. All claims for out-of-network benefits should be submitted on our forms. You or the Provider should obtain claim forms from the Policyholder or Davis Vision. You may also request claim forms from us. If we fail to provide you with claim forms within 15 days of your request, you:

1. May submit your claim in a letter stating the medical expense for which the claim is made.

2. Will be deemed to have complied with the requirements of the Group Policy as to proof of loss upon submitting, within the time fixed in the Group Policy for submitting proof of loss, written proof covering the occurrence for which a claim is made, and the character and the extent of loss for which a claim is made.

E. PROOF OF LOSS

Proof of each of the following elements of proof of loss must be provided to us at your expense. No benefits for such charges will be paid until we receive satisfactory written proof:

1. That a Covered Person has incurred a Covered Expense.
2. That the charges for which benefits are claimed are not subject to any exclusion.
3. That a Covered Person's Insurance under the Group Policy was in effect on the date the charge was incurred.
4. Of such additional information as we reasonably require in connection with the claim for benefits.

You must provide your written authorization for us to obtain the records and information needed to evaluate your eligibility for benefits. Such proof must be given to us within 90 days after the occurrence or commencement of any loss covered by the Group Policy, or as soon thereafter as is reasonably possible.

Claims not filed within these time limits will be denied and no benefits will be paid. These time limits will not apply during any period when a Covered Person lacked the legal capacity to file a claim.

Any claim for benefits submitted by an In-Network Provider through the Paperless System (see A, PAPERLESS SYSTEM) will satisfy this requirement.

F. TIME PAYMENT OF CLAIMS

Subject to satisfactory written proof of loss, any benefits payable under the Group Policy will be paid within 35 days of our written receipt of such proof of loss, or our initial notice of decision of claim (see L. NOTICE OF DECISION OF CLAIM), if later.

G. INDEPENDENT EXAMINATION AND AUTOPSY

We have the right to have a Provider of our choice examine you or your covered Dependent to evaluate and confirm the services and supplies for which benefits are claimed. Any such examination will be conducted at our expense. We have the right to defer payment of benefits if the Provider or you or your covered Dependent fail to permit or cooperate with a review by the Provider of our choice. In the event of accidental death, we also have the right to have an autopsy performed unless forbidden by law.

H. RIGHT TO RECOVER BENEFITS PAID BY MISTAKE

If we mistakenly make a payment to you or to a Provider on your behalf for benefits, and you are not eligible for all or a part of that payment, then we have the right to recover the payment from you or the Provider who received the payment. Our right to recover a mistaken payment includes the right to deduct the amount paid by mistake from future benefits.

I. NOTICE OF DECISION OF CLAIM

Following our receipt of your claim you will receive an initial decision on the claim within:

1. 72 hours for urgent care claims;

2. 15 days for pre-service claims;
3. 30 days for post-service claims.

If you do not follow our procedures for filing a claim we will notify you as soon as possible but not later than 5 days (24 hours for urgent care claims) following our receipt of the claim.

We may extend the initial period for pre-service claims and post-service claims by 15 days if circumstances beyond our control require an extension. Any notice of an extension will be in writing and issued prior to the end of the initial 15-day period for pre-service claims, or the initial 30-day period for post service claims.

If such an extension is necessary due to your failure to submit the information necessary to decide the pre-service or post-service claim, you have 45 days from receipt of that notice to provide us with the information specified in that notice (48 hours to provide information for urgent care claims).

In any event, however, we will make a decision on your claim within 15 days for pre-service claims and 30 days for post-service claims from the date notification of an extension is mailed unless the extension is necessary due to the failure of the claimant to submit the necessary information to file the claim.

If the extension is necessary due to your failure of the claimant to submit the necessary information to file the claim we will make a decision on your claim within - 15 days for pre-service claims, and 30 days for post-service claims from the date we receive all information necessary to process the claim; or following the end of the 45 day period from the date you received the request for additional information, if later.

“Post-service claim” means any claim for a benefit under the Plan that is not an Urgent Care Claim or a Pre-service Claim as defined.

“Pre-service claim” means any claim for a benefit under the Plan with respect to which the terms of the Plan condition receipt of the benefit, in whole or in part, on approval of the benefit in advance of obtaining care or treatment.

“Urgent care claim” means any claim with respect to which the application of the time periods for making non-urgent care determinations (1) could, in the opinion of a prudent person with an average knowledge of health or medicine, seriously jeopardize the life or health of the claimant or the ability of the claimant to regain maximum function; or (2) in the opinion of a physician with knowledge of the claimant's medical condition, would subject the claimant to severe pain that cannot be adequately managed without the care or treatment that is the subject of the claim.

If we deny all or any part of your claim, you will be advised of the following in writing:

1. The reason for the denial.
2. The specific reference to the provisions of the Group Policy or Plan on which the denial was based.
3. Any additional material or information necessary for further review of the claim and explanation of why such information is necessary.
4. A description of the expedited review process applicable to denial of an urgent care claim, if applicable.
5. Notice of your right to appeal the denial.
6. An explanation of our review procedure.

7. If an internal rule or guideline was relied upon in making the determination to deny the claim, you will be provided with a copy of such rule or guideline upon request.
8. If applicable, notice of your right to a civil action under ERISA section 502(a) following a decision on appeal.

J. REVIEW PROCEDURE

To obtain a review, you must submit a request for review to us within 180 days after you receive notice of the denial. No special form is required. A request for review of an urgent care claim may be made over the phone. Any request for review of a pre-service claim or post-service claim must be in writing.

In connection with the review, you have the right to: (a) see the Group Policy and other papers affecting the claim; (b) argue against the denial in writing; (c) have a representative act on your behalf in the appeal. The person conducting the review will: (a) not be, or be subordinate to, the person who originally reviewed the claim; and (b) have medical expertise relevant to the claim, if the denial was based on medical judgement.

We will review your claim promptly after receiving your request for review. You will receive written notice of our decision for:

1. Urgent care claims as soon as reasonably possible taking into account medical exigencies but not later than 72 hours after we receive your request for review of an adverse benefit determination.
2. Pre-service claims within a reasonable period of time appropriate to the medical circumstances but not later than 30 days after we receive your request for review of an adverse benefit determination.
3. Post-service claims within a reasonable period of time but not later than 60 days after we receive your request for review of an adverse benefit determination.

Any notice of extension will be in writing, explain the special circumstances that may dictate an extension of the time period needed to review your appeal and give the date by which we expect to make our decision. In any event, however, you will receive written notice of our decision no later than 60 days after your request for review is received (120 days if there are special circumstances that require an extension for processing of the claim and notice was given). The written decision you receive will include:

1. The reason(s) for the decision.
2. A reference to any applicable standards or guidelines we used to make the determination.
3. A reference to the provisions of the Group Policy or Plan on which the decision is based.
4. Notice of your right to a copy of and access to any guidelines, rules, and protocols we relied upon in making the adverse determination.
5. Notice of your right to access all documents, records and other information relevant to your claim, without regard to whether we relied on the material in making the adverse determination.
6. Upon request, the names of medical professionals, if any, consulted as part of the claims process.

If applicable, notice of your right to bring a civil action under ERISA section 502(a) following a determination on appeal.

Other voluntary alternative dispute resolution options, such as mediation, may be available.

One way to find out what may be available is to contact your local U.S. Department of Labor Office and your state insurance regulatory agency.

K. CHILD SUPPORT PAYMENTS

We will not refuse to accept and honor an otherwise valid claim for benefits which is filed by either parent of a covered child, by the state agency or department responsible for administering the order, or other agency appointed by a court of competent jurisdiction pursuant to a qualified medical child support order. If we cover the child of a noncustodial parent or a parent sharing custody or temporary control of the child we will:

1. Provide such information to either the parent sharing custody, or temporary control, of the child as may be necessary for the child to obtain benefits;
2. Permit either the parent sharing custody, or temporary control, of the child, or the Provider with either parent's approval, to submit claims for Covered Expenses without the approval of the other parent; and
3. Make payments on claims directly to the parent who paid for the services, the Provider, the state agency or department responsible for administering the order, or other agency appointed by a court of competent jurisdiction pursuant to a qualified medical child support order.

L. ASSIGNMENT

No assignment of interest under the Group Policy will be binding upon us unless and until the original or a duplicate is received at our home office, or by our authorized representative. We do not assume any responsibility for the validity of an assignment.

M. LEGAL ACTIONS

No action at law or in equity may be brought to recover under the Group Policy until 60 days after written proof of loss has been provided to us. No such action will be brought after the expiration of three years after the time written proof of loss is required to be furnished.

Part 11. INCONTESTABLE CLAUSES

A. INCONTESTABLE CLAUSE FOR YOUR INSURANCE

Any statement you make to obtain Insurance is a representation and not a warranty. No misrepresentation by you will be used to reduce or deny your claim or to deny the validity of your Insurance unless all of the following are true:

1. Your Insurance would not have been approved if the truth had been known.
2. Your misrepresentation is contained in a written instrument signed by you.
3. You have been given a copy of the written instrument containing your misrepresentation.

After your Insurance has been in effect for two years, we will not use a misrepresentation by you to reduce or deny your claim or to deny the validity of your Insurance unless it was a fraudulent misrepresentation made with actual intent to deceive. However, we have the right at any time to assert as a defense to a claim that you were not eligible to become insured because you did not meet the requirements of Part 1, including, but not limited to, the requirements that you (1) be a Member, (2) submit and have approved an Enrollment Form, and (3) meet the Active Work requirement.

B. INCONTESTABLE CLAUSE FOR GROUP POLICY

Any statement made by the Policyholder to obtain the Group Policy is a representation and not a warranty. No misrepresentation by the Policyholder will be used to deny a claim or to deny the validity of the Group Policy unless all of the following are true:

1. The Group Policy would not have been issued by us if the truth had been known.
2. The misrepresentation is contained in a written instrument signed by the Policyholder.
3. A copy of the written instrument has been given to the Policyholder.

The validity of the Group Policy will not be contested after it has been in effect for two years, except for non-payment of premiums or a fraudulent misrepresentation made with actual intent to deceive.

Part 12. CLERICAL ERROR

Clerical error by the Employer will not:

1. Cause you to become insured.
2. Invalidate Insurance otherwise validly in force.
3. Continue Insurance otherwise validly terminated.

Part 13. ALLOCATION OF AUTHORITY

Except for those functions which the Group Policy specifically reserves to the Employer, we have the full and exclusive authority to administer claims and to interpret the Group Policy and resolve all questions arising in the administration, interpretation, and application of the Group Policy. Our authority includes, but is not limited to, the following:

1. The right to resolve all matters when a review has been requested.
2. The right to establish and enforce rules and procedures for the administration of the Group Policy and any claim under it.
3. The right to determine (a) your eligibility for Insurance, (b) your entitlement to benefits, and (c) the amount of the benefits payable to you.

Part 14. GENERAL DEFINITIONS

ACTIVELY AT WORK This term means the performance of all the duties that pertain to your work at the place where it is normally done, or where it is required to be done by your Employer.

ALTERNATE RECIPIENT This term means any child of a participant who is recognized under a Medical Child Support Order as having a right to enrollment under the Group Policy as the participant's eligible Dependent. For purposes of the benefits provided under the Group Policy, an Alternate Recipient will be treated as a Dependent, but for purposes of the reporting and disclosure requirements under ERISA, an Alternate Recipient will have the same status as a participant.

ALLOWANCE The flat dollar amount payable under the Group Policy for eye examinations, the fitting of eyeglasses or Materials received and/or purchased by a Covered Person.

APPLICATION The written request of a duly authorized representative for Insurance under the Group Policy on a form acceptable to us.

CALENDAR YEAR means the twelve month period beginning on January 1st and ending on December 31st.

COPAYMENT The amount a Covered Person is required to pay to the Provider prior to an eye examination or toward the cost of Materials. Copayments, if applicable, are shown in Part 3. Schedule of Benefits.

COVERED DEPENDENT means a Member's Dependent insured under the Group Policy.

COVERED EXPENSE An expense for eye examinations, the fitting of eyeglasses or Materials, incurred by a Covered Person, for which benefits are payable under the Group Policy.

COVERED PERSON means a Member insured under the Group Policy or a Member's Dependent insured under the Group Policy.

EFFECTIVE DATE The date shown on the cover page. This is the date on which the Group Policy becomes effective.

EMPLOYER means Specimen.

ENROLLMENT, ENROLLMENT FORM The written request for enrollment in the plan of Insurance by an eligible person on a form acceptable to us.

GROUP POLICY means our group policy number Specimen issued to the Policyholder.

HANDICAPPED CHILD means your unmarried child who, on and after the date the child ceases to be a Dependent, is both: (1) continuously incapable of self-sustaining employment by reason of mental retardation or physical handicap incurred prior to the date the child ceased to be a Dependent; and (2) continuously chiefly dependent upon you for support and maintenance. Your child will be considered chiefly dependent upon you for support and maintenance during any period when your child is institutionalized because of mental retardation or physical handicap.

IN-NETWORK PROVIDER Providers who have entered into a contract with Davis Vision to provide eye examinations and/or materials on a Scheduled Fee basis. These Providers are part of Davis Vision's Provider Network...

INSURANCE The group vision care insurance provided to you and your Dependents, if any, under the Group Policy.

LIFE EVENT means one of the following: (1) your marriage or divorce; (2) the death of your spouse; (3) the birth or adoption of your child; (4) the death of your child; (5) a change in the employment status of your spouse; or (6) a change in your employment status.

MATERIALS Frames and lenses provided to a Covered Person for ophthalmic correction under the terms and conditions of the Group Policy.

MEDICAL CHILD SUPPORT ORDER This term means any judgment, decree, or order (including approval of a domestic relations settlement agreement) issued by a court of competent jurisdiction that:

1. provides for child support with respect to a participant's child or directs the participant to provide coverage under a health benefits plan pursuant to a state domestic relations law (including a community property law); or
2. enforces a law relating to medical child support described in Social Security Act Sect. 1908 (as added by Omnibus Budget Reconciliation Act of 1993 sect. 13822) with respect to a group health plan.

OPEN ENROLLMENT PERIOD The period of time, established by the Employer, during which you have an opportunity to select your benefits and your Dependent's benefits for the coming year.

OPTIONAL IN-NETWORK ITEMS Materials provided under the Group Policy that can be selected at the Covered Person's option, subject to a Copayment, if any, shown in Part 3. Schedule of Benefits.

OUT-OF-NETWORK PROVIDER Providers of optometric services who have *not* entered into a contract with Davis Vision to provide vision care services.

POLICYHOLDER The legal entity to whom the Group Policy is issued.

PROVIDER A practitioner who is a legally qualified professional providing eye examinations and refractive and/or post-refractive services within the scope of their license. This term includes an ophthalmologist, an optometrist or an optician recognized as such in accordance with the laws of the State in which the services are provided. The Group Policy recognizes two categories of Providers; In-Network Providers and Out-of-Network Providers. Refer to these definitions for further information.

QUALIFIED MEDICAL CHILD SUPPORT ORDER This term means a Medical Child Support Order that creates or recognizes the existence of an Alternate Recipient's right to, or assigns to an Alternate Recipient the right to, receive benefits for which a participant or eligible Dependent is entitled under the Group Policy. In order for such an order to be a QMCSO, it must clearly specify:

1. the name and last known mailing address (if any) of the participant and the name and mailing address of each the Alternate Recipient covered by the order;
2. a reasonable description of the type of coverage to be provided under the Group Policy to each Alternate Recipient, or the manner in which that type of coverage is to be determined;
3. the period of coverage to which the order applies; and
4. each plan to which the order applies.

RIDER/ENDORSEMENT A formal document, signed by one of our authorized officers and attached to the Group Policy or a Certificate of Insurance issued under the Group Policy, that amends the Group Policy to provide additional benefits, or to remove exclusions and/or limitations.

SCHEDULED FEE The amount negotiated between an In-Network Provider and Davis Vision as full payment for eye examinations, the fitting of eyeglasses and Materials received or purchased by a Covered Person.

USUAL AND CUSTOMARY CHARGE That portion of a charge, as determined by us, made by a Provider for eye examinations, the fitting of eyeglasses or Materials which does not exceed the lesser of:

1. The customary charge made by other providers rendering or furnishing such care, treatment or supplies within the same geographic area; or
2. The usual charge the provider most frequently makes to patients for the same service.

We will base our determination of the customary charges within a geographical area on a study or survey done to determine such charges. Consideration will be given to the nature and severity of the condition being treated including any complications which require additional time, skill, treatment or expertise.

VOLUNTARY means you elect and pay the entire cost of your Insurance. The Insurance on your Dependents is Voluntary if you elect and pay the entire cost of your Dependent's Insurance. You must enroll for both your and your Dependents Insurance.

WE, US, OUR OR THE COMPANY With respect to group vision insurance benefits, the insurance company identified on the cover page.



