

# **AGENDA**

**Regular Meeting of the Bedford City Council  
Tuesday, February 27, 2018  
Bedford City Hall Building A  
2000 Forest Ridge Drive  
Bedford, Texas 76021**

**Council Chamber Work Session 5:30 p.m.  
Council Chamber Regular Session 6:30 p.m.**

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

## **COUNCIL CHAMBER WORK SESSION**

- **Presentation on 2018 job classification and compensation study.**

## **EXECUTIVE SESSION**

**To convene in the conference room, if time permits, 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 – Apartment Association vs. City of Bedford.**

## **REGULAR SESSION**

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

**INVOCATION (Associate Pastor Paul Dunne, Harwood Terrace Baptist Church)**

### **PLEDGE OF ALLEGIANCE**

### **ANNOUNCEMENTS/UPCOMING EVENTS**

**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** *(Consent items are deemed to need little Council deliberation and will be acted upon as on business item. Any member of the City Council may request that an item be withdrawn from the Consent Agenda and placed before the City Council for full discussion. Approval of the Consent Agenda authorizes the City Manager, or a designee, to implement each item in accordance with staff recommendation.)*

- 1. Consider approval of the following City Council minutes:  
a) February 13, 2018 regular meeting**
- 2. Consider an ordinance amending Chapter 2. "Administration," Article IV. "Boards, Commissions, and Committees," Division 4. "Cultural Commission" of the City of Bedford Code of Ordinances; repealing all ordinances in conflict herewith; containing a savings clause; and declaring an effective date.**
- 3. Consider a resolution of the City Council of Bedford, Texas authorizing the submission of the grant application for new thermal imaging cameras for the Police Department to the Office of the Governor, Criminal Justice Division.**

## **COUNCIL RECOGNITION**

### **4. Employee Service Recognition**

## **NEW BUSINESS**

- 5. Consider an ordinance approving a tariff authorizing an annual rate review mechanism (“RRM”) as a substitution for the annual interim rate adjustment process defined by Section 104.301 of the Texas Utilities Code, and as negotiated between Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-tex” or “Company”) and the Steering Committee of Cities Served by Atmos; requiring the Company to reimburse cities’ reasonable ratemaking expenses; adopting a savings clause; determining that this ordinance was passed in accordance with the requirements of the open meetings act; declaring an effective date; and requiring delivery of this ordinance to the company and legal counsel for the steering committee.**
- 6. Consider a resolution authorizing the City Manager to enter into a contract with Strategic Government Resources securing the services of an Interim Capital Projects Manager for the Phase Next Improvements, and other capital project needs at a rate of \$145 per hour.**
- 7. Consider a resolution accepting the report from the independent auditor and the audited financial statements for the fiscal year ending September 30, 2017 and providing an effective date.**
- 8. Consider a resolution authorizing the City Manager to enter into a contract with Public Sector Personnel Consultants to conduct a job classification and compensation study in the amount not to exceed \$50,000.**
- 9. Report on most recent meeting of the following Boards and Commissions:**
  - ✓ **Animal Shelter Advisory Board**
  - ✓ **Beautification Commission**
  - ✓ **Community Affairs Commission**
  - ✓ **Cultural Commission**
  - ✓ **Library Advisory Board**
  - ✓ **Parks and Recreation Board**
  - ✓ **Teen Court Advisory Board**
  - ✓ **Senior Citizen Liaison**
- 10. Council Member Reports**
- 11. City Manager/Staff Reports**
  - a) First Quarter Financial Report.**

## **EXECUTIVE SESSION**

**To convene 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 – Apartment Association vs. City of Bedford.**
- 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, February 23, 2018 at 5:00 p.m.**, and remained so posted at least 72 hours before said meeting convened.

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**Michael Wells, City Secretary**

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**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 must be requested in writing to the City Secretary's Office a minimum of seventy-two hours (72) hours prior to the scheduled starting time of the posted meeting. Requests can be delivered in person or mailed to the City Secretary's Office at 2000 Forest Ridge Drive, Bedford, TX 76021, or emailed to [citysecretary@bedfordtx.gov](mailto:citysecretary@bedfordtx.gov). Some requests may take longer due to the nature, extent and/or availability of such auxiliary aids, services or accommodations.)



# Council Agenda Background

**PRESENTER:** Miguel Ozuna, Director of Human Resources      **DATE:** 02/27/18

**Work Session**

**ITEM:**

Presentation on the 2018 job classification and compensation study.

**DISCUSSION:**

The HR department is tasked with administering a job classification and compensation program. An organization's job classification and compensation program is a key component of its recruitment and employee retention efforts. The item to be considered during the regular meeting relates to awarding a contract for the purpose of conducting a job classification and compensation study.

The study will provide staff with an in-depth analysis of the job classification structure, and if necessary, make recommendations to improve the placement of positions within the structure. Current wages will be analyzed and compared to benchmark cities to determine market competitiveness. The study will provide a recommendation, based on the results of the study and the resources available, to gain and sustain market competitiveness. This will ensure that job classification and compensation is sound and help with recruitment and retentions efforts.

