

# **AMENDED AGENDA**

**Regular Meeting of the Bedford City Council  
Tuesday, September 13, 2011  
2000 Forest Ridge Drive  
Bedford, Texas 76021**

**Council Chambers Work Session 5:30 p.m. (Amended Time)  
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.

## **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:

- a) Pursuant to Section 551.071, consultation with City Attorney regarding pending or contemplated litigation – The Oaks of Landera Apartments.
- b) Pursuant to Section 551.071(2), consultation with the City Attorney on matters in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code – Zoning for group homes.
- c) Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to 6Stones, L.L.C.
- d) Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to Block A, Lot 1, Park Place Restaurant Addition. (Amended Item)
- e) Pursuant to Section 551.072, to deliberate the purchase, exchange, lease or value of real property – Sulpher Branch & SB-1.

## **REGULAR SESSION 6:30 P.M.**

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

**INVOCATION (Senior Pastor Marty Akins, First Baptist Church of Bedford)**

## **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**

## **PERSONS TO BE HEARD**

1. The following individuals have requested to speak to the Council tonight under Persons to be Heard:
  - Pamela Stroud, 1820 Wimbleton Drive, Bedford, TX 76021 – Requested to speak to the Council regarding a complaint about 1900 Wimbleton Drive.

## **APPROVAL OF THE MINUTES**

2. Consider approval of the following City Council minutes:
  - a) August 23, 2011 regular meeting
  - b) August 30, 2011 special meeting

## **NEW BUSINESS**

3. Consider and act upon an ordinance adopting the annual budget for the City of Bedford, Texas for the fiscal period of October 1, 2011 through September 30, 2012; levying taxes for 2011; providing for intra-fund and/or intra-departmental transfers; providing for investment of idle funds; and declaring an effective date.
4. Consider a resolution to ratify the property tax increase as reflected in the 2011/2012 City of Bedford Program of Services (Budget).
5. 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.
6. Consider a resolution accepting the City of Bedford Investment Policy.
7. Consider a resolution authorizing the City Manager to enter into the first year of a four-year contract with Scobee Foods, Inc., for the purchase of prisoner meals for the Detention Facility.
8. Consider a resolution authorizing the payment to the City of North Richland Hills, in the amount of \$26,036.40, to provide continuous maintenance for subscriber radios and auxiliary equipment to obtain maximum performance.
9. 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
  - ✓ Cultural Commission- Councilman Champney
  - ✓ Library Board- Councilman Brown
  - ✓ Parks & Recreation Board- Councilman Griffin
  - ✓ Senior Citizen Advisory Board- Councilman Savage
  - ✓ Teen Court Advisory Board- Councilman Griffin

## **10. Council member reports**

## **11. City Manager report**

## **12. 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, September 9, 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 Agenda Background

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## PRESENTER AND ITEM:

- Pamela Stroud, 1820 Wimbleton Drive, Bedford, TX 76021 – Requested to speak to the Council regarding a complaint about 1900 Wimbleton Drive.

## DISCUSSION:

N/A

## RECOMMENDATION:

N/A

## FISCAL IMPACT:

N/A

## ATTACHMENTS:

N/A



# Council Agenda Background

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**PRESENTER:**

Michael Wells, City Secretary

**ITEM:**

Consider approval of the following City Council minutes:

- a) August 23, 2011 regular meeting
- b) August 30, 2011 special 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 6:00 p.m. and Regular Session at 6:30 p.m. in the Council Chambers of City Hall, 2000 Forest Ridge Drive, on the 23rd day of August, 2011 with the following members present:

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

constituting a quorum.

Councilman Griffin was absent from tonight's meeting.

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
Bill Cooper	Information Services Director
Roger Gibson	Police Chief
John Kubala	Public Works Director
Jill McAdams	Human Resources Director
Mirenda McQuagge-Walden	Managing Director of Community Services
Maria Redburn	Library Manager
Bill Syblon	Development Director
James Tindell	Fire Chief

### **CALL TO ORDER**

Mayor Story called the Work Session to order at 6:00 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: 9, 10, 11 and 12.

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

City Secretary Michael Wells updated Council on the status of municipal elections in 2012. He stated that at a meeting held with Tarrant County Elections on August 10, various options were discussed. One option was for the political parties to agree to hold joint runoff elections, which would free up enough equipment for the County to continue to provide election services. However, the precinct chairpersons for either party will not be able to meet until mid-September. The Council has already sent letters to the chairpersons asking for their consideration of this option. A second option was changing the Council to

even-numbered terms and moving elections to May of odd-numbered years or to move elections to November. This option has been discussed previously with Council in detail. There was still no commitment from Tarrant County on the placement of non-partisan races on the ballot in November. The third option was for the City to run its own elections. This option has also been also been discussed previously with Council. It was stated that Hart Intercivic may be coming out shortly with a new line of equipment. The City would not be able to get onto Dallas County's contract for election equipment through ESS but staff is checking on the possibility of going through a State contract. Finally, there was the option of the entities purchasing and storing equipment and continuing to have the County run the elections. The estimated costs for this included approximately \$5M county-wide for equipment and storage or about \$12,000 per polling place.

At their August 16 meeting, the Tarrant County Commissioners passed a motion to approve providing only the statutory minimum amount of equipment to the political parties during their primary runoff elections, which will allow the County to contract with the entities for elections in May of 2012. There will be increased costs due to staffing and overhead on the part of the County, but those costs are unknown at this time. Elections Administrator Steve Raborn did confirm that Bedford would be getting a County early-voting location. There may be changes on the number and location of election day polling locations. Finally, the County may keep equipment onsite for longer periods of time and they may need access on weekends.

Mayor Story adjourned the Work Session at 6:15 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 6:15 p.m.

Council reconvened from Executive Session at approximately 6:26 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.**

The Regular Session began at 6:31 p.m.

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

Mayor Story called the meeting to order. He announced that Councilman Griffin is unable to attend tonight's meeting.

#### **INVOCATION (Interim Pastor Jared Bryant, Harwood Terrace Baptist Church)**

Interim Pastor Jared Bryant of Harwood Terrace Baptist Church gave tonight's invocation.

#### **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was given.

#### **OPEN FORUM**

Nobody chose to speak under tonight's Open Forum.

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

Motioned by Councilman Champney, seconded by Councilman Savage, to approve the following items by consent: 9, 10, 11 and 12

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

### **COUNCIL RECOGNITION**

#### **1. Proclamation recognizing the month of September 2011 as "Be Bedford Prepared Month" in the City of Bedford.**

Mayor Story read a proclamation recognizing the month of September 2011 as "Be Bedford Prepared Month" in the City of Bedford. Fire Chief James Tindell was on hand to accept the proclamation. Emergency Management Coordinator Rick Nash recognized members of the Citizens Police Academy, the Citizen's Fire Academy, Emergency Operation Center Call Takers, the Bedford Amateur Radio Club, and the Community Emergency Response Team (CERT).

#### **2. Employee Service Recognition.**

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

John Kubala, Public Works – 5 years of service  
Randy Gardner, Police Department – 35 years of service

### **PERSONS TO BE HEARD**

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

- **Melissa Rowles, 940 Springdale Road, Bedford, TX 76021 - Requested to speak to the Council regarding the sidewalk project.**

Melissa Rowles, 940 Springdale Road, Bedford spoke about her disillusionment with the sidewalk project next to her house. She cares about the safety of children that attend Shady Brook Elementary and would be happy to work with the City on the plans for the sidewalk. On July 26, she received a letter from the City requesting her opinion on a sidewalk that would be adjacent to the curb. She agreed with having a sidewalk adjacent to her curb. She did not hear anything more about the project until August 8, when a door tag was left on her husband's truck requesting that it be moved because construction was to begin that day. At around noon that day, she received a phone call that her driveway was torn up. By August 10, her driveway was rebuilt and the outline of the sidewalk was painted on the grass and it was not adjacent to the curb. She sent a letter to Council on August 16. That same day she was informed that at previous Council meeting, the sidewalk was moved to a four foot sidewalk with medians. On August 17, she received an e-mail from Councilman Fisher and she appreciated his responses and for looking into what was under construction and addressing her concerns. She then received a certified letter from Public Works Director John Kubala on August 18.

Ms. Rowles stated she was concerned about the lack of communication in regards to the change in the plan for the sidewalk, the moving of the location and the timeline. She believes that the residents were not given advanced notice because Council did not want the project to be stopped and therefore lose money. She believed that a door tag on a car is not good communication and somebody should have knocked on her door or had somebody come speak to her. In regards to the uniformity of sidewalks, she stated that she does not see any uniformity in the Shady Brook area or in the City. The sidewalk adjacent to the elementary school is against the curb. Ms. Roles is also concerned that she has a short

driveway and her trucks will hang over the sidewalk, which would be a violation. She would have to park in the street and make sure to move her truck every 72 hours. She also expressed concern that the construction company left the site wide open and that it was rarely tied off. Anybody could have walked into that area and been injured and she would have been sued. The company also left trash in her yard over the weekend and nails were left in her driveway. Finally, there is a tree in the right-of-way that now has roots only on two sides. The City has offered to remove the tree but not replace it. She did appreciate the changes to the ADA ramp and that it is now more straightaway. Ms. Rowles stated that the sidewalk is poured and there is nothing that she can do about it now; however, in the future she wants to make sure the citizens are heard and involved in any future sidewalk projects.

Council apologized for the situation and stated that going forward, there will be a more concerted effort to inform affected citizens before any future sidewalk project. In regards to the policy on replacing trees, Mr. Kubala explained that they are not replaced if they are in the City's right-of-way. As for violations for cars hanging over the sidewalk, Police Chief Roger Gibson stated that the rule has been interpreted that it is not a violation if a person in a wheelchair or a bicycle with training wheels can safely maneuver around the grade of the driveway that crosses the sidewalk and continue to the other side of the sidewalk.

### **APPROVAL OF THE MINUTES**

#### **4. Consider approval of the following City Council minutes:**

- a) **August 5, 2011 work session**
- b) **August 9, 2011 regular meeting**

Motioned by Councilman Champney, seconded by Councilman Fisher, to approve the minutes of the August 5, 2011 work session.

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

Motioned by Councilman Champney, seconded by Councilman Savage, to approve the minutes of the August 9, 2011 regular session.

Motion approved 5-0-1. Mayor Story declared the motion carried. Councilman Turner abstained due to not being present at this meeting.

### **NEW BUSINESS**

#### **5. Public Hearing to consider the proposed 2011 tax rate.**

Cliff Blackwell presented information on this item and Item #6. He reviewed the City Council's goals, mission statement and critical focus areas to include economic development, fostering the City's image through code enforcement, and the budget.

Financial highlights included a proposed base budget in the amount of \$56,516,140 with supplemental requests of \$465,895, for a total proposed budget of \$56,982,035. The total supplemental requests are the smallest amount that the City has ever funded. When staff was first putting together the budget, there was an initial deficit of over \$600,000. Staff came up with increases in revenue and decreases in expenditures in order to close that deficit. Mr. Blackwell presented highlights for revenues. Within the general fund, staff worked in identifying revenue areas that are trending downwards, including sales tax, and finding ways to offset those decreases with how funds are spent. Each of the funds listed serves a specific purpose. Some have to follow state statutes, including the Tourism Fund, which is funded by the hotel/motel tax.

In the General Fund, there is a decline in revenues for the proposed budget from the current fiscal year of \$336,082. \$310,000 of that difference is from a decline in sales tax. There are decreases as well in franchise taxes, charges for services, licenses and permits, and other taxes. The decline in other taxes is due to recent state legislation affecting the amount of mixed beverage taxes a City receives. In licenses

and permits, the City is not growing and is more focused on redevelopment, so building permits are not being received on a regular basis. There is an increase in fines and forfeitures due to the Police Department's traffic division being fully staffed.

Regarding revenues by source, the General Fund makes up 45% of what is received by the City, Water/Sewer makes up 33% and Debt Service makes up 12%.

In a comparison with the current year's budget, staff is proposing a \$1.1M decrease or 1.89% in next year's proposed budget.

For expenditures, staff is proposing a decrease in the General Fund in the amount of \$413,000 to \$26,822,951. There is also a decline in the Tourism Fund. Increases in the Stormwater and the Water/Sewer funds are due mainly to the new debt service from the recent bond sale approved by Council. The decline in the 4B fund is due primarily to a decrease in sales tax, as well a reduced fund balance due to completion of projects. Specifically for expenditures from the General Fund per department, the changes in Support Services and Development are due to a recent reorganization where facilities maintenance was moved under Support Services. The Police Department is \$271,200 less due to some positions being frozen. Public Services is reduced by \$17,260, the Fire Department by \$110,106, and Community Services by \$31,459. The reduction in the City's contribution to TMRS also has allowed a decrease in expenditures. In regards to expenditures by function, the Police, Fire and Public Services Departments make up a significant portion of expenditures.

In regards to where the funds come from, property taxes make up the largest portion at \$14,427,112 which is an increase of \$400,000 from the previous year. Sales tax is down from the previous year by \$400,000 to \$9,200,000. Generally, a decrease in sales tax will lead to an increase in property tax. The increase in property tax is also attributable to the increased debt service.

Mr. Blackwell explained that the effective tax rate is the rate that will generate the same amount of tax revenue as the previous year from the same properties on the tax rolls in both years. The calculated effective tax rate for 2011 is \$0.494387. The rollback rate for 2011 is calculated at \$0.536649. In comparing the current tax rate of \$0.491609 and the proposed 2011 tax rate of \$0.504329, most of the increase is from the debt portion of the rate which moved from 0.0182534 to 0.193072 or 5.8%. The maintenance and operations portion of the rate increased from \$0.309075 to \$0.311257 or 0.7%.

The comparison of assessed valuation has seen a trend in the positive direction after some years of decline. In 2009, it was at \$2.998B, decreased by 4% in 2010 to \$2.885B and increased by 0.413% to \$2.897B in 2011. The history of the City's tax rate shows that it was stable from 2006 to 2009 and has increased in the following years due in part to the decline in assessed values. In regards to the comparison of sales tax figures, Mr. Blackwell explained that the figures for 2011 were calculated before the August sales tax collections were reported and the projected total of \$9.2M may need to be revisited. Sales tax collections were \$9.3M in 2007, \$9.6M in 2008, \$9.383M in 2009 and finally \$9.463M in 2010. In 2011, since December, the sales tax figures have been in the negative compared to the average of the previous 4 years.

The overlapping tax rates show that the total proposed tax rate is \$2.559196, of which HEBISD makes up \$1.414 or 55% of that total. The City is at \$0.504329 or 20%, Tarrant County is keeping their rate the same at \$0.264 or 10%, Tarrant County College is raising their rate to \$0.148970 or 6%, and the Hospital District is keeping their rate the same at \$0.227897 or 9%.

Mr. Blackwell presented a comparison of area tax rates. All cities are keeping their tax rates the same, except Grapevine who is considering a decrease. Mr. Blackwell pointed out that the average taxable value of a house is \$400,000 in Colleyville and \$488,000 in Southlake. Also, Grapevine collects approximately \$34M in sales tax compared to \$9M for Bedford. In order to compare different cities, the taxable residential value and the sales tax collections must be taken into account.

A comparison of the Consumer Price Index (CPI) and the Municipal Price Index (MPI) shows that the MCI has increased by an average of 3.03% over the last five years. These costs continue to change and are absorbed within the budget.

The Water and Sewer Fund is made up of funds collected from water and sewer charges. These funds are used for water and wastewater projects, transfers/debt, customer service, accounting, risk management, and engineering. The Stormwater Fund comes from the stormwater fee on the water bill and is used to pay operations, debt service, administrative transfers and capital infrastructure. The key issues for the Water and Sewer Fund rates are to adequately cover its own expenditures, provide for debt service covenants, provide for renewal and replacement costs and to provide for adequate working capital.

The revenue for the Debt Service Fund comes from property taxes, the 4B sales tax, payment from the Northeast Fire Department Association, and interest earnings. Mr. Blackwell presented the list of Capital Improvement Projects that are funded for 2012. With the exception of 4B and the post office channel, all these projects are part of a recent debt issuance approved by Council.

Mayor Story opened the public hearing at 7:58 p.m.

Dr. Thomas Heith, 91 Stonegate Drive – Dr. Heith asked about a tax break for veterans. Mr. Blackwell explained that the City does have an exemption for veterans. Dr. Heith would need to apply for that through the Tarrant Appraisal District.