Council Agenda Background

PRESENTER:

Jill McAdams, SPHR, Human Resources Director

ITEM:

Consider a resolution approving the City of Bedford's Section 125 Plan that allows employees to make contributions for insurance premiums Flexible Spending Accounts (FSA) and Health Savings Accounts (HSA) on a pre-tax basis as allowable under the Internal Revenue Service (IRS) Code Section 125.

DISCUSSION:

The IRS requires that the City of Bedford reinstate, on a yearly basis, the Premium Only Section 125 Plan ("Plan") adopted by the City on January 1, 1989. The purpose of the Plan is to allow employees of the City of Bedford to pay for insurance premiums, FSA and HSA contributions on a pre-tax basis. This plan affects only employee contributions and is not needed for or reflective of any City contributions to employees' HSAs.

The City of Bedford intends that the plan qualify as a "cafeteria plan" under Section 125 of the IRS Code of 1986 as amended. A copy of the summary plan document is attached.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City to reinstate the Premium Only Section 125 Plan adopted by the City on January 1, 1989.

FISCAL IMPACT:

None

ATTACHMENTS:

Resolution
Summary Plan Document-Premium Only Section 125 Plan

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING THE CITY TO REINSTATE THE PREMIUM ONLY SECTION 125 PLAN ADOPTED BY THE CITY OF BEDFORD ON JANUARY 1, 1989.

WHEREAS, the City of Bedford has previously determined on January 1, 1989 that it would be in the best interests of its employees to adopt a Section 125 Premium Only Plan allowing for pre-taxed medical benefit coverage, Flexible Savings Accounts (FSA) and Health Savings Account (HSA) contributions; and,

WHEREAS, the current plan for this benefit will expire on September 30, 2011; and,

WHEREAS, the City will continue to allow employees to pay for their premiums, FSA and HSA contributions on a pre-tax basis.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1. That the City of Bedford reinstates its Section 125 Premium Only Plan all in accordance with the specifications outlined in the attached Summary Plan Document; and, be it known that this document was executed on January 1, 1989 and is to be reinstated October 1st of each year thereafter.

SECTION 2. That it be further resolved that the City of Bedford undertake all actions necessary to implement and administer said plan.

SECTION 3. That the undersigned hereby certifies that he/she is the custodian of books and records of the City of Bedford, TX, an entity duly formed pursuant to the laws of the State of Texas, and that the foregoing is a true resolution duly adopted, and that said meeting was held in accordance with state law and the bylaws of the City of Bedford.

PASSED AND APPROVED this 9th day of August 2011, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney



The City of Bedford
Premium Only Section 125 Plan
Summary Plan Description
Effective January 1, 1989; Amended October 1, 2009

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As used in this Summary Plan Description (SDP), “Your” means an active employee as described under “who is Eligible”

Plan Purpose

The purpose of the City of Bedford Premium Only Plan (“Plan”) is to allow you to purchase coverage for health care with pre-tax dollars through a special type of spending account.

The advantage of this special spending account is that you pay no federal taxes on the contributions you make. This means a higher take-home pay for you than if you purchased health coverage with after-tax dollars.

The following pages explain how the plan works.

Who is Eligible?

If you are an employee regularly scheduled to work 30 or more hours per week at the City of Bedford (“Employer”), or any affiliate of the Employer which adopts the Plan (“Participating Employer”) then you are eligible to participate in the Plan.

How to Enroll

To enroll in the Plan, you must complete an election form; thereafter, in order to participate, you must re-enroll during the calendar month period preceding each Plan Year. If you are already a Plan Participant and you fail to complete an election form for the upcoming Plan Year then you will be deemed to have elected cash compensation to the extent permissible. If you are a newly Eligible Employee and fail to complete an election form then you will be deemed to have elected cash compensation to the extent permissible, (this means you have agreed to accept your pay after-taxes have been taken out, to pay for qualifying benefits). For the purpose of this Plan, “Plan Year” means the twelve month period commencing October 1 and ending on the subsequent September 30. Keep in mind that your choices are in effect for the entire Plan Year. Generally, you cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections, see “Election Changes” in this Summary. If for any reason you become unable to make the required contributions for the Plan, your benefits will cease at that time. You will not be able to resume pre-tax payment of premiums until the new Plan Year.

Election Changes

You usually cannot change your election to participate in the Salary Reduction Plan or vary the salary reduction amounts that you have selected during the Plan Year (known as the irrevocability rule). Of course you can change your elections for benefits and salary reductions during the Open Enrollment Period, but that will apply only for the upcoming Plan Year. During the Plan Year, however, there are several important exceptions to the irrevocability rule, known as “Changes in Election Events.” Participants can change their elections under the Salary Reduction Plan during a Plan Year if an event occurs that is a Change in Election Event and certain other conditions are met, as described below. For details, see the various Change in Election Events headings below for the specific type of Changes in Election Event: Leaves of absence, including FMLA leave; Changes in Status; Certain Judgments, Decrees and Orders; Medicare and Medicaid; Changes in Cost; and Changes in Coverage. In addition, the Plan Administrator can change certain elections on its own initiative. Note also that no changes can be made with respect to Medical Insurance Benefits if they are not permitted under the Medical Insurance Plan.

If any change in Election Event occurs, you must inform the Plan Administrator and complete a new Election Form/Salary Reduction Agreement within 30 days after the occurrence. If the change involves a loss of your Spouse's or Dependent eligibility for Medical Insurance Benefits, then the change will be deemed effective as of the date that eligibility is lost due to the occurrence of the Change in Election Event, even if you do not request it within 30 days.

1. Leaves of Absence. You may change an election under the Salary Reduction Plan upon FMLA and non-FMLA leaves.

2. Change in Status. If one or more of the following Changes in Status occur, you may revoke your old election and make a new election provided that both the revocation and new election are on account of and correspond with the Change in Status. Those occurrences that qualify as a Change in Status include the events described below, as well as any other events that the Plan Administrator, in its sole discretion and on a uniform and consistent basis, determines are permitted under IRS regulations:

- a change in your legal marital status (such as marriage, death of a Spouse, divorce, legal separation, or annulment). "Spouse" means the person who is legally married to you and is treated as a spouse under the Internal Revenue Code ("the Code");
- a change in the number of Dependents (such as the birth of a child, adoption or placement for adoption of a Dependent, or death of a Dependent). "Dependent" means your tax dependent under the code;
- any of the following events that change the employment status of you, your Spouse, or your Dependent and that affects benefits eligibility under a cafeteria plan (including this Salary Reduction Plan) or other employee benefit plan of you, your Spouse, or your Dependents. Such events include any of the following changes in employment status: termination or commencement of employment; a strike or lockout; a commencement of or return from an unpaid leave of absence; a change in worksite; switching from salaried to hourly-paid; union to non-union; or full-time to part-time (or vice versa); incurring a reduction or increase in hours of employment; or any other similar change that makes the individual become (or cease to be) eligible for a particular employee benefit;
- an event that causes your Dependent to satisfy or cease to satisfy an eligibility requirement for a particular benefit (such as attaining a specific age, ceasing to be a student, or a similar circumstance).
- A change in your, your Spouse's or your Dependent's place of residence.

3. Change in Status – Other Requirements. If you wish to change your election based on a Change in Status, you must establish that the revocation is on account of and corresponds with the Change in Status. The Plan Administrator, in its sole discretion and on a uniform and consistent basis, shall determine whether a requested change is on account of and corresponds with a Change in Status. As a general rule, a desired election change will be found to be consistent with a Change in Status event if the event affects coverage.

In addition, you must satisfy the following specific requirements in order to alter your election based on that Change in Status:

- *Loss of Spouse or Dependent Eligibility; Special COBRA Rules.* For accident and health benefits a special rule governs which types of election changes are consistent with the Changes in Status. For a Change in Status involving your divorce, annulment, or legal separation from your Spouse, the death of your Spouse or your Dependent, or your Dependent's ceasing to satisfy the eligibility requirements for coverage, you may elect only to cancel the accident or health benefits for the affected Spouse or Dependent. A change in election for any individual other than your

Spouse involved in the divorce, annulment, or legal separation, your deceased Spouse or Dependent, or your Dependent that ceased to satisfy the eligibility requirements would fail to correspond with the Change in Status.

However, if you, your Spouse, or your Dependent elects COBRA continuation coverage under the Employer's plan because you ceased to be eligible because of a reduction of hours or because your Dependent ceases to satisfy eligibility requirements for coverage, and if you remain a Participant under the terms of the Salary Reduction Plan, then you may in certain circumstances be able to increase your contributions to pay for such coverage.

- **Gain of Coverage Eligibility Under Another Employer's Plan.** For a Change in Status in which you, your Spouse, or your Dependent gains eligibility for coverage under another employer's cafeteria plan (or qualified benefit plan) as a result of change in your marital status or a change in your, your Spouse's, or your Dependent's employment status, your election to cease or decrease coverage for that individual under the Salary Reduction Plan would correspond with the Change in Status only if coverage for that individual becomes effective or is increased under the other employer's plan.

4. Special Enrollment Rights. In certain circumstances, enrollment for Medical Insurance Benefits may occur outside the Open Enrollment Period, as explained in materials provided to you separately describing the Medical Insurance Benefits. (The Employer's Special Enrollment Notice also contains important information about the special enrollment rights that you may have, a copy of which was previously furnished to you. Contact Human Resources if you need another copy.) When a special enrollment right explained in those separate documents applies to your Medical Insurance Benefits, you may change your election under the Salary Reduction Plan to correspond with the special enrollment right.

5. Certain Judgments, Decrees, and Orders. If a judgment, decree, or order from a divorce, separation, annulment or custody change requires your child (including a foster child who is your Dependent) to be covered under the Medical Insurance Benefits, you may change your election to provide coverage for the child. If the order requires that another individual (such as your former Spouse) cover the child, then you may change your election to revoke coverage for the child if such coverage is, in fact, provided for the child.

6. Medicare or Medicaid. If you, your Spouse, or your Dependent becomes entitled to (i.e., becomes enrolled in) Medicare or Medicaid, then you may reduce or cancel that person's accident or health coverage under the Medical Insurance Plan. Similarly, if you, your Spouse, or your Dependent who has been entitled to Medicare or Medicaid loses eligibility for such coverage, then you may elect to commence or increase that person's accident or health coverage.

7. Change in Cost. If the cost charged to you for your Medical Insurance Benefits significantly increases during the Plan Year, then you may choose to do any of the following: (a) make a corresponding increase in your contributions; (b) revoke your election and receive coverage under another benefits package option (if any) that provides similar coverage, or elect similar coverage under the plan of your Spouse's employer; or (c) drop your coverage, but only if no other benefits package option provides similar coverage.

For insignificant increases or decreases in the cost of benefits, however, the Plan Administrator will automatically adjust your election contributions to reflect the minor change in cost. The Plan Administrator generally will notify you of increases in the cost of Medical Insurance benefits.

- 8. Change in Coverage.** You may also change your election if one of the following events occurs:

- *Significant Curtailment of Coverage.* If your Medical Insurance Benefits coverage is significantly curtailed without a loss of coverage (for example, when there is an increase in the deductible under the Medical Insurance Benefits), then you may revoke your election for that coverage and elect coverage under another benefits package option that provides similar coverage. (Coverage under a plan is significantly curtailed only if there is an overall reduction of coverage under the plan generally – loss of one particular physician in a network does not constitute significant curtailment). If your Medical Insurance Benefits coverage is significantly curtailed with a loss of coverage (for example, if you lose all coverage under the option by reason of an overall lifetime or annual limitation), then you may either revoke your election and elect coverage under another benefits package option that provides similar coverage, elect similar coverage under the plan of your Spouse’s employer, or drop coverage but only if there is no option available under the plan that provides similar coverage. (The Plan Administrator generally will notify you of significant curtailments in Medical Insurance Benefits coverage.)
- *Addition or significant Improvement of Salary Reduction Plan Option.* If the Salary Reduction Plan adds a new option or significantly improves an existing option, then the Plan Administrator may permit Participants who are enrolled in an option other than the new or improved option to elect the new or improved option. Also, the Plan Administrator may permit eligible Employees to elect the new or improved option on a prospective basis, subject to limitations imposed by the applicable option.
- *Loss of Other Group Health Coverage.* You may change your election to add group health coverage for you, your Spouse, or your Dependent, if any of you loses coverage under any group health coverage sponsored by a governmental or educational institution (for example, a state children’s health insurance program or certain Indian tribal programs).
- *Change in Election Under Another Employer Plan.* You may make an election change that is on account of and corresponds with a change made under another employer plan (including a plan of the Employer or a plan of your Spouse’s or Dependent’s employer), so long as (a) the other cafeteria plan or qualified benefits plan permits its participants to make an election change permitted under the IRS regulations; or (b) the Salary Reduction Plan permits you to make an election for a period of coverage (for example, the Plan Year) that is different from the period of coverage under the other cafeteria plan or qualified benefits plan. For example, if an election to drop coverage is made by your Spouse during his or her employer’s open enrollment, you may add coverage under the Salary Reduction Plan to replace the dropped coverage.

9. Modifications Required by the Plan Administrator. The Plan Administrator may modify your election(s) downward during the Plan Year if you are a key employee or highly compensated individual (as defined by the Code), if necessary to prevent the Salary Reduction Plan from becoming discriminatory within the meaning of the federal income tax law. Additionally, if a mistake is made as to your eligibility or participation, the allocations made to your account, or the amount of benefits to be paid to you or another person, then the Plan administrator shall, to the extent that it deems administratively possible and otherwise permissible under the Code and other applicable law, allocate, withhold, accelerate, or otherwise adjust such amounts as will in its judgment accord the credits to the account or distributions to which you are or such other person is properly entitled under the Salary Reduction Plan. Such action by the Plan Administrator may include withholding of any amounts due from your compensation.

When You May Participate

You are eligible to participate on the first day of the calendar month coinciding with or next following your completion of one day of active employment as an Eligible Employee. It is specifically the Participant's responsibility regarding insurance premium reimbursement not to request anything that could violate the terms of their insurance policy.

Health Savings Account (HSA) Module

An Eligible Employee can elect to participate in the HSA Module by electing to pay the HSA Contribution on a pre-tax Salary Reduction basis to the HSA established and maintained outside the Plan by a trustee/custodian to which the Employer can forward contributions to be deposited (this funding feature constitutes the HSA Benefits offered under this Plan). Such election can be increased, decreased or revoked prospectively at any time during the Plan Year, effective no later than the first day of the next calendar month following the date that the election change was filed.

The annual Contribution for your HSA Benefits is equal to the annual benefit amount elected by you (for example, if the maximum \$5,950 annual benefit amount is elected, then the annual contribution amount is also \$5,950). In no event shall the amount elected exceed the statutory maximum amount for HSA contributions applicable to the Participant's High Deductible Health Plan coverage option (i.e., single or family) for the calendar year in which the Contribution is made (See the IRS website for annual contribution limits).

An additional catch-up Contribution (See the IRS website for catch-up limit provisions) may be made for Employees who are age 55 or older. In addition, the maximum annual Contribution shall be reduced by any matching (or other) Employer Contribution made on the Participant's behalf other than pre-tax Salary Reduction made under the plan.

The Plan Year covers two calendar years which may result in the IRS guidelines for HSA contributions being modified mid-plan year. If this occurs the Employer will electronically communicate all changes in HSA contribution guidelines to Plan Participants.

The HSA is not an employer-sponsored employee benefit plan – it is an individual trust or custodial account separately established and maintained by a trustee/custodian outside the Plan. Consequently, the HSA trustee/custodian, not the Employer, will establish and maintain the HSA. The HSA trustee/custodian will be chosen by the Employer. The Plan Administrator will maintain records to keep track of HSA Contributions an Employee makes via pre-tax Salary Reductions, but it will not create a separate fund or otherwise segregate assets for this purpose. The Employer has no authority or control over the funds deposited in a HSA.

The tax treatment of the HSA (including contributions and distributions) is governed by Code § 223.

HSA Benefits under this Plan consist solely of the ability to make Contributions to the HSA on a pre-tax Salary Reduction basis. Terms and conditions of coverage and benefits will be provided by and are set forth in the HSA, not this Plan. The terms and conditions of each Participant's HSA trust or custodial account are described in the HSA trust or custodial agreement provided by the applicable trustee/custodian to each electing Participant and are not a part of this Plan.

The HSA is not an employer-sponsored employee benefits plan. It is a savings account that is established and maintained by an HSA Trustee/Custodian outside this Plan to be used primarily for reimbursement of "qualified eligible medical expenses" as set forth in Code § 223(d)(2). The Employer has no authority or control over the funds deposited in a HSA. Even though this Plan may allow pre-tax

Salary Reduction contributions to a HSA, the HSA is not intended to be an ERISA benefit plan sponsored or maintained by the Employer.