**ATTACHMENTS:**

PowerPoint Presentation

# Classification/Compensation Study

Miguel Ozuna  
Director of Human Resources

# Classification/Compensation Study

## *Purpose:*

- Ensure a sound Job Classification Structure
- Ensure Market Competitiveness

## *Objective:*

- Provide a Classification/Compensation Program that enhances our retention and recruitment efforts.



# Tasks

- Job Classification Analysis
- Compensation Analysis

# Job Classification

- Current Structure

			Job Titles					
				24N	Annual	38,300	45,958	53,616
Professionals	Non-Ex	2401	Crime Scene Technician I	24N	Monthly	3,192	3,830	4,468
Office & Cleric. II	Non-Ex	2413	Crime Analyst	24N	Hourly	18.4133	22.0950	25.7768
Professionals	Non-Ex	2414	IT Support Assistant	24N				
				25N	Annual	40,216	48,257	56,299
Office & Cleric. II	Non-Ex	2502	Senior Account Clerk	25N	Monthly	3,351	4,021	4,692
Office & Cleric. II	Non-Ex	2519	Administrative Assistant- Fire Dept.	25N	Hourly	19.3346	23.2005	27.0670
Office & Cleric. II	Non-Ex	2522	Dispatcher	25N				
Office & Cleric. II	Non-Ex	2523	Account Clerk II - Receivables	25N				
Office & Cleric. II	Non-Ex	2524	Municipal Court Clerk II	25N				
Office & Cleric. II	Non-Ex	2528	Irrigation Specialist	25N				
Mech/Maint	Non-Ex	2529	Administrative Secretary II-Development	25N				
Office & Cleric. II	Non-Ex	2530	Administrative Coordinator - Risk	25N				



# Job Classification

- Current Structure

				24N				
				24N	Annual	38,300	45,958	53,616
Professionals	Non-Ex	2401	Crime Scene Technician I	24N	Monthly	3,192	3,830	4,468
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Office & Cleric. II	Non-Ex	2524	Municipal Court Clerk II	25N				
Office & Cleric. II	Non-Ex	2528	Irrigation Specialist	25N				
Mech/Maint	Non-Ex	2529	Administrative Secretary II-Development	25N				
Office & Cleric. II	Non-Ex	2530	Administrative Coordinator - Risk	25N				

Pay Grade



CITY OF  
BEDFORD

# Job Classification

- Current Structure

Pay Range

				<b>24N</b>	Annual	38,300	45,958	53,616
Professionals	Non-Ex	2401	Crime Scene Technician I	24N	Monthly	3,192	3,830	4,468
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# Job Classification

- Analysis

			24N
Non-Ex	2401	Crime Scene Technician I	24N
Non-Ex	2413	Crime Analyst	24N
Non-Ex	2414	IT Support Assistant	24N
			25N
Non-Ex	2502	Senior Account Clerk	25N
Non-Ex	2519	Administrative Assistant- Fire Dept.	25N
Non-Ex	2522	Dispatcher	25N
Non-Ex	2523	Account Clerk II - Receivables	25N
Non-Ex	2524	Municipal Court Clerk II	25N
Non-Ex	2528	Irrigation Specialist	25N
Non-Ex	2529	Administrative Secretary II-Development	25N
Non-Ex	2530	Administrative Coordinator - Risk	25N



# Compensation Analysis

- Identification of Benchmark Cities (Market)
  - Wage Comparison
  - Review of Pay Practices
- Recommendations/Options

# Classification/Compensation Study

## *Purpose:*

- Ensure a sound Job Classification Structure
- Ensure Market Competitiveness

## *Objective:*

- Provide a Classification/Compensation Program that enhances our retention and recruitment efforts.



Questions?



# Council Agenda Background

**PRESENTER:** Michael Wells, City Secretary

**DATE:** 02/27/18

**Minutes**

**ITEM:**

Consider approval of the following City Council minutes:

- a) February 13, 2018 regular meeting

**DISCUSSION:**

N/A

**ATTACHMENTS:**

February 13, 2018 regular meeting

## Council Minutes February 13, 2018

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 13th day of February, 2018 with the following members present:

Jim Griffin	Mayor
Roger Fisher	Council Members
Dave Gebhart	
Amy Sabol	
Rusty Sartor	
Roy W. Turner	

constituting a quorum.

Councilmember Boyter was absent from the meeting.

Staff present included:

Brian Bosshardt	City Manager
Cliff Blackwell	Assistant City Manager
Stan Lowry	City Attorney
Michael Wells	City Secretary
Natalie Foster	Public Information Officer
Meg Jakubik	Strategic Services Manager
Kenny Overstreet	Public Works Director

### **COUNCIL CHAMBER WORK SESSION**

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

- **Presentation on a street rating assessment.**

Public Works Director Kenny Overstreet presented information on a street condition assessment for the City, and a contract and scope of work for a street condition assessment with Fugro Roadware, Inc. The Street Improvement Economic Development Corporation (SIEDC) board approved staff's request to submit a proposal to the Council to enter into a contract with Fugro to do a complete assessment of all City-maintained streets. In response to questions from Council, Mr. Overstreet stated that the assessment would include streets already assessed by staff. Per Fugro, a pavement condition index (PCI) rating of 85 to 90 would be considered acceptable. Once the street assessment is complete, the City will receive a CD with the City's information, which can be uploaded into its Geographic Information System. The assessment will include curbs and gutters. Fugro is a local company that has done assessments for other area cities. They recommend staff perform an update of the assessment on a yearly basis, with a complete PCI rating being performed every five years. The last time a complete assessment of the City's streets was done was in 1998. There was discussion on frequency of assessments, scaled costs for the PCI rating, and ADA ramps.

