

Council Minutes September 10, 2013

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

The City Council of the City of Bedford, Texas, met in Work Session at 5:30 p.m. and Regular Session at 6:30 p.m. in the Council Chambers of City Hall, 2000 Forest Ridge Drive, on the 10th day of September, 2013 with the following members present:

Jim Griffin	Mayor
Michael Boyter	Council Members
Chris Brown	
Ray Champney	
Jim Davisson	
Patricia Nolan	
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	Administrative Services Director
Bill Cooper	Deputy Director of Information Services
Roger Gibson	Police Chief
Tom Hoover	Public Works Director
Jill McAdams	Human Resources Director
Mirenda McQuagge-Walden	Managing Director
Maria Redburn	Library Manager
Jacquelyn Reyff	Planning Manager
Bill Syblon	Development Director
James Tindell	Fire Chief

WORK SESSION

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

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

Council discussed placing the following items on consent: 3, 6, 7 and 8.

Police Chief Roger Gibson presented information on Items #7 and #8. These are to enter into a contract with RedFlex for a scofflaw program to address red light camera violations that have been evaluated by RedFlex and staff and where an administrative violation is administered in the amount of \$75.00. There are limited options in recovering those fees. Once a violation is delinquent, there is a \$25.00 late fee, bringing the total up to \$100.00. The City currently works with RedFlex through a collection agency,

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which recoups the \$25.00 late fee. The agency averages an 11 percent collection rate on those outstanding violations. As of July 31, there are over 14,000 scofflaws for a value of \$1.356M. Of that amount, 11,300 are Tarrant County registered vehicles, amounting to \$1.1M. Staff is proposing to enter into an agreement with RedFlex, whereby they will manage a system and act as the City's agent to enter registration holds. On the initial batch file of 14,000 violations, the typical collection rate is 44 percent. On subsequent batch files, the average increases to 56 percent. RedFlex is also offering to charge \$38.00 for each violation collected. On the initial batch file, they would charge \$5.00 per successful registration hold. This would only be for vehicles still registered in Texas, to the same person, and over 91 days delinquent on payment. Their typical charge is \$10.00 per successful registration hold. They also agreed that they would not invoice the City for the initial batch file until the City has recovered twice the invoice amount. In conversations with Tax Assessor-Collector Ron Wright, Chief Gibson stated that they will be implementing a contract in the future with all the agencies involved in the scofflaw program. It is unknown whether Mr. Wright's office would assess a fee for those violations that are already in the system, which would be \$5.24 per registration hold in Tarrant County. RedFlex has agreed that if the County does charge this fee, they would only charge \$5.00 for Tarrant County registrations, as opposed to \$10.00.

In response to questions from Council regarding Tarrant County charging for the initial batch file, Chief Gibson explained it would only be for those cases still outstanding for vehicles registered in the County; and that the \$5.24 fee is the same as Dallas County. In response to questions from Council regarding the City handling the program on its own, Chief Gibson explained that with an average of 51 scofflaws a month with three cameras, he did not know if it would justify hiring a full-time employee. In answer to questions regarding the City itself downloading the batch to the State, Chief Gibson explained that the State's system is not able to handle scofflaw violations from multiple entities but that the City is only charged for successful registration holds; and that RedFlex still sends out a letter to the vehicle owner regarding the violation. David Glenn with RedFlex stated that they possess the data that is transferred to TxDMV in a proprietary format. The 14,000 violations is a raw number and that they incur the expenses to send a "probe file" to TxDMV to determine what violations are for vehicles still registered to the same person. Once the file is returned, they submit the list of license plates to put a hold on to TxDMV. Only one hold can be put on per license plate per governmental agency type. RedFlex would send a letter to the violator with a payment coupon at the bottom for the City. The City has access to the "aging report", which is only produced on a monthly basis. Mr. Glenn stated that they would be able to do it quicker and cheaper as they possess the data and can do it in real time. Chief Gibson discussed that the \$38.00 charged by RedFlex would be there whether the City manages the program or not. He further presented information on the tier system as follows: the City is charged \$48.00 for the first 90 violations, \$38.00 for violations from 91-180, and \$28.00 for violations above 180. After RedFlex's fees are subtracted and before the money is split between the City and the State, the City gets to deduct certain expenses. The City would get at a minimum \$13.50 if a violation is paid and \$26.00 if a late fee is added; the number goes back down to \$13.50 if a collection agency is used. He believes with the proposal from RedFlex, the City would bring in a minimum of \$24.00 per violation.