An election to make a Contribution to your HSA can be increased, decreased or revoked at any time during the year on a prospective basis. Such election changes shall be effective no later than the first day of the next calendar month following the date that the election change was filed. No Benefit Package Option election changes can occur as a result of a change in HSA election. See your Plan Administrator for more details.

Flexible Spending Account (FSA) Module

An Employee who works a minimum of 1560 hours per year can elect to participate in the FSA Module by electing to pay the FSA contribution on a pre-tax Salary Reduction basis to the FSA established and maintained outside the Plan by a trustee/custodian to which the Employer can forward contributions to be deposited (this funding feature constitutes the FSA Benefits offered under this Plan).

The maximum allowable annual Contribution for your (medical) FSA Benefits is \$2000 and \$5000 for your (dependent care) FSA. In no event shall the amount elected exceed maximum amounts listed above. All funds must be used by the end of the calendar year in which the plan is in effect, otherwise, funds are forfeited back to the employer.

The Employer will electronically communicate any changes to the maximum FSA contribution guidelines to Plan Participants.

The FSA is an employer-sponsored employee benefit plan in addition to an individual trust or custodial account separately established and maintained by a trustee/custodian outside the Plan. Consequently, the FSA trustee/custodian, not the Employer, will establish and maintain the FSA. The FSA trustee/custodian will be chosen by the Employer. The Plan Administrator will maintain records to keep track of FSA Contributions an Employee makes via pre-tax Salary Reductions, but it will not create a separate fund or otherwise segregate assets for this purpose. The Employer has no authority or control over the funds deposited in a FSA other than limiting the maximum allowable contributions as listed above.

The tax treatment of the FSA (including contributions and distributions) is governed by Code § 223.

FSA Benefits under this Plan consist solely of the ability to make Contributions to the FSA on a pre-tax Salary Reduction basis. Terms and conditions of coverage and benefits will be provided by and are set forth in the FSA, not this Plan. The terms and conditions of each Participant's FSA trust or custodial account are described in the FSA trust or custodial agreement provided by the applicable trustee/custodian to each electing Participant and are not a part of this Plan.

FMLA Leaves of Absence *(Applicable to groups of 50+ employees)*

If you go on a qualifying leave under the Family and Medical Leave Act of 1993 (FMLA), then to the extent required by the FMLA your Employer will continue to maintain your Medical Insurance Benefits on the same terms and conditions as if you were still active (that is, your Employer will continue to pay its share of the contributions to the extent that you opt to continue coverage). Your Employer may require you to continue all Medical Insurance Benefits coverage while you are on paid leave (so long as Participants on non-FMLA paid leave are required to continue coverage). If so, you will pay your share of the contributions by the method normally used during any paid leave (for example, on a pre-tax salary-reduction basis). If you are going on unpaid FMLA leave (or paid FMLA leave where coverage is not required to be continued) and you opt to continue your Medical Insurance Benefits, then you may

pay your share of the contributions in one of three ways: (a) with after-tax dollars while on leave; (b) with pre-tax dollars to the extent that you receive compensation during the leave, or by pre-paying all or a portion of your share of the contributions for the expected duration of the leave on a pre-tax salary reduction basis out of your pre-leave compensation, including unused sick days and vacation days (to pre-pay in advance, you must make a special election before such compensation normally would be available to you (but note that prepayments with pre-tax dollars may not be used to pay for coverage during the next Plan Year); or (c) by other arrangements agreed upon by you and the Plan Administrator (for example, the Plan Administrator may pay for coverage during the leave and withhold amounts from your compensation upon your return from leave).

If your Employer requires all Participants to continue Medical Insurance Benefits during the unpaid FMLA leave, then you may discontinue paying your share of the required contributions until you return from leave. Upon returning from leave, you must pay your share of any required contributions that you did not pay during the leave. Payment for your share will be withheld from your compensation either on a pre-tax or after-tax basis, depending on what you and the Plan Administrator agree to. If your Medical Insurance Benefits coverage ceases while you are on FMLA leave (e.g., for non-payment of required contributions), you will be permitted to re-enter such Benefits, as applicable, upon return from such leave on the same basis as when you were participating in the Plan before the leave or as otherwise required by the FMLA. You may be required to have coverage for such Benefits reinstated so long as coverage for Employees on non-FMLA leave is required to be reinstated upon return from leave. If that policy permits you to discontinue contributions while on leave, then upon returning from leave you will be required to repay the contributions not paid by you during leave. Payment will be withheld from your compensation either on a pre-tax or after-tax basis, as agreed to by the Plan Administrator and you or as the Plan Administrator otherwise deems appropriate.

Non-FMLA Leaves of Absence

If you go on an unpaid leave of absence that does not affect eligibility, then you will continue to participate and the contribution due from you (if not otherwise paid by your regular salary reductions) will be paid by pre-payment before going on leave, with after-tax contributions while on leave or with catch-up contributions after the leave ends, as determined by the Plan Administrator. If you go on an unpaid leave that does affect eligibility, then the Change in Status rules will apply (see Q-1).

About Social Security Taxes

Social Security taxes are not deducted from the amount you pay in premiums on a pre-tax basis. This could result in a small reduction in the Social Security benefit you receive at retirement. This is because Social Security benefits are based on what you earned while you were working, up to the Taxable Wage Base (TWB). If your salary is above the TWB, your Social Security benefit is not likely to be affected. If you are below the TWB, the benefit would be reduced. The tax advantages you gain through this Plan may offset any possible reduction in Social Security benefits.

About Income Taxes

If you cover dependent children under medical plan(s) sponsored by the City of Bedford and your family's adjusted income is \$35,458 or less, you may be eligible to receive the Supplemental Earned Income Credit for Health Insurance Premiums (based on the tax code as of January 1, 2004). However, the amount of your contributions for health coverage, which are paid on a pre-tax basis, would reduce

the amount of this tax credit. You should, therefore, review whether it is more advantageous for you to take the full tax credit or to elect to have your medical and dental contributions paid on a pre-tax basis.

Future of the Premium Only Account

The Plan is based on the Employer's understanding of the current provisions of the Internal Revenue Code. The Employer reserves the right to amend or discontinue the Plan if regulations or changes in the tax law make it advisable to do so. If the Plan is amended or terminated, it will not affect any benefit to which you were entitled before the date of the amendment or termination. It is specifically the Participant's responsibility regarding insurance premium reimbursement not to request anything that could violate the terms of their insurance policy.

Insurance Contracts

Any moneys refunded to the Employer or a participating Employer, due to actuarial error in the rate calculation, will be the property of and retained by the Employer or the Participating Employer.

COBRA Continuation Coverage *(Generally applicable to groups of 20+ employees)*

If you terminate employment, under Federal law, you, your spouse, and/or your covered dependents lose coverage under this Plan. You, your spouse, and/or your covered dependents may be entitled to continuation of health care coverage. The Administrator will inform you of these rights if you lose coverage for any reason other than divorce, legal separation or a covered dependent ceasing to be a dependent. Generally, if we employed twenty (20) or more employees "on a typical business day" in the preceding calendar year, health plan continuation must be made available for a period not to exceed eighteen (18) months if a loss of benefits occurs because of your termination of employment or reduction of hours, or for a period not to exceed three (3) years for any of the other reasons given in (b) or (c) below. Under certain circumstances, persons who are disabled at the time of termination of employment or reduction of hours and/or within the first 60 days of COBRA coverage may be eligible for continuation of coverage for a total of 29 months (rather than 18). You should check with the Administrator for more details regarding this extended coverage. However, in certain circumstances, this continuation coverage may be terminated for reasons such as failure to pay continuation coverage cost, coverage under another employer's plan (whether as an employee or otherwise, provided the other employer's health plan does not contain any exclusion or limitation with respect to any pre-existing condition of the beneficiary unless the pre-existing condition limit does not apply to, or is satisfied by, the qualified beneficiary by reason of the group health plan portability, access and renewability requirements of the Health Insurance Portability and Accountability Act, ERISA or the Public Health Services Act), termination of our health plan, a "for cause" termination of coverage for reasons such as fraud, or you (or the person entitled to continued coverage) become enrolled in Medicare. However, if you become enrolled in Medicare, your covered dependents may still qualify for continuation coverage. The cost of continuation coverage must be paid by the individual choosing such coverage; however, the cost may not exceed 102% of the cost of the same coverage for a "similarly situated" employee or family member. When the continuation coverage for a disabled person is extended from 18 months to 29 months, the disabled person may be charged 150% (rather than 102%) of the cost of the coverage after expiration of the initial 18-month period.

(a) If you would otherwise lose your health plan coverage under this Plan because of a termination of employment or a reduction in hours, you may continue the health plan coverage provided under this plan. However, this will not be a tax-deductible expense to you, absent unusual circumstances.

(b) Your spouse may choose continuation of coverage for himself or herself if he or she loses group health coverage for any of the following reasons: (1) your death; (2) your divorce or legal separation; or (3) you become enrolled in Medicare.

(c) Your dependent children, including a child born to or placed for adoption with the Participant during the period of COBRA coverage, may choose continuation coverage for themselves if they lose group health coverage for any of the following reasons: (1) death of a parent; (2) your divorce or legal separation; (3) you become enrolled in Medicare; or (4) your dependent ceases to be a dependent child under this Plan.

It is your responsibility to notify the Plan Administrator of a divorce, legal separation or other change in marital status, change in a spouse's address, or a child losing dependent status under the plan, within sixty (60) days of the event. It is our responsibility to notify the Plan Administrator of your death, termination of employment or reduction in hours, the Employer's bankruptcy, or Medicare eligibility.

"Medicare" means the Health Insurance For the Aged and Disabled Act, Title XVIII of Public Law 89-97, Social Security, as amended.

Revised Definition of "Dependent" by WFTRA

The definition of "Dependents" has been revised under Section 152 of the Code by the Working Families Tax Relief Act of 2005, effective January 1, 2005. An individual is considered to be a dependent if he or she is a qualifying child or qualifying relative of the taxpayer.

The following four criteria must be met to be a qualifying child:

1. The individual has a specific family type relationship to the taxpayer
2. The individual does not provide more than half of his or her own support
3. The individual has the same place of residence as the taxpayer for more than half of the year
4. The individual does not turn age 19 (24 if a full time student), by the end of the Plan Year

In addition the following four criteria must be met to be a qualifying relative:

1. The individual has a specific family type relationship to the taxpayer
2. The individual is not a qualifying child of any other taxpayer
3. The individual receives more than half of his or her support from the taxpayer
4. The individual's annual gross income is less than the Section 151 limit (this criteria does not apply to health plans)

In the case of an individual who is permanently and totally disabled (as defined in Code Section 22 (e)(3)) at any time during such calendar year, the age requirement for a qualifying child does not apply.

No person shall be considered a Dependent of more than one Employee. If both an Employee and an Employee's spouse are employed by the Employer dependent children may be covered by either spouse, but not by both.

ERISA Rights Statement

The Employee Retirement Income Security Act of 1974 ("ERISA") was enacted to help assure that all employer-sponsored group Medical Insurance Benefits conform to standards set by Congress. An employee who is a Participant in the Plan is entitled to certain rights and protections under ERISA which

provides that all Participants will be entitled to (1) examine, without charge, at the Plan Administrator's office and at other appropriate locations, all Plan documents and copies of documents filed with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions; (2) obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator, subject to a reasonable charge for copies; and, (3) receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this Summary Annual Report. Plan records are kept on a Plan Year basis.

In addition to creating rights for plan participants, ERISA imposes duties upon those responsible for the operation of a plan who are called "fiduciaries" and who have a duty to operate the Plan prudently and in the interest of Participants and Beneficiaries. If a claim for a benefit under the Plan is denied in whole or in part, the claimant must receive a written explanation of the reason for the denial. The claimant has the right to have the claim reviewed and reconsidered.

Within 180 days of receipt of a notice denying a claim you or your duly authorized representative may request in writing a full and fair review of the claim by the Plan Administrator, or by an appeals committee appointed by the Employer for that purpose ("Committee"). The Plan Administrator may extend the 180-day period where the nature of the benefit involved or other attendant circumstances make such extension appropriate.

Under ERISA, there are steps an Employee covered under a plan can take to enforce the above rights. For instance, if the person requests materials and does not receive them within 30 days, the person may file suit in a federal court. In such a case, the court may require the City to provide the materials and pay the person up to \$110 a day until the person receives the materials, unless the materials were not sent because of reasons beyond the city's control.

If a person has a claim for benefits which is denied or ignored, in whole or in part, the person may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the Plan's money, or if an Employee covered under this Plan is discriminated against for asserting his or her rights, the person may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If the claimant loses, the court may order the claimant to pay these costs and fees, for example, if it finds the claim to be frivolous.

If an Employee covered under the Plan has any questions about the Plan, the Employee should contact the City of Bedford Human Resources department. If an Employee has any questions about this statement of the Employee's rights under ERISA, the Employee should contact the nearest Area office of the U.S. Labor-Management Services Administration, Department of Labor.

Special Note: This is a Summary Plan Description only. Your specific rights to benefits under the Plan are governed solely, and in every respect by your Employer's Premium Only Plan Document, a copy of which is available from the City upon your request (see Statement of ERISA Rights). If there is any discrepancy between the description of the Plan as contained in this material and the official Plan document, the language of the Plan document shall govern.

Administrative Facts

Plan Sponsor and Administrator

The Plan is sponsored by the City of Bedford, 2000 Forest Ridge Drive, Bedford, TX 76021. The City of Bedford Human Resources Department shall act as Plan Administrator. The Plan Administrator manages the overall operations of the Plan and decides all questions that come to it on a fair and equitable basis for participants and their Beneficiaries. The HR Coordinator, the person in charge of

benefits of the City of Bedford, located at 2000 Forest Ridge Drive, Bedford, TX 76021, is responsible for the day-to-day operation of the Plan.

Plan Identification Numbers

The Employer Identification Number (“EIN”) assigned to the City of Bedford by the Internal Revenue Service (“IRS”) is 75-1166224. The Plan Number (“PN”) assigned to the Premium Only Plan by the City is 501. You should refer to these numbers in any correspondence about the Plan.

Service of Legal Process

The City of Bedford has designated the Plan Administrator as its agent for service of legal process in connection with claims under the Plan. Such process may be served on the City by directing the process to the Plan Administrator at the City of Bedford address.

Classification and Funding

This Plan is classified as a Code section 125 welfare benefits plan by the Department of Labor and is funded by Employer and Employee contributions.

Not a Contract of Employment

No provision of the Plan is to be considered a contract of employment between you and the Employer. The Employer’s rights with regard to disciplinary action and termination of the Employee, if necessary, are in no manner changed by any provision of the Plan.



CITY OF BEDFORD

Schedule A

SCHEDULE OF BENEFITS

- (X) GROUPS HEALTH INSURANCE PLAN
- (X) HSA HIGH DEDUCTIBLE HEALTH PLAN
- (X) HEALTH SAVINGS ACCOUNT (HSA) MODULE
- (X) HEALTH AND DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS (FSA)
- (X) GROUP DENTAL COVERAGE
- (X) VISION CARE INSURANCE
- () GROUP TERM LIFE INSURANCE
- () DISABILITY INCOME-SHORT TERM (A & S)
- () DISABILITY INCOME-LONG TERM (LTD)
- (X) CANCER INSURANCE
- () ACCIDENTAL DEATH AND DISMEMBERMENT
- (X) INTENSIVE CARE INSURANCE
- (X) ACCIDENT INSURANCE
- (X) HOSPITAL INDEMNITY INSURANCE

The Employee contributions necessary to obtain the coverage options set forth in this Schedule A above will be communicated by the Employer to Eligible Employees upon commencement of participation and to Participants at the time of the Enrollment Period. The required Employee contribution amounts will be considered as the maximum elective Employee contributions necessary for participation in each Plan option above. It is specifically the Participant's responsibility regarding insurance premium reimbursement not to request anything that could violate the terms of their insurance policy.



Council Agenda Background

PRESENTER:

Jill McAdams, *SPHR*, Human Resources Director
Lisa Mizell, Principal, Benefits Seminar Plus

ITEM:

Consider a resolution authorizing the City Manager to enter into a contractual agreement with Optum Health Financial Services to provide Health Savings Account (HSA) banking services for employee accounts.

DISCUSSION:

During the insurance bid process, staff learned from our brokers that there are substantial fee savings for the City and employees if the employee health savings accounts are “unplugged” or separated from the insurance carrier. Please refer to the attached table for specific fee information and comparisons. Additionally, unplugging the accounts from the insurance carrier would allow the accounts to be free standing in the event that changing insurance carriers becomes necessary in the future.

Optum Bank is FDIC insured, handles only HSAs and, in addition to lower fees, provides other services (not offered by major banks) to ensure that the City pays for only those accounts that are active. For example, under Chase Bank, the City is not aware of who has an active account because it is an account owned by the employee. Therefore an account fee is paid for all accounts, regardless of whether there is any money in the account. With Optum Bank, employees with a zero balance in their HSA accounts are notified that the account will be placed in an inactive status within 60 days unless funds are being put in the account. If the account moves to an inactive status, the City is not billed for maintenance of the account. Once the employee puts money in the account, it becomes active again and then the City would begin paying the monthly maintenance cost.