Jason Sinisi, 720 Spring Lake Drive – Mr. Sinisi stated that the only cities in northeast Tarrant County that are considering a tax increase are Bedford, Watauga and Haltom City. Since 2000, the tax rate has increased by 16.2 cents in Bedford, increased by 6.7 cents in Hurst, decreased by 4.4 cents in Euless, decreased by 2.7 cents in Grapevine and increased by 0.8 cents in Colleyville. Though the City has used its money wisely, Bedford is the only city that has seen a substantial increase in the tax rate over the last 10 years. Over the last five years, other cities have either maintained or lowered their tax rate, with the exception of Hurst.

J.T. Taylor, 3925 Pebblebrook Lane – Mr. Taylor asked how much additional taxes he would pay next year on his \$250,000 house. It was explained that it would be approximately \$38.00. He originally came to speak about not raising his property taxes, but has since changed his mind. He saw how much the budget was being cut and all the hard work being done on the budget. He reluctantly supports the tax increase.

Bill Ellis, 1004 Monterrey Street – Mr. Ellis stated that in general, this is not the time to increase taxes for any reason. The private sector creates the tax base while government depletes it. More taxes mean more government waste while less taxes means a more successful private sector. If the private sector is not strong, then there is no tax revenue to come in. The private sector takes the risks with profits and losses while the government sector takes no risks. Money is kept from the market place and is spent frivolously with no natural controls for profit or loss. He believes the private sector should be shored up and that government burden should be decreased. The government and contractors take money out of the tax base at a discount since there is not the necessary risk component. The money comes from an assumed demand and there is no risk, no checks and no balances.

John DeLorme, 1129 Woodvale Drive – Mr. DeLorme stated that at this time and in this economy, it is not a good time to raise taxes. He does not care about other cities; he cares about Bedford and its future. The only way to deal with declining revenue is economic redevelopment. The City needs to come up with a strategy to deal with the current infrastructure with its aging, ugly strip centers. The reconstruction of Airport Freeway will cause a loss of businesses and sales tax and there is no guarantee that what is left will generate additional revenue. There are lean times to come and a majority of the burden is being put on the homeowners. Taxes have increased by 27% since Mayor Story has been in office. He feels that raising taxes is the politically easy and lazy thing to do and that the \$600,000 budget cut is not very big compared to the total budget. He urged Council to keep the tax rate the same knowing the economic situation that the City is in. Businesses looking at coming to the area will look at the

bottom line and if it costs more in Bedford, then they will go elsewhere. The City needs to do what it can to be as attractive to businesses by having a competitive tax rate.

Mayor Story closed the public hearing 8:30 p.m.

**6. Public hearing on the annual budget for the City of Bedford, Texas for the fiscal period of October 1, 2011 through September 30, 2012; levying taxes for 2011.**

Mayor Story opened the public hearing at 8:30 p.m.

Jason Sinisi, 720 Spring Lake Drive – Mr. Sinisi stated that the reason for the loss in revenue is property devaluation and the loss of sales tax. The number of City employees have not increased in the last four or five years. The City's needs include \$1.5M for future utility relocation, funds for bond payments and capital improvements, future infrastructure needs, and other costs for the Highway 183 expansion. Mr. Sinisi asked several questions of Council and staff including who owes the City money, what future business development is being generated and what actions the City is taking to generate business, potential increases in water and sewer rates, potential increases in trash and recycling, budgeting for the new logo, what is being done with the old library building and about employee raises. Mr. Sinisi also asked about individual line items in the budget and where potential cuts could be made including weight room flooring at the Boys Ranch Activity Center, contract labor, the entryway vestibule at the Public Works Service Center, a trailer for Public Works, part-time shelvers at the new Library, a retaining wall at Harris Ryals Park, closing Central Pool during the week, chairs and tables for the Old Bedford School, and the CPR program.

Dr. Thomas Heith, 91 Stonegate Drive – Dr. Heith asked about houses that are being bought up and destroyed for the highway expansion and could the City move them to a vacant lot and so people who do not own property can get into them and start paying property tax and have themselves a home.

Mark Massey, 3741 Oak Cove Lane – Mr. Massey stated he is not for bigger government or tax increases but he does not have a problem paying. He does not like to see Police positions being frozen. He stated that we are all in this together and he wanted to thank Council for decreasing the budget. At the last Citizen's Police Academy meeting, Chief Gibson explained the cuts to his budget. He would like to see the City employees taken care of.

Mayor Story closed the public hearing at 9:19 p.m.

There was discussion from Council regarding lost revenue and increased expenses incurred by the City that included properties that are eligible for the disabled or over-65 tax exemptions, the increase in new and ongoing operation costs for City facilities, maintenance agreements for such things as the outdoor warning sirens, having to fully support the Senior Center, the decrease in revenues from the ICE contract, decreases in sales tax, increased expenses from the new health care law, having to fund GASB 45, increases in fuel costs even with the same number of vehicles, the cost of inflation, funding Bedford 2000 and 2005 bonds, new handheld radios for public safety, a new fire pumper truck and new software for the Police Department.

**7. Public hearing and consider and act upon an ordinance to rezone property known as Lot 2R-1, Block 1, Harwood Hills Village Addition, Bedford, Texas from Heavy Commercial to Heavy Commercial/ Specific Use Permit/Motorcycle and Motor Scooter Sales/Service. The property is generally located east of Martin Drive and south of Harwood Road. (Z-209)**

Development Director Bill Syblon presented information regarding this ordinance. This specific use permit is to allow an existing Bedford business, Biker's Bay, which is affected by the 183 expansion, to move to a new location. Due to the nature of the business of motorcycle sales and service, they needed to apply for the SUP. The new location is a 4,200 square foot space at the Harwood Hills Village Shopping Center. All improvements are to be inside, while the landscaping and parking are already part of the shopping center. There is a double door at the rear of the space that will be used to move sales

and service inventory while customers enter at the front of the space. The Planning and Zoning Commission approved this SUP by a unanimous vote at their July 28, 2011 meeting.

Mayor Story opened the public hearing at 9:31 p.m.

Nobody chose to speak at tonight's public hearing.

Mayor Story closed the public hearing at 9:32 p.m.

Motioned by Councilman Champney, seconded by Councilman Turner, to approve an ordinance to rezone property known as Lot 2R-1, Block 1, Harwood Hills Village Addition, Bedford, Texas from Heavy Commercial to Heavy Commercial/ Specific Use Permit/Motorcycle and Motor Scooter Sales/Service. The property is generally located east of Martin Drive and south of Harwood Road.

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

**8. Public hearing and consider and act upon an ordinance to amend the zoning of properties known as Tract 7G, Abstract 860, William H. Jasper Survey, and Lot 3R, Block 1, Crossroad East Addition, Bedford, Texas to Amended Light Commercial/ Specific Use Permit/Community Garden. The property is generally located west of Industrial Boulevard and north of State Highway 183. (Z-210)**

Development Director Bill Syblon presented information regarding this ordinance. Council recently adopted a SUP for the development of a community garden along Highway 157. Due to overwhelming community interest, the scope of the project has grown and there is a need to readdress the size and scope of the facility, specifically the tool storage shed and teaching site. The garden is now a certified project with Tarrant County, part of the master gardener program, and an extension teaching site with Texas A&M University. The applicant proposes to increase their storage shed up to 875 square feet, the gazebo area up to 875 square feet and the trellis area up to 1,050 square feet. The site is being moved farther away from residential properties. The Planning and Zoning Commission unanimously approved this SUP at their July 28, 2011 meeting.

The applicant, Scott Shepard, reiterated what Mr. Syblon said. This will give the opportunity to bring in additional people from all over Tarrant County. This is the only master gardener project in this part of the County that will produce food. It can also serve as a launching point to do other things in this part of the community.

Mayor Story opened the public hearing at 9:36 p.m.

Nobody chose to speak at tonight's public hearing.

Mayor Story closed the public hearing at 9:36 p.m.

Motioned by Councilman Champney, seconded by Councilman Fisher, to approve an ordinance to amend the zoning of properties known as Tract 7G, Abstract 860, William H. Jasper Survey, and Lot 3R, Block 1, Crossroad East Addition, Bedford, Texas to Amended Light Commercial/ Specific Use Permit/Community Garden. The property is generally located west of Industrial Boulevard and north of State Highway 183.

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

**9. Consider a resolution authorizing the City Manager to enter into a Lease Agreement with Planet Kidz for the purpose of holding the Bedford Saturday Night Program at the Boys Ranch Activity Center.**

This item was approved by consent.

**10. Consider a resolution authorizing the City Manager to enter into a one-year agreement between the City of Bedford, Texas and Motorola Solutions, Inc. in the amount of \$276,963.96 for support and maintenance of the trunk radio infrastructure and for the trunk radio system manager.**

This item was approved by consent.

**11. Consider a resolution authorizing the City Manager to enter into a contract with the Hurst-Eules-Bedford Independent School District to provide two School Resource Officers for school year 2011/12, in the amount of \$139,390, paid for by the District.**

This item was approved by consent.

**12. Consider a resolution authorizing the City Manager to enter into an amendment to the Interlocal Agreement with the cities of Eules, Grapevine, Hurst, Haltom City, Keller and North Richland Hills for the Northeast Transportation Services Urban Transit District (NETSUTD); authorizing the Fort Worth Transportation Authority to act as the direct grant recipient for the Northeast Transportation Services Urban Transit District with regard to Federal and State funding; and declaring an effective date.**

This item was approved by consent.

**13. 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 stated that to help retain businesses and get more input from them, the Commission discussed more thorough efforts to get businesses involved to include property owners, managers and decision makers.

✓ **Library Board- Councilman Brown**

No report was given.

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

No report was given.

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

No report was given.

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

No report was given.

#### **14. Council member reports**

##### **✓ Mayor Story**

##### **a) Report on Tarrant County Mayors Council meeting of August 1.**

Mayor Story reported on the Tarrant County Mayors Council meeting held on August 1. They discussed the new election laws, explained some options and made plans for future meetings. There was also a presentation by the Vice President of External Affairs for Oncor who spoke about utilities, costs and smart meters which can vary a person's rate every 15 minutes

##### **b) Report on the Summer Reading Awards Program at the Library on August 6.**

Mayor Story reported on the Summer Reading Awards Program held August 6 at the Library. For the last three years, elementary school kids have been able to sign up for the program and if they read 40 or more hours during the summer, they receive a medal and certificate and a party is held for them attended by the Mayor. This summer, 1,255 Bedford children registered for the program and read a total of 24,266 hours. Meadow Creek Elementary had the most students registered at 287 and had the most hours read.

##### **c) Report on Emergency Management Training.**

Mayor Story stated that the cities of Hurst, Euless and Bedford applied for and received a grant to send people to training at the Emergency Management Institute in Emmitsburg, Maryland. Approximately 50 people attended, with 17 of those being from Bedford. These include elected officials, Police and Fire chiefs, emergency management coordinators, finance personnel, representatives from the Red Cross, the County and the State, and the DPS captain over the district. The training included classroom training and a management scenario with a tornado hitting along Highway 183 through a recovery period. He could not believe the amount of coordination between different agencies.

Councilman Champney reported on the meeting of the Hotel/Motel Association. He stated that it went very well and there was enthusiasm for the cultural district. As they are part and parcel of economic development, they should be looked to for additional support.

#### **15. City Manager report**

City Manager Beverly Griffith stated that the City was notified by the Tarrant Regional Water District that they will be implementing Stage 1 of their Drought Plan starting Monday, August 29. The TRWD had given a status report on water supply and reservoirs at the last Council meeting. They stated that by Monday, the reservoir levels will be at 75%. With Stage 1, some of the voluntary water standards will now be mandatory, including no watering between 10:00 a.m. and 6:00 p.m. There will be no watering on Mondays, non-residential locations will be limited to watering on Tuesdays and Fridays, residential addresses ending in even numbers will be limited to watering on Wednesdays and Saturdays, and residential addresses ending in odd numbers will be limited to watering on Thursdays and Sundays. The City will be getting the word out on these restrictions through the website and the cable channel. In regards to enforcement, Public Works Director John Kubala stated that people will get a warning with the first violation but will be liable for a citation after that.

#### **16. 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 9:51 p.m.

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Jim Story, Mayor

ATTEST:

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Michael Wells, City Secretary

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

The City Council of the City of Bedford, Texas, met in Special Session at 6:30 p.m. in the Council Chambers of City Hall, 2000 Forest Ridge Drive, on the 30th day of August, 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
Bill Cooper	Information Services Director
Roger Gibson	Police Chief
John Kubala	Public Works Director
Jill McAdams	Human Resources Director
Mirenda McQuagge-Walden	Managing Director of Community Services
Maria Redburn	Library Manager
Bill Syblon	Development Director
James Tindell	Fire Chief

### **SPECIAL SESSION 6:30 P.M.**

The Special Session began at 6:30 p.m.

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

Mayor Story called the meeting to order.

### **COUNCIL RECOGNITION**

#### **1. Proclamation recognizing September 11, 2011 as “Stop and Remember – 9/11 National Moment of Remembrance” in the City of Bedford.**

Mayor Story read a proclamation recognizing September 11, 2011 as “Stop and Remember – 9/11 National Moment of Remembrance” in the City of Bedford. Police Chief Roger Gibson and Fire Chief James Tindell were on hand to accept the proclamation.

## **NEW BUSINESS**

### **2. Second public hearing to consider the proposed 2011 tax rate.**

City Manager Beverly Griffith stated that this is the second public hearing on the proposed tax rate. There was an extensive presentation at the last Council meeting. Council will be considering a rate not to exceed \$0.504329 to fund next year's budget. The current tax rate is \$0.491609, so this will represent a 1.2 cent increase. The effective tax rate is \$0.494387.

Mayor Story opened the public hearing at 6:35 p.m.

Bill Ellis, 1004 Monterrey Street – Mr. Ellis wanted to proclaim Emergency Preparedness Month. He stated that it appears the City expects to cover its excess of expenses or the decrease in properties available by increasing the property tax, which is obtained from the residents based on the value of their property. Though the tax increase is not significant, it is being used as an appearance to solve an upcoming calamity. However, an increase in property taxes will have no affect on solving the calamity. Increasing taxes is not a solution to a declining economy; the positive effects government can have are in reducing government costs and taxes. Of the three surrounding cities, Bedford will be the most likely to suffer with no mall or airport. One way to reduce government costs is to combine as many mini-cities as possible. There is no rainy day fund or if there is one, it will be disappearing soon. The true purpose of government is to protect the citizenry of that city. The private sector is what makes the city grow, not the government. It is time to contemplate various alternatives to solve the potential problems that are on the horizon. A strong private sector depends on a strong and successful free market. The government is a socialistic body that arbitrarily assigns wages and benefits and there is no test to determine those. Instead of protecting the citizenry, an emphasis has been placed on how to spend taxes to have well paid and benefited employees. Costs need to be reduced and the Council should start now so it will not be as devastating as it would be if it had to be done at the last minute.

Michael Bond, 2607 Cummings Drive – Mr. Bond stated that on the notice for the public hearing for potentially raising the property tax rate that for 2010, the average home value was \$145,011 while in 2011 it is \$145,765; therefore, the average home value is rising. He only sees a proposal to increase the tax rate but none to reduce or keep it the same. He requests that Council look into a proposal to keep the tax rate the same, since lowering it may not be feasible. He applauded Council for keeping the tax rate the same from 2005-2008 but there has been a rise in the rate by 17 cents since 2000, which is an increase to his taxes of \$188 per year.

Mayor Story closed the public hearing at 7:13 p.m.

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

City Secretary Michael Wells updated Council on discussions with Tarrant County regarding elections in May of 2012. At a meeting on August 24, 2011, Tarrant County Elections did confirm that they would be able to contract with the entities for elections in May of 2012. There would be increased costs due to extra staff and overhead. They also stated that they were reexamining the changes in the number and locations of voting day polling places and would work with each city on an individual basis. They could not confirm that they could continue to contract for elections in even-numbered years after 2012, so the entities will still need to examine their choices. Mr. Wells stated that he would keep the Council updated and plans on meeting with Hurst, Euless and the School District.

## **ADJOURNMENT**

Mayor Story adjourned the meeting at 7:20 p.m.