There was discussion on how much the City would collect; that RedFlex would not charge for the initial batch file until the City collects twice the amount; and that RedFlex would have a higher collection rate than the collection agency; that there may be vehicles that never get collected on. In answer to further questions from Council, it was stated that the collection agency fees would go away except on vehicles not registered in the State and where partial payments have been made; and that it does not make a difference if the person tries to register at a grocery store, on-line or at the County. There was discussion that the City would be going into the agreement at a reduced rate, would still come out ahead even with the County fees due to the reduced rate and offsets, and that more revenue would be generated with a higher collection rate.

Deputy City Manager David Miller presented information regarding Item #9. It is for the renewal of a 380 agreement with 6Stones for the revitalization of older and dilapidated homes. The program has grown

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from three homes initially to 14 this year thus far. The initial agreement was for \$25,000, with a \$10,000 cap on expenditures. The agreement was amended two years ago to \$35,000, with \$25,000 for administrative costs. The renewal agreement covers the following: a reimbursement to 6Stones for \$7,026.87 this fiscal year because they exceeded their cap for expenses; an additional \$10,000 to the expenditure cap due to the popularity of the program and the increase in the number of applications; and a perpetual clause, that allows the agreement to be renewed annually unless one party wants to change or terminate the agreement. Mr. Miller presented information on how the revitalization program works.

There was discussion that the receipts received from 6Stones include the amount of money spent on materials, the amount of time and volunteer hours, and the amount that would have been spent if the work had been contracted out. In regards to how the owner is verified, Mr. Miller explained that it is verified through the Tarrant Appraisal District that the person who submitted the application is the same person who owns the house, followed by 6Stones interviewing the property owner. In answer to questions and concerns from Council regarding administrative costs, Mr. Miller stated those costs are equivalent to what the other cities pay; that the City caps the reimbursable amount at \$20,000 while the other cities have a 30 percent match; and that 6Stones puts hours into the program with site visits and collecting donations. In regards to the value of the improvements, it was stated that it was \$96,030 for the 14 homes. In regards to the perpetual clause, Mr. Miller stated that no amendment to the contract could be made without going through the proper channels and that the agreement has an out clause. There was Council discussion on the administrative costs being operational expenses and result in a decrease in expenditures for materials and labor; the program keeping property values from deteriorating; having 6Stones present to Council regarding the benefit of the City's investment after each Blitz; 6Stones acting as a general contractor or a project manager on the program; and 6Stones limitations and guidelines regarding costs as a 501(c)3. Mr. Miller stated that if approved, the additional \$10,000 was included in the budget proposal. There was further Council discussion on concerns over the administrative costs. Council was of the consensus to vote on this item during the Regular Session.

Mayor Griffin recessed the Work Session at 6:29 p.m.

- **Discussion regarding the status of the City's water and sewer system infrastructure and the history of its water/sewer rate increases.**

This item was discussed at the end of the Regular Session.

Public Works Director Tom Hoover stated that as previously discussed with Council, the Trinity River Authority (TRA) increased costs to the City for the production of water and getting it to the City as well as treating wastewater. Staff asked Council to look at increasing rates to pay for the improvements. Council then asked staff to have a detailed utility infrastructure report to justify this need. Mr. Hoover displayed pictures of the water and sewer system, including brick manholes, which allows water to infiltrate through the mortar, and clay pipes, which allow intrusion by roots. In regards to the water system, there are less than 10 miles of line that are ten years old or younger, which makes up five percent of the system. A lot of the work on the water system was done 30-40 years ago, with older sections, 50-60 years old, in the southwest portion of the City. There are 150 miles of sewer lines, which follow the same pattern as the water lines since the system was developed when the subdivisions came in. 80 percent of the water and sewer system is 30 years old or older. These older water and sewer mains are either cast iron or clay. The amount of water main breaks each year has been trending upwards.