The transfer of funds from Chase bank to Optum Bank is done electronically (by a file upload) and, if completed before 3:00 p.m., employees would not experience any blackout period whereby they could not use their HSA accounts. If transferred after 3:00 p.m., there would be a blackout period until 8:00 a.m. the next working day, so that the funds could be successfully transferred. HR staff has begun the process of working with Chase Bank and Optum Bank to ensure that the transfer takes place before 3:00 p.m., thereby avoiding any blackout period for employees.

This information was discussed in great detail with the Employee Insurance Committee and those members are in agreement that unplugging the HSA accounts from the insurance carrier makes sense financially for both the employee and the City.

Moving the HSA accounts from Chase Bank to Optum Bank will produce a cost savings of approximately \$26,000 a year, or possibly more, depending on the number of accounts that are moved into an inactive status at any given time.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into a contractual agreement with Optum Health Financial Services to provide Health Savings Account (HSA) banking services for employee accounts.

FISCAL IMPACT:

There is an approximate savings of \$26,000 a year.

ATTACHMENTS:

Resolution
Health Savings Account Comparison Table

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACTUAL AGREEMENT WITH OPTUM HEALTH FINANCIAL SERVICES TO PROVIDE HEALTH SAVINGS ACCOUNT (HSA) BANKING SERVICES FOR EMPLOYEE ACCOUNTS.

WHEREAS, the City of Bedford provides health savings accounts for all eligible employees enrolled in health insurance; and,

WHEREAS, the current bank used to provide health savings accounts for eligible employees is linked into the health insurance provider contract; and,

WHEREAS, the City of Bedford and employees will have lower fees associated with health savings accounts by changing bank services providers; and,

WHEREAS, the City of Bedford issued a Request for Proposals and evaluated the proposals from various banks; and,

WHEREAS, it was determined by staff that Optum Health Financial Services provides the best value for the cost.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1. That the City Council does hereby authorize the City Manager to enter into a contractual agreement with Optum Health Financial Services to provide Health Savings Account (HSA) banking services for employee accounts.

PASSED AND APPROVED this 9th day of August 2011, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

Health Savings Account- Bank Comparisons

Fee	Chase Bank (CIGNA)	OptumHealth Bank (Unplugged)	Mellon Bank (BCBS)
Account Set up	\$0	\$0 for online enrollment/ \$25 for paper enrollment	\$5
Employer Monthly Maintenance	\$4.94 (lowered from \$7.24)	\$1.00	\$2.25 for balances < \$3,000 / \$0 if average monthly balance is \$3,000 or more
Paper Statements	\$.85	No Charge	\$.75
Initial Debit Card(s)	No Charge	No Charge	No Charge
Teller Assisted Cash Withdraw	\$3.00 per transaction	Not Applicable	Not Applicable
Account Closure	\$20.00 per account	\$0	\$0
ATM Cash Withdraw	No Charge	\$1.50 per transaction + other banking fees	\$1.00 per transaction + other banking fees
Replacement of Lost/Stolen Debit Cards	\$15.00	No Charge	\$5.00
NSF	\$20 per occurrence (checks)	\$25 per occurrence (checks)	\$25.00 per occurrence (checks)
Check Writing	\$1.35 per check	\$10 for 25 checks / \$10 to write yourself a check	Check Writing (free) / Initial Checkbook - \$5.00 / Check book Reorder - \$5 for 40 checks
Check Stop Payment	\$20.00 per Check	\$15.00 per Check	\$25.00 per Check
Duplicate Transaction/Check	\$10	\$25.00	\$5.00
Returned Check or EFT	\$10	\$15.00	Not listed
Research	\$0	\$10 per hour	\$20.00 per hour
Excess Contribution	\$0	\$20.00	\$25.00



Council Agenda Background

PRESENTER:

John F. Kubala, P.E., Public Works Director

ITEM:

Consider a resolution authorizing the City Manager to enter into a contract with the Trinity River Authority of Texas (TRA) to perform water and wastewater analytical services and to conduct industrial inspection and sampling services for an amount not to exceed \$12,000 per year.

DISCUSSION:

In order to fulfill the responsibilities associated with the enforcement of Federal, State, and City regulations, the City of Bedford requires the services of a laboratory qualified to perform water and wastewater analysis, and of personnel to conduct industrial inspection and sampling. TRA will perform industrial pretreatment inspections and review applications for permits to insure industries' compliance with the City of Bedford's Industrial Waste and Sewer Ordinances and EPA Regulations. TRA has been performing this inspection and sampling for the City over four years. The City does not have the capability to perform the tests. Reimbursement for the inspection, sampling, and analytical costs, and cost for any travel and per diem expenses shall not exceed \$12,000 per year for the period of this contract. The fees change yearly based upon TRA's actual costs. The contract is for a period of three years, terminating September 30, 2014.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into a contract with the Trinity River of Authority of Texas to perform water and wastewater analytical services and to conduct industrial inspection and sampling services for an amount not to exceed \$12,000 per year.

FISCAL IMPACT:

Funding will come from the Public Works Wastewater Division budget.

ATTACHMENTS:

Resolution
Contract for Technical Services
Chain-of-Custody Procedures
Technical Services Fee Schedule

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH THE TRINITY RIVER AUTHORITY OF TEXAS (TRA) TO PERFORM WATER AND WASTEWATER ANALYTICAL SERVICES AND TO CONDUCT INDUSTRIAL INSPECTION AND SAMPLING SERVICES FOR AN AMOUNT NOT TO EXCEED \$12,000 PER YEAR.

WHEREAS, the City of Bedford requires the services of a laboratory qualified to perform water and wastewater analysis, and of personnel to conduct industrial inspection and sampling; and,

WHEREAS, the Trinity River Authority of Texas has the ability to perform these services.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1. That the City Council does hereby authorize the City Manager to enter into a three year contract with the Trinity River Authority of Texas to perform water and wastewater analytical services and to conduct industrial inspection and sampling services in an amount not to exceed \$12,000 per year.

SECTION 2. Funding for these services will come from the Public Works Wastewater Division budget.

PASSED AND APPROVED this 9th day of August, 2011, by ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

CONTRACT FOR TECHNICAL SERVICES

I. CONTRACTING PARTIES

The Receiving Agency: City of Bedford, whose authorized address is 2000 Forest Ridge Drive, Bedford, TX 476021, Attention: Beverly Griffith, City Manager.

The Performing Agency: Trinity River Authority of Texas, whose authorized address is 5300 South Collins, P. O. Box 240, Arlington, Texas 76004-0240, Attention: J. Kevin Ward, General Manager (or his designated representative).

II. STATEMENT OF SERVICES TO BE PERFORMED

In order to discharge the responsibilities associated with the enforcement of Federal, State, and City regulations, the Receiving Agency requires services of a laboratory qualified to perform water and wastewater analysis, and of personnel to conduct industrial inspection and/or sampling services, such services detailed in Section A, Subsection(s) 1, 2, & 3,, below.

A. PERFORMANCE OF SERVICES

1. Industrial Inspection Services

In keeping with the foregoing, the Receiving Agency employs the Performing Agency and the Performing Agency agrees to perform industrial inspection services within the parameters listed on the attached schedule sheet.

The Performing Agency (Trinity River Authority of Texas) shall perform all Industrial Pretreatment Inspections, review permit applications and prepare for submittal Permits to Discharge Industrial Wastes to the Sanitary Sewer in accordance with procedures established by the Trinity River Authority of Texas in accordance with 40 CFR Part 403.8. Industrial Pretreatment Inspections, Application reviews and Permit preparations and submittals shall be in compliance with the Receiving Agency's Industrial Waste Ordinances, Sewer Ordinances Numbers 811, and EPA General Pretreatment Regulations for Existing and New Sources. Records of Inspections, Applications and Permits shall be maintained as required by EPA General Pretreatment Regulations, 40 CFR Part 403.12.

2. Industrial Sampling Services

In keeping with the foregoing, the Receiving Agency employs the Performing Agency and the Performing Agency agrees to perform industrial sampling services within the parameters listed on the attached schedule sheet and in accordance with the Receiving Agency's Industrial Waste Ordinances and Sewer Ordinances Numbers 811.

The Performing Agency (Trinity River Authority of Texas) shall perform all sample collections, sample preservation, and maintenance of chain-of-custody records in accordance to the approved procedures set forth in Test Methods for Evaluating Solid Waste, EPA Manual SW-846, Methods for Chemical Analysis of Water and Wastes, EPA Manual EPA-600/4-79-020, and the Handbook for Sampling and Sample Preservation of Water and Wastewater, EPA Manual EPA-600/4-82-029. The samples shall be properly collected, preserved and delivered by the Performing Agency to the Performing Agency's laboratory located at 6500 West Singleton Blvd.,

Dallas, Texas. When feasible flow or time composited sampling will be conducted. When composited sampling is not feasible, grab sampling will be appropriate.

3. Analytical Services

In keeping with the foregoing, the Receiving Agency employs the Performing Agency and the Performing Agency agrees to perform analytical services within the parameters listed on the attached schedule sheet.

The Receiving Agency will collect samples and deliver them to the laboratory for analysis. It is understood that these samples will be properly collected and preserved in accordance with applicable sections of A Practical Guide to Water Quality Studies of Streams, Federal Water Pollution Control Administration publication and Methods for Chemical Analysis for Water and Wastes, EPA manual, as well as the latest edition of Standard Methods for the Examination of Water and Wastewater. Additionally, requirements set by the National Environmental Laboratory Accreditation Conference will be followed as mandated by the Texas Commission on Environmental Quality for state accreditation. A chain-of-custody procedure shall be maintained in the field and the laboratory in accordance with procedures to be established by the Receiving Agency. The Receiving Agency will furnish chain-of-custody.

The Performing Agency (Trinity River Authority of Texas) will perform all analyses according to the approved procedures set forth in Standard Methods for the Examination of Water and Wastewater, current edition or the latest edition of Methods for Chemical Analysis of Water and Wastes, EPA manual. Additionally, requirements set by the National Environmental Laboratory Accreditation Conference will be followed as mandated by the Texas Commission on Environmental Quality for state accreditation. Samples will be analyzed by these methods on the production basis, to include appropriate analytical quality assurance procedures. Records will be kept for documentation of the Performing Agency's quality assurance program and copies will be available to the Receiving Agency upon request. Unusual interferences and problems will be reported to the Receiving Agency at its authorized address noted above. Research into specific techniques to overcome these difficulties will be undertaken when practical, and by mutual agreement. The chain-of-custody sheet submitted with each sample will designate the particular analysis or analyses to be made of each sample submitted. The laboratory will be operated in such a manner as to insure the legal sufficiency of the sample handling; analytical and reporting procedures; and to remedy effects in the procedures should such be discovered.

The various laboratory personnel shall be directed upon receipt of written notice from the Receiving Agency 72 hours in advance, to appear and testify in enforcement actions. In such event, travel and per diem expenses for such employees shall be paid by the Receiving Agency. Travel and per diem for court appearances hereunder shall be based on current State laws.

Receiving Agency may deliver to Performing Agency samples for analysis separate and apart from those samples collected by the Performing Agency. When the Receiving Agency delivers samples to the Performing Agency for analysis, the Receiving Agency shall indicate the nature and extent of the analyses it desires to be conducted. Performing Agency shall not be responsible for the manner of collection or chain-of-custody or sheets which are matters entirely outside Performing Agency's control. Performing Agency shall receive, log and perform such analyses of samples in accordance with that part of the chain-of-custody procedures identified as Transfer of Custody and Storage attached hereto.

Samples analyzed to maintain the normal quality assurance program which the Performing Agency presently maintains in its laboratory will be charged to the Receiving Agency at the same rate as submitted samples.

B. TERMINATION

Either party to this Contract may terminate the Contract by giving the other party thirty (30) days notice in writing at their authorized address as noted previously. Upon delivery of such notice by either party to the other and before expiration of the thirty (30) day period, the Performing Agency will proceed promptly to cancel all existing orders, contracts, and obligations which are chargeable to this Contract. As soon as practicable after notice of termination is given, the Performing Agency will submit a voucher for work performed under this Contract through its termination. The Receiving Agency will pay the Performing Agency for the work performed less all prior payments. Copies of all completed or partially completed reports, documents, and studies prepared under this Contract will be delivered by the Performing Agency to the Receiving Agency when and if this Contract is terminated prior to the completion of the prescribed work.

C. AMENDING THE CONTRACT

The parties hereto without invalidating this Contract may alter or amend this Contract upon advance written agreement of both parties to exclude work being performed or to include additional work to be performed and to adjust the consideration to be paid hereunder by virtue of alterations or amendments.

III. BASIS FOR CALCULATING REIMBURSABLE COSTS

The financial basis for calculating reimbursable costs shall be as stated in Attachment A, said attachment A shall be revised and updated annually. A cost analysis shall be prepared each year by the Trinity River Authority of Texas and shall be approved by the Trinity River Authority of Texas Board of Directors prior to effective date of said revision.

The expenditures by the Trinity River Authority of Texas of funds paid to it under this Contract shall be subject to such State or Federal audit procedures as may be required by law and by accepted practices of the State or Federal auditor, or both, if requested. The Trinity River Authority of Texas shall be responsible for maintaining books of account that clearly, accurately and currently reflect financial transactions. The financial records must include all documents supporting entries on the account records which substantiate costs. The Trinity River Authority of Texas must keep the records readily available for examination for a period of three (3) years after the close of the last expenditure.

Reimbursement for the inspection, sampling, and/or analytical costs, and cost for any travel and per diem expenses shall not exceed twelve thousand dollars (\$12,000) for the period of this Contract.

IV. CONTRACT AMOUNT

The total amount of this Contract shall not exceed twelve thousand dollars (\$12,000) nor be less than three thousand dollars (\$3,000), per annum, unless mutually agreed by the parties hereto.

V. PAYMENT FOR SERVICES

The Performing Agency shall bill the Receiving Agency monthly for services performed. Charges for these services shall be based on the attached cost schedules.

The Receiving Agency shall pay the monthly billings of the Performing Agency within thirty (30) days of their receipt.

VI. TERM OF CONTRACT

This Contract is to begin October 1, 2011 and shall terminate September 30, 2014, subject to Section II, paragraph B of this contract.

VII. INTERLOCAL AGREEMENT

Inasmuch as the Receiving Agency and the Performing Agency are political subdivisions of this state, and inasmuch as the testing of water and wastewater are critical to the maintenance of public health and such testing is therefore, a governmental function and service, this contract shall be deemed authorized by the Interlocal Cooperation Act, Chapter 791, Texas Government Code.

Receiving Agency:

Performing Agency:

CITY OF BEDFORD

TRINITY RIVER AUTHORITY OF TEXAS

BY: _____
Beverly Griffith

BY: _____

TITLE: CITY MANAGER

GENERAL MANAGER

DATE: August 10, 2011

DATE: _____

ATTEST: _____
(SEAL)

ATTEST: _____
(SEAL)

CHAIN-OF-CUSTODY PROCEDURES

Sample Collection and Shipment

1. To the maximum extent achievable, as few people as possible should handle a sample.
2. Stream and effluent samples should be obtained using standard field sampling techniques and preservation procedures.
3. Chain-of-Custody sheets should be attached to each sample at the time it is collected. Sample containers must be appropriate for requested testing with appropriate preservation and legibly labeled.
The tag or sheet contains basically laboratory (requested parameters) information; however, certain identifying items including City, City Code, Contact Name and Phone Number, Type Sample Matrix, Material Sampled, and Method of Preservation must be completed by the field personnel collecting the sample.
In completing the Chain-of-Custody tag or sheet, care should be utilized to insure that all necessary information is correctly and legibly entered onto the form. A black ballpoint with water proof ink should be used at all times.
4. During shipment, samples should be appropriately cooled. TRA lab receiving technician will check temperature.

Transfer of Custody and Storage

1. All samples should be handled by the minimum possible number of persons.
2. All incoming samples shall be received by the laboratory technician or his alternate, and logged into a database. Information to be entered into the database shall include the client sample number, date received, source, time(s) sampled, date(s) sampled, and analyses requested and comments from the Chain of Custody.
3. Promptly after logging, the custodian technician will distribute the sample to an analyst or place the sample in the secure sample vault, which will be locked at all times except when samples are removed or returned by analysts. The sample will be tracked internally in the lab.
4. Samples shall be kept in the sample storage security area at all times when not actually being used by analysts, such as during overnight absences. The technician shall ensure that heat-sensitive samples, or other sample materials having unusual physical characteristics, or requiring special handling, are properly stored and maintained.
5. A log of sample removal and replacement will be kept in the secure sample vault and be retained as a permanent record of the laboratory.
6. The original Chain of Custody and a Sample Evaluation/Variance record shall be sent by the laboratory to the appropriate Receiving Agency control point as part of the final data report.