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Jim Story, Mayor

ATTEST:

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Michael Wells, City Secretary



# Council Agenda Background

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## PRESENTER:

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

## ITEM:

Consider and act upon an ordinance adopting the annual budget for the City of Bedford, Texas for the fiscal period of October 1, 2011 through September 30, 2012; levying taxes for 2011; providing for intra-fund and/or intra-departmental transfers; providing for investment of idle funds; and declaring an effective date.

## DISCUSSION:

In accordance with the requirements in the City Charter, the budget for the City of Bedford, as compiled by the City Manager, has been submitted. Following this submittal, a budget work session was held on August 5, 2011 with staff and members of the City Council. In addition, a public hearing was held on the budget as presented on August 23, 2011.

## RECOMMENDATION:

Staff recommends the following motion:

I move that property taxes be increased by the adoption of a tax rate of \$0.504329 per \$100.00 valuation; and approve an ordinance adopting the annual budget for the City of Bedford, Texas for the fiscal year October 1, 2011 through September 30, 2012.

## FISCAL IMPACT:

\$56,982,035 in total operating expenditures

## ATTACHMENTS:

Ordinance  
Exhibit A: Summary of Revenue and Expenditures by Fund – 2011-2012 Budget

ORDINANCE NO. 11-

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE CITY OF BEDFORD, TEXAS, FOR THE FISCAL PERIOD OF OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2012; LEVYING TAXES FOR 2011; PROVIDING FOR INTRA-FUND AND/OR INTRA-DEPARTMENTAL TRANSFERS; PROVIDING FOR INVESTMENT OF IDLE FUNDS; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, a notice of public hearing on the Annual Budget for the City of Bedford, Texas, for the fiscal period of October 1, 2011 through September 30, 2012, was heretofore published at least three (3) days in advance of said hearing; and,

WHEREAS, said public hearing on said Budget was duly held and all interested persons were given the opportunity to be heard for or against any item therein.

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

SECTION 1. That the Annual Budget for the City of Bedford, Texas, for the fiscal period of October 1, 2011 through September 30, 2012 in words and figures contained therein, is hereby adopted and approved. A copy of said budget shall be maintained in the records of the City. A summary of revenues and expenditures by funds is attached hereto as Exhibit A.

SECTION 2. That there shall be and there is hereby levied the following taxes on each one hundred (\$100.00) dollars valuation on all taxable property within the City of Bedford, Texas, to be assessed and collected by the Tax Assessor-Collector for the year, and collected for the purposes herein stipulated, to-wit:

(a) For Maintenance and Operations levied on \$100.00 valuation	\$0.311257
(b) For Debt Service levied on \$100 valuation	<u>\$0.193072</u>
TOTAL LEVY	<u>\$0.504329</u>

THE TAX RATE WILL INCREASE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$2.18.

SECTION 3. That the City Manager is hereby authorized to make intra-fund and/or intra-departmental transfers during the Fiscal Year as it becomes necessary in order to avoid over expenditure of a particular account.

SECTION 4. That the City Manager is hereby authorized to invest any funds not needed for current use, whether operating funds or bond funds, in accordance with the Investment Policy of the City.

SECTION 5. That this ordinance shall be in full force and effect from and after passage and publication as required by law.

PRESENTED AND PASSED on this 13th day of September 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

**ORDINANCE NO. 11-**

**ATTEST:**

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**Michael Wells, City Secretary**

**APPROVED AS TO FORM:**

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**Stan Lowry, City Attorney**

**EXHIBIT-A**

**CITY OF BEDFORD  
SUMMARY OF REVENUE AND EXPENDITURES BY FUND  
FISCAL YEAR 2011-2012**

FUND NAME	*Estimated BEGINNING BALANCE	REVENUE			EXPENDITURE			ENDING BALANCE
		PROPOSED	SUPPLEMENTALS	REVENUE	PROPOSED	SUPPLEMENTALS	EXPENDITURES	
GENERAL FUND	\$ 5,583,143	\$ 26,823,070	\$ -	\$ 26,823,070	\$ 26,690,270	\$ 132,681	\$ 26,822,951	\$ 5,583,262
TOURISM FUND	(226,655)	1,084,950	-	1,084,950	869,519	4,000	873,519	(15,224)
WATER AND SEWER FUND	1,900,524 *	19,405,430	-	19,405,430	18,231,739	224,030	18,455,769	2,850,185
STORMWATER UTILITY FUND	692,752 *	1,305,000	-	1,305,000	1,400,735	-	1,400,735	597,017
UTILITY REPAIR & MAINT. FUND	2,261,085	208,000	-	208,000	-	-	-	2,469,085
DRUG ENFORCEMENT FUND	24,541	1,000	-	1,000	10,000	-	10,000	15,541
COURT SECURITY FUND	7,716	31,680	-	31,680	30,000	-	30,000	9,396
COURT TECHNOLOGY FUND	92,681	45,870	-	45,870	13,510	39,170	52,680	85,871
PARK DONATIONS FUND	61,090	9,000	-	9,000	21,000	-	21,000	49,090
BEAUTIFICATION COMMISSION	26,576	10,000	-	10,000	-	-	-	36,576
POLICE TRAINING FUND	11,796	-	-	-	5,900	-	5,900	5,896
STREET IMPROVEMENT ECONOMIC DEVELOPMENT CORPORATION	2,079,018	2,312,500	-	2,312,500	2,076,310	-	2,076,310	2,315,208
DEBT SERVICE FUND	1,240,869	6,959,180	-	6,959,180	6,638,879	-	6,638,879	1,561,170
TRAFFIC SAFETY FUND	313,985	650,000	-	650,000	528,278	18,540	546,818	417,167
COMPUTER REPLACEMENT	113,879	40,000	-	40,000	-	6,955	6,955	146,924
AQUATICS MAINTENANCE	203,497	45,000	-	45,000	-	24,000	24,000	224,497
FACILITY MAINTENANCE	225,680	75,000	-	75,000	-	16,519	16,519	284,161
EQUIPMENT REPLACEMENT	96,905	45,000	-	45,000	-	-	-	141,905
	<b>\$ 14,709,083</b>	<b>\$ 59,050,679</b>	<b>\$0</b>	<b>\$ 59,050,680</b>	<b>\$ 56,516,140</b>	<b>\$ 465,895</b>	<b>\$ 56,982,035</b>	<b>\$ 16,777,728</b>

\*The beginning balance for the Water Sewer Fund and Stormwater Utility Fund are based on Working Capital.

In addition, calculations are based on the information located in the CAFR-City Annual Financial Report plus year-end projections.



# Council Agenda Background

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## PRESENTER:

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

## ITEM:

Consider a resolution to ratify the property tax increase as reflected in the 2011/2012 City of Bedford Program of Services (Budget).

## DISCUSSION:

Pursuant to the requirements of HB 3195, it is necessary for the City Council to vote to ratify the property tax increase as reflected in the 2011/2012 Budget.

SECTION 4. Section 102.007, Local Government Code, Subsection (c), reads as follows: "Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or vote to set the tax rate required by Chapter 26, Tax Code, or other law."

The Council is reminded that the tax increase that is included in this budget totals \$292,715 and \$60,426 of that increase resulted from new properties on this year's tax roll

## RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution to ratify the property tax increase as reflected in the approved 2011/2012 Program of Services (Budget).

## FISCAL IMPACT:

N/A

## ATTACHMENTS:

Resolution

RESOLUTION NO. 11-

A RESOLUTION TO RATIFY THE PROPERTY TAX INCREASE AS REFLECTED IN THE 2011/2012 CITY OF BEDFORD PROGRAM OF SERVICES (BUDGET).

WHEREAS, the City of Bedford has adopted an annual budget that requires raising more revenue from property taxes than in the previous year; and,

WHEREAS, House Bill 3195 requires that the governing body ratify the property tax increase reflected in the budget in a separate vote.

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

SECTION 1. That the City Council of Bedford, Texas hereby ratifies the property tax increase reflected in the City of Bedford 2011/2012 Program of Services (Budget).

SECTION 2. That any prior resolutions inconsistent with this resolution are hereby repealed.

PASSED AND APPROVED this 13th day of September 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

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## PRESENTER:

Beverly Griffith, City Manager

## ITEM:

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.

## DISCUSSION:

On July 26, 2011, the City Council passed an ordinance that disallowed smoking within 100 feet of the main public entrance of the Library. Council was of the consensus to restrict smoking at the public entrances of any City Facility. Staff was asked by Council to prepare an ordinance addressing this matter.

This ordinance amends the current Smoking Article by adding a provision that disallows smoking within 25 feet of a public entrance at any City Facility, with an exception to preserve the distance stipulated for the Library. The proposed ordinance has been reviewed and approved by the City Attorney.

## RECOMMENDATION:

Staff recommends the following motion:

Approval of 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.

## FISCAL IMPACT:

N/A

## ATTACHMENTS:

Red-line Ordinance

ORDINANCE NO. 11-

AN ORDINANCE AMENDING THE 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.

WHEREAS, the smoking of tobacco, weeds, or other plant products has been demonstrated to have a detrimental effect on not only the smoker, but others in close proximity to the smoker; and,

WHEREAS, the City Council of Bedford, Texas desires to promote the health and safety of persons entering and exiting City facilities; and,

WHEREAS, the City Council of Bedford, Texas has determined that the amendments to the Bedford Code of Ordinances herein made are in the best interest of the health, safety, and general welfare of the citizens of the City of Bedford.

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

SECTION 1. That Chapter 82, "Offenses and Miscellaneous Provisions," Article III, "Smoking," SECTION 82-72 is hereby amended in its entirety to read as follows:

Section 82-72. Prohibited in certain public areas.

- (a) A person commits an offense if he or she smokes or possesses a burning tobacco, weed or other plant product in any of the following indoor or enclosed areas:
- (1) An elevator used by the public;
  - (2) A hospital or nursing home corridor providing direct access to patients' rooms;
  - (3) Any facility owned, operated or managed by the city unless the area is designated as a smoking area. The city manager or a designated agent may designate an area as a smoking area;
  - (4) Any retail or service establishment for serving the general public;
  - (5) An area marked with a no smoking sign in accordance with subsection (b) of this section by the owner or person in control of a hospital, nursing home, or retail or service establishment serving the general public; or
  - (6) An enclosed theater, movie house, library, museum or transit system vehicle.
- (b) A person commits an offense if he or she smokes or possesses a burning tobacco, weed or other plant product within 100 feet of the main public entrance of the Bedford Public Library.
- (c) Except as specified in subsection (b), a person commits an offense if he or she smokes or possesses a burning tobacco, weed or other plant product within 25 feet of a public entrance of any City facility.
- (d) The owner or person in control of an establishment or area designated in subsection (a) of this section shall post a conspicuous sign visible from the main public entrance to the nonsmoking area. The sign shall contain the words "No Smoking, City of Bedford Ordinance," the universal symbol for no smoking, or other language that clearly prohibits smoking.
- (e) The owner or person in control of an establishment or area described in subsection (a)(4) or (a)(6) may designate an area, including but not limited to lobbies, meeting rooms or waiting rooms, as a smoking area; provided that the designated smoking area may not include:
- (1) The entire establishment;
  - (2) Cashier areas or over-the-counter sales areas; or
  - (3) The viewing area of any theater or movie house.

ORDINANCE NO. 11-

- (f) It is a defense to prosecution under this section if the person was smoking in a location that was:
- (1) A designated smoking area of a facility or establishment described in subsection (a)(4) or (a)(6) of this section which is posted as a smoking area with appropriate signs;
  - (2) An administrative area or office of an establishment described in subsection (a)(4) or (a)(6) of this section;
  - (3) A retail or service establishment serving the general public with less than 1,000 square feet of public showroom or service space; or
  - (4) A retail or service establishment which is primarily engaged in the sale of tobacco products or smoking implements.

**SECTION 2.** Any person violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined a sum not to exceed 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 3.** 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 3.** 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 4.** 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.

**PRESENTED AND PASSED** on this 13th day of September 2011, by a vote of \_\_\_ ayes, \_\_\_ nays and \_\_\_ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

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Jim Story, Mayor

**ATTEST:**

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Michael Wells, City Secretary

**APPROVED AS TO FORM:**

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Stan Lowry, City Attorney



# Council Agenda Background

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## PRESENTER:

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

## ITEM:

Consider a resolution accepting the City of Bedford Investment Policy.

## DISCUSSION:

The Public Funds Investment Act (PFIA) requires that the City have an Investment Policy and that the City Council review and approve the policy on an annual basis. The last review and approval was done on September 14, 2010.

The Investment Policy included in the Council packet was reviewed and approved by the Investment Committee on August 2, 2011 and is now being brought to Council for the annual review and approval. The amendments were minor in nature.

The attached document titled "City of Bedford Investment Policy, September 13, 2011" provides the City with a policy document that is in full compliance with the PFIA.

## RECOMMENDATION:

Staff recommends, with the recommendation of the Investment Committee, the following motion:

Approval of a resolution accepting the City of Bedford Investment Policy.

## FISCAL IMPACT:

N/A

## ATTACHMENTS:

Resolution  
City of Bedford Investment Policy – red line version  
City of Bedford Investment Policy – clean version  
Draft minutes of Investment Committee Meeting on August 2, 2011

**RESOLUTION NO. 11-**

**A RESOLUTION ACCEPTING THE CITY OF BEDFORD INVESTMENT POLICY.**

**WHEREAS, the Public Funds Investment Act requires that the City have an Investment Policy and that the City Council review and approve the policy on an annual basis.**

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

**SECTION 1. That the City of Bedford Investment Policy, attached hereto, is hereby approved and adopted by the City Council. From the effective date of this resolution all investment of public funds by City personnel and/or agents shall be conducted in accordance with the City of Bedford Investment Policy.**

**SECTION 2. That the Mayor and/or the City Manager, as required by the individual agreements, are hereby authorized to enter into such agreements as may be necessary to implement this approved Investment Policy.**

**SECTION 3. That any prior resolutions inconsistent with this resolution are hereby repealed.**

**PASSED AND APPROVED this 13th day of September 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**

# CITY OF BEDFORD- INVESTMENT POLICY

~~September 14, 2010~~ September 13, 2011

Formatte

It is the policy of the City of Bedford, Texas, which includes the City of Bedford Street Improvement Economic Development Corporation, that after allowing for anticipated cash requirements and giving due consideration to safety, liquidity and yield, all available funds will be pooled and invested in conformance with the Investment Policy which has been developed to conform to the State of Texas, Public Funds Investment Act as amended (“PFIA”). Throughout this Investment Policy the City and Corporation shall be referred to as “BEDFORD.”

In addition, applicable recommended practices published by the Government Finance Officers’ Association (GFOA) have been considered to ensure that BEDFORD’s investment activities are conducted within the framework of sound fiscal policy.

## **I. Scope**

This Policy applies to all financial assets of BEDFORD and serves to satisfy the statutory requirements of the PFIA to define and approve a formal investment policy. These funds are accounted for in BEDFORD’s Comprehensive Annual Financial Report and include:

- General Fund
- Enterprise Funds
- Special Revenue Funds
- Debt Service Funds - including Interest & Sinking Funds & Reserve Funds
- Capital Improvement Funds
- City of Bedford Street Improvement Economic Development Corporation Fund
- Other funds established from time to time

Except for cash in certain restricted and special funds, BEDFORD may consolidate cash and investment balances to ease cash management operations and maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

## **II. General Objectives.**

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

**1. Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

**a. Credit Risk.** BEDFORD will minimize credit risk, the risk of loss due to the failure of the investment issuer or backer, by:

- 1) Limiting investments to the safest types.
- 2) Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with whom BEDFORD will do business.
- 3) Diversifying the investment portfolio so that potential losses on individual investments will be minimized.
- 4) Establishment of procedures to monitor rating changes of investments and the liquidation of such investments as required by the PFIA.

**b. Interest Rate Risk.** BEDFORD will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by:

- 1) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- 2) Investing operating funds primarily in shorter-term securities, financial institution deposits, money market mutual funds, or local government investment pools.

**2. Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of investments with active secondary or resale markets (dynamic liquidity). All or a portion of the portfolio also may be placed in financial institution deposits, money market mutual funds, or local government investment pools which offer same-day liquidity for short-term funds.