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- **Update on Harwood Road grant funding and restoration options.**

Mr. Overstreet presented information on the restoration of Harwood Road, including issues related to the microsurfacing, the timeline of the City's attempt to seek grant funding through the North Central Texas Council of Governments (NCTCOG), additional projects submitted to NCTCOG, and options for the restoration of Harwood Road. The SIEDC Board directed staff to submit an option for mill and overlay of Harwood Road utilizing Tarrant County.

Mayor Griffin adjourned the Work Session at 6:10 p.m.

### **EXECUTIVE SESSION**

- a) Pursuant to Section 551.071, consultation with City Attorney regarding pending or contemplated litigation - Apartment Association vs. City of Bedford.**
- b) Pursuant to Section 551.087, receive an update on economic development.**

Council convened into Executive Session pursuant to Texas Government Code Section 551.071, consultation with City Attorney regarding pending or contemplated litigation - Apartment Association vs. City of Bedford; and Section 551.087, receive an update on economic development, at 6:11 p.m.

Council reconvened from Executive Session at 6:30 p.m. Council was unable to finish the Executive Session and will convene again at the end of the Regular Session.

### **REGULAR SESSION**

The Regular Session began at 6:33 p.m.

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

Mayor Griffin called the meeting to order. He stated that Councilmember Boyter was out sick.

### **INVOCATION (Pastor Guy Contella, New Beginnings Church)**

Pastor Guy Contella of New Beginnings Church gave the invocation.

### **PLEDGE OF ALLEGIANCE**

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

### **ANNOUNCEMENTS/UPCOMING EVENTS**

Public Information Officer Natalie Foster presented information on upcoming events, including the Library's Mardi Gras Night and Gala on February 17, 2018 and their SeussFest event on March 4, 2018. She announced that starting February 21, 2018, the Bark Park will be closed every Wednesday from 7:00 a.m. to 12:00 p.m. for routine maintenance.

Mayor Griffin announced that the City's efforts on early cancer detection for firefighters have been entered into the United States Congressional Record by Congressman Kenny Marchant.

### **OPEN FORUM**

Nobody chose to speak during Open Forum.

**CONSIDER APPROVAL OF ITEMS BY CONSENT**

City Manager Brian Bosshardt gave an overview of all the items on the consent agenda. There was discussion on Item #4 as it relates to the fencing next to the neighborhood, and the nature of the items under the consent agenda.

Motioned by Councilmember Turner, seconded by Councilmember Fisher, to approve the following items by consent: 1, 2, 3 and 4.

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

- 1. Consider approval of the following City Council minutes:  
a) January 23, 2018 regular meeting**

This item was approved by consent.

- 2. Consider a resolution authorizing the City Manager to enter into a Professional Services Agreement with Fugro Roadware, Inc., in the amount of \$81,969, for a street rating assessment.**

This item was approved by consent.

- 3. Consider a resolution authorizing the City Manager to purchase a Hamm Roller through Kirby-Smith Machinery, Inc., in the amount of \$48,850, utilizing the Buyboard cooperative purchasing agreement.**

This item was approved by consent.

- 4. Consider a resolution authorizing the City Manager to enter into an agreement with Sav-On Fence, Inc. for the replacement of the fence and gate at the Service Center facility, in the amount of \$121,776.70, utilizing the Tarrant County cooperative purchasing agreement.**

This item was approved by consent.

**COUNCIL RECOGNITION**

- 5. Proclamation declaring February 2018 as Love Your Library Month in the City of Bedford.**

Mayor Griffin read a proclamation declaring February 2018 as Love Your Library Month in the City of Bedford. Library Director Maria Redburn accepted the proclamation.

**NEW BUSINESS**

- 6. Consider a resolution authorizing the City Manager to expend funds and enter into the first amendment to the interlocal agreement with Tarrant County, approved on January 9, 2018, for street improvements to include Harwood Road from Forest Ridge Drive to Central Drive and Harwood Road from SH 121 to FM 157.**

Mr. Overstreet presented information regarding this item, which is to enter into the first amendment to the agreement with Tarrant County for additional mill and overlay on Harwood Road from Forest Ridge Drive to Central Drive and Highway 121 to FM 157. Council had

## Council Minutes February 13, 2018

previously approved an agreement with Tarrant County for Martin Drive and Bedford Road at their meeting on January 9, 2018.

Motioned by Councilmember Gebhart, seconded by Councilmember Turner, to approve a resolution authorizing the City Manager to expend funds and enter into the first amendment to the interlocal agreement with Tarrant County, approved on January 9, 2018, for street improvements to include Harwood Road from Forest Ridge Drive to Central Drive and Harwood Road from SH 121 to FM 157.