EXHIBIT A

TECHNICAL SERVICES FEE SCHEDULE

FOR

LABORATORY ANALYSES,

INDUSTRIAL INSPECTIONS

AND

INDUSTRIAL SAMPLING

FISCAL YEAR 2012

December 1, 2011 through November 30, 2012

NELAP CERTIFICATE T104704287-10-TX

CHEMICAL ANALYSES

Liquid Samples

Alkalinity:		Phosphorus:	
Total (*) (**)	\$10.75	Ortho (*)	\$12.00
Phenolphthalein	\$10.85	Total (*)	\$21.50
Bicarbonate	\$14.93		
Carbonate	\$16.00	Solids:	
Biochemical Oxygen Demand:		Total (TS)	\$13.00
5-Day (*)	\$26.00	Total Dissolved (TDS) (*)	\$18.70
5-Day Carbonaceous (*)	\$27.60	Total Suspended (TSS) (*)	\$17.50
5-Day Filtered (Dissolved)	\$35.00	Volatile Suspended (VSS) (*)	\$ 8.40
7-Day	\$32.00	(after TSS)	
Extra Dilution (Each)	\$ 2.50	Sulfate (*)	\$12.00
Chlorophyll "a"	\$17.35	Sulfide	\$16.50
Chlorophyll "a" and Pheophytin	\$22.55	Surfactants - MBAS	\$34.56
Chemical Oxygen Demand (*)	\$15.00	Turbidity (*) (**)	\$10.00
Chloride (*)	\$12.00	UV254	\$20.00
Conductance, Specific (*) (**)	\$ 9.00	Mercury (*) (**)	\$22.70
Cyanide		Metals (EPA 200.8) (*) (**) (***)	\$12.00 each
Total (*)	\$37.80	Aluminum	Lead
Amenable to Chlorination) (*)	\$50.00	Arsenic	Manganese
Fluoride, Total (**)	\$12.00	Antimony	Molybdenum
Glycols	\$13.50	Barium	Nickel
Hardness (*) (**)	\$15.25	Beryllium	Selenium
Nitrogen:		Boron	Silver
Ammonia (*)	\$12.00	Cadmium	Thallium
Ammonia by Distillation (*)	\$20.50	Chromium	Tin
Kjeldahl, Total (*)	\$23.50	Cobalt	Vanadium
Nitrate (*)	\$12.00	Copper	Zinc
Nitrite (*)	\$12.00	Iron	
Organic	\$46.70	Minerals (*)	\$12.00 each
Oil and Grease (*)	\$51.00	Calcium	
Organic Carbon:		Magnesium	
Dissolved	\$18.00	Potassium (***)	
Total (*) (**)	\$16.25	Silica	
pH (*)	\$ 9.40	Sodium	

Solid Samples

Ammonia (***)	\$29.80
Chemical Oxygen Demand	\$36.50
Nitrogen, Kjeldahl, Total	\$28.00
Phosphorus, Total (***)	\$25.00
pH (***)	\$13.00
Percent Solids, Total and Volatile	\$13.45
Mercury (***)	\$53.50
Metals Preparation	\$29.25

NELAC Accreditation

*Non-Potable Water

**Drinking Water

*** Solids

MICROBIOLOGICAL ANALYSES

Drinking Water:

Total Coliform (MMO/MUG) (**)	\$ 13.75
Heterotrophic Plate Count	\$ 15.75

Other:

Coliform, Fecal (Membrane Filter) (*)	\$ 15.25
Coliform, Fecal (MPN) (***)	\$ 45.00
Coliform, Total (MPN-Q Tray)	\$ 16.50
E. Coli (MPN-Q Tray) (*)	\$ 16.50
Streptococcus, Fecal (Membrane Filter) (*)	\$ 16.00
Heterotrophic Plate Count	\$ 15.75
Microscopic General Examination	\$ 19.80

TRACE ORGANIC (GC-GC/MS) ANALYSES

EPA 624 (*)	
14 Day (preserved)	\$120.00
3 Day (unpreserved)	\$210.00
BTEX (only)	\$105.00
Trip Blanks	\$ 55.00
EPA 625(*)	
Total Semi-Volatiles	\$250.00
Semi-volatile Trip Blank	\$175.00
EPA 525	
Atrazine	\$135.00

Pesticides/PCB

Extraction/Preparation	
Liquids	\$85.00
Solids	\$85.00
EPA 608 (*)	
Full List	\$ 95.00
Chlorinated Pesticides (only)	\$ 85.50
PCB (only)	\$ 95.00
EPA 8141	
Diazinon	\$ 88.80
EPA 8082	
Polychlorinated Biphenyls (PCB)	\$ 95.00

BY QUOTE

Chromium Hexavalent
Oil and Grease (solids)
Organophosphate Pesticide
Phenols
TCLP Metals
TCLP Organic Compounds
Total Petroleum Hydrocarbons (solids and liquids)

TOXICITY TESTING

Chronic, <u>C. dubia</u> (3 Brood) (*)	\$650.00
Chronic, <u>P. promelas</u> (Fathead Minnow – 7 Day) (*)	\$675.00
24 hr. Acute <u>C. dubia</u> (*)	\$200.00
24 hr. Acute <u>P. promelas</u> (Fathead Minnow) (*)	\$200.00
48 hr. Acute <u>C. dubia</u>	\$300.00
48 hr. Acute <u>P. promelas</u> (Fathead Minnow)	\$300.00

NEELAC Accreditation

*Non-Potable Water

**Drinking Water

*** Solids

INDUSTRIAL PRETREATMENT SERVICES

SAMPLING

Composite Sample	\$ 100.00
Additional Composite Sample	\$ 35.00
Grab Sample	\$ 50.00
Additional Grab Sample	\$ 10.00
Field pH	\$ 5.50
Field Measurement	\$ 10.00
Field Surveillance Event	\$ 240.00
pH or DO only	\$ 50.00
Sampling Event Cost for a Failed Sample	\$ 50.00
Industry Split Sample	\$ 25.00
Boat Fee	\$ 40.00

- ~Grab Sampling
- ~Delivery to TRA Laboratory
- ~Field Testing Available
- ~Sample Preservation
- ~Proper Chain of Custody

INSPECTION

On-Site	\$ 105.00
On-Site unpermitted	\$ 90.00
Permit Preparation (New)	\$ 150.00
Permit Renewal	\$ 95.00

- ~Installation of Automatic Composite Samplers
- ~Verification of Application Data
- ~Consultation with Industries on Industrial Pretreatment
- ~Chemical Inventory Review
- ~Industry Split Sampling

NELAC Accreditation

*Non-Potable Water

**Drinking Water

***Solids

GENERAL SERVICE INFORMATION

1. Effective Date: December 1, 2011. All prices listed are per sample and subject to review.
2. All analyses are performed in accordance with "Standard Methods for the Examination of Water and Wastewater," 20th Edition, 1998 or most recent approved and/or EPA "Manual of Methods for Chemical Analysis of Water and Wastes," 1983 and the "3rd Edition of Solid Waste Manual SW 846."
3. Prices include a 10 percent charge added to the analyses cost to maintain the normal quality assurance program.
4. Standard turn-around time is considered 15 business days for most testing. Priority is half of the standard time. Customer requiring PRIORITY turn-around time will be billed at one and one-half (1 ½) times the routine rate. Customer requiring RUSH turn-around time will be billed at two times the normal rate. It is recommended to call in advance of sample submission or inquire at the time of submission for estimated turn-around time.
5. The Laboratory will follow instructions as stated on the Chain-of-Custody submitted with samples. The Customer may be contacted by the lab representative on any variance issues and written instruction may be requested concerning the variance.
6. For EPA624 VOC 3 day analysis, do not lower the pH of the sample.
7. Sampling supplies will be provided upon request at a reasonable charge. Bacteriological sampling supplies are included in the cost of analyses.
8. Samples should be delivered to the laboratory before 4:00 p.m. on weekdays. Samples cannot be accepted on weekends or holidays unless special arrangements are made in advance. Bacteriological samples should be delivered prior to 2:00 p.m. unless special arrangements are made in advance. For after-hour samples, please call and arrange for leaving in cold storage vault with analyses request form.
9. A monthly invoice for completed analyses is mailed the following month.
10. Laboratory hours are weekdays 7:00 a.m. to 4:30 p.m. To contact the lab about emergency samples use the number below.
11. Environmental Field, Engineering Field and Pretreatment Services office hours are Monday through Friday, 8:00 a.m. to 5:00 p.m. For after-hour emergencies, leave message with computer operator.
12. Environmental Field and Engineering Field Services are requested to be scheduled a minimum of 72 hours in advance.
13. Laboratory Certificate Number T104704287-10-2.

FOR MORE INFORMATION, CONTACT:
METRO: (972) 263-2251 FAX: (972) 975- 4414

WILLIAM B. CYRUS
Manager
Technical Services

CRAIG HARVEY
Laboratory Division
Chief

JENNIFER MOORE
Pretreatment
Coordinator

JOHN HERNDON
Environmental Service
Coordinator

CATHY SIEGER
Quality Assurance
Coordinator

MARK ORBECK
Technical Services Engineer

NELAC Accreditation
*Non-Potable Water
**Drinking Water
*** Solids



Council Agenda Background

PRESENTER:

John F. Kubala, P.E., Public Works Director

ITEM:

Consider a resolution to accept bids and authorize the City Manager to enter into a contract with Sweeping Services of Texas for the 2011-2013 Street Sweeping Program in the amount of \$60,597.

DISCUSSION:

On June 14, 2011, the City Council rejected the one bid for the 2011-2014 Street Sweeping Program. The street sweeping program was reduced to a two year term and again advertised. The program provides for sweeping Arterial/Collector Streets six times a year and Residential Streets once a year. There were two bidders on the project. The low bid was submitted by Sweeping Services of Texas in the amount of \$60,597. This is \$3,128 lower than previously bid for the same time frame.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution to accept bids and authorize the City Manager to enter into a contract with Sweeping Services of Texas for the 2011-2013 Street Sweeping Program in the amount of \$60,597.

FISCAL IMPACT:

Funding in the amount of \$60,597 will come from the Stormwater Division budget.

ATTACHMENTS:

Resolution
Bid Tabulation

RESOLUTION NO. 11-

A RESOLUTION TO ACCEPT BIDS AND AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH SWEEPING SERVICES OF TEXAS FOR THE 2011-2013 STREET SWEEPING PROGRAM IN THE AMOUNT OF \$60,597.

WHEREAS, the City Council of Bedford, Texas determines the necessity for keeping the streets clear of debris in order not to clog the City's storm sewer system; and,

WHEREAS, the City Council of Bedford, Texas has determined the street sweeping will enhance the appearance of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1. That the City Council does hereby accept bids and authorizes the City Manager to enter into a contract with Sweeping Services of Texas for the 2011-2013 Street Sweeping Program in the amount of \$60,597.

SECTION 2. That funding in the amount of \$60,597 will come from the Stormwater Division budget.

PASSED AND APPROVED this 9th day of August 2011, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

BID TABULATION REPORT

CITY OF BEDFORD, TEXAS

PROJECT DESCRIPTION: 2011-2013 STREET SWEEPING PROGRAM

BID REFERENCE NUMBER: 11-4B4

BID DATE: JULY 6, 2011

BID TIME: 10:00 A.M.

BIDDERS

Sweeping Services of Texas

Mister Sweeper

ITEM NO.	DESCRIPTION OF ITEMS	QUANTITY	AMOUNT PER CURB MILE	PRICE PER SWEEP	FREQUENCY	TOTAL	AMOUNT PER CURB MILE	PRICE PER SWEEP	FREQUENCY	TOTAL		
1	Year - 1 -Arterial/Collector Streets	87 Curb Miles	\$25.00	\$2,175.00	X 6	\$13,050.00	\$24.00	\$2,088.00	X 6	\$12,528.00		
2	Year - 1 -Residential Streets	286 Curb Miles	\$58.75	\$16,802.50	X 1	\$16,802.50	\$83.94	\$24,006.84	X 1	\$24,006.84		
3	Year - 2 -Arterial/Collector Streets	87 Curb Miles	\$25.75	\$2,240.25	X 6	\$13,441.50	\$26.00	\$2,262.00	X 6	\$13,572.00		
4	Year - 2 -Residential Streets	286 Curb Miles	\$60.50	\$17,303.00	X 1	\$17,303.00	\$90.66	\$25,928.76	X 1	\$25,928.76		
TOTAL						\$60,597.00					TOTAL	\$76,035.60



Council Agenda Background

PRESENTER:

John F. Kubala, P.E., Public Works Director

ITEM:

Consider a resolution authorizing the City Manager to enter into a Professional Services Agreement with Gary Burton Engineering, Inc., in the amount of \$50,000, for the 19.1W Sanitary Sewer Renewal and Rehabilitation Project.

DISCUSSION:

The 2010 Sanitary Sewer Collection System 19.1W Basin Infiltration/Inflow Investigation (Executive Summary attached) identified locations where inflow and infiltration was observed or is likely to occur during a storm water event. The study was required as a part of the Sanitary Sewer Outflow Initiative Agreement between the City and the Texas Commission on Environmental Quality. This Professional Services Contract provides for the design of a section of sanitary sewer line renewal, point repairs and manhole rehabilitation.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into a Professional Services Agreement with Gary Burton Engineering, Inc., in the amount of \$50,000, for the 19.1W Sanitary Sewer Renewal and Rehabilitation Project.

FISCAL IMPACT:

Funding in the amount of \$50,000 will come from the 2011 Wastewater Certificates of Obligation.

ATTACHMENTS:

Resolution
Executive Summary
Standard Agreement for Professional Services
Task Order
Location Maps

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH GARY BURTON ENGINEERING, INC., IN THE AMOUNT OF \$50,000, FOR THE 19.1W SANITARY SEWER RENEWAL AND REHABILITATION PROJECT.

WHEREAS, the City Council of Bedford, Texas determines that the sanitary sewer improvements are needed to reduce infiltration/inflow into the sanitary sewer system; and,

WHEREAS, these improvements will meet the requirements of the Sanitary Sewer Outflow Initiative Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1. That the City Council authorizes the City Manager to enter into a Professional Services Agreement with Gary Burton Engineering, Inc., in the amount of \$50,000, for the 19.1W Sanitary Sewer Renewal and Rehabilitation Project.

SECTION 2. That funding for this contract will come from the 2011 Wastewater Certificates of Obligation.

PASSED AND APPROVED this the 9th day of August 2011, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

EXECUTIVE SUMMARY

The City of Bedford owns and operates its own wastewater collection system which provides service to a population of approximately 50,000. The wastewater system consists of a collection system comprising 850,000 linear feet of gravity pipes, and 2,969 manholes. Pipe sizes range from 6" to 24" diameter. Wastewater exits their system and is measured and collected by the Central Regional Wastewater System (CRWS), operated by the Trinity River Authority (TRA). Wastewater eventually flows to the Central Regional WWTP and then out into the Trinity River.

WASTEWATER SYSTEM NEEDS

A history of sanitary sewer overflows (SSOs) has resulted in a mandate from the Texas Commission on Environmental Quality (TCEQ) to eliminate SSOs. This study is part of the SSO Initiative Agreement between the City and the TCEQ. The purpose of this study was to identify I/I sources and develop a recommended plan for the elimination of those sources.

STUDY BACKGROUND

Gary Burton Engineering, Inc. was retained by the City of Bedford to provide Inflow and Infiltration (I/I) Reduction Services within the wastewater collection system in the 19.1W Basin identified in the 2007-2008 Comprehensive Wastewater Collection System Evaluation. With the assistance of Ace Pipe Cleaning, selected lines were cleaned and an internal TV Inspection was performed. At the conclusion of the field investigation a detailed report was prepared by Ace Pipe Cleaning and delivered to Gary Burton Engineering for analysis.

This report includes a description of field investigations, engineering analysis, and recommended actions to reduce I/I within the 19.1W Basin. Rehabilitation and capital improvement costs for various types of I/I defect repairs and sanitary sewer improvements for line and manhole improvements. Finally, a priority analysis for the recommended repairs was performed.

RECOMMENDED REPLACEMENT/REHABILITATION COST ESTIMATES

Bedford 19.1W I/I Study

Gary Burton Engineering, Inc. (GBEI) reviewed and analyzed the Bedford's Basin 19.1W oldest 12" and larger sanitary sewer lines video and the inspection report provided by ACE Pipe Cleaning. The information, along with our on-site field representative, enables GBEI to prioritize improvements as cost effectively as possible. It is our recommendation to immediately address all locations where inflow and infiltration was observed or is likely to occur during a storm water event. In addition, locations where the structural integrity of the outfall sanitary sewer could be jeopardized were also a major concern to receive high priority.