**3. Yield.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to safety and liquidity. Investments shall not be liquidated prior to maturity with the following exceptions:

- a. An investment with declining credit may be sold early to minimize loss of principal.
- b. An investment swap would improve the quality, yield, or target duration in the portfolio.
- c. Liquidity needs of the portfolio require that the investment be sold or redeemed.

### III. Standards of Care.

**1. Prudence.** The standard to be used by Investment Officers shall be the “prudent person”

rule, which states, “investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.” Investment Officers acting in accordance with written policies and procedures, and exercising due diligence, shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion.

**2. Ethics and Conflicts of Interest.** Investment Officers shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of BEDFORD.

An Investment Officer who has a personal business relationship with a depository bank or with any entity seeking to sell an investment to BEDFORD shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to BEDFORD shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

**3. Delegation of Authority.** Authority to manage and operate the investment program is granted to the Director of Administrative Services. The Director of Administrative Services shall establish written procedures and internal controls for the operation of the investment program consistent with this Investment Policy. Procedures should include, but not be limited to: account management procedures, cash flow estimation procedures, investment transaction procedures, authorized dealer selection process, and investment portfolio reporting requirements. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Director of Administrative Services. The Director of Administrative Services shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the Authorized Investment Officers and subordinate officials.

**Authorized Investment Officers**

- City Manager
- Deputy City Manager
- Director of Administrative Services
- Accounting Manager
- Budget/Risk Manager

**4. Investment Committee.** There is hereby created an Investment Committee, consisting of the City Manager, Deputy City Manager, Director of Administrative Services, City Secretary,

and one City Council member to be appointed by a majority of the City Council.

The Investment Committee shall meet at least quarterly to review general strategies and to monitor portfolio performance. The Committee shall include in its deliberations such topics as:

1. Economic outlook,
2. Portfolio diversification,
3. Maturity structure,
4. Risk considerations,
5. Authorized broker/dealers,
6. Independent investment training sources, and
7. Target rate of return on the portfolio.

The Investment Committee shall provide for minutes of its meetings.

Any two members of the Committee may request a special meeting, and three members shall constitute a quorum.

The Committee shall establish its rules of procedure.

**5. Investment Training.** In order to ensure the quality and capability of BEDFORD's investment personnel, BEDFORD shall provide periodic training in investments through courses and seminars offered by professional organizations and associations as required by the PFIA. The training shall be conducted by independent training sources approved by the Investment Committee.

#### IV. ~~Safekeeping and Custody~~ **Broker/Dealers, Internal Controls and DVP.**

**1. Authorized Broker/Dealers.** A list will be maintained of "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- a. Audited financial statements.
- b. Proof of Financial Industry Regulatory Authority (FINRA) certification.
- c. Proof of state registration.
- d. Completed broker/dealer questionnaire.
- e. Certification of having read, understood, and agreed to comply with the Investment Policy in compliance with the PFIA.

The Investment Committee shall review, revise, and adopt a list of authorized broker/dealers at least annually.

~~In order to create a competitive pricing environment for each investment transaction, including certificates of deposit, BEDFORD shall solicit quotations from multiple authorized broker/dealers.~~

**2. Internal Controls.** The Director of Administrative Services is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of BEDFORD are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

Accordingly, within the scope of the annual audit, the Director of Administrative Services shall establish a process for an independent review by an external auditor to assure compliance with policies and procedures. The results of this compliance audit must be reported annually to the City Council. The internal controls shall address the following points:

- a. Control of collusion
- b. Separation of transaction authority from accounting and record keeping
- c. Custodial safekeeping
- d. Avoidance of physical delivery securities
- e. Clear delegation of authority to subordinate staff members
- f. Written confirmation of transactions for investments and wire transfers

**3. Delivery vs. Payment.** All trades, where applicable, will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

## V. Suitable and Authorized Investments

**1. Investment Types.** The following investments will be permitted by this Policy as defined by state and local law where applicable. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, BEDFORD is not required to liquidate investments that were authorized at the time of purchase.

- a. U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value, and exclude those prohibited by the PFIA.

b. Certificates of deposit and other evidences of deposit at a financial institution that, a) has its main office or a branch office in Texas and is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, b) is secured by obligations in a manner and amount provided by law for deposits of the City BEDFORD, or c) is executed through a depository institution that has its main office or a branch office in Texas that participates in the Certificate of Deposit Account Registry Service (CDARS), or similar program, and in a manner that meets the requirements of the PFIA.

c. Repurchase and reverse repurchase agreements whose underlying purchased securities consist of instruments as defined in a. above.

d. No load money market mutual funds regulated by the Securities and Exchange Commission that meet the requirements of the PFIA.

e. Local government investment pools, either state-administered or through joint powers statutes and other intergovernmental agreement legislation authorized in compliance with the PFIA.

**2. Insurance, Pledged Collateral or Purchased Securities.** With the exception of deposits secured with irrevocable letters of credit at 100% of amount, all deposits of BEDFORD funds with financial institutions shall be secured by pledged collateral with a market value equal to or greater than 102% of the deposits, less any amount insured by the FDIC. Repurchase agreements shall be documented by a specific agreement noting the “purchased securities” in each agreement, such securities shall comply with the PFIA. Collateral pledged and purchased securities shall be reviewed at least monthly to assure the market value equals or exceeds the related BEDFORD investment.

BEDFORD shall accept only the following securities as pledged collateral:

- a. U. S. Treasury securities;
- b. Obligations of U. S. Government Agencies and Instrumentalities, including letters of credit, which have a liquid market with a readily determinable market value, and exclude those prohibited by the PFIA;
- c. Federal Deposit Insurance Corporation (FDIC) coverage;
- d. Direct or unconditionally guaranteed obligations of the State of Texas;
- e. States, agencies, counties, cities, or political subdivisions naturally rated “A” or higher.

All collateral shall be subject to inspection and audit by BEDFORD or BEDFORD’s independent auditors.

Securities pledged as collateral shall be held by an independent third party with whom

BEDFORD has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The agreement must clearly state that the custodian bank is instructed to release purchased and collateral securities to BEDFORD in the event BEDFORD has determined that the financial institution has failed to pay on any matured investments, or has determined that the funds of BEDFORD are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership must be supplied to BEDFORD and retained by BEDFORD.

**3. Repurchase Agreements.** Repurchase agreements shall be consistent with the PFIA and GFOA Recommended Practices on Repurchase Agreements.

## **VI. Investment Parameters**

**1. Diversification.** The investments shall be diversified by:

- a. Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- b. Limiting investment in securities that have higher credit risks,
- c. Investing with varying maturities, and
- d. Continuously investing a portion of the portfolio in readily available funds such as financial institution deposits, local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

**2. Maximum Maturities.** To the extent possible, BEDFORD shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, BEDFORD will not directly invest in instruments maturing more than three (3) years from the date of purchase or in accordance with state and local statutes and ordinances. BEDFORD shall adopt weighted average maturity limitations (which often range from 90 days to 3 years), consistent with the investment objectives.

Reserve funds and other funds with longer-term investment horizons may be invested in instruments exceeding three (3) years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of funds. The intent to invest in instruments maturing greater than three (3) years shall be disclosed in writing to the City Council.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as financial institution deposits, investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

**3. Competitive Environment.** In order to create a competitive pricing environment for each investment transaction, including certificates of deposit, BEDFORD shall solicit quotations from multiple providers.

## VII. Reporting.

**1. Methods.** The Director of Administrative Services shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner, which will allow BEDFORD to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report shall be provided to the City Council. The report will comply with the requirements of the PFIA, include the information required by the PFIA, including the following:

- ~~a. Listing of individual investments held at the end of the reporting period.~~
- ~~b. Cost and market value of all securities (in accordance with Governmental Accounting Standards Board (GASB) requirements).~~
- ~~c. Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.~~
- ~~d. Listing of investment by maturity date.~~
- ~~e. Percentage of the total portfolio that each type of investment represents.~~
- ~~f. Statement of compliance with the PFIA and this Policy.~~
- ~~g. Signature of all Investment Officers.~~

In conjunction with the annual audit, the quarterly reports shall be formally reviewed by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.

**2. Performance Standards.** The investment portfolio will be managed in accordance with the parameters specified within this Policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. “Weighted average yield to maturity” shall be the portfolio performance measurement standard.

**3. Marking to Market.** The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. The source of pricing used to calculate market value will be the values published in the financial section of the Wall Street Journal and, as necessary, a third party source with access to the pricing for securities

that are not listed in the Wall Street Journal. At all times, the source of the market value of held securities should be based on sources independent from the transaction.

## VIII. Policy Considerations

**1. Exemption.** Any investment currently held that does not meet the guidelines of this Policy shall be exempted from the requirements of this Policy. At maturity or liquidation, such monies shall be reinvested only as provided by this Policy.

**2. Annual Review and Amendments.** The City Council shall annually review this Policy and shall adopt a written instrument stating its review and recording any changes. Any changes must be approved by the Investment Committee prior to consideration by the City Council.

## IX. Selection of Depositories

**1. Request for ~~Proposal~~ Application Process.** Primary Depositories shall be selected through BEDFORD's banking services procurement process, which shall include a formal Request for ~~Proposal~~ Application (RFPRFA) issued in compliance with applicable State law. This contract can be extended as per the RFPRFA specifications. In selecting primary depositories, the credit worthiness of institutions shall be considered, and the Director of Administrative Services shall conduct a comprehensive review of prospective primary depositories' credit characteristics and financial history.

**2. Collateralized Deposits.** All depository deposits shall be insured or collateralized in compliance with applicable State law. BEDFORD reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Financial institutions serving as BEDFORD Depositories will be required to sign a depository agreement with BEDFORD. The collateralized deposit portion of the agreement shall define BEDFORD's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the Depository and BEDFORD contemporaneously with the acquisition of the asset;
- The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to BEDFORD; and
- The agreement must be part of the Depository's "official record" continuously since its execution.

## X. Investment Strategies

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not

exceed the anticipated cash flow requirements of the funds. Investment guidelines by fund-type are as follows:

## 1. General, Enterprise, or Operating-type Funds

**Suitability** - Any investment eligible in the Investment Policy is suitable for General, Enterprise, or Operating-type Funds.

**Safety of Principal** - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, managing the weighted average days to maturity of each fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the portfolio.

**Marketability** - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

**Liquidity** - General, Enterprise, or Operating-type Funds require the greatest short-term liquidity of any of the fund-types. Financial institution deposits, short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

**Diversification** - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of BEDFORD. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.

**Yield** - Attaining a competitive market yield for comparable investment -types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

## 2. Special Revenue Funds

**Suitability** - Any investment eligible in the Investment Policy is suitable for Special Revenue Funds.

**Safety of Principal** - All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Special Revenue Funds to balance the short-term and long-term anticipated cash flow requirements of the specific revenue/expense plan, the market risk of the Fund's portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated cash flow requirement or three years.

**Marketability** - Balancing short-term and long-term cash flow needs requires the short-

term portion of the Funds portfolio to have securities with active and efficient secondary markets. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market. Securities with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.

**Liquidity** - A portion of the Special Revenue Funds are reasonably predictable. However, unanticipated needs or emergencies may arise. Selecting investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

**Diversification** - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity and yield enhancement and stability. A “barbell” maturity ladder may be appropriate.

**Yield** - Attaining a competitive market yield for comparable investment -types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective.

### **3. Capital Improvement Funds**

**Suitability** - Any investment eligible in the Investment Policy is suitable for Capital Improvement Funds.

**Safety of Principal** - All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Capital Improvement Funds to not exceed the anticipated expenditure schedule, the market risk of the overall portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated expenditure schedule or three years.

**Marketability** - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

**Liquidity** - Most capital improvements programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Financial institution deposits, investment pools and money market mutual funds will provide readily available funds generally equal to one month’s anticipated cash flow needs, or a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

**Diversification** - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if

investment rates exceed the applicable cost of borrowing, BEDFORD is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then current market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

**Yield** - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the Investment Policy's risk constraints. The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective for non-borrowed funds.

#### **4. Interest and Sinking Funds**

**Suitability** - Any investment eligible in the Investment Policy is suitable for Interest and Sinking Funds.

**Safety of Principal** - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

**Marketability** - Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

**Liquidity** - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Financial institution deposits, investments pools and money market mutual funds may provide a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

**Diversification** - Market conditions influence the attractiveness of fully extending maturity to the next "unfunded" payment date. Generally, if investment rates are anticipated to decrease over time, BEDFORD is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

**Yield** - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio shall be the minimum yield objective.

#### **5. Debt Service Reserve Funds**

**Suitability** - Any investment eligible in the Investment Policy is suitable for Debt Service

Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

**Safety of Principal** - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing will reduce the investment's market risk if BEDFORD's debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or three years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and influence maturity extension.

**Marketability** - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

**Liquidity** – Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to BEDFORD's debt holders. The funds are "returned" to BEDFORD at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of investment diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, BEDFORD is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then current market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

**Diversification** - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

**Yield** - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall operate within the limits of the Investment Policy's risk constraints.

# **CITY OF BEDFORD- INVESTMENT POLICY**

**September 13, 2011**

It is the policy of the City of Bedford, Texas, which includes the City of Bedford Street Improvement Economic Development Corporation, that after allowing for anticipated cash requirements and giving due consideration to safety, liquidity and yield, all available funds will be pooled and invested in conformance with the Investment Policy which has been developed to conform to the State of Texas, Public Funds Investment Act as amended (“PFIA”). Throughout this Investment Policy the City and Corporation shall be referred to as “BEDFORD.”

In addition, applicable recommended practices published by the Government Finance Officers’ Association (GFOA) have been considered to ensure that BEDFORD’s investment activities are conducted within the framework of sound fiscal policy.

## **I. Scope**

This Policy applies to all financial assets of BEDFORD and serves to satisfy the statutory requirements of the PFIA to define and approve a formal investment policy. These funds are accounted for in BEDFORD’s Comprehensive Annual Financial Report and include:

- General Fund
- Enterprise Funds
- Special Revenue Funds
- Debt Service Funds - including Interest & Sinking Funds & Reserve Funds
- Capital Improvement Funds
- City of Bedford Street Improvement Economic Development Corporation Fund
- Other funds established from time to time

Except for cash in certain restricted and special funds, BEDFORD may consolidate cash and investment balances to ease cash management operations and maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

## **II. General Objectives.**

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

**1. Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

**a. Credit Risk.** BEDFORD will minimize credit risk, the risk of loss due to the failure of the investment issuer or backer, by:

- 1) Limiting investments to the safest types.
- 2) Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with whom BEDFORD will do business.
- 3) Diversifying the investment portfolio so that potential losses on individual investments will be minimized.
- 4) Establishment of procedures to monitor rating changes of investments and the liquidation of such investments as required by the PFIA.

**b. Interest Rate Risk.** BEDFORD will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by:

- 1) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- 2) Investing operating funds primarily in shorter-term securities, financial institution deposits, money market mutual funds, or local government investment pools.

**2. Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of investments with active secondary or resale markets (dynamic liquidity). All or a portion of the portfolio also may be placed in financial institution deposits, money market mutual funds, or local government investment pools which offer same-day liquidity for short-term funds.

**3. Yield.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to safety and liquidity. Investments shall not be liquidated prior to maturity with the following exceptions:

- a. An investment with declining credit may be sold early to minimize loss of principal.
- b. An investment swap would improve the quality, yield, or target duration in the portfolio.
- c. Liquidity needs of the portfolio require that the investment be sold or redeemed.

### III. Standards of Care.

**1. Prudence.** The standard to be used by Investment Officers shall be the “prudent person” rule, which states, “investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.” Investment Officers acting in accordance with written policies and procedures, and exercising due diligence, shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion.

**2. Ethics and Conflicts of Interest.** Investment Officers shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of BEDFORD.

An Investment Officer who has a personal business relationship with a depository bank or with any entity seeking to sell an investment to BEDFORD shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to BEDFORD shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

**3. Delegation of Authority.** Authority to manage and operate the investment program is granted to the Director of Administrative Services. The Director of Administrative Services shall establish written procedures and internal controls for the operation of the investment program consistent with this Investment Policy. Procedures should include, but not be limited to: account management procedures, cash flow estimation procedures, investment transaction procedures, authorized dealer selection process, and investment portfolio reporting requirements. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Director of Administrative Services. The Director of Administrative Services shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the Authorized Investment Officers and subordinate officials.