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

- 7. Consider a resolution authorizing the City Manager to enter into an agreement with TexOp Construction, LP for the asphalt milling on Martin Drive from Cummings Drive to Cheek Sparger Road, Bedford Road from Somerset Terrace to Brown Trail, Harwood Road from Forest Ridge Drive to Central Drive and Harwood Road from SH 121 to FM 157, in the amount of \$107,359.16, utilizing the Tarrant County cooperative purchasing agreement.**

Mr. Overstreet presented information regarding this item, which is for the removal of the top two inches of asphalt at locations on Martin Drive, Bedford Road and Harwood Road prior to the overlay. The agreement is through the City's cooperative purchasing agreement with Tarrant County. The project was budgeted at \$128,000 but by using the cooperative purchasing agreement, the total cost is only \$107,359.16. The SIEDC Board approved this expenditure at their last meeting.

Motioned by Councilmember Fisher, seconded by Councilmember Turner, to approve a resolution authorizing the City Manager to enter into an agreement with TexOp Construction, LP for the asphalt milling on Martin Drive from Cummings Drive to Cheek Sparger Road, Bedford Road from Somerset Terrace to Brown Trail, Harwood Road from Forest Ridge Drive to Central Drive and Harwood Road from SH 121 to FM 157, in the amount of \$107,359.16, utilizing the Tarrant County cooperative purchasing agreement.

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

- 8. Consider a resolution authorizing the City Manager to enter into an agreement with Ace Asphalt to complete repairs on Harwood Road, in the amount of \$99,967, utilizing the Interlocal Purchasing System (TIPS/TAPS) cooperative purchasing agreement.**

Mr. Overstreet presented information regarding this item, which is for road repairs to multiple areas on Harwood Road that have subgrade failures and would be done in conjunction with preparation for the overall improvements to Harwood Road. Ace Asphalt is part of The Interlocal Purchasing System (TIPS) program. This item was presented to the SIEDC Board in January and would be paid out of the money designated for the design work on Harwood Road. In response to questions from Council, Mr. Overstreet stated that some of the work would be between Barr Road and Martin Drive.

Motioned by Councilmember Sabol, seconded by Councilmember Sartor, to approve a resolution authorizing the City Manager to enter into an agreement with Ace Asphalt to complete repairs on Harwood Road, in the amount of \$99,967, utilizing the Interlocal Purchasing System (TIPS/TAPS) cooperative purchasing agreement.

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

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### **9. Consider a resolution authorizing the City Manager to enter into a contract with Mister Sweeper, LP, in the amount of \$45,075, for the 2018 Street Sweeping Program.**

Mr. Overstreet presented information regarding this item, which is for street sweeping services. The City has used another vendor for several years but put this service out to bid to seek better pricing and service, with Mr. Sweeper having the lowest bid. The company has worked in other cities in the area, who were pleased with their services. In response to questions from Council, Mr. Overstreet confirmed that the item came in under budget. The arterial streets are swept six times a year, and residential streets are swept once a year. Previous Councils requested that the major streets be swept more often and to keep the item within budget, one yearly residential sweeping was eliminated. Street sweeping is necessary to be compliant with the City's Stormwater Management Plan.

Motioned by Councilmember Sartor, seconded by Councilmember Turner, to approve a resolution authorizing the City Manager to enter into a contract with Mister Sweeper, LP, in the amount of \$45,075, for the 2018 Street Sweeping Program.

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

### **10. Consider a resolution authorizing the City Manager to enter into a Master Equity Lease Agreement with Enterprise FM Trust, including an amendment stating this agreement is to be governed by and construed in accordance with the laws of the State of Texas, for a term of five years or sixty months per vehicle, in the amount of \$340,949.**

This item was discussed prior to Item #6.

Assistant City Manager Cliff Blackwell presented information on this item, which is to enter into a master equity lease agreement with Enterprise Fleet. An amendment is also included to ensure the City is in compliance with State law. The total annual amount for the agreement is \$340,949. The program would replace a significant percentage of the City's fleet and financing the fleet over a five-year period. Existing vehicles would be put in a secondary market for resale by Enterprise, whereby the equity from those vehicles would offset future financing costs. In the past, the City would replace its light commercial fleet based on capital needs and budget allocations, and would on average replace only seven vehicles a year, a majority of which were in public safety. With this program, the City would be able to replace 46 vehicles in the first year. In response to questions from Council at a previous meeting, Mr. Blackwell stated the existing fleet software has yearly maintenance costs of \$3,000, and had a \$26,000 upgrade three years ago, as well as a recent update to the client access software in the amount of \$1,300. The City allocates approximately \$655,000 a year between fuel and oil, and vehicle maintenance. Regarding other companies who offer this service, the City has worked with Enterprise for over a year, and they are part of the TIPS program, which has already vetted Enterprise and awarded them over a competing firm. Other competing companies have smaller inventories and capital, do not handle patrol vehicles that have a lot of aftermarket equipment, or do not have government clients. In response to questions from Council, Mr. Blackwell stated that the yearly cost does not include the maintenance component of the Enterprise program. There was discussion on moving the City's fleet to the maintenance component of the program.