Administrative Services Director Cliff Blackwell presented the reasoning for rate increases. He showed financially where the City has been borrowing money. He displayed a chart showing the debt issuances for water and sewer projects going back to 2007 and a history of base rates going back to 2004, when

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water was at \$10.00 and wastewater was at \$8.00. From 2006-2010, there were steady inclines in the rates due partially to increases from TRA. Currently, the base rate for water is \$18.37 per month and wastewater is \$10.88 per month. Mr. Blackwell displayed graphs showing the volume rate history for the City compared to TRA, which showed that historically there were times that TRA charged the City more than the City charged residents. Justifications for the rate increase include the age of the infrastructure; the NTE utility relocates, which will deplete the Utility Maintenance Fund; the TRA pass-throughs, and completing capital improvements on a cash basis instead of issuing debt. On water rates, the proposed base rate increase of three percent would raise the rate on regular customers to \$18.92, or \$0.55, and on senior customers to \$17.20, or \$0.50. Passing through the \$0.13 TRA rate increase and a three percent increase would raise the volume rate from \$2.89 to \$3.11, or \$0.22, per 1,000 gallons. On wastewater rates, the proposed base rate increase is to \$11.21, or \$0.33, on regular customers and to \$10.18, or \$0.30, on senior customers. The proposed volume rate increase is to \$2.10, or \$0.38, per 1,000 gallons. On the average bill of 6,000 gallons, a regular customer would see an increase from \$70.64 to \$75.17, or \$4.53, and a senior customer would see an increase from \$66.87 to \$71.32, or \$4.45. The recommended timeline to have the rate increases go into effect is after January 1 in order to give staff enough time to post information on the website and put inserts into the water bill. In answer to questions from Council, Mr. Blackwell stated that all residents pay the base rate; that there are no bond refunding opportunities coming up in the near future; and that any bonds that would mature would not do so until the 2020s. Mr. Hoover stated that improvements on the sewer system would decrease the number of inflows being treated and that they have been doing \$1M a year in sewer improvements. There was discussion that if the City does not move forward with the increases, the option is when something breaks, the City would have to pay the same amount of money with interest; on the amount of debt issuances and interest; and that the extra \$1M would help to do repairs and infrastructure upgrades. In answer to questions from Council, Mr. Hoover stated that sewer lines are easily lined but it is more difficult with water lines due to valves and bends; that they would look at older, larger mains that service areas and then start on neighborhoods; that they would do water projects before road projects; that the TRA is a private, water supply corporation established by the State; and the life expectancy of cast iron pipes being 50-60 years.

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 551.087, deliberation regarding economic development negotiations relative to Block 1, Lot A1, Dallas Federal Addition.**
- b) Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to Block 2 Lot 4, Bedford Lake Addition.**
- c) Pursuant to Section 551.071, consultation with City Attorney regarding pending or contemplated litigation regarding 533 Bedford Road.**

Council was unable to meet in Executive Session prior to the Regular Session.

Council convened into Executive Session pursuant to Texas Government Code Section 551.087, deliberation regarding economic development negotiations relative to Block 1, Lot A1, Dallas Federal Addition; Section 551.087, deliberation regarding economic development negotiations relative to Block 2 Lot 4, Bedford Lake Addition; and Section 551.071, consultation with City Attorney regarding pending or contemplated litigation regarding 533 Bedford Road at 7:49 p.m.

Council reconvened from Executive Session at 8:25 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.

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The Regular Session began at 6:34 p.m.

CALL TO ORDER/GENERAL COMMENTS

Mayor Griffin called the meeting to order.

INVOCATION (Lead Pastor Robert White, Cornerstone Church North)

Lead Pastor Robert White of Cornerstone Church North gave the invocation.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was given.

OPEN FORUM

Nobody chose to speak under Open Forum.

CONSIDER APPROVAL OF ITEMS BY CONSENT

Motioned by Councilmember Champney, seconded by Councilmember Turner, to approve the following items by consent: 3, 6, 7 and 8.

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

COUNCIL RECOGNITION

1. Recognition of Loquita Traylor, Customer Service Supervisor, for a Bedford Employee Commitment Award (BECA).

Loquita Traylor was recognized with the Bedford Employee Commitment Award for assisting a citizen with their household hazardous waste.