#### **Authorized Investment Officers**

City Manager  
Deputy City Manager  
Director of Administrative Services  
Accounting Manager  
Budget/Risk Manager

**4. Investment Committee.** There is hereby created an Investment Committee, consisting of the City Manager, Deputy City Manager, Director of Administrative Services, City Secretary, and one City Council member to be appointed by a majority of the City Council.

The Investment Committee shall meet at least quarterly to review general strategies and to monitor portfolio performance. The Committee shall include in its deliberations such topics as:

1. Economic outlook,
2. Portfolio diversification,
3. Maturity structure,
4. Risk considerations,
5. Authorized broker/dealers,
6. Independent investment training sources, and
7. Target rate of return on the portfolio.

The Investment Committee shall provide for minutes of its meetings.

Any two members of the Committee may request a special meeting, and three members shall constitute a quorum.

The Committee shall establish its rules of procedure.

**5. Investment Training.** In order to ensure the quality and capability of BEDFORD's investment personnel, BEDFORD shall provide periodic training in investments through courses and seminars offered by professional organizations and associations as required by the PFIA. The training shall be conducted by independent training sources approved by the Investment Committee.

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**1. Authorized Broker/Dealers.** A list will be maintained of "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- a. Audited financial statements.
- b. Proof of Financial Industry Regulatory Authority (FINRA) certification.
- c. Proof of state registration.
- d. Completed broker/dealer questionnaire.
- e. Certification of having read, understood, and agreed to comply with the Investment Policy in compliance with the PFIA.

The Investment Committee shall review, revise, and adopt a list of authorized broker/dealers at least annually.

**2. Internal Controls.** The Director of Administrative Services is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of BEDFORD are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

Accordingly, within the scope of the annual audit, the Director of Administrative Services shall establish a process for an independent review by an external auditor to assure compliance with policies and procedures. The results of this compliance audit must be reported annually to the City Council. The internal controls shall address the following points:

- a. Control of collusion
- b. Separation of transaction authority from accounting and record keeping
- c. Custodial safekeeping
- d. Avoidance of physical delivery securities
- e. Clear delegation of authority to subordinate staff members
- f. Written confirmation of transactions for investments and wire transfers

**3. Delivery vs. Payment.** All trades, where applicable, will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

## **V. Suitable and Authorized Investments**

**1. Investment Types.** The following investments will be permitted by this Policy as defined by state and local law where applicable. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, BEDFORD is not required to liquidate investments that were authorized at the time of purchase.

a. U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value, and exclude those prohibited by the PFIA.

b. Certificates of deposit and other evidences of deposit at a financial institution that, a) has its main office or a branch office in Texas and is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, b) is secured by obligations in a manner and amount provided by law for deposits of BEDFORD, or c) is placed through the Certificate of Deposit Account Registry Service (CDARS), or similar program, in a manner that meets the requirements of the PFIA.

- c. Repurchase and reverse repurchase agreements whose underlying purchased securities consist of instruments as defined in a. above.
- d. No load money market mutual funds regulated by the Securities and Exchange Commission that meet the requirements of the PFIA.
- e. Local government investment pools, either state-administered or through joint powers statutes and other intergovernmental agreement legislation authorized in compliance with the PFIA.

**2. Insurance, Pledged Collateral or Purchased Securities.** With the exception of deposits secured with irrevocable letters of credit at 100% of amount, all deposits of BEDFORD funds with financial institutions shall be secured by pledged collateral with a market value equal to or greater than 102% of the deposits, less any amount insured by the FDIC. Repurchase agreements shall be documented by a specific agreement noting the “purchased securities” in each agreement; such securities shall comply with the PFIA. Collateral pledged and purchased securities shall be reviewed at least monthly to assure the market value equals or exceeds the related BEDFORD investment.

BEDFORD shall accept only the following securities as pledged collateral:

- a. U. S. Treasury securities;
- b. Obligations of U. S. Government Agencies and Instrumentalities, including letters of credit, which have a liquid market with a readily determinable market value, and exclude those prohibited by the PFIA;
- c. Federal Deposit Insurance Corporation (FDIC) coverage;
- d. Direct or unconditionally guaranteed obligations of the State of Texas;
- e. States, agencies, counties, cities, or political subdivisions naturally rated “A” or higher.

All collateral shall be subject to inspection and audit by BEDFORD or BEDFORD’s independent auditors.

Securities pledged as collateral shall be held by an independent third party with whom BEDFORD has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The agreement must clearly state that the custodian bank is instructed to release purchased and collateral securities to BEDFORD in the event BEDFORD has determined that the financial institution has failed to pay on any matured investments, or has determined that the funds of BEDFORD are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership must be supplied to BEDFORD and retained by BEDFORD.

**3. Repurchase Agreements.** Repurchase agreements shall be consistent with the PFIA and GFOA Recommended Practices on Repurchase Agreements.

## **VI. Investment Parameters**

**1. Diversification.** The investments shall be diversified by:

- a. Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- b. Limiting investment in securities that have higher credit risks,
- c. Investing with varying maturities, and
- d. Continuously investing a portion of the portfolio in readily available funds such as financial institution deposits, local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

**2. Maximum Maturities.** To the extent possible, BEDFORD shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, BEDFORD will not directly invest in instruments maturing more than three (3) years from the date of purchase or in accordance with state and local statutes and ordinances. BEDFORD shall adopt weighted average maturity limitations (which often range from 90 days to 3 years), consistent with the investment objectives.

Reserve funds and other funds with longer-term investment horizons may be invested in instruments exceeding three (3) years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of funds. The intent to invest in instruments maturing greater than three (3) years shall be disclosed in writing to the City Council.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as financial institution deposits, investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

**3. Competitive Environment.** In order to create a competitive pricing environment for each investment transaction, including certificates of deposit, BEDFORD shall solicit quotations from multiple providers.

## **VII. Reporting.**

**1. Methods.** The Director of Administrative Services shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner, which will allow BEDFORD to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report shall be provided to the City Council. The report will comply with the requirements of the PFIA.

In conjunction with the annual audit, the quarterly reports shall be formally reviewed by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.

**2. Performance Standards.** The investment portfolio will be managed in accordance with the parameters specified within this Policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. “Weighted average yield to maturity” shall be the portfolio performance measurement standard.

**3. Marking to Market.** The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. The source of pricing used to calculate market value will be the values published in the financial section of the Wall Street Journal and, as necessary, a third party source with access to the pricing for securities that are not listed in the Wall Street Journal. At all times, the source of the market value of held securities should be based on sources independent from the transaction.

## **VIII. Policy Considerations**

**1. Exemption.** Any investment currently held that does not meet the guidelines of this Policy shall be exempted from the requirements of this Policy. At maturity or liquidation, such monies shall be reinvested only as provided by this Policy.

**2. Annual Review and Amendments.** The City Council shall annually review this Policy and shall adopt a written instrument stating its review and recording any changes. Any changes must be approved by the Investment Committee prior to consideration by the City Council.

## **IX. Selection of Depositories**

**1. Request for Application Process.** Primary Depositories shall be selected through BEDFORD’s banking services procurement process, which shall include a formal Request for Application (RFA) issued in compliance with applicable State law. This contract can be extended as per the RFA specifications. In selecting primary depositories, the credit worthiness of institutions shall be considered, and the Director of Administrative Services shall conduct a comprehensive review of prospective primary depositories’ credit characteristics and financial

history.

**2. Collateralized Deposits.** All depository deposits shall be insured or collateralized in compliance with applicable State law. BEDFORD reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Financial institutions serving as BEDFORD Depositories will be required to sign a depository agreement with BEDFORD. The collateralized deposit portion of the agreement shall define BEDFORD's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- a. The agreement must be in writing;
- b. The agreement has to be executed by the Depository and BEDFORD contemporaneously with the acquisition of the asset;
- c. The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to BEDFORD; and
- d. The agreement must be part of the Depository's "official record" continuously since its execution.

## **X. Investment Strategies**

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment guidelines by fund-type are as follows:

### **1. General, Enterprise, or Operating-type Funds**

**Suitability** - Any investment eligible in the Investment Policy is suitable for General, Enterprise, or Operating-type Funds.

**Safety of Principal** - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, managing the weighted average days to maturity of each fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the portfolio.

**Marketability** - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

**Liquidity** - General, Enterprise, or Operating-type Funds require the greatest short-term liquidity of any of the fund-types. Financial institution deposits, short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

**Diversification** - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of BEDFORD. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.

**Yield** - Attaining a competitive market yield for comparable investment -types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

## 2. Special Revenue Funds

**Suitability** - Any investment eligible in the Investment Policy is suitable for Special Revenue Funds.

**Safety of Principal** – All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Special Revenue Funds to balance the short-term and long-term anticipated cash flow requirements of the specific revenue/expense plan, the market risk of the Fund’s portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated cash flow requirement or three years.

**Marketability** - Balancing short-term and long-term cash flow needs requires the short-term portion of the Funds portfolio to have securities with active and efficient secondary markets. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market. Securities with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.

**Liquidity** - A portion of the Special Revenue Funds are reasonably predictable. However, unanticipated needs or emergencies may arise. Selecting investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

**Diversification** - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity and yield enhancement and stability. A “barbell” maturity ladder may be appropriate.

**Yield** - Attaining a competitive market yield for comparable investment -types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective.

## 3. Capital Improvement Funds

**Suitability** - Any investment eligible in the Investment Policy is suitable for Capital Improvement Funds.

**Safety of Principal** - All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Capital Improvement Funds to not exceed the anticipated expenditure schedule, the market risk of the overall portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated expenditure schedule or three years.

**Marketability** - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

**Liquidity** - Most capital improvements programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Financial institution deposits, investment pools and money market mutual funds will provide readily available funds generally equal to one month’s anticipated cash flow needs, or a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

**Diversification** - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if investment rates exceed the applicable cost of borrowing, BEDFORD is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then current market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

**Yield** - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the Investment Policy’s risk constraints. The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective for non-borrowed funds.

#### **4. Interest and Sinking Funds**

**Suitability** - Any investment eligible in the Investment Policy is suitable for Interest and Sinking Funds.

**Safety of Principal** - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

**Marketability** - Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

**Liquidity** - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Financial institution deposits, investments pools and money market mutual funds may provide a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

**Diversification** - Market conditions influence the attractiveness of fully extending maturity to the next “unfunded” payment date. Generally, if investment rates are anticipated to decrease over time, BEDFORD is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

**Yield** - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio shall be the minimum yield objective.

## **5. Debt Service Reserve Funds**

**Suitability** - Any investment eligible in the Investment Policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

**Safety of Principal** - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing will reduce the investment’s market risk if BEDFORD’s debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or three years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing’s documentation will influence the attractiveness of market risk and influence maturity extension.

**Marketability** - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

**Liquidity** – Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to BEDFORD’s debt holders. The funds are “returned” to BEDFORD at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of investment diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, BEDFORD is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then current market conditions will determine the

attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

**Diversification** - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

**Yield** - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall operate within the limits of the Investment Policy's risk constraints.

**DRAFT**

**DRAFT**

**Investment Committee Minutes August 2, 2011**

**STATE OF TEXAS**

**COUNTY OF TARRANT**

**CITY OF BEDFORD**

The Investment Committee of the City of Bedford, Texas, met at 1:30 p.m. in the conference room of Bedford City Hall, 2000 Forest Ridge Drive on the 2<sup>nd</sup> day of August 2011 with the following members present:

**Beverly Queen-Griffith, City Manager  
Clifford W. Blackwell III, Director of Administrative Services  
Michael Wells, City Secretary  
Roy Savage, Council Member**

Constituting a quorum.

Also present were:

**Philip Bray, Accounting Manager  
Bill Koch, Valley View Consulting  
Tom Ross, Valley View Consulting**

**CALL TO ORDER**

Roy Savage called the meeting to order at approximately 1:30 p.m.

**NEW BUSINESS**

**1. APPROVAL OF MINUTES FROM MEETING OF May 16<sup>th</sup>, 2011.**

Beverly stated her last name “Griffith” should be added in item one of APPROVAL OF MINUTES AND Bill Koch noted the word “indicated” should read “indicate” in item five, paragraph four, line two. Beverly Queen Griffith motioned the minutes be approved with corrections as stated. Michael wells seconded the motion. The motion passed.

Ayes: Beverly Queen Griffith, Michael Wells, Clifford Blackwell, and Roy Savage  
Nays: None  
Abstentions: None

## **NEW BUSINESS (continued)**

### **2. REVIEW AND APPROVAL OF QUARTERLY INVESTMENT REPORT FOR THE QUARTER ENDED 06/30/2011.**

Tom Ross led the discussion. The portfolio decreased very slightly from 14.9 million to 14.1 million. The fiscal year-to-date average yield of the portfolio is 0.76% while Treasury yields out through two years remain below 1.00%. Bank CD's, whose average yield is 1.78%, remain the most viable option with the Pool's averaging about 10 basis points.

Interest earnings for the quarter are \$19,283.89. The effect of laddering investable cash has worked to the City's advantage in the past, but with fewer options for higher rates, the average yield will continue to drop as the laddered CD's mature.

Treasury Yield Curves remain historically low for the short term and long term rates are not that attractive either. The ten year US Treasury Historical Yields have slipped from where they were last quarter at about 3.5% to about 3.0%. The six month and two year treasuries continue to bounce along the bottom. S&P 500 shows seems to have leveled off as recent activity is nothing more than bouncing up and down.

The pools show rates that range between .09% and .10%. CD's are laddered through October, 2011 with rates ranging from 0.80% to 2.15%. After that, lower rates in the pools as well as potentially lower rates on CD's reinvested will have a negative impact on yields. The weighted average yield to maturity is .70%. The City's portfolio is made up of 35% CD's and 65% Pools.

Beverly noted that according to the new banking services agreement, \$4M in demand deposits/savings in bank fees/less cash invested, therefore interest income down/However, equivalent of .75 basis points savings.

The Total Portfolio reflects normal cyclical patterns as well as the expenditures of CIP funds on the new library. However, the Total Portfolio will increase with the issuance of new debt in the form of General Obligation Bonds and Certificates of Obligation.

In summary, the economic forecast does not look real encouraging as far as the rates at the pools are concerned. Rates will continue to remain low until there is some indication of inflation and that probably won't happen until unemployment rates decrease. Until that happens, the more investments that can be scattered in CD's, agencies, municipal bonds, and other options like the Southside Bank NOW account the better effect it will have on investment yield.

There was no further discussion. Michael Wells moved to approve the Investment Report. Beverly Griffith 2<sup>nd</sup> the motion. The motion passed.

Ayes: Clifford Blackwell, Beverly Queen-Griffith, Michael Wells and Roy Savage.

Nays: None

Abstentions: None

3. **DISCUSSION OF CURRENT MARKET CONDITIONS; EVENTS SUBSEQUENT TO JUNE 30, 2011; AND APPROPRIATE STRATEGY THROUGH THE CALENDAR YEAR 2011.**

Bill Koch covered the Market Outlook report dated August 2<sup>nd</sup>, 2011. The economic drought continues with concerns over the U.S. Congress and Administration's failure to reach consensus on the budget, the situation in the EU, a housing sector that remains in the doldrums, rising fuel prices, and less than encouraging employment reports. Based on the current economic climate, current market forecast and economic outlook, Bill Koch suggested continuing to look for and take advantage of options like the Southside Bank MMA, continue to shop the banks for good rates on CD's, and continue to look for other options approved by the Investment Policy to try and pick up better rates as they come available.

4. **DISCUSS LEGISLATIVE CHANGES REGARDING THE PUBLIC FUNDS INVESTMENT ACT (PFIA).**

Bill Koch presented and reviewed a document covering legislative changes in the PFIA.

5. **APPROVAL OF REVISED INVESTMENT POLICY.**

Bill Koch presented and discussed a handout of the City's Investment Policy showing the sections affected along with the updated changes. Cliff Blackwell called attention to page 3, Authorized Investment Officers. He explained that the Budget/Risk Manager was no longer serving in an investment capacity and should be removed as an Investment Officer.

Michael Wells made the motion to approve the updated Investment Policy with the provision that the Budget/Risk Manager be removed as an Investment Officer. Beverly Queen-Griffith seconded the motion. The motion passed.