Motioned by Councilmember Sabol, seconded by Councilmember Turner, to approve a resolution authorizing the City Manager to enter into a Master Equity Lease Agreement with Enterprise FM Trust, including an amendment stating this agreement is to be governed by and construed in accordance with the laws of the State of Texas, for a term of five years or sixty months per vehicle, in the amount of \$340,949.

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

### **11. Consider a resolution authorizing the City Manager to amend the professional services agreement with Kimley-Horn and Associates, Inc., in an amount not to exceed \$116,000, to produce a topographical/boundary survey and a geo-technical report for the Boys Ranch Park Phase Next improvement.**

Mr. Bosshardt presented information regarding this item, which is to amend the contract with Kimley-Horn in a not-to-exceed amount of \$116,000 to produce a topographical/boundary survey and a geo-technical report for the Boys Ranch Park Phase Next project. There is a need to determine the correct legal boundaries of the park, a topographical survey for future site planning and civil engineering work, a geotechnical engineering services report for soil modification and foundations, and for re-platting as required by the City's Code. Mark Hatchel with Kimley-Horn stated that before consultants for the project can do anything, there is the need for a new survey of those areas that were not surveyed in the first phase. The work will take 30 to 60 days to complete, with the northwest corner and the area of the multi-generational center being completed first. He discussed what personnel and equipment would be seen at the park as part of the survey. In response to questions from Council, Mr. Hatchel confirmed that no geotechnical work was done as part of the first phase. There is a need to grid the site and to pick up the varying conditions of the subsurface, which requires boring into the soil.

Motioned by Councilmember Fisher, seconded by Councilmember Sartor, to approve a resolution authorizing the City Manager to amend the professional services agreement with Kimley-Horn and Associates, Inc., in an amount not to exceed \$116,000, to produce a topographical/boundary survey and a geo-technical report for the Boys Ranch Park Phase Next improvement.

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

### **12. Report on most recent meeting of the following Boards and Commissions:**

#### ✓ **Animal Shelter Advisory Board**

No report was given.

#### ✓ **Beautification Commission**

Councilmember Turner reported that the Commission is planning for new signs, t-shirts and advertising for such events as Clean Up Bedford Day.

#### ✓ **Community Affairs Commission**

No report was given.

#### ✓ **Cultural Commission**

Councilmember Sabol reported that ArtsFest will be held on March 24, 2018 at the Boys Ranch with 12 bands on the smaller community stage and five on the big stage. The Commission has worked with Ikuna, a Polynesian group, in planning the festival. There will be seven food trucks, and beer and wine provided by Ron's Corner Tavern. The Twilight Concerts will return every Friday in May. The Commission will be participating in HEB Reads with a chalk walk, and a petting zoo will be added to the grassy area. There have been discussions between the Commission, Central Arts of Bedford and Arts Council Northeast regarding better utilization of the Arts Council building.

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### ✓ Investment Committee

Councilmember Turner reported that the Committee met on February 7, 2018 and reviewed the current market conditions and investment report. Last year through September 30, the average yield of the City's investments was 1.27 percent. The City's main investments are in certificates of deposit and money market funds. He discussed the City's considerations in investing including safety, liquidity and yield. The City's investments total \$74,682,134, consisting of SWIFT funds and general funds.

### ✓ Library Advisory Board

No report was given.

### ✓ Parks and Recreation Board

Councilmember Sartor reported that the Board discussed a \$10,000 grant to be used at the Bark Park for such items as benches, additional paving in the large dog portion of the park, and to address drainage issues. The Miracle Park subcommittee continues to work on the establishment of a 501(c)(3). The City is currently accepting applications for various seasonal summer jobs.

### ✓ Teen Court Advisory Board

Mr. Gebhart discussed the Teen Court gala, which is the primary fundraiser for the scholarships offered to participants in the program.

### ✓ Senior Citizen Liaison

Councilmember Turner reported that the Senior Center has been offering an excellent series on fall prevention.

## 13. Council Member Reports

Councilmember Gebhart offered his condolences to the City of Richardson for their fallen police officer.

## 14. City Manager/Staff Reports

Mr. Bosshardt reminded Council of their strategic planning meeting scheduled for February 28, 2018.

### **EXECUTIVE SESSION**

**a) Pursuant to Section 551.071, consultation with City Attorney regarding pending or contemplated litigation - Apartment Association vs. City of Bedford.**

**b) Pursuant to Section 551.087, receive an update on economic development.**

Council convened into Executive Session pursuant to Texas Government Code Section 551.071, consultation with City Attorney regarding pending or contemplated litigation - Apartment Association vs. City of Bedford; and Section 551.087, receive an update on economic development, at 7:36 p.m.

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

**Council Minutes February 13, 2018**

Any necessary action to be taken as a result of the Executive Session will during the Regular Session.

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

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

**ADJOURNMENT**

Mayor Griffin adjourned the meeting at 9:03 p.m.