The three general locations starting upstream are as follows:

1. Inflow/Infiltration was observed in and adjacent to the concrete drainage channel located west of Shady Brook Drive from Shady Lane to Airport Freeway (Hwy 121).

2. The unimproved natural creek east of Martha Drive from Bedford Road to Circle Lane.
3. Rankin Park original outfall sewer and aerial crossing along unimproved natural creek.

We recommend Bedford to initially proceed with the improvements in the concrete channel north of Airport Freeway and in Rankin Park. Renewing the outfall sanitary sewer in Sulfur Branch north and west of Circle Lane and East of Martha Drive should also be high on Bedford's Sanitary Sewer Improvements priority. This area had a continuous creek flow during the summer months and is a large contributor to inflow and infiltration into the 19.1W sewer basin. Bedford currently has Projects 8 and 11 for tightening the sanitary sewer in this area. However, it should be verified that Projects 8 and 11 include all the required improvements upstream and downstream of the creek.

Opinion of probable costs (in 2010 dollars) and priority ranking are summarized as follows (refer to the report for detailed information and a breakdown of costs for the following recommendations):

Recommendation	Priority	Capital Cost
12" and 18" SS in Concrete Channel North of SH 121	1	\$20,265.70
Abandonment of 12" SS in Rankin Park	2	\$52,767.00
18" and 24" SS Upstream of Circle Drive	3	\$213,545.80
Replace Brick Manholes	4	\$36,270.00
High Priority Point Repairs	5	\$70,200.00
High Priority SS Main Renewals	6	\$42,035.50
Low priority Point Repairs	7	\$119,600.00
Total		\$554,684.00

GARY BURTON ENGINEERING, INC.

Consulting • Planning • Permitting • Design • Management (F2812)

STANDARD AGREEMENT FOR PROFESSIONAL SERVICES

This AGREEMENT is between Gary Burton Engineering, Inc. (the "ENGINEER"), and City of Bedford, Texas (the "OWNER"), for Professional Services generally described as:

Municipal Engineering Services

Article I Scope of Services

The Scope of Services is set forth in the following Attachments, which may be supplemented from time to time by mutual agreement of the parties.

Attachment A1, Task Order / Project No. 036100101

Article II Compensation

The ENGINEER's compensation is set forth in the attachments noted in Article I, which may be supplemented from time to time by mutual agreement of the parties.

Article III Terms of Payment

Payments to the ENGINEER will be made as follows:

A. Invoice and Time of Payment

Monthly invoices will be issued by the ENGINEER for all work performed under this AGREEMENT. Invoices are due and payable on receipt.

Upon completion of services enumerated in Article I, the final payment of any balance will be due upon receipt of the final invoice.

B. Interest

Interest at the rate of 1.0 percent per month, or that permitted by law if lesser, will be charged on all past-due amounts starting 30 days after date of invoice. Payments will first be credited to interest and then to principal.

In the event of a disputed or contested billing, only that portion so contested will be withheld from payment, and the undisputed portion will be paid. The OWNER will exercise reasonableness in contesting any bill or portion thereof. No interest will accrue on any contested portion of the billing until mutually resolved.

If the OWNER fails to make payment in full to ENGINEER for services within 60 days of the amount due, the ENGINEER may, after giving 7 days' written notice to OWNER, suspend services under this AGREEMENT until paid in full, including interest. In the event of suspension of services, the ENGINEER shall have no liability to OWNER for delays or damages caused the OWNER because of such suspension of services.

Article IV Obligations of the Engineer

A. General

The ENGINEER will provide OWNER with professional engineering under this AGREEMENT. Providing professional engineering consultation and advice and furnishing customary services incidental thereto.

B. Standard of Care

The standard of care applicable to the ENGINEER's services will be the degree of skill and diligence normally employed by professional engineers or consultants performing the same or similar services at the time such services are performed. ENGINEER will reperform any service not meeting this Standard of Care as determined by the OWNER without additional compensation.

C. Subsurface Investigations

In soils, foundation, groundwater, and other subsurface investigations, the actual characteristics may vary significantly between successive test points and sample intervals and at locations other than where observations, exploration, and investigations have been made. Because of the inherent uncertainties in subsurface evaluations, changed or unanticipated underground conditions may occur that could affect the total PROJECT cost and/or execution. Such changed conditions and cost/execution effects are not the responsibility of the ENGINEER.

D. Engineer's Personnel at Construction Site

During construction based upon the ENGINEER's plans or specifications, the ENGINEER shall provide resident project representation, in accordance with the OWNER's request and the ENGINEER's recommendations, and shall review the work of the construction contractor(s) involved and report to the OWNER and to the construction contractor's opinions of the contractor's fulfillment of these recommended actions or adherence to plans and specifications. The ENGINEER's resident representative shall endeavor to protect the OWNER against defects and deficiencies in the work and to assure the work is carried out in conformance with plans and specifications. However, the ENGINEER neither guarantees the performance of the contractor(s) nor assumes responsibility for contractor's failure to perform work in accordance with the Contract Documents.

The presence or duties of the ENGINEER's personnel at a construction site, whether as on-site representatives or otherwise, do not make the ENGINEER or its personnel in any way responsible for those duties that belong to the OWNER and/or the

OWNER's construction contractors or other entities, and do not relieve the construction contractors or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the Contract Documents and any health or safety precautions required by such construction work. The ENGINEER and its personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractor or other entity or any other persons at the site except the ENGINEER's own personnel.

E. Opinions of Probable Cost, Financial Considerations, and Schedules

In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for the PROJECT, the ENGINEER has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate PROJECT cost or schedule. Therefore, the ENGINEER makes no warranty that the OWNER's actual PROJECT costs, financial aspects, economic feasibility, or schedules will not vary from the ENGINEER's opinions, analyses, projections, or estimates.

F. Construction Progress Payments

Recommendations by the ENGINEER to the OWNER for periodic construction progress payments to the construction contractor will be based on the ENGINEER's knowledge, information, and belief from selective sampling that the work has progressed to the point indicated. Such recommendations do not represent that continuous or detailed examinations have been made by the ENGINEER to ascertain that the construction contractor has completed the work in exact accordance with the Contract Documents; that the final work will be acceptable in all respects; that the ENGINEER has made an examination to ascertain how or for what purpose the construction contractor has used the monies paid; that title to any of the work, materials, or equipment has passed to the OWNER free and clear of liens, claims, security interests, or encumbrances; or that there are not other matters at issue between the OWNER and the construction contractor that affect the amount that should be paid.

G. Record Drawings

Record drawings are defined as the drawings produced by the ENGINEER's modification of the original design drawings to reflect the "as-built" changes following construction.

Record drawings, if required, will be prepared, in part, on the basis of information compiled and furnished by others, and may not always represent the exact location, type of various components, or exact manner in which the PROJECT was finally constructed. The ENGINEER is not responsible for any errors or omissions in the information from others that is incorporated into the record drawings. Record drawings for each construction contract will be completed by the ENGINEER within 60 days of receiving the final "mark-ups from the Contractor(s) or others.

H. OWNER-Specified Subcontractors

The ENGINEER will comply with the OWNER's directives in utilizing the services of OWNER-specified subcontractors.

I. Access to ENGINEER's Accounting Records

The ENGINEER will maintain accounting records, in accordance with generally accepted accounting principles and practices, to substantiate all invoiced amounts. These records will be available to the OWNER during the ENGINEER's normal business hours for a period of 1 year after the ENGINEER's final invoice for examination to the extent required to verify the direct costs (excluding established or standard allowances and rates) incurred hereunder.

J. ENGINEER's Insurance

The ENGINEER will maintain throughout this AGREEMENT the following insurance:

- (a) Workers' compensation and employer's liability insurance as required by the state where the work is performed.
- (b) Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including onsite and offsite operations, and owned, nonowned, or hired vehicles.
- (c) Commercial general liability insurance covering claims for injuries to members of the public or damage to property of others arising out of any covered negligent act or omission of the ENGINEER or of any of its employees, agents, or subcontractors, with \$1,000,000 per occurrence and in the aggregate.
- (d) Professional liability insurance of \$500,000 per occurrence and in the aggregate, including contractual liability per Article VI.H, General Legal Provisions, Indemnification.
- (e) The OWNER will be named as an additional insured with respect to the ENGINEER's liabilities hereunder in insurance coverages identified in items "b" and "c," and the ENGINEER waives subrogation against the OWNER as to said policies.

Article V Obligations of the Owner

A. OWNER-Furnished Data

The OWNER will provide to the ENGINEER all technical data in the OWNER's possession relating to the ENGINEER's services on the PROJECT. The ENGINEER will rely upon the accuracy, timeliness, and completeness of the information provided by the OWNER.

B. Access to Facilities and Property

The OWNER will make its facilities accessible to the ENGINEER as required for the ENGINEER's performance of its services and will provide labor and safety equipment as required by the ENGINEER for such access. The OWNER will perform, at no cost to the ENGINEER, such tests of equipment, machinery, pipelines, and other components of the OWNER's facilities as may be required in connection with the ENGINEER's services, unless otherwise agreed to. The OWNER will be responsible for all acts of the OWNER's personnel.

C. Advertisements, Permits, and Access

Unless otherwise agreed to in the Scope of Services, the OWNER will obtain, arrange, and pay for all advertisements for bids; permits

and licenses required by local, state, province, or federal authorities; and land, easements, rights-of-way, and access necessary for the ENGINEER's services or PROJECT construction.

D. Timely Review

The OWNER will examine the ENGINEER's studies, reports, sketches, drawings, specifications, proposals, and other documents; obtain advice of an attorney, insurance counselor, accountant, auditor, bond and financial advisors, and other consultants as the OWNER deems appropriate.

E. Prompt Notice

The OWNER will give prompt written notice to the ENGINEER whenever OWNER observes or becomes aware of any development that affects the scope or timing of the ENGINEER's services or of any defect in the work of the ENGINEER.

The ENGINEER will give prompt written Notice to the OWNER whenever the ENGINEER observes or becomes aware of any development that affects the scope or timing of the ENGINEER's services or of any defect in the work of the ENGINEER or construction contractors.

F. Asbestos or Hazardous Substances

If asbestos or hazardous substances in any form are encountered or suspected, the ENGINEER will stop its own work in the affected portions of the PROJECT, will notify the OWNER to permit testing and evaluation and will resume work only upon notice from the OWNER.

G. Contractor Indemnification and Claims

The OWNER agrees to include in all construction contracts the provisions of Article IV.D., the ENGINEER's Personnel at Construction Site, and provisions providing contractor indemnification of the OWNER and the ENGINEER for contractor's negligence.

H. OWNER's Insurance

- (a) The OWNER may maintain property insurance on all preexisting physical facilities associated in any way with the PROJECT.
- (b) The OWNER will provide for a waiver of subrogation as to all OWNER-carried property damage insurance, during construction and thereafter, in favor of ENGINEER, its officers, employees, agents, and subcontractors.
- (c) The OWNER will provide (or have the construction contractor(s) provide) a Builders Risk All Risk insurance policy for the full replacement value of all PROJECT work including the value of all onsite OWNER-furnished equipment and/or materials associated with the ENGINEER's services. Such policy will include coverage for loss due to defects in materials and workmanship and errors in design, and will provide a waiver of subrogation as to the ENGINEER and the construction contractor(s) (or OWNER), and their respective officers, employees, agents, and subcontractors. Upon request by the ENGINEER, the OWNER will provide the ENGINEER a copy of such policy.

I. Litigation Assistance

The Scope of Services does not include costs of the ENGINEER for required or requested assistance to support, prepare, document, bring, defend, or assist in litigation undertaken or defended by the OWNER. All such services required or requested of the ENGINEER by the OWNER, except for suits or claims between the parties to this AGREEMENT, will be reimbursed as mutually agreed.

J. Changes

The OWNER may make or approve changes within the general Scope of Services in this AGREEMENT. If such changes affect the ENGINEER's cost of or time required for performance of the services, an equitable adjustment will be made through an amendment to this AGREEMENT.

K. Services of Engineer

Unless this AGREEMENT is modified or terminated, the OWNER will have all services specified in this AGREEMENT performed by the ENGINEER, employing ENGINEER's standard form and content of drawings and Contract Documents, all subject to the OWNER's review and approval.

Article VI General Legal Provisions

A. Authorization to Proceed

Execution of this AGREEMENT by the OWNER will be subject to separate authorization for ENGINEER to proceed with the work.

B. Ownership of Documents

- (a) All instruments of service (including but not limited to, specifications, drawings, reports, designs, computations, computer programs, surveys, other data or similar work items, completed or partially completed) shall be prepared and submitted by ENGINEER to OWNER for approval. All instruments of service shall be sealed as may be required by law or by the OWNER.
- (b) All of ENGINEER's instruments of service under this Agreement shall be the property of the OWNER, to be used as OWNER desires, and ENGINEER specifically waives and releases any proprietary rights or ownership claims therein. Copies of instruments of service may be retained by ENGINEER. ENGINEER shall be liable to OWNER for any loss or damage to any such documents while they are in the possession of or while being worked upon by the ENGINEER or anyone connected with ENGINEER, including agents, employees, consultants or subcontractors. All documents so lost or damaged shall be replaced or restored by ENGINEER without cost to OWNER.
- (c) Upon completion of the construction of the Project, ENGINEER shall, within thirty (30) calendar days following final inspection, deliver to OWNER copies of all significant instruments of service.
- (d) ENGINEER shall have no liability for changes made to the instruments of service by other contractors subsequent to the completion of the PROJECT. Any such change shall be identified in writing by the contractor making that change and shall be appropriately marked to reflect what was changed or modified. ENGINEER shall have no liability for any use by OWNER of the instruments of service, for

unintended purposes, subsequent to completion of the PROJECT.

C. Force Majeure

The ENGINEER is not responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the ENGINEER.

D. Termination

This AGREEMENT may be terminated for convenience on 30 days' written notice, or for cause if either party fails substantially to perform through no fault of the other and does not commence correction of such nonperformance within 5 days of written notice and diligently complete the correction thereafter.

On termination, the ENGINEER will be paid for all authorized work performed up to the termination date. All completed work will be delivered to OWNER upon payment.

E. Suspension, Delay, or Interruption to Work

The OWNER may suspend, delay, or interrupt the services of the ENGINEER for the convenience of the OWNER. In the event of force majeure or such suspension, delay, or interruption, an equitable adjustment in the PROJECT's schedule, commitment and cost of the ENGINEER's personnel and subcontractors, and ENGINEER's compensation will be made.

F. No Third-Party Beneficiaries

This AGREEMENT gives no rights or benefits to anyone other than the OWNER and the ENGINEER and has no third-party beneficiaries.

The OWNER will include in each agreement it enters into with any other entity or person a provision that such entity or person shall have no third-party beneficiary rights under this Agreement.

G. Indemnification

- (a) The ENGINEER agrees to indemnify and defend the OWNER from any loss, cost, or expense claimed by third parties for property damage and bodily injury, including death, caused solely by the negligence or willful misconduct of the ENGINEER, its employees, corporations, officers, and subcontractors in connection with the PROJECT.
- (b) If the negligence or willful misconduct of both the ENGINEER and the OWNER (or a person identified above for whom each is liable) is a cause of such damage or injury, the loss, cost, or expense shall be shared between the ENGINEER and the OWNER, to the extent authorized by law, in proportion to their relative degrees of negligence or willful misconduct and the right of indemnity shall apply for such proportion.

H. Assignment

Neither party will assign all or any part of this AGREEMENT without the prior written consent of the other party.

I. Consequential Damages

In no event shall the OWNER or ENGINEER, officers, employees, or subcontractors be liable for special, indirect, or consequential damages, and in order to protect each against indirect liability or

third-party proceedings.

J. Interpretation

Limitations on liability and indemnities in this AGREEMENT are business understandings between the parties and shall apply to all the different theories of recovery, including breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action, except for willful misconduct or gross negligence for limitations of liability and sole negligence for indemnification. Parties mean the OWNER and the ENGINEER, and their officers, employees, agents, and subcontractors. The parties also agree that neither the ENGINEER nor the OWNER will seek damages in excess of the limitations indirectly through "Mary Carter" agreements or suits with other parties who may join the litigation as a third-party defendant, including, without limitation, any causes of action which arise out of any of the parties' performance of this Agreement.

K. Jurisdiction

The law of the State of Texas shall govern the validity of this AGREEMENT, its interpretation and performance, and any other claims related to it.

L. Mediation

All claims, disputes, and other matters in question between the OWNER and ENGINEER arising out of, or in connection with this AGREEMENT or the PROJECT, or any breach of any obligation or duty of OWNER or ENGINEER hereunder, will be submitted to mediation prior to instituting any litigation.

M. Statute of Limitations

As between the OWNER and the ENGINEER, any contract claim must be brought within 4 years from the day following the act or omission giving rise to the breach of contract claim, or OWNER's knowledge of such act or omission.