2. Proclamation declaring September 2013 as Blood Cancer Awareness Month.

Mayor Griffin read a proclamation declaring September 2013 as Blood Cancer Awareness Month. Linda Peddy with the Leukemia and Lymphoma Society was on hand to accept the proclamation.

APPROVAL OF THE MINUTES

3. Consider approval of the following City Council minutes: a) August 27, 2013 regular meeting

This item was approved by consent.

NEW BUSINESS

4. Consider and act upon an ordinance adopting the annual budget for the City of Bedford, Texas for the fiscal period of October 1, 2013 through September 30, 2014; levying taxes for 2013; providing for intra-fund and/or intra-departmental transfers; providing for investment of idle funds; and declaring an effective date.

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Mr. Blackwell presented information regarding this ordinance. It is to adopt the annual budget for the period from October 1, 2013 through September 30, 2014, levy taxes for 2013, provide for intra-fund and intra-departmental transfers, and provide for the investment of idle funds. The base budget when first submitted was \$58,368,758. Supplemental requests in the amount of \$919,656 brought the total to \$59,288,414. During the budget work session, Council asked staff to add seed money in the amount of \$100,000 to the Economic Development Fund, funds in the amount of \$2,860 for Planning and Zoning Commission training, and \$13,348 for an intern in the General Government Division, bringing the total to \$59,404,622. Staff was also asked to come back with a compensation plan, in the amount of \$486,272 and is based on a 2.5 percent merit based compensation pool, which brings the total proposed budget to \$59,890,894. The total proposed revenue for the budget is \$60,853,003. The proposed tax rate is equal to the effective tax rate at \$0.495050 per \$100 valuation. At the previous Council meeting, staff followed up on items including the reconciliation of the Economic Development Fund. One area to be followed up on is the City's fiscal policy to include language on how the Council would like to fund the Economic Development Fund for future years. As related to the next item on the agenda, because the City has to follow State law, they have to recognize an increase in tax revenues even though the tax rate is lower.

In answer to a question from Council regarding employee raises, City Manager Beverly Griffith stated that the timeframe for implementation would be after the performance review cycle in January. There was Council discussion on decreasing the budget by \$5,783 by passing a tax rate of \$0.4948303 per \$100 valuation; decreasing the tax rate in a year with a probable increase in water rates; the bond election; infrastructure and park improvements; garnering good faith with the residents by decreasing the tax rate; preparing for challenges in the near future; and leaving the tax rate at \$0.495050 per \$100 valuation and putting money into the Economic Development Fund or another use. In answer to questions from Council regarding the process of changing the tax rate, Ms. Griffith stated the motion would need to be amended by changing the tax rate to \$0.4948303 per \$100 valuation, and reducing the General Fund revenue and expenditures by \$5,783, or taking it from the fund balance. There was discussion on not funding items that will be coming to the voters in the regular budget and issuing debt in January; putting more money into the Economic Development Fund; and increases in expenses, including gas, insurance and cost-of-living.

Motioned by Councilmember Brown, seconded by Councilmember Champney, to adopt a tax rate of \$0.4948303 per \$100 assessed valuation; and approve an ordinance adopting the annual budget for the City of Bedford, Texas for the fiscal year of October 1, 2013 through September 30, 2014; and reducing the General Fund revenue and expenditures by \$5,783.

Motion approved 5-2-0. Mayor Griffin declared the motion carried.

Voting in favor of the motion: Councilmember Boyter, Councilmember Davisson, Councilmember Nolan, Councilmember Champney and Councilmember Brown.

Voting in opposition to the motion: Mayor Griffin and Councilmember Turner.

5. Consider a resolution to ratify the property tax increase as reflected in the 2013/2014 City of Bedford Program of Services (Budget).

No action was taken on this item.

6. Consider a resolution accepting the City of Bedford Investment Policy.

This item was approved by consent.

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- 7. Consider a resolution authorizing the City Manager to enter into an agreement with Redflex Traffic Systems, Inc. for the purpose of implementing a Scofflaw Program for unpaid administrative red light camera/photo enforcement violations.**

This item was approved by consent.

- 8. Consider a resolution authorizing the City Manager to enter into an interlocal agreement with the Texas Department of Motor Vehicles for the purpose of implementing a Scofflaw Program for unpaid administrative red light camera/photo enforcement violations.**

This item was approved by consent.