\_\_\_\_\_  
Jim Griffin, Mayor

ATTEST:

\_\_\_\_\_  
Michael Wells, City Secretary



# Council Agenda Background

**PRESENTER:** Wendy Hartnett, Special Events Manager

**DATE:** 02/27/18

**Council Mission Area:** Encourage citizen involvement.

**ITEM:**

Consider an ordinance amending Chapter 2. "Administration," Article IV. "Boards, Commissions, and Committees," Division 4. "Cultural Commission" of the City of Bedford Code of Ordinances; repealing all ordinances in conflict herewith; containing a savings clause; and declaring an effective date.

**City Attorney Review:** Yes

**SUMMARY:**

Per the request of the Cultural Commission, this item is to change two positions on the Cultural Commission from exclusively members of Arts Council Northeast to board members of any active Bedford arts organization. Further, those members would need to apply and be appointed by Council.

**BACKGROUND:**

At their December 11, 2017 meeting, the Cultural Commission voted unanimously to recommend changing the required two Arts Council Northeast board positions on the Commission to two board members of any active Bedford arts organizations. Further, applicants for the new positions will need to apply and be appointed by Council.

**RECOMMENDATION:**

Staff recommends the following motion:

Approval of an ordinance amending Chapter 2. "Administration," Article IV. "Boards, Commissions, and Committees," Division 4. "Cultural Commission" of the City of Bedford Code of Ordinances; repealing all ordinances in conflict herewith; containing a savings clause; and declaring an effective date.

**FISCAL IMPACT:**

N/A

**ATTACHMENTS:**

Ordinance  
Red-line Ordinance

**ORDINANCE NO. 18-**

**AN ORDINANCE AMENDING CHAPTER 2. "ADMINISTRATION," ARTICLE IV. "BOARDS, COMMISSIONS, AND COMMITTEES," DIVISION 4. "CULTURAL COMMISSION" OF THE CITY OF BEDFORD CODE OF ORDINANCES; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; CONTAINING A SAVINGS CLAUSE; AND DECLARING AN EFFECTIVE DATE.**

**WHEREAS, the City Council of Bedford, Texas desires to amend the membership of the Cultural Commission by changing the two Arts Council Northeast to board members of any active Bedford arts organization; and,**

**WHEREAS, the City Council of Bedford, Texas desires that those board members of any active Bedford Arts organization be appointed by Council for two-year terms.**

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

**SECTION 1. That the findings above are found to be true and correct, and are incorporated herein.**

**SECTION 2. That Chapter 2. "Administration," Article IV. "Boards, Commissions, and Committees," Division 4. "Cultural Commission" of the City of Bedford Code of Ordinances shall read in its entirety as follows:**

**DIVISION 4. CULTURAL COMMISSION**

**Sec. 2-237. Creation.**

- (a) There is hereby created a Cultural Commission, which shall be composed of nine members, seven of which are residents of the City of Bedford and two of which are board members from active Bedford arts organizations.**
- (b) Each member of the Commission will apply for membership on the Commission and be formally appointed by the City Council.**
- (c) Notwithstanding anything herein, all Commission members shall serve at the will of the City Council and, as such, any such Commission member may be removed by the majority vote of the City Council at any time, in the sole discretion of the City Council, with or without cause.**

**Sec. 2-238. Ex officio members.**

**One ex officio member shall be a member of the City Council and shall serve as liaison between the Commission and the City Council. One ex officio member shall be the city manager or his/her designee.**

**Sec. 2-239. Terms staggered.**

**Except for the ex officio members, the members of the Cultural Commission shall serve for a two-year period, commencing on October 1, or until their successors are duly appointed. The term of the Commissioners shall be staggered so that four members of the Commission shall be appointed in even numbered years and three members in odd numbered years.**

**Sec. 2-240. Purpose.**

**The purpose of the Cultural Commission is to serve as an advisory body to the City Council in order to improve arts and culture in the City of Bedford. The Cultural Commission will enhance arts and culture in Bedford by supporting the Cultural District, developing strategic plans and reports, encouraging arts/cultural related communication and awareness, researching and recommending**

**ORDINANCE NO. 18-**

priorities and projects to the City Council and assisting the City of Bedford with cultural programming. On an annual basis, the Commission shall present a report to the city council regarding their activities.

**Sec. 2-241. Meetings.**

The Cultural Commission shall meet as called at a time and date to be decided by the commission. Attendance at meetings shall be regulated pursuant to section 2-170 of the Code of Ordinances. A full and complete record of proceedings of this Commission shall be kept on file with the city secretary.

**Sec. 2-242. Subcommittees.**

There are hereby created the following subcommittees of the Cultural Commission: 501(c)(3), Arts Incubator, ArtsFest and Storefront Gallery. All subcommittee meetings shall be held in accordance with the Open Meetings Act, including the posting of agendas.

**SECTION 3.** That this ordinance shall be cumulative of all provisions of other ordinances of the City of Bedford, Texas, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting revisions of such ordinances are hereby repealed.

**SECTION 4.** That if any section, paragraph, clause, phrase, or provision of this ordinance, shall for any reason be held to be invalid or unenforceable, the validity or unenforceability of such section, paragraph, clause, phrase, or provision shall not affect any of the remaining provisions of this ordinance.