N. Disclaimer of Warranties

The ENGINEER specifically excludes any warranties, express or implied, which may arise by statute, common law, or equity. The excluded warranties include, but are not limited to, the implied warranty that work or professional services will be performed in a good and workmanlike manner, and the implied warranty of fitness for a particular purpose.

O. Severability and Survival

If any of the provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision, and this AGREEMENT shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Articles V.F., VI.B., VI.D., VI.H., VI.J., VI.K., VI.N., and VI.O. shall survive termination of this AGREEMENT for any cause, to the extent authorized by law.

P. Venue

This AGREEMENT shall be enforceable in Tarrant County, Texas, and, if legal action is necessary by either party with respect to the enforcement of any or all of the terms and conditions herein (and specifically including any Attachments or Exhibits hereto), exclusive venue for same shall lie in Tarrant County, Texas.

Q. Notices

- (a) All notices and correspondence to OWNER by ENGINEER shall be mailed by registered or certified mail or delivered as follows:

City of Bedford
Attention: Mr. John F. Kubala
Public Works Director
2000 Forest Ridge Dr.
Bedford, TX 75021-5713

- (b) All notices and correspondence to ENGINEER by OWNER shall be mailed by registered or certified mail or delivered as follows:

Gary Burton Engineering, Inc.
Attention: Mr. Gary L. Burton, III, P.E.
Principal
14531 State Hwy 155 S
Tyler TX 75703

**Article VII
Attachments, Schedules, and Signatures**

This AGREEMENT, including its attachments and schedules, constitutes the entire AGREEMENT, supersedes all prior written or oral understandings, and may only be changed by a written amendment executed by both parties. The attachments and schedules are hereby made a part of this AGREEMENT.

By mutual agreement, additional Task Orders may be issued in the future under this AGREEMENT to cover additional services not provided in the above noted Task Orders attached hereto.

For the OWNER, City of Bedford

dated this _____ day of _____ 20 _____

By: _____
Signature

Name (Typed or Printed)

Title

ATTEST:
By: _____

Signature

For the ENGINEER, Gary Burton Engineering, Inc.

dated this 19 day of April 20 10

By: Gary L. Burton, III
Signature

Gary L. Burton, III, P.E.
Name (Typed or Printed)

Principal
Title

ATTEST:
By: Craig Hogue

Signature

GARY BURTON ENGINEERING, INC.

Consulting • Planning • Permitting • Design • Management (F-2812)

HOME OFFICE: 14531 STATE HWY 155 S – TYLER TX 75703

BRANCH OFFICE: 6320 SOUTHWEST BLVD STE 102 – FORT WORTH TX 76109

• PH 903-561-6984 • FAX 903-561-6757

• PH 817-599-9067 • FAX 817-599-9104

Task Order / Project No. 036110101

This Task Order is part of the AGREEMENT between Gary Burton Engineering, Inc. (GBEI, the "ENGINEER"), and the City of Bedford (the "OWNER"), for a project generally described as:

19.1W Sanitary Sewer Renewal and Rehabilitation

The purpose of this Task Order is to perform design, bid and construction phase services for the renewal and rehabilitation of sanitary sewer outfall lines in the 19.1W Basin. The two projects consist of (1) main replacement and (2) manhole rehabilitation with high priority point repairs, as detailed in the recommendations section of the 2010 Sanitary Sewer Collection System - 19.1W Infiltration / Inflow (I/I) Investigation (except for that portion being included with Project 11 of the 2007-08 Espey report).

Article I Scope of Services

The ENGINEER agrees to furnish the OWNER the following specific services:

Item

- A1 **Document Review.** Review existing documents, associated drawings, O&M manuals, property owner data, etc.
- A2 **Site Visits/Meetings.** Perform site visits to collect data and meetings to review preliminary findings and final design with City staff.
- A3 **Opinions of Cost and Schedule.** Prepare conceptual opinions of cost, an implementation schedule, and a layout of recommended options upon completion of final design.
- A4 **Field Measurements.** Perform necessary topographic field measurements to define existing horizontal and vertical alignments and plan/profile design parameters, define existing and proposed right-of-way and easement requirements, and prepare deed sketch.
- A5 **Construction Documents.** Prepare detailed specifications and contract drawings for construction authorized by the OWNER. These designs shall in all respects combine the application of sound engineering principles with a high degree of economy, and shall be submitted to the applicable state and federal agencies for approval.
- A6 **Bid Phase Services.** Assist OWNER as requested with soliciting and procuring bids from general contractors in accordance with applicable laws. Two (2) separate bid advertisements and proposal documents shall be prepared for performance of two (2) construction contracts by reputable, bonded contractors. One (1) contract will be for complete line renewals and one (1) for point repairs and manhole rehabilitation. Attend and conduct bid openings. Tabulate and evaluate bids, check bidders' references, and issue recommendation for contract awards.

A7 **Construction Phase Services.** Review submittals and shop drawings for conformance with contract documents. Be available to answer contractor's questions by telephone or email on a daily basis during construction.

A8 **Record Drawings.** The Engineer will provide a copy of the final project record drawing(s) engineering schematic(s), as constructed using funds under this contract. These maps shall be provided in digital format containing the source map data (original vector data) and the graphic data in files on machine readable media, such as compact disc (CD), which are compatible with computer systems owned or readily available to the owner. The digital copy provided shall not include a digital representation of the engineer's seal but the accompanying documentation from the engineer shall include a signed statement of when the map was authorized, that the digital map is a true representation of the original sealed document, and that a printed version with the seal has been provided to the owner. In addition, complete documentation as to the content and layout of the data files and the name of the software package(s) used to generate the data and maps shall be provided to the owner in written form.

Article II Compensation

Compensation by the OWNER to the ENGINEER for all services enumerated in this Task Order will be as follows:

Compensation shall be based on percent of completion of services listed in Article I, Items A1-A8. The total amount is **\$50,000**.

Estimated Charges

Phase	Hrs	Fees	Exp.	Totals
Prelim. Design	108	\$12,017	+	\$50 = \$12,067
Final Eng & Design	310	\$32,890	+	\$300 = \$33,190
Bid & Negotiating	24	\$2,046	+	\$50 = \$2,096
Construction Administration	22	\$2,547	+	\$100 = \$2,647
Totals	464	\$49,500	+	\$500 = \$50,000

Other Provisions

The following provisions shall apply to this Task Order:

The ENGINEER's compensation is based on immediate authorization to proceed and timely completion of the project. If the project timing deviates from the assumed schedule for causes beyond the ENGINEER's control, the ENGINEER reserves the right to request renegotiation of those portions of the lump sum affected by the time change.

The ENGINEER will perform no Additional Services without specific written authorization from the OWNER. Compensation for any Additional Services authorized in writing by the OWNER will be on an hourly basis plus expenses in accordance with the current Rate Schedule.

This Task Order will become part of the referenced AGREEMENT when executed by both parties.

IN WITNESS WHEREOF, the parties execute below:

For the OWNER, City of Bedford

dated this _____ day of _____ 20 _____

By: _____
Signature

Name (Typed or Printed)

Title

ATTEST:

By: _____
Signature

For the ENGINEER, Gary Burton Engineering, Inc.

dated this 15 day of February 20 11

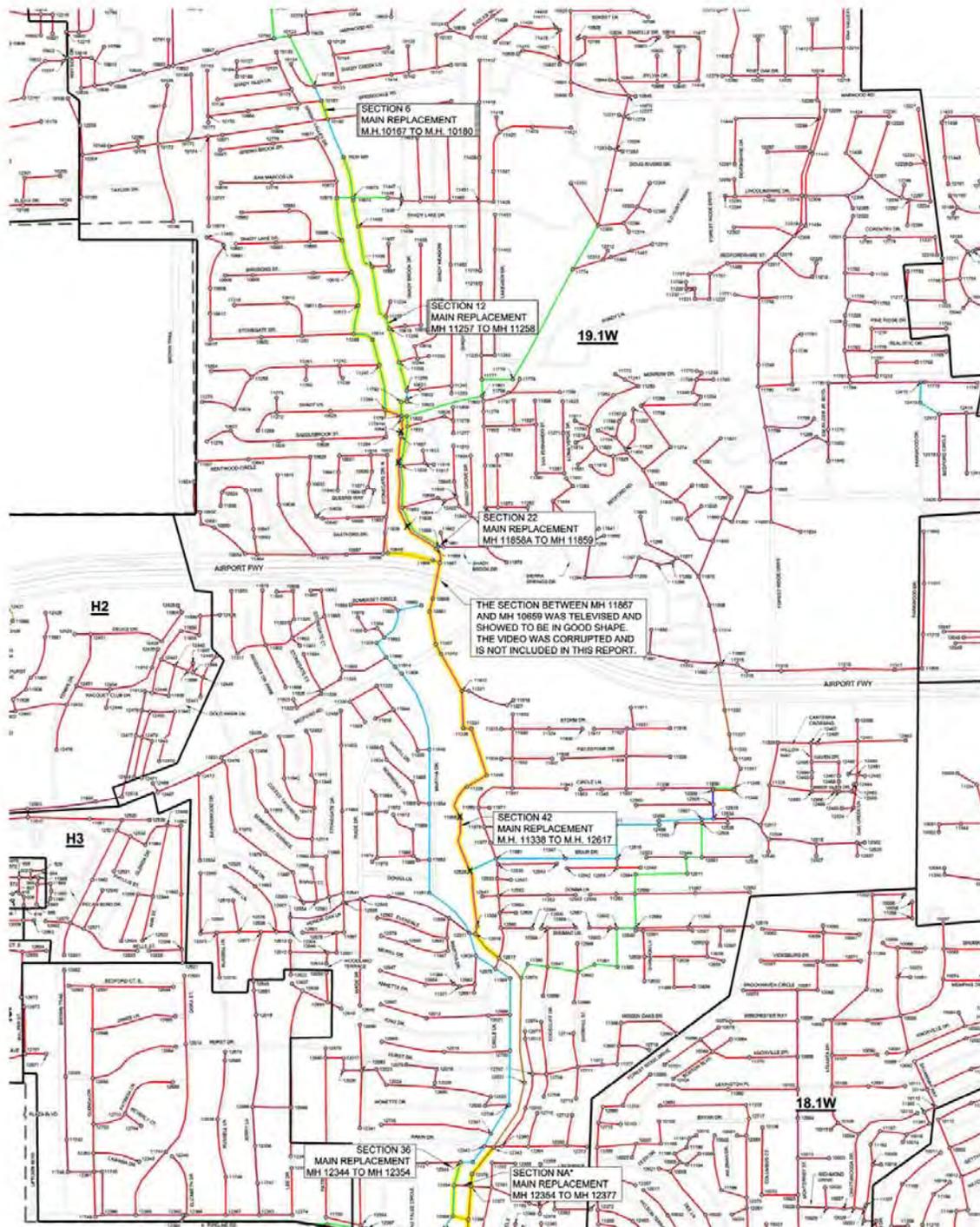
By: Gary L. Burton
Signature

Gary L. Burton, III, P.E.
Name (Typed or Printed)

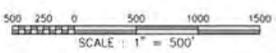
Principal
Title

ATTEST:

By: Allison Vandegriff
Signature



**COLLECTION SYSTEM RECOMMENDATIONS
(MAIN REPLACEMENT)**



LEGEND	
	MANHOLE
	BASIN
	CITY LIMIT
	LINE(S) TV INSPECTED FOR 2010 (S) INVESTIGATION
SECTION NO. REFERS TO 2010 TV INSPECTION REPORT BY ACE PIPE CLEANING, INC.	
SEWER PIPE SIZE	
	4"
	6"
	8"
	10"
	12"
	14"
	16"
	18"
	24"

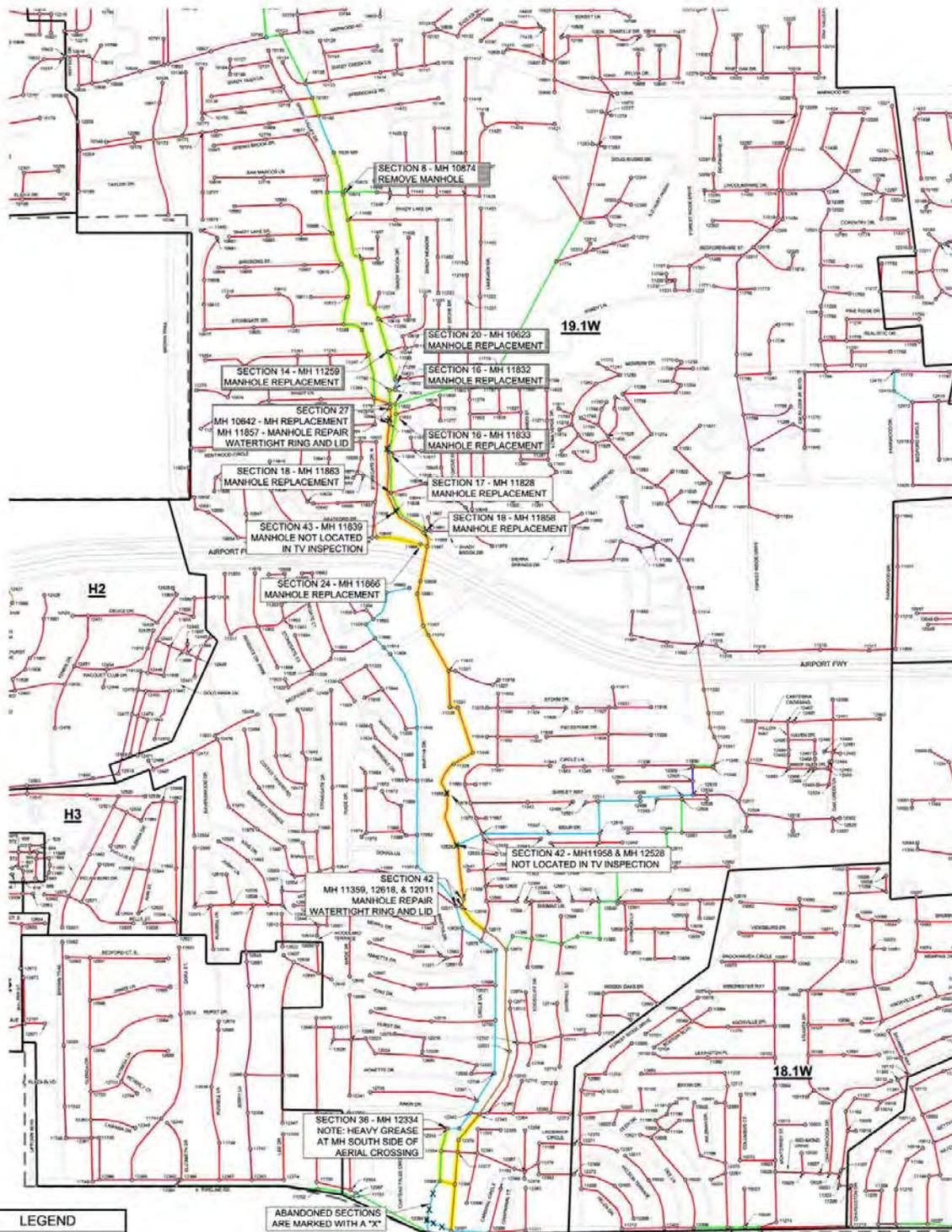
ABANDONED SECTIONS ARE MARKED WITH A "X"

GARY BURTON ENGINEERING, INC.
 CONSULTING - PLANNING - PERMITTING - DESIGN - MANAGEMENT (F-2812)
 HOME OFFICE: 14531 HWY. 155 S TYLER, TEXAS 75703 PH. (903) 561-6984 FAX (903) 561-6757
 BR. OFFICE: 6320 SOUTHWEST BLVD, STE 102 - FORT WORTH, TEXAS 76109 PH. (817) 599-9067

THESE DOCUMENTS ARE FOR INTERIM REVIEW AND ARE NOT INTENDED FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.
 GARY L. BURTON, III
 TEXAS P.E. NO. 54643
 01/31/11
 DATE:

CITY OF BEDFORD
 2010 SANITARY SEWER COLLECTION SYSTEM
 19.1W INFILTRATION/INFLOW INVESTIGATION

PROJECT MGR. ANTHONY CEFKA, P.E.	JOB NO. 08e100101
PROJECT TECH RMT	DWG. NO.
CHECKED BY CEH	E3
REVIEWED BY AJC	



LEGEND

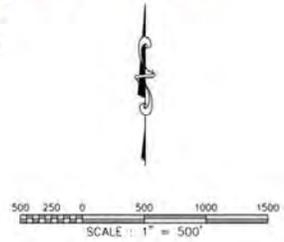
- MANHOLE
- BASIN
- CITY LIMIT
- LINES TV INSPECTED FOR 2010 (S) INVESTIGATION

SECTION NO. REFERS TO 2010 TV INSPECTION REPORT BY ACE PIPE CLEANING, INC.