- 9. Consider a resolution approving an amendment to the Economic Development Agreement, pursuant to Chapter 380 of the Texas Local Government Code and the City's Economic Development Incentive Policy and Program, with 6Stones, L.L.C. ("6Stones")**

There was discussion regarding 6Stones making a presentation to Council.

Motioned by Councilmember Champney, seconded by Councilmember Turner, to approve a resolution approving an amendment to the Economic Development Agreement, pursuant to Chapter 380 of the Texas Local Government Code and the City's Economic Development Incentive Policy and Program, with 6Stones, L.L.C.

Motion approved 6-1-0. Mayor Griffin declared the motion carried.

Voting in favor of the motion: Mayor Griffin, Councilmember Boyter, Councilmember Nolan, Councilmember Champney, Councilmember Turner and Councilmember Brown.

Voting in opposition to the motion: Councilmember Davisson

10. Report on most recent meeting of the following Boards and Commissions:

- ✓ **Animal Shelter Advisory Board - Councilmember Boyter**

Councilmember Boyter reported that the Board is continuing to get ready for the Pet Fair. They are continuing to review and discuss opportunities to support the Animal Shelter and to see that more animals find families. It was the majority opinion of the Board to endorse a program to encourage the City to engage in a trap, neuter and release program for feral cats. They should be coming to the Council in November or December with a proposal.

- ✓ **Beautification Commission - Councilmember Turner**

Councilmember Turner stated that the Commission will meet the following Monday.

- ✓ **Community Affairs Commission - Councilmember Boyter**

Councilmember Boyter reported that the Commission is anticipating the Mayor's presentation at the upcoming roundtable on September 19. They are also thinking ahead to host an event to educate the citizens on the upcoming bond election.

- ✓ **Cultural Commission - Councilmember Nolan**

Councilmember Nolan reported that the second part of the Commission's strategic planning committee met the previous night. The report will be tallied and presented in the near future.

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✓ **Library Board - Councilmember Davisson**

Councilmember Davisson reported that the Board will meet later this month.

✓ **Parks & Recreation Board - Councilmember Davisson**

Councilmember Davisson reported that the Board met the other evening and discussed the upcoming bond election and will be working hard at the upcoming public meetings. One will be on September 17 at the Boys Ranch Activity Center and the other will be on October 17 at the Library. There was discussion of outside forces looking to defeat bond elections. The Board came up with the slogan "Local Park, Local Decision." The Board is looking at long term planning to improve the dog park including adding culvert pipes, increasing the height of the fencing and putting in some sort of shade.

✓ **Senior Citizen Advisory Board - Councilmember Turner**

Councilmember Turner reported that the Board will meet in October.

✓ **Teen Court Advisory Board - Councilmember Champney**

Councilmember Champney reported that the Board met the previous Thursday and had a discussion on the upcoming banquet and scholarships. They are going to have up to eight applicants for the scholarships. They discussed having a younger speaker for the banquet and he suggested Councilmember Brown. The Board will meet again in October and November.

11. Council member reports

Councilmember Turner presented a report on the Investment Committee. They meet quarterly and go over the investment portfolio. The market value of the portfolio is \$28,301,460 and the City's average yield is 0.22 percent. The City is limited to what it can invest in based on safety. Year-to-date interest is just short of \$50,000. The City tries to diversify its portfolio, with 56 percent in money market fund pools, 30 percent in CDs, and 14 percent in compensating balance. The City's investment advisors help it to increase the yield. They have put \$4M in the bank at no interest; however, bank fees in the amount of \$34,000 are waived equating to 116 basis points.

12. City Manager/Staff Reports

Ms. Griffith reported that the Crud Cruiser event will be held on Saturday, September 21 from 9:00 a.m. to 11:00 a.m. at Meadow Park. The list of items that can and cannot be accepted are on the City's website. The Regal Opera Company will be performing the Mystery of Sherwood Manor on September 20 and 21 at 7:30 p.m. at the Old Bedford School. Tickets are \$18.00 or \$15.00 for seniors, students and children.

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

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

ADJOURNMENT

Mayor Griffin adjourned the meeting at 8:27 p.m.

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Jim Griffin, Mayor

ATTEST:

Michael Wells, City Secretary