**SECTION 5.** That this ordinance shall be in full force and effect from and after its passage.

**PRESENTED AND PASSED** this 27th day of February 2018, by a vote of \_\_\_ ayes, \_\_\_ nays and \_\_\_ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

\_\_\_\_\_  
Jim Griffin, Mayor

**ATTEST:**

\_\_\_\_\_  
Michael Wells, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Stan Lowry, City Attorney

DIVISION 4. - CULTURAL COMMISSION

Sec. 2-237. - Creation.

- (a) There is hereby created a cultural commission, which shall be composed of nine members, seven of which are residents of the City of Bedford and ~~two of which are members of Arts Council Northeast to include the president and one additional board member~~ two of which are board members of any active Bedford arts organization.
- (b) Each member of the commission, ~~excluding the Arts Council Northeast members,~~ will apply for membership on the commission and be formally appointed by the city council.
- (c) Notwithstanding anything herein, all commission members shall serve at the will of the city council and, as such, any such commission member may be removed by the majority vote of the city council at any time, in the sole discretion of the city council, with or without cause.

(Ord. No. [14-3098](#), § 3, 8-12-14; Ord. No. [15-3142](#), § 2, 12-8-15)

Sec. 2-238. - Ex officio members.

One ex officio member shall be a member of the city council and shall serve as liaison between the commission and the city council. One ex officio member shall be the city manager or his/her designee.

(Ord. No. [14-3098](#), § 3, 8-12-14; Ord. No. [15-3142](#), § 2, 12-8-15)

Sec. 2-239. - Terms staggered.

Except for the ex officio members ~~and the members of the Arts Council Northeast,~~ the members of the cultural commission shall serve for a two-year period, commencing on October 1, or until their successors are duly appointed. The term of the commissioners shall be staggered so that four members of the commission shall be appointed in even numbered years and three members in odd numbered years.

(Ord. No. [14-3098](#), § 3, 8-12-14; Ord. No. [15-3142](#), § 2, 12-8-15)

Sec. 2-240. - Purpose.

The purpose of the cultural commission is to serve as an advisory body to the city council in order to improve arts and culture in the City of Bedford. The cultural commission will enhance arts and culture in Bedford by supporting the cultural district, developing strategic plans and reports, encouraging arts/cultural related communication and awareness, researching and recommending priorities and projects to the city council and assisting the City of Bedford with cultural programming. On an annual basis, the commission shall present a report to the city council regarding their activities.

(Ord. No. [14-3098](#), § 3, 8-12-14; Ord. No. [15-3142](#), § 2, 12-8-15)

Sec. 2-241. - Meetings.

The cultural commission shall meet as called at a time and date to be decided by the commission. Attendance at meetings shall be regulated pursuant to section 2-170 of the Code of Ordinances. A full and complete record of proceedings of this commission shall be kept on file with the city secretary.

(Ord. No. [14-3098](#), § 3, 8-12-14; Ord. No. [15-3142](#), § 2, 12-8-15)

Sec. 2-242. - Subcommittees.

There are hereby created the following subcommittees of the cultural commission: 501(c)(3), Arts Incubator, ArtsFest and Storefront Gallery. All subcommittee meetings shall be held in accordance with the Open Meetings Act, including the posting of agendas.

(Ord. No. [14-3098](#), § 3, 8-12-14; Ord. No. [15-3142](#), § 2, 12-8-15)

Secs. 2-243—2-246. - Reserved.



# Council Agenda Background

**PRESENTER:** Brandi West, Grants Administrator

**DATE:** 02/27/18

**Council Mission Area:** Provide a safe and friendly community environment.

**ITEM:**

Consider a resolution of the City Council of Bedford, Texas authorizing the submission of the grant application for new thermal imaging cameras for the Police Department to the Office of the Governor, Criminal Justice Division.

**City Attorney Review:** N/A

**SUMMARY:**

The City of Bedford is requesting 2019 Justice Assistance Grant funds for thermal imaging cameras for Patrol vehicles. If awarded, the Bedford Police Department will purchase and install thermal imaging cameras on its front-line Patrol vehicles. No match of City funds is required. The purchase of these thermal imaging cameras is an effort to improve both the safety and efficiency of Patrol officers.

**BACKGROUND:**

The Police Department was recently made aware of a competitive grant through the Office of the Governor, Criminal Justice Division.

Through this Justice Assistance Grant (JAG), the Police Department will be seeking funding, in the amount of \$38,600, for new thermal imaging cameras for Patrol.

This award will allow for the purchase and installation of 10 thermal imaging systems for front-line Patrol vehicles in the Bedford Police Department. The camera is compatible with car video monitors and laptops and can be mounted to the patrol vehicle so that it is always on-scene. Officers will utilize the cameras to conduct patrols in residential and commercial districts. With thermal imaging cameras, focus on high crime areas and problematic situations will be elevated, further discouraging criminal activity from occurring.

The Office of the Governor, Criminal Justice grant, does not require a cash match.