SEWER PIPE SIZE

- 4"
- 6"
- 8"
- 10"
- 12"
- 14"
- 15"
- 18"
- 24"

**COLLECTION SYSTEM RECOMMENDATIONS
(MANHOLE REPLACEMENT)**

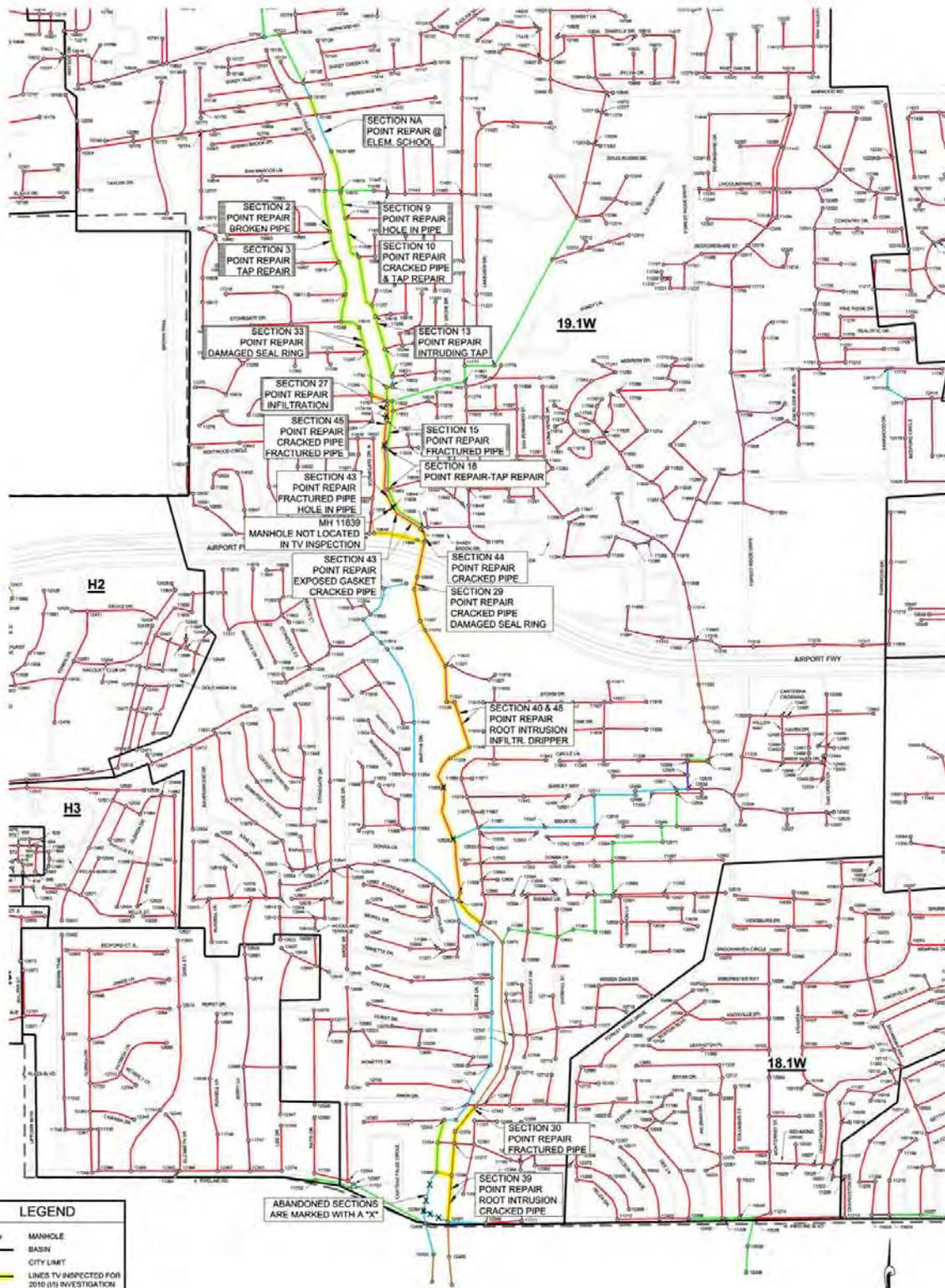


GARY BURTON ENGINEERING, INC.
 CONSULTING - PLANNING - PERMITTING - DESIGN - MANAGEMENT (F-2812)
 HOME OFFICE: 14531 HWY. 155 S TYLER, TEXAS 75703 PH. (903) 561-6994 FAX (903) 561-6757
 BR. OFFICE: 6320 SOUTHWEST BLVD, STE 102 - FORT WORTH, TEXAS 76109 PH. (817) 599-9067

THESE DOCUMENTS ARE FOR INTERIM REVIEW AND ARE NOT INTENDED FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.
 GARY L. BURTON, III
 TEXAS P.E. NO. 54663
 01/31/11
 DATE:

CITY OF BEDFORD
 2010 SANITARY SEWER COLLECTION SYSTEM
 19.1W INFILTRATION/INFLOW INVESTIGATION

PROJECT MGR. ANTHONY CEFKA, P.E.	JOB NO. 08e100101
PROJECT TECH RMT	CHECKED BY CEH
REVIEWED BY AJC	DWG. NO. E4



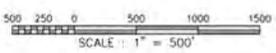
LEGEND

- MANHOLE
- BASIN
- CITY LIMIT
- LINES TV INSPECTED FOR 2010 (S) INVESTIGATION
- SECTION NO. REFERS TO 2010 TV INSPECTION REPORT BY ACE PIPE CLEANING, INC.

SEWER PIPE SIZE

- 4"
- 6"
- 8"
- 10"
- 12"
- 14"
- 15"
- 18"
- 24"

**COLLECTION SYSTEM RECOMMENDATIONS
(POINT REPAIR)**



GARY BURTON ENGINEERING, INC.
 CONSULTING - PLANNING - PERMITTING - DESIGN - MANAGEMENT (F-2812)
 HOME OFFICE: 14531 HWY. 155 S TYLER, TEXAS 75703 PH. (903) 561-6984 FAX (903) 561-6757
 BR. OFFICE: 6320 SOUTHWEST BLVD, STE 102 - FORT WORTH, TEXAS 76109 PH. (817) 599-9067

THESE DOCUMENTS ARE FOR INTERIM REVIEW AND ARE NOT INTENDED FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.
 GARY L. BURTON, III
 TEXAS P.E. NO. 54643
 01/31/11
 DATE:

CITY OF BEDFORD
 2010 SANITARY SEWER COLLECTION SYSTEM
 19.1W INFILTRATION/INFLOW INVESTIGATION

PROJECT MGR. ANTHONY CEFAR, P.E.	JOB NO. 08e100101
PROJECT TECH RMT	DWG. NO.
CHECKED BY CEH	E2
REVIEWED BY AJC	



Council Agenda Background

PRESENTER:

John F. Kubala, P.E., Public Works Director

ITEM:

Consider a resolution authorizing the Mayor to sign a Public Right-of-Way easement for Brown Trail from property conveyed to the City of Bedford by deed, as recorded in Volume 4656, Page 972, Deed Records, Tarrant County, Texas.

DISCUSSION:

When the Brown Trail Well site property was surveyed in preparation for listing it for sale, it was discovered that the right-of-way for Brown Trail was never formally dedicated as such. The purpose of this resolution is to dedicate that right-of-way.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the Mayor to sign a Public Right-of-Way easement for Brown Trail from property conveyed to the City of Bedford by deed, as recorded in Volume 4656, Page 972, Deed Records, Tarrant County, Texas.

FISCAL IMPACT:

N/A

ATTACHMENTS:

Resolution
Public Right-of-Way Easement
Exhibit A
Plat of Exhibit A

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN A PUBLIC RIGHT-OF-WAY EASEMENT FOR BROWN TRAIL FROM PROPERTY CONVEYED TO THE CITY OF BEDFORD BY DEED, AS RECORDED IN VOLUME 4656, PAGE 972, DEED RECORDS, TARRANT COUNTY, TEXAS.

WHEREAS, the City of Bedford wishes to dedicate right-of-way for Brown Trail; and,

WHEREAS, it is in the best interest of the citizens of the City of Bedford to do so.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

SECTION 1. That the City Council does hereby authorize the Mayor to sign a Public Right-of-Way easement for Brown Trail from property conveyed to the City of Bedford by deed as recorded in Volume 4656, Page 972, Deed Records, Tarrant County, Texas.

PASSED AND APPROVED this 9th day of August 2011, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Michael Wells, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney

PUBLIC RIGHT-OF-WAY EASEMENT

The State of Texas ⊃

Know All Men By These Present

County of Tarrant ⊃

THAT James Story, Mayor of Bedford, Tarrant County, Texas in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration in hand paid by the City of Bedford receipt of which is hereby acknowledged, do by these presents grant, bargain, sell, and convey unto the City of Bedford, the free and uninterrupted use, liberty, and privilege of the passage in, along, upon, and across the following described property, owned by us, situated in Tarrant County, Texas more particularly a public right-of-way easement, as described by metes and bounds and shown in Exhibit A attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same perpetually to said City, its successors and assigns, together with the right and privilege at any and all times to enter upon said right-of-way easement for the purpose of construction or reconstruction on and maintenance of this general easement, upon the condition that said City and all others claiming a right or privilege hereunder will at all times after doing any work in connection with this easement, restore said premises to the condition in which they were found before such work was undertaken and that in the use of said right and privilege herein granted to the City of Bedford and its successors, will not create a nuisance.

WITNESS my hand this _____ day of _____ A.D. 2011.

By:

James Story, Mayor

State of Texas ⊃

County of Tarrant ⊃

This instrument was acknowledged before me on the _____ day of _____ A.D., 2011.

Notary Public in and for the State of Texas

Print Name _____

My commission expires _____

EXHIBIT "A"

BEING a strip of land situated in the Alexander Allen Survey, Abstract No. 11, City of Bedford, Tarrant County, Texas and being a portion of that certain tract of land conveyed to **CITY OF BEDFORD** by deed as recorded in Volume 4656, Page 972, Deed Records, Tarrant County, Texas (D.R.T.C.T.), said strip being a 22.5' wide **Permanent Public Right-of-way** and being herein more particularly described by metes and bounds as follows:

BEGINNING at a ½" iron rod found on the south property line of the said Bedford tract, said iron being found at the northwest property corner of Lot 1, Block 2, Spring Valley Estates, being an addition to the City of Bedford, Tarrant County, Texas according to the plat thereof recorded in Volume 388-65, Pg. 6, Plat Records, Tarrant County, Texas (P.R.T.C.T.), said iron also being found on the existing east right-of-way line of Brown Trail Drive;

THENCE North 89°38'56" West, along the south property line of the said Bedford tract, 22.50 feet to a mag nail set in Brown Trail Drive at the southwest property corner of the said Bedford tract;

THENCE North 00°39'36" West, along the west property line of the said Bedford tract, 150.00 feet to a mag nail set in Brown Trail Drive at the northwest property corner of the said Bedford tract;

THENCE South 89°38'56" East, along the north property line of the said Bedford tract, 22.50 feet to a ½" iron rod with cap stamped "SPOONER AND ASSOCIATES" set at the southwest property corner of Lot 43, Block 2 of the said Spring Valley Estates, same being on the said east right-of-way line of Brown Trail Drive;

THENCE South 00°39'36" East 150.00 feet to the **POINT OF BEGINNING**;

The strip being herein described contains **0.077 acres (3,375 Sq. Ft.)** of land.

Note: Survey sketch to accompany this legal description.

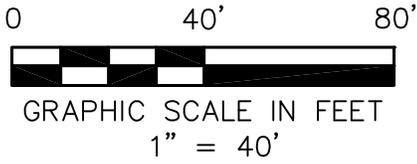
Note: Basis of Bearing = NAD 83 Texas North Central Zone (4202)

By: Spooner and Associates, Inc.



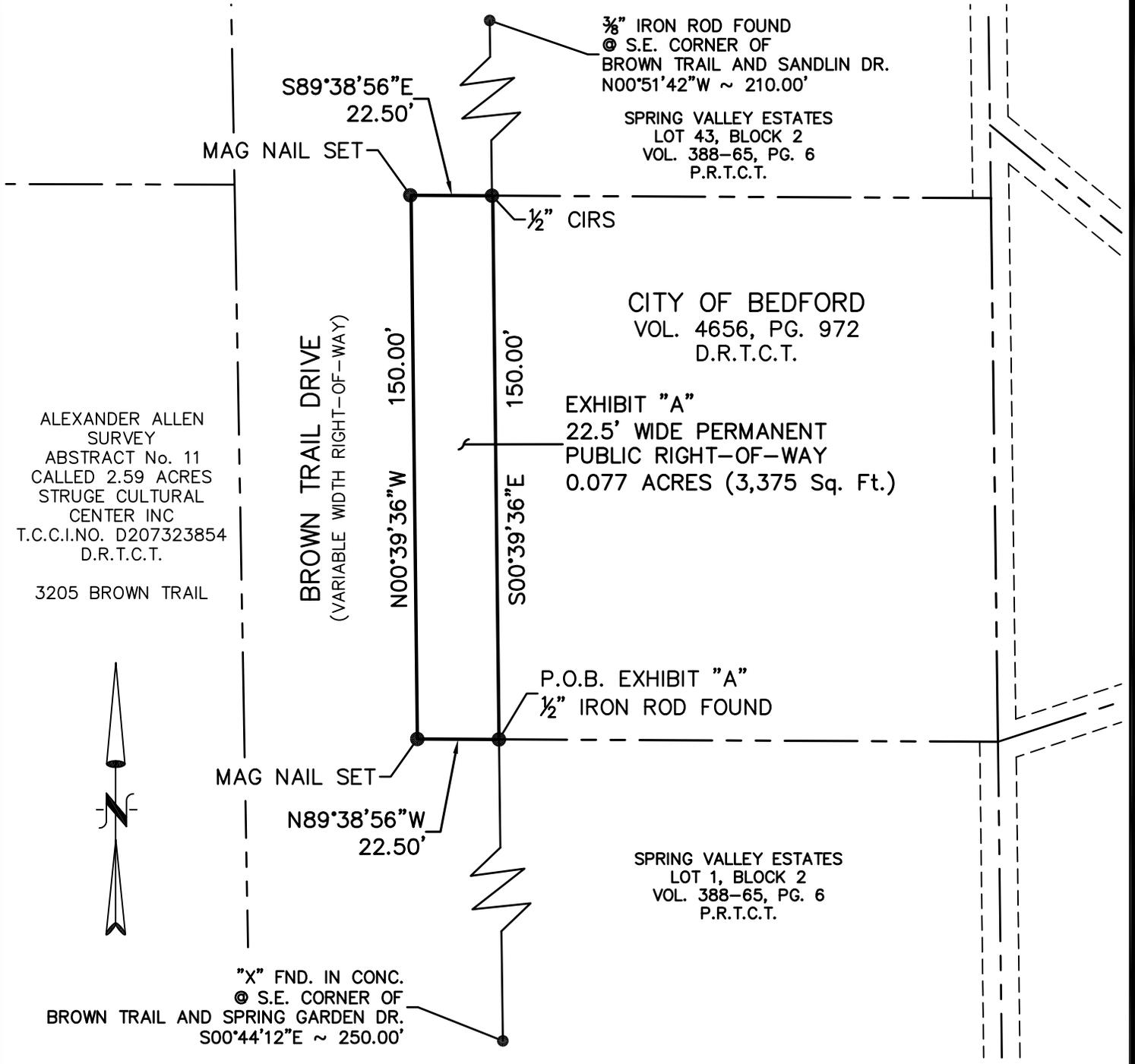
Surveyor's Name: Eric S. Spooner
Registered Professional Land Surveyor,
Texas No. 5922
Date of Field Survey: 6-30-11





PLAT OF EXHIBIT "A"

SEE ATTACHED LEGAL DESCRIPTION
ON PAGE 1 OF EXHIBIT "A" HEREIN



THE BASIS OF BEARINGS FOR THIS SURVEY IS NAD83 TEXAS STATE PLANE COORDINATES TEXAS NORTH CENTRAL ZONE (4202). ALL DISTANCES SHOWN ARE SURFACE.

PERMANENT PUBLIC RIGHT-OF-WAY

PARCEL NO. N/A
SURVEY: ALEXANDER ALLEN SURVEY, ABSTRACT No. 11
LOCATION: CITY OF BEDFORD, TARRANT COUNTY, TEXAS
WHOLE PROPERTY ACREAGE: 0.551 ACRES BY SURVEY

S&A JOB NO.: 10-030
DATE: 6-30-11

DRAWN BY: E.S.S.
CHECKED BY: E.S.S.

ACAD FILE: 10-030 BEDFORD WELLS

EXHIBIT "A" PG. 2 OF 2