Ayes: Clifford Blackwell, Beverly Queen-Griffith, Michael Wells and Roy Savage.

Nays: None

Abstentions: None

6. **APPROVAL OF BROKER DEALERS.**

Valley View Consulting presented a list of Proposed Broker/Dealers. The list was reviewed by the committee. Bill Koch mentioned that one of the contacts had gotten married, their last name has changed, and their name will be updated. Beverly Queen-Griffith made the motion to approve the updated list of Broker/Dealers. Michael Wells seconded the motion. The motion passed.

Ayes: Clifford Blackwell, Beverly Queen-Griffith, Michael Wells and Roy Savage.

Nays: None

Abstentions: None

**7. APPROVAL OF INDEPENDENT TRAINING SOURCES.**

Valley View Consulting presented a list of proposed Training Sources. The list was reviewed by the committee. Michael Wells made the motion to approve proposed Training Sources. Clifford Blackwell seconded the motion. The motion passed.

Ayes: Clifford Blackwell, Beverly Queen-Griffith, Michael Wells and Roy Savage.

Nays: None

Abstentions: None

**ADJOURNMENT**

No other topics were brought forward for discussion. The meeting was adjourned at 2:15 P.M.



# Council Agenda Background

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## PRESENTER:

Roger Gibson, Police Chief

## ITEM:

Consider a resolution authorizing the City Manager to enter into the first year of a four-year contract with Scobee Foods, Inc., for the purchase of prisoner meals for the Detention Facility.

## DISCUSSION:

The Police Department provides meals to all individuals held at the Bedford Detention Facility, including those detained by Immigration and Customs Enforcement (ICE).

Prisoner meals consist of three meals per day (breakfast, lunch and dinner) and all three meals combined must meet a minimum of 2,400 calories, per ICE contract guidelines.

The Police Department posted a Request for Proposal in the Fort Worth Star-Telegram on July 21, 2011 and again on July 28, 2011 for those interested in contracting with the City to provide prisoner meals. Two proposals were received, with Scobee Foods, Inc. providing the lower bid. (The higher bid proposal is also attached.) The contract will be for four years, with a yearly contract renewal.

The Police Department has utilized Scobee Foods, Inc. since 2004 and has been pleased with their level of service.

The quantity of prisoner meals purchased varies year to year based upon prisoner counts, especially ICE detainees. Based upon current fiscal year expenditures, the Police Department projects prisoner meals to total approximately \$30,000 to \$35,000.

A portion of the revenues received through the ICE contract offsets the costs incurred with providing meals to ICE detainees. The contract was reviewed and approved by the City Attorney.

## RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into the first year of a four-year contract with Scobee Foods, Inc., for the purchase of prisoner meals for the Detention Facility.

## FISCAL IMPACT:

The fiscal impact would be approximately \$30,000 to \$35,000 paid out of the Prisoner Care account.

## ATTACHMENTS:

Resolution  
Prisoner Meal Contract  
Exhibit "A" (Quote Sheet)  
High Bid Proposal

Date: 09/13/11

\_\_\_\_\_ City Manager Review

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO THE FIRST YEAR OF A FOUR-YEAR CONTRACT WITH SCOBEE FOODS, INC., FOR THE PURCHASE OF PRISONER MEALS FOR THE DETENTION FACILITY.

WHEREAS, the City Council of Bedford, Texas determines the need to provide prisoner meals for those held at the Detention Facility; and,

WHEREAS, the City Council of Bedford, Texas recognizes that in order to meet Immigration and Customs Enforcement contract guidelines, three meals containing a combined minimum of 2,400 calories must be provided each day.

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

SECTION 1. That the City Manager is hereby authorized to enter into the first year of a four-year contract with Scobee Foods, Inc., for the purchase of prisoner meals for the Detention Facility.

PASSED AND APPROVED this 13th day of September 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

**STANDARD FORM OF AGREEMENT  
BETWEEN THE CITY OF BEDFORD AND CONTRACTOR**

THIS AGREEMENT is dated as of the \_\_\_\_\_ day of \_\_\_\_\_ in the year 2011 by and between the City of Bedford (hereinafter called OWNER) and

**SCOBEE FOODS, INC.**

of the City of Dallas, County of Dallas, State of Texas (hereinafter called CONTRACTOR).

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

**Article 1. PROJECT SCOPE**

The PROJECT for the WORK detailed under the Contract Documents (see Article 8 of this Agreement for items included in the Contract Documents) is generally identified as following:

**CONTRACTOR'S Service Quotation – Exhibit "A"  
Subject: Prisoner Meals**

**Article 2. CONTRACT TIME.**

The Work will be completed in accordance with CONTRACTOR'S Service Quotation as outline in the attached hereto exhibit "A".

**Article 3. CONTRACT PRICE.**

3.1. OWNER shall pay CONTRACTOR the prices in the CONTRACTOR'S price agreement proposal plus additional work performed or when authorized by OWNER.

**Article 4. PAYMENT PROCEDURES.**

4.1. Payment to CONTRACTOR will be paid as addressed on the quotation from the CONTRACTOR. All charges are to be less sales tax as OWNER is tax exempt.

**Article 5. CONTRACTOR'S REPRESENTATIONS.**

In order to induce OWNER to enter into this agreement, CONTRACTOR makes the following representations:

5.1. CONTRACTOR has familiarized itself with the nature and extent of the Contract Documents and Specifications.

5.2. CONTRACTOR has correlated the results of all such observations and studies with the terms and conditions of the Contract Documents.

5.3. CONTRACTOR has given OWNER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution by OWNER is acceptable to CONTRACTOR.

## **Article 6. MISCELLANEOUS.**

6.1. ASSIGNMENTS: No assignments by a party hereto of any rights under or interest in the Contract Documents will be binding on another party hereto without written consent of the party sought to be bound; and specifically but without limitation moneys that may come due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may limited by law), and unless specifically stated to the contrary in written consent to an assignment will release the assignor from any duty or responsibility under the Contract Documents.

6.2. OWNER and CONTRACTOR each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns and legal representatives in respect of all covenants, agreements and obligations contained in the Contract Documents.

6.3. TERMINATION: OWNER may terminate the Contract by giving CONTRACTOR a **ten day notice** in writing. Upon delivery of such notice by OWNER to CONTRACTOR, CONTRACTOR shall discontinue all services in connection with the performance of the Contract and shall proceed to cancel promptly all existing orders and contracts insofar as such orders or contracts are chargeable to this Contract. As soon as practicable after receipt of notice of termination, CONTRACTOR shall submit a statement, showing in detail the services performed under this Contract to the date of termination. OWNER shall then pay CONTRACTOR that portion of the prescribed charges which the services actually performed under this Contract bear to the total services called for under this Contract less such payments on account of the charges as have been previously made.

6.4. SUBCONTRACTING:

1. CONTRACTOR shall not award any work to any subcontractor until CONTRACTOR submits to OWNER a written statement concerning the proposed award to the subcontractor, which statement shall contain such information as OWNER may require.

2. CONTRACTOR shall be fully responsible to OWNER for the acts and omissions of his subcontractors, and of persons either directly or indirectly employed by them, as he is for acts and omissions of persons directly employed by him.

3. Nothing contained in this Contract shall create any contractual relation between any subcontractor and OWNER. CONTRACTOR is an independent contractor.

#### **Article 7. GOVERNING LAWS, VENUE.**

The Contract shall be construed according to the laws of the State of Texas; and, venue shall lie in the State district courts of Tarrant County, Texas.

#### **Article 8. CONTRACT DOCUMENTS.**

The Contract Documents which comprise the entire agreement between the OWNER and CONTRACTOR, same being attached hereto and incorporated herein as Exhibit A, consist of the following:

8.1 CONTRACTOR'S Service Quotation

#### **Article 9. INDEMNIFICATION.**

The CONTRACTOR hereby agrees to defend, indemnify, and hold the City and all of its officers, agent, employees, and elected officials whole and harmless against any and all claims for damages, cost, and expenses of persons or property that may arise out of, or be occasioned by, of from any negligent act, or omission of the CONTRACTOR, or any agent, servant, or employee of the CONTRACTOR in the execution of performance of this Contract, without regard to whether such persons are under the direction of City agents or employees.

Executed on behalf of the CONTRACTOR by its owner shown below, and on behalf of the OWNER by its City Manager, or authorized representative, this agreement will be effective

on the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

**OWNER:**

CITY OF BEDFORD  
2000 FOREST RIDGE DRIVE  
BEDFORD, TEXAS 76021

\_\_\_\_\_  
By: Beverly Griffith, City Manager

**CONTRACTOR:**

Name: Scobee Foods, Inc.

Address: 1812 Corinth Street

City: Dallas

State & Zip: TX, 75215

By: \_\_\_\_\_

Richard Inge  
(214)421-0898

(City Attorney review if Contracted Service Cost is Greater than \$15,000)

Approved as to Form and Legality this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

\_\_\_\_\_  
City Attorney

CONTRACTOR'S Seal (if incorporated)

EXHIBIT "A"

QUOTE SHEET

The quantities listed are estimates only and the City reserves the right to order more or less during the term of the contract.

This contract is for twelve months with three consecutive twelve month renewals. Each renewal will require a 30 day advance notice from the contractor. A price increase at the time of renewal will be considered by the City based on the consumer price index, but not to exceed 5% of the total annual contract.

ITEM	ITEM DESCRIPTION	UNIT PRICE
Breakfast	SEE ATTACHMENT	
Lunch		
Dinner		

AUTHORITY TO QUOTE

I agree to meet the stated minimum requirements as set forth in these specifications and in the Instructions to Bidders for the quoted prices indicated above.

Date: 7/26/2011

Bidder/Company Name: SCUBEE FOODS, INC.

Authorized Representative: RICHARD PGE

Signed: Richard PGE Title: VP BUSINESS DEVELOPMENT

Address: 1812 CORWATH ST.

City, State & Zip: DALLAS, TX 75215

Phone: 214-421-0898 E-mail: RICHARD@SCUBEE-FOODS.COM

**NON-DISCRIMINATION**

Contractor shall not discriminate against any employee or applicant for employment because of race, age, color, religion, sex, ancestry, national origin, disability, or place of birth. Contractor shall take action to ensure that applicants are employed and treated without regard to their race, age, color, religion, sex, ancestry, national origin, disability, or place of birth. This action shall include, but is not limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection of training, including apprenticeship.

**VENDOR COMPLIANCE WITH STATE LAW**

The 1985 Session of Texas Legislature passed House Bill 620 relative to the award of contracts to non-resident bidders. This law provides for non-resident bidders to bid projections for construction, improvements, supplies or services in Texas. To be awarded these contracts, the non-resident bidder must bid an amount lower than the lowest Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid a non-resident bidder to obtain a comparable contract in the state of the non-resident principal place of business.

NOTE: A non-resident bidder is a contractor whose corporate offices or principal place of business is located outside the State of Texas.

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**ITEM A: ALL BIDDERS**

I hereby certify that our principal place of business is in the State of Texas:  Yes  No

**ITEM B: NON-RESIDENT BIDDERS**

Non-resident vendors in \_\_\_\_\_ (State), our principal place of business, are required to bid \_\_\_\_\_% lower than resident bidders by State Law. A copy of the statute is attached.

Non-resident vendors in \_\_\_\_\_ (State), our principal place of business, are **NOT** required to underbid resident bidders.

Richard Fox  
Signature

Richard WGE  
Printed Name

SCOBEE FOODS, INC.  
Company Name

VP BUSINESS DEVELOPMENT  
Title

DALLAS, TX 75215  
Company City, State Zip

## AFFIDAVIT AGAINST PROHIBITED ACTS

I hereby affirm that I am aware of the provisions of the Texas Penal Code Sec. 36.02, 36.08, 36.09, and 36.10, dealing with Bribery and Gifts to Public Servants. I further affirm that I will adhere to such rules and instruct and require all agents, employees and subcontractors to do the same. I am aware that any violation of these rules subjects this agreement to one or more of the following: revocation, removal from bid lists, prohibiting contract/subcontract work, revocation of permits and/or prosecution.

SCOBBEE FOODS, INC.  
Signature

7/26/2011  
Date

Robert [Signature]  
Attest (if Contractor is a Corporation)

7/26/2011  
Date



# QUOTE SHEET

The quantities listed are estimates only and the City reserves the right to order more or less during the term of the contract.

This contract is for twelve months with three consecutive twelve month renewals. Each renewal will require a 30 day advance notice from the contractor. A price increase at the time of renewal will be considered by the City based on the consumer price index, but not to exceed 5% of the total annual contract.

ITEM	ITEM DESCRIPTION	UNIT PRICE
Breakfast	see proposed menu provided	2.20
Lunch	"	5.40
Dinner	"	5.60

## AUTHORITY TO QUOTE

I agree to meet the stated minimum requirements as set forth in these specifications and in the Instructions to Bidders for the quoted prices indicated above.

Date: 7/31/11

Bidder/Company Name: The Paper Plate, Inc.

Authorized Representative: Kimberly Carlisle

Signed: Kimberly Carlisle Title: General Counsel

Address: 4848 S. Cockrell Hill Road

City, State & Zip: Dallas, Texas 75236

Phone: 972 296 7888 E-mail: kimberly@thepaperplate.com

*ke* After receipt of the City's order, bidder agrees to deliver product within 24 hours.

**The Paper Plate, Inc.**  
**Sample One Week Menu**

	<i>Monday</i>	<i>Tuesday</i>	<i>Wednesday</i>	<i>Thursday</i>	<i>Friday</i>	<i>Saturday</i>	<i>Sunday</i>
Breakfast	Cereal Bowl Muffin Juice Milk	French Toast Sticks Egg Patty Bacon Juice Milk	Cereal Bowl Muffin Juice Milk	Cereal Bar Yogurt Juice Milk	Cereal Bowl Muffin Juice Milk	Cereal Bowl Muffin Juice Milk	Pancakes Sausage Links Potato Rounds Spiced Apples Juice Milk
Lunch	Enchiladas Ranchero Beans Tejas Corn Spanish Rice Chips Milk	Frito-pie Chipotle Potatoes Saltine Crackers Fruit Cup Milk	Golden Chicken Patty Macaroni & Cheese Black Eye Peas Fruit Cup Milk	Corny Dogs Herbed Potatoes Spiced Apples Fruit Cup Milk	Beef Stew Southern Style Spinach Peach Crumble Chips Milk	Zesty Orange Chicken Asian Rice Seasoned Green Beans Milk	Burrito Ranchero Benas Tejas Corn Chips Milk
Dinner	Chicken Fried Chicken Cream Gravy Mashed Potatoes Peas and Carrots Milk	Spaghetti & MeatSauce Italian Green Beans Glazed Carrots Fudge Cook Milk	Steak Fingers & Gravy Mashed Potatoes Mixed Vegetables Dinner Roll Milk	Southern Style Meatloaf Brown Rice Pilaf Roasted Sweet Potatoes Seasoned Green Beans Milk	Beef Stroganoff Southern Style Spinach Spiced Apples Dinner Roll Milk	BBQ Chicken Patty Baked Beans AuGratin Potatoes Fruit Cup Milk	Sliced Turkey Cornbread Dressing Glazed Sweet Potatoes Seasoned Green Beans Milk



# Council Agenda Background

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## PRESENTER:

James Tindell, Fire Chief

## ITEM:

Consider a resolution authorizing the payment to the City of North Richland Hills, in the amount of \$26,036.40, to provide continuous maintenance for subscriber radios and auxiliary equipment to obtain maximum performance.

## DISCUSSION:

A radio maintenance agreement between the City of Bedford and North Richland Hills originated on October 1, 1996. The City of North Richland Hills coordinates a radio maintenance consortium between the cities of Bedford, Colleyville, Euless, Grapevine, Haltom City, Keller, North Richland Hills, Richland Hills, Southlake and Tarrant County. A substantial savings in the cost of maintenance for subscriber radio and auxiliary units can be obtained by participating in the consortium, while maintaining local control of the programming and management of each subscriber radio and auxiliary units.

The City of Bedford has determined the necessity to secure radio services with the City of North Richland Hills, in the amount of \$26,036.40, to provide continuous maintenance to subscriber radios and auxiliary equipment to obtain maximum performance. The City Attorney has reviewed and approved the Agreement Terms and Conditions.

## RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing payment to the City of North Richland Hills, in the amount of \$26,036.40, to provide continuous maintenance for subscriber radios and auxiliary equipment to obtain maximum performance.

## FISCAL IMPACT:

Fiscal impact to the City of Bedford and the amount budgeted in the FY2011-2012 General Fund is \$26,036.40 for this payment.

## ATTACHMENTS:

Resolution  
Agreement  
1996 Interlocal Agreement

RESOLUTION NO. 11-

A RESOLUTION AUTHORIZING PAYMENT TO THE CITY OF NORTH RICHLAND HILLS, IN THE AMOUNT OF \$26,036.40, TO PROVIDE CONTINUOUS MAINTENANCE TO SUBSCRIBER RADIOS AND AUXILIARY EQUIPMENT TO OBTAIN MAXIMUM PERFORMANCE.

WHEREAS, the City of North Richland Hills coordinates a radio maintenance consortium with the cities of Bedford, Colleyville, Euless, Grapevine, Haltom City, Keller, North Richland Hills, Richland Hills, Southlake and Tarrant County; and,

WHEREAS, the City Council of Bedford, Texas approved an interlocal agreement with the City of North Richland Hills on March 26, 1996 to join the radio maintenance consortium; and,

WHEREAS, monthly maintenance rates are based on the number of subscriber radio and auxiliary units on the contract; and,

WHEREAS, a substantial savings in the cost of maintenance for subscriber radio and auxiliary units can be obtained by participating in the consortium while maintaining local control of the programming and management of each subscriber radio and auxiliary units; and,

WHEREAS, the City of Bedford has determined the necessity to secure radio services with the City of North Richland Hills Radio Frequency Consortium in the amount of \$26,036.40 to provide continuous maintenance to subscriber radio and auxiliary units to obtain maximum performance; and,

WHEREAS, the agreement would commence October 1, 2011 and expire September 30, 2012.

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

SECTION 1. That the City Council hereby authorizes payment to the City of North Richland Hills in the amount of \$26,036.40, in accordance with the 1996 interlocal agreement.

PASSED AND APPROVED this 13th day of September 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

# North Richland Hills Consortium

**Budget for Coverage Period: October 1, 2011 to September 30, 2012**

Subscriber		Unit Cost Per Month	Total Per Month	Numbe r of Months	Annual Cost	
<b>Subscriber</b>	<b>123</b>					
<b>Bedford</b>						
<b>123</b>	<b>Subscribers</b>	\$ 5.88	\$ 723.24	12	\$ 8,678.88	\$ 8,678.88
<b>0</b>	<b>Pro-Rated Warranty Subs</b>	\$ 5.88	\$ -	12	\$ -	\$ -
<b>0</b>	<b>MTS2000/XTS3000/MCS:</b>	\$ 4.88	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NTN 7143</b>	\$ 2.10	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NTN 7144</b>	\$ 2.10	\$ -	12	\$ -	\$ -
<b>0</b>	<b>HNN9028AR (new for N</b>	\$ 2.89	\$ -	12	\$ -	\$ -
<b>0</b>	<b>HNN9049A (new for P</b>	\$ 2.36	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NTN 8294B</b>	\$ 4.37	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NTN 8297A</b>	\$ 6.65	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NTN 9816</b>	\$ 4.28	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NTN 9857</b>	\$ 7.17	\$ -	12	\$ -	\$ -
<b>0</b>	<b>HNN 9031</b>	\$ 9.01	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NNTN 4435</b>	\$ 10.58	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NNTN 4436</b>	\$ 12.24	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NNTN 4437</b>	\$ 12.68	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NNTN 6034</b>	\$ 13.56	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NTN 8297</b>	\$ 10.93	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NTN 9862</b>	\$ 13.13	\$ -	12	\$ -	\$ -
<b>0</b>	<b>RNN 4006</b>	\$ 10.93	\$ -	12	\$ -	\$ -
<b>0</b>	<b>RNN 4007</b>	\$ 13.13	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NTN 9815</b>	\$ 4.99	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NTN9858</b>	\$ 5.33	\$ -	12	\$ -	\$ -
<b>0</b>	<b>NNTN6263</b>	\$ 4.11	\$ -	12	\$ -	\$ -
<b>0</b>	<b>HNN 9032</b>	\$ 10.93	\$ -	12	\$ -	\$ -
<b>0</b>	<b>Warranty Subscribers</b>	\$ 4.20	\$ -	12	\$ -	\$ -
<b>3</b>	<b>Consoles</b>	\$ 183.75	\$ 551.25	12	\$ 6,615.00	\$ 6,615.00
<b>1</b>	<b>Server</b>	\$ 183.75	\$ 183.75	12	\$ 2,205.00	\$ 2,205.00
<b>9</b>	<b>Control Stations</b>	\$ 15.75	\$ 141.75	12	\$ 1,701.00	\$ 1,701.00
<b>5</b>	<b>NTN1177 Multi Charge</b>	\$ 6.30	\$ 31.50	12	\$ 378.00	\$ 378.00
<b>6</b>	<b>L650A DGT 9000 Rem</b>	\$ 2.63	\$ 15.78	12	\$ 189.36	\$ 189.36
<b>4</b>	<b>L1474 DC Remotes</b>	\$ 2.63	\$ 10.52	12	\$ 126.24	\$ 126.24
<b>2</b>	<b>TDN9430 Battery Conc</b>	\$ 6.30	\$ 12.60	12	\$ 151.20	\$ 151.20
<b>1</b>	<b>Net Clock</b>	\$ 183.75	\$ 183.75	12	\$ 2,205.00	\$ 2,205.00
<b>1</b>	<b>3 Com Server Switch</b>	\$ 39.90	\$ 39.90	12	\$ 478.80	\$ 478.80
<b>7</b>	<b>CSU's</b>	\$ 39.38	\$ 275.66	12	\$ 3,307.92	\$ 3,307.92
	<b>Total</b>				<b>\$ 26,036.40</b>	<b>\$ 26,036.40</b>

## Service Terms and Conditions

Motorola Solutions Inc. ("Motorola") and the customer named in this Agreement ("Customer") hereby agree as follows:

### Section 1. APPLICABILITY

These Service Terms and Conditions apply to service contracts whereby Motorola will provide to Customer either (1) maintenance, support, or other services under a Motorola Service Agreement, or (2) installation services under a Motorola Installation Agreement.

### Section 2. DEFINITIONS AND INTERPRETATION

2.1. "Agreement" means these Service Terms and Conditions; the cover page for the Service Agreement or the Installation Agreement, as applicable; and any other attachments, all of which are incorporated herein by this reference. In interpreting this Agreement and resolving any ambiguities, these Service Terms and Conditions take precedence over any cover page, and the cover page takes precedence over any attachments, unless the cover page or attachment states otherwise.

2.2. "Equipment" means the equipment that is specified in the attachments or is subsequently added to this Agreement.

2.3. "Services" means those installation, maintenance, support, training, and other services described in this Agreement.

### Section 3. ACCEPTANCE

Customer accepts these Service Terms and Conditions and agrees to pay the prices set forth in the Agreement. This Agreement becomes binding only when accepted in writing by Motorola. The term of this Agreement begins on the "Start Date" indicated in this Agreement.

### Section 4. SCOPE OF SERVICES

4.1. Motorola will provide the Services described in this Agreement or in a more detailed statement of work or other document attached to this Agreement. At Customer's request, Motorola may also provide additional services at Motorola's then-applicable rates for the services.

4.2. If Motorola is providing Services for Equipment, Motorola parts or parts of equal quality will be used; the Equipment will be serviced at levels set forth in the manufacturer's product manuals; and routine service procedures that are prescribed by Motorola will be followed.

4.3. If Customer purchases from Motorola additional equipment that becomes part of the same system as the initial Equipment, the additional equipment may be added to this Agreement and will be billed at the applicable rates after the warranty for that additional equipment expires.

4.4. All Equipment must be in good working order on the Start Date or when additional equipment is added to the Agreement. Upon reasonable request by Motorola, Customer will provide a complete serial and model number list of the Equipment. Customer must promptly notify Motorola in writing when any Equipment is lost, damaged, stolen or taken out of service. Customer's obligation to pay Service fees for this Equipment will terminate at the end of the month in which Motorola receives the written notice.

4.5. Customer must specifically identify any Equipment that is labeled intrinsically safe for use in hazardous environments.

4.6. If Equipment cannot, in Motorola's reasonable opinion, be properly or economically serviced for any reason, Motorola may modify the scope of Services related to that Equipment; remove that Equipment from the Agreement; or increase the price to Service that Equipment.

4.7. Customer must promptly notify Motorola of any Equipment failure. Motorola will respond to Customer's notification in a manner consistent with the level of Service purchased as indicated in this Agreement.

### Section 5. EXCLUDED SERVICES

5.1. Service excludes the repair or replacement of Equipment that has become defective or damaged from use in other than the normal, customary, intended, and authorized manner; use not in compliance with applicable industry standards; excessive wear and tear; or accident, liquids, power surges, neglect, acts of God or other force majeure events.

5.2. Unless specifically included in this Agreement, Service excludes items that are consumed in the normal operation of the Equipment, such as batteries or magnetic tapes.; upgrading or reprogramming Equipment; accessories, belt clips, battery chargers, custom or special products, modified units, or software; and repair or maintenance of any transmission line, antenna, microwave equipment, tower or tower lighting, duplexer, combiner, or multicoupler. Motorola has no

obligations for any transmission medium, such as telephone lines, computer networks, the internet or the worldwide web, or for Equipment malfunction caused by the transmission medium.

#### **Section 6. TIME AND PLACE OF SERVICE**

Service will be provided at the location specified in this Agreement. When Motorola performs service at Customer's location, Customer will provide Motorola, at no charge, a non-hazardous work environment with adequate shelter, heat, light, and power and with full and free access to the Equipment. Waivers of liability from Motorola or its subcontractors will not be imposed as a site access requirement. Customer will provide all information pertaining to the hardware and software elements of any system with which the Equipment is interfacing so that Motorola may perform its Services. Unless otherwise stated in this Agreement, the hours of Service will be 8:30 a.m. to 4:30 p.m., local time, excluding weekends and holidays. Unless otherwise stated in this Agreement, the price for the Services exclude any charges or expenses associated with helicopter or other unusual access requirements; if these charges or expenses are reasonably incurred by Motorola in rendering the Services, Customer agrees to reimburse Motorola for those charges and expenses.

#### **Section 7. CUSTOMER CONTACT**

Customer will provide Motorola with designated points of contact (list of names and phone numbers) that will be available twenty-four (24) hours per day, seven (7) days per week, and an escalation procedure to enable Customer's personnel to maintain contact, as needed, with Motorola.

#### **Section 8. PAYMENT**

Unless alternative payment terms are stated in this Agreement, Motorola will invoice Customer in advance for each payment period. All other charges will be billed monthly, and Customer must pay each invoice in U.S. dollars within twenty (20) days of the invoice date. Customer will reimburse Motorola for all property taxes, sales and use taxes, excise taxes, and other taxes or assessments that are levied as a result of Services rendered under this Agreement (except income, profit, and franchise taxes of Motorola) by any governmental entity.

#### **Section 9. WARRANTY**

Motorola warrants that its Services under this Agreement will be free of defects in materials and workmanship for a period of ninety (90) days from the date the performance of the Services are completed. In the event of a breach of this warranty, Customer's sole remedy is to require Motorola to re-perform the non-conforming Service or to refund, on a pro-rata basis, the fees paid for the non-conforming Service. **MOTOROLA DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

#### **Section 10. DEFAULT/TERMINATION**

10.1. If either party defaults in the performance of this Agreement, the other party will give to the non-performing party a written and detailed notice of the default. The non-performing party will have thirty (30) days thereafter to provide a written plan to cure the default that is acceptable to the other party and begin implementing the cure plan immediately after plan approval. If the non-performing party fails to provide or implement the cure plan, then the injured party, in addition to any other rights available to it under law, may immediately terminate this Agreement effective upon giving a written notice of termination to the defaulting party.

10.2. Any termination of this Agreement will not relieve either party of obligations previously incurred pursuant to this Agreement, including payments which may be due and owing at the time of termination. All sums owed by Customer to Motorola will become due and payable immediately upon termination of this Agreement. Upon the effective date of termination, Motorola will have no further obligation to provide Services.

#### **Section 11. LIMITATION OF LIABILITY**

Except for personal injury or death, Motorola's total liability, whether for breach of contract, warranty, negligence, strict liability in tort, or otherwise, will be limited to the direct damages recoverable under law, but not to exceed the price of twelve (12) months of Service provided under this Agreement. **ALTHOUGH THE PARTIES ACKNOWLEDGE THE POSSIBILITY OF SUCH LOSSES OR DAMAGES, THEY AGREE THAT MOTOROLA WILL NOT BE LIABLE FOR ANY COMMERCIAL LOSS; INCONVENIENCE; LOSS OF USE, TIME, DATA, GOOD WILL, REVENUES, PROFITS OR SAVINGS; OR OTHER SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES IN ANY WAY RELATED TO OR ARISING FROM THIS AGREEMENT OR THE PERFORMANCE OF SERVICES BY MOTOROLA PURSUANT TO THIS AGREEMENT.** No action for contract breach or otherwise relating to the transactions contemplated by this Agreement may be brought more than one (1) year after the accrual of the cause of action, except for money due upon an open account. This limitation of liability will survive the expiration or termination of this Agreement and applies notwithstanding any contrary provision.

#### **Section 12. EXCLUSIVE TERMS AND CONDITIONS**

12.1. This Agreement supersedes all prior and concurrent agreements and understandings between the parties, whether written or oral, related to the Services, and there are no agreements or representations concerning the subject matter of this Agreement except for those expressed herein. The Agreement may not be amended or modified except by a written agreement signed by authorized representatives of both parties.

12.2. Customer agrees to reference this Agreement on any purchase order issued in furtherance of this Agreement, however, an omission of the reference to this Agreement will not affect its applicability. In no event will either party be bound by any terms contained in a Customer purchase order, acknowledgement, or other writings unless: the purchase order, acknowledgement, or other writing specifically refers to this Agreement; clearly indicate the intention of both parties to override and modify this Agreement; and the purchase order, acknowledgement, or other writing is signed by authorized representatives of both parties.

### **Section 13. PROPRIETARY INFORMATION; CONFIDENTIALITY; INTELLECTUAL PROPERTY RIGHTS**

13.1. Any information or data in the form of specifications, drawings, reprints, technical information or otherwise furnished to Customer under this Agreement will remain Motorola's property, will be deemed proprietary, will be kept confidential, and will be promptly returned at Motorola's request. Customer may not disclose, without Motorola's written permission or as required by law, any confidential information or data to any person, or use confidential information or data for any purpose other than performing its obligations under this Agreement. The obligations set forth in this Section survive the expiration or termination of this Agreement.

13.2. Unless otherwise agreed in writing, no commercial or technical information disclosed in any manner or at any time by Customer to Motorola will be deemed secret or confidential. Motorola will have no obligation to provide Customer with access to its confidential and proprietary information, including cost and pricing data.

13.3. This Agreement does not grant directly or by implication, estoppel, or otherwise, any ownership right or license under any Motorola patent, copyright, trade secret, or other intellectual property including any intellectual property created as a result of or related to the Equipment sold or Services performed under this Agreement.

### **Section 14. FCC LICENSES AND OTHER AUTHORIZATIONS**

Customer is solely responsible for obtaining licenses or other authorizations required by the Federal Communications Commission or any other federal, state, or local government agency and for complying with all rules and regulations required by governmental agencies. Neither Motorola nor any of its employees is an agent or representative of Customer in any governmental matters

### **Section 15. COVENANT NOT TO EMPLOY**

During the term of this Agreement and continuing for a period of two (2) years thereafter, Customer will not hire, engage on contract, solicit the employment of, or recommend employment to any third party of any employee of Motorola or its subcontractors without the prior written authorization of Motorola. This provision applies only to those employees of Motorola or its subcontractors who are responsible for rendering services under this Agreement. If this provision is found to be overly broad under applicable law, it will be modified as necessary to conform to applicable law

### **Section 16. MATERIALS, TOOLS AND EQUIPMENT**

All tools, equipment, dies, gauges, models, drawings or other materials paid for or furnished by Motorola for the purpose of this Agreement will be and remain the sole property of Motorola. Customer will safeguard all such property while it is in Customer's custody or control, be liable for any loss or damage to this property, and return it to Motorola upon request. This property will be held by Customer for Motorola's use without charge and may be removed from Customer's premises by Motorola at any time without restriction.

### **Section 17. GENERAL TERMS**

17.1. If any court renders any portion of this Agreement unenforceable, the remaining terms will continue in full force and effect.

17.2. This Agreement and the rights and duties of the parties will be interpreted in accordance with the laws of the State in which the Services are performed

17.3. Failure to exercise any right will not operate as a waiver of that right, power, or privilege.

17.4. Neither party is liable for delays or lack of performance resulting from any causes that are beyond that party's reasonable control, such as strikes, material shortages, or acts of God.

17.5. Motorola may subcontract any of the work, but subcontracting will not relieve Motorola of its duties under this Agreement.

17.6. Except as provided herein, neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party, which consent will not be unreasonably withheld. Any attempted assignment, delegation, or transfer without the necessary consent will be void. Notwithstanding the foregoing, Motorola may assign this Agreement to any of its affiliates or its right to receive payment without the prior consent of Customer. In addition, in the event Motorola separates one or more of its businesses (each a "Separated Business"), whether by way of a sale, establishment of a joint venture, spin-off or otherwise (each a "Separation Event"), Motorola may, without the prior written consent of the other Party and at no additional cost to Motorola, assign this Agreement such that it will continue to benefit the Separated Business and its affiliates (and Motorola and its affiliates, to the extent applicable) following the Separation Event

17.7. THIS AGREEMENT WILL RENEW, FOR AN ADDITIONAL ONE (1) YEAR TERM, ON EVERY ANNIVERSARY OF THE START DATE UNLESS EITHER THE COVER PAGE SPECIFICALLY STATES A TERMINATION DATE OR ONE PARTY NOTIFIES THE OTHER IN WRITING OF ITS INTENTION TO DISCONTINUE THE AGREEMENT NOT LESS THAN THIRTY (30) DAYS OF THAT ANNIVERSARY DATE. At the anniversary date, Motorola may adjust the price of the Services to reflect its current rates.

17.8. If Motorola provides Services after the termination or expiration of this Agreement, the terms and conditions in effect at the time of the termination or expiration will apply to those Services and Customer agrees to pay for those services on a time and materials basis at Motorola's then effective hourly rates.

Revised Jan 1, 2010



**Statement of Work**  
Prepared For :

**NORTH RICHLAND HILLS, CITY OF**

**7202 DICK FISHER DR N**

**NORTH RICHLAND HILLS, TX 76180**



**MOTOROLA**

Rev. 2/11/11

*Radio Parts and Service Group  
United States / Canada Service Division-West*

These are the terms and conditions for the 2011-2012 contract and are same terms and conditions under the current 2010-2011 contract.

**NORTH RICHLAND HILLS RF CONSORTIUM  
MAINTENANCE AGREEMENT TERMS & FEATURES**

1. Unlimited repair and check out of covered units.
2. Reprogramming of Subscriber Units (i.e. Mobiles, Portables & control Stations) is based on the following criteria:
  - (a.) Reprogramming is covered only when radios are repaired, and the repair requires a unit to be programmed using an existing template.
3. Preventive Maintenance check of system one time per year to be scheduled by the customer.
4. Any change in the budgetary figure for contracts needs to be communicated in writing to all users prior to Feb 28 of the year the new contract will begin. The Consortium's exclusive monthly price for basic subscriber coverage for contract period of 2011-2012 is remaining at \$5.88 per unit.

To the subscribers monthly per unit cost of \$5.88 you will need to add the price shown below for the batteries you choose to cover under this agreement. (Pricing is per unit, per month and does not include portable batteries).

(Example: \$5.88 + NTN9815 \$4.99 = \$10.87 per unit per month)

**MTS 2000**

NTN 7143CR	\$2.10
NTN 7144	\$2.10

**XTS1500**

NTN 9815	\$4.99
NTN 9816	\$4.28
NTN 9858	\$5.33
NTN 9857	\$7.17

XTS 2500

NTN 9815	\$4.99
NTN 9816	\$4.28
NTN 9858	\$5.33
NTN 9857	\$7.17
NNTN 6263	\$4.11

XTS 3000/3500/5000

HNN 9031	\$9.01
HNN 9032	\$10.93
NNTN 4435	\$10.58
NNTN 4436	\$11.66
NNTN 4437	\$12.24
NNTN 6034	\$13.56
NTN 8297	\$10.93
NTN 9862	\$13.13
RNN 4006	\$10.93
RNN 4007	\$13.13
NTN 8294B	\$4.37
NTN 8297A	\$6.65

5. Prices are per unit/per month, and include parts and labor. Definition of covered or uncovered items is:
  - (a.) Radio housing, antenna, single unit charger and internal components are covered.
  - (b.) Remote speaker microphones may be added as an option by any member of consortium for \$3.15 per unit per month.
6. Units that are physically abused, or water damaged will be covered up to \$150.00 of the combined parts and labor costs necessary to repair. Additional costs will be billed directly from the local service provider at an exclusive to Consortium customer rate of \$105.00 per hour, plus parts.
7. Maintenance Agreement covers the repair or replacement of one (1) antenna and one (1) single unit charger per unit per year, if these items are found to be defective.
8. Based on the wide variety of batteries being used by Consortium members today, we

will no longer replace 50% of the total subscriber count. Each Consortium member must provide a predetermined quantity of replacement batteries they choose to have covered during the contract period and provide a predetermined selection of which battery part number they choose to have covered under this agreement. Each battery part number is individually priced as explained above in line item 4.

Battery Maintenance as part of this agreement is defined as replacement of defective batteries that you have chosen to cover. The exchange will be one for one. Each covered defective battery brought in for replacement will be exchanged for a new battery (same part number as the defective battery only).

Batteries will only be replaced after analysis at the DFW depot determines they are bad or defective. Batteries will be deemed replaceable when they are found to perform at less than 80% capacity.

9. All repairs will be performed 8:00 am to 4:30 PM, Monday through Friday, except where noted otherwise (excludes weekends and holidays).
10. Pick up and delivery of subscriber portable units will be on demand, not to exceed two (2) calls per week. Allow twelve (12) business hours response time.
11. Fire and Ambulance mobile radios can be serviced at customer location Monday - Friday 8:00 - 4:30 (excludes Dave Clark, SetCom, and/or other apparatus equipment). All other mobiles must be serviced at one of three area Motorola Service Stations.
12. Installation and removal services to be addressed and quoted on an individual basis.
13. Repair time of subscriber units (i.e. mobiles, portables, and control stations) shall not exceed five (5) working days, without notification of any parts backordered and/or other delays. Radios no longer supported by Motorola, such as analog Spectra will be serviced locally based on parts availability.
14. Motorola Customer Support Manager will be responsible for working with the customer's contract administrator, to track, update, and adjust equipment inventory as changes occur.
15. Above contract work will be performed at an exclusive to Consortium customer rate of \$105.00 per hour, plus parts.
16. Discounts will be applied for annual payment of contract received in advance (discount rates to be determined at each contract renewal).
17. Telephone consultation and support will be provided by DFW Communications at no additional.
18. Console Operator Positions are \$183.75 per operator position.
19. Central Electronic Bank Equipment will receive full 24X7 coverage during the contract period.

20. Control Stations are permanent installations and have not been treated as mobiles, as the contract intended. Repairs have been consistently made at the customer location. Control Stations will be offered at a billing rate of \$15.75 per month. Programming will continue to be offered per the original contract terms, when taken to any of DFW Communications three (3) service locations.

21. Time & Material rates for non-contract items are as follows:

Normal Business Hours: \$105.00 per hour plus parts. There is a trip charge of \$85.00 for each call out. Hourly rate begins upon arrival at customer location.

After Hours: \$157.50 per hour plus parts, with a minimum charge of 4 hours. There is no trip charge incurred. Hourly rate begins from point of origin.

22. To clarify the repair on XTS submersible intrinsically safe radios, the seals on XTS submersible radios are guaranteed for one (1) year from date of purchase only. Seal failure will not be considered physical damage, unless there is apparent physical damage to the radio that caused the seal to fail.

**STATE OF TEXAS**

**CITY OF BEDFORD**

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**AGREEMENT**

This Agreement, made and entered into by and between the City of Bedford, a municipal corporation, located in Tarrant County, Texas, hereinafter called "Bedford," and the City of North Richland Hills, a municipal corporation, located in Tarrant County, Texas, hereinafter called "North Richland Hills," evidences the following:

**WHEREAS**, North Richland Hills, and Bedford desire to enter into an Agreement at the request of Bedford for inclusion into a radio maintenance agreement between the City of North Richland Hills and Motorola Communications and Electronics, Incorporated, hereinafter called "Motorola;" and

**WHEREAS**, The Interlocal Cooperation Act, Chapter 791 et seq, Texas Government Code, provides authorization for any local government to contract with one or more local governments to perform governmental functions and services under the term of the Act; and

**WHEREAS**, North Richland Hills has negotiated a sole source contract with Motorola and is available to perform the functions described herein; and

**WHEREAS**, Bedford has current revenues available and allocated for this agreement; and

**WHEREAS**, it is mutually advantageous to both parties to enter into the arrangement evidenced by this Agreement;

**NOW, THEREFORE**, the parties in consideration of the terms and conditions contained herein, agree as follows;

The responsibility of each government entity is outlined below:

**I.**

**BEDFORD**

Bedford hereby agrees:

1. To become a part of what is being termed the "North Richland Hills Consortium" which represents a sole source negotiation, by North Richland Hills, for collective radio maintenance covering several governmental agencies throughout Tarrant County.
2. To include all Motorola radio equipment in the maintenance contract which was purchased from Motorola as a part of Bedford joining any 800 Mhz trunked radio system that utilizes the same radio products as those utilized by the Fort Worth 800 Mhz trunked radio system..
3. To ensure optimum efficiency by providing timely repairs to any of its own equipment through direct contact with Motorola. Bedford understands that the benefits derived from joining the "North Richland Hills Consortium" are those seen through bulk discounts based upon total numbers of radios covered under the negotiated contract with Motorola.

4. That the purchase radio maintenance shall be made directly in North Richland Hills and that the fees for such coverage shall be only those fees charged by Motorola. All funds that are paid to North Richland Hills will be based on invoicing that will originate from Motorola to North Richland Hills. North Richland Hills will then create invoicing which will be passed along to Bedford and any other governmental agencies who become a part of the "North Richland Hills Consortium."
5. That payment for this service must be prompt since North Richland Hills does not have escrow funds available to cover all governmental agencies that have expressed a desire to participate in the "North Richland Hills Consortium."
6. That this "Agreement" may be cancelled at any time in compliance with Section VI, "TERMS", of this Agreement. Such written notice must originate from the City Manager, Chief of Police or City Purchasing Agent. Upon cancellation of the "Agreement" North Richland Hills will obtain any applicable refunds from Motorola, if such refunds exist, and will pay the refund amount to Bedford.
7. To provide equipment listings of equipment, owned by Bedford, consisting of Make, Model, Serial Number and any other information deemed necessary for North Richland Hills to properly manage the maintenance agreement process.

## NORTH RICHLAND HILLS

North Richland Hills hereby agrees:

1. To provide Bedford access to a negotiated radio maintenance agreement that provides bulk discounting at a more favorable rate than Bedford could obtain alone.
2. To provide invoicing and notice of fee changes to Bedford as soon as is practicable after having received such fee adjustments from Motorola.
3. To provide any information dealing with the radio maintenance agreement available to Bedford upon request.
4. To act as the central receiving point for all Motorola originated invoices or refunds and to assure that payment is made to Motorola as quickly as possible after having received payment from members of the "North Richland Hills Consortium." North Richland Hills will also pass refunds back to any agency on whose behalf the refund was made.
5. To gather information from the members of the "North Richland Hills Consortium" which is needed by Motorola so as to enter into a proper radio maintenance agreement. Motorola has indicated that they will create addenda to the original contract which will have the equipment of each member agency contained within them. There will be an addendum for each agency with a listing of the equipment covered.

## II. AUTHORIZATION

North Richland Hills authorizes Bedford to deal directly with Motorola regarding all issues except payment of invoiced fees or refunds. Bedford authorizes North Richland Hills to negotiate on its behalf with the

understanding that North Richland Hills shall act in the best interest of the group as a whole rather than any agency as an individual. Bedford shall be kept abreast of all attempts to negotiate future fees and will be made a part of such negotiations by their representatives attending meetings held for the purpose of fee negotiations.

### **III. CONTROL**

It is understood by both parties that the intent of this agreement is to achieve the lowest cost possible for radio maintenance and that this is being accomplished through several governmental agencies pooling their radio equipment into a larger aggregate, thus providing the ability to obtain better bulk discount rates.

### **IV. OPERATION WARRANTY**

North Richland Hills makes no representations or warranties regarding the normal management of the radio maintenance agreement process other than outlined below:

In the event of problems arising between Bedford and Motorola, North Richland Hills shall not be held responsible for anything other than the handling of invoicing and payments as outlined in this Agreement. The contents of invoicing will have an origination point of Motorola and will not be raised or lowered by North Richland Hills unless an invoicing error is encountered. If such an error is found, Bedford will be immediately notified of the reason for the raising or lowering of the invoice.

### **V. CLAIMS**

To the extent allowed by law, each jurisdiction does hereby waive all claims against and agrees to release every other City or County, its police department, Sheriff's Department, officials, agents, officers and employees in both their public and private capacities, from and against any and all claims, suits, demands, losses, damages, causes of action and liability of every kind, including but not limited to court costs and attorney's fees which may arise due to any death or injury to any person, or the loss of, damage to, or loss of use of any property arising out of or occurring as a consequence of the performance of this agreement whether such injuries, death or damages are caused by the sole negligence or the joint negligence of any jurisdiction, its officials, agents, officers and employees. It is the express intention of the parties hereto that the waiver and release provided for in this paragraph includes claims arising out of such other City's or County's own negligence, whether that negligence is a sole or a concurring cause of the injury, death or damage.

It is expressly understood and agreed that, in the execution of this Agreement, no jurisdiction waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions.

### **VI. TERMS**

The initial term of this Agreement shall be one (1) year, and shall automatically renew itself on a yearly basis thereafter unless either party decides to terminate, or both parties mutually agree to change or modify the conditions of this Agreement. Any change in the approved yearly fee, including increase of anticipated expenses, cost of equipment, software development, or maintenance enhancements shall be fully documented.

Bedford will be advised by February 1st of each year of proposed fee increases in order to provide for adequate considerations in their budget development process. Bedford's portion of any radio maintenance costs will be prorated, based on the number of radios or other related equipment covered under the maintenance contract at the time of the fee increase. Fee increases will not take effect until October 1st of any year which give the parties eight (8) months from the February 1st notice requirements in order to plan for the increase. Additional equipment may be added at any time and a prorated charge will be figured for each additional unit of equipment added.

If either party decides to terminate this Agreement, after the initial term, written notice, to the following respective addresses, must be received by the other party not later than ninety (90) days before the renewal date. The fee herein set out shall be payable on or before October 31st of each year, except for the first year, which shall be prorated and payable within thirty (30) days of Bedford's beginning coverage date as listed in the maintenance contract with North Richland Hills and Motorola.

**City Manager**  
**City of North Richland Hills**  
**P. O. Box 820609**  
**North Richland Hills, Texas 76182-0609**

**City Manager**  
**City of Bedford**  
**2000 Forest Ridge**  
**Bedford, Texas 76021**

This Agreement was signed and executed on this \_\_\_\_\_ day of \_\_\_\_\_, 1996.  
*(Execution of Contract shall be construed as the latest City Council Approval Date listed below)*

**CITY OF NORTH RICHLAND HILLS**

**CITY OF BEDFORD**

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
City Manager

**ATTEST:**

**ATTEST:**

\_\_\_\_\_  
Chief of Police

\_\_\_\_\_  
City Secretary

This agreement was executed by North Richland Hills on the 27th day of June, 1994.  
(City Council Resolution Number 94-28)

This agreement was executed by Bedford on the \_\_\_\_\_ day of \_\_\_\_\_, 1996  
(City Council Resolution Number \_\_\_\_\_)