**RECOMMENDATION:**

Staff recommends the following motion:

Approval of a resolution of the City Council of Bedford, Texas, authorizing the submission of the grant application for thermal imaging cameras for the Police Department to the Office of the Governor, Criminal Justice Division.

**FISCAL IMPACT:**

No match required. Any equipment maintenance required will be included in the Patrol Division's budget.

**ATTACHMENTS:**

Resolution

**RESOLUTION NO. 18-**

**A RESOLUTION OF THE CITY COUNCIL OF BEDFORD, TEXAS, AUTHORIZING THE SUBMISSION OF THE GRANT APPLICATION FOR THERMAL IMAGING CAMERAS FOR THE POLICE DEPARTMENT TO THE OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION.**

**WHEREAS, the City Council of Bedford, Texas finds it in the best interest of the citizens of Bedford to provide improved technology to the Patrol Division of the Police Department; and,**

**WHEREAS, the City Council of Bedford, Texas agrees that in the event of loss or misuse of the Criminal Justice Division funds, the City of Bedford assures that the funds will be returned to the Criminal Justice Division in full; and,**

**WHEREAS, the City Council of Bedford, Texas designates City Manager Brian Bosshardt as the grantee's Authorized Official. The Authorized Official is given the power to apply for, accept, reject, alter or terminate the grant on behalf of the applicant agency.**

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

**SECTION 1. That the findings above are found to be true and correct, and are incorporated herein.**

**SECTION 2. That the City Council of Bedford, Texas, authorizes the submission of the grant application for the thermal imaging cameras for the Police Department to the Office of the Governor, Criminal Justice Division.**

**PRESENTED AND PASSED this 27th day of February 2018 by a vote of \_\_\_ ayes, \_\_\_ nays and \_\_\_ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.**

\_\_\_\_\_  
**Jim Griffin, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Michael Wells, City Secretary**

**Grant Number:**



# Council Agenda Background

**PRESENTER:** Jeff Gibson, Police Chief

**DATE:** 02/27/18

Council Recognition

**ITEM:**

Employee Service Recognition

**DISCUSSION:**

The following employee has completed a service period and is eligible for recognition:

William Nathan Wilks      Police Department      5 years

**ATTACHMENTS:**

N/A



# Council Agenda Background

**PRESENTER:** Meg Jakubik, Strategic Services Manager

**DATE:** 02/27/18

**Council Mission Area:** Be responsive to the needs of the community.

**ITEM:**

Consider an ordinance approving a tariff authorizing an annual rate review mechanism (“RRM”) as a substitution for the annual interim rate adjustment process defined by Section 104.301 of the Texas Utilities Code, and as negotiated between Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-tex” or “Company”) and the Steering Committee of Cities Served by Atmos; requiring the Company to reimburse cities’ reasonable ratemaking expenses; adopting a savings clause; determining that this ordinance was passed in accordance with the requirements of the open meetings act; declaring an effective date; and requiring delivery of this ordinance to the company and legal counsel for the steering committee.

**City Attorney Review:** Yes

**SUMMARY:**

The City of Bedford participates in the Steering Committee for Cities Served by Atmos to handle matters pertaining to its rate review and negotiations with Atmos Energy Corporation, Mix-Tex Division. The current Rate Review Mechanism (RRM) was recently terminated in 2017 and negotiations conducted to enter into a new RRM. This is preferable to the City’s option under state statutes governing gas utility rates. The ordinance and tariff presented in this item improves on several terms of the previous RRM and continues to allow cities to have an opportunity to review proposed rates to protect the interests of the citizens.

**BACKGROUND:**

The City, along with 171 other Mid-Texas Cities Served by Atmos Energy Corporation, Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Steering Committee of Cities Served by Atmos (“Cities”). In 2007, the Cities and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism (“RRM”), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The Ordinance that resolved the Company’s application under the RRM Tariff in 2017 also terminated the existing RRM Tariff and required a renegotiation of the terms of that tariff. Negotiations have taken place over the past several months, and have resulted in a revised RRM Tariff that has been agreed to by the Company. The Cities’ Executive Committee has recommended acceptance of the revised RRM Tariff, which is attached to the Ordinance.

Cities strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues and rewarding the Company for increasing capital investment. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission’s review of annual GRIP filings or recover their rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In the Steering Committee’s view, the GRIP process unfairly raises customers’ rates without any regulatory oversight. In contrast, the RRM process has allowed for a more

comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

The RRM Tariff on which the 2017 rates were based allowed a rate of return on equity of 10.50%. The revised RRM Tariff reduces that allowed rate to 9.8%. The revised RRM Tariff also captures the reduction in federal income tax rates from 35% to 21%, and should result in a rate reduction effective by mid-March 2018.

Prior RRM tariffs allowed Cities only three months to review the Company's filing. The new revised Tariff expands that time period by two months. New applications by the Company should be made on or about April 1 of each year, with new rates effective October 1. A rate order from the Railroad Commission in an Atmos Texas Pipeline rate case adopted the position of Cities with regard to incentive compensation related to Atmos' Shared Services Unit that reduced allowed expenses, and that reduced level of expenses will be applicable under the new RRM Tariff.

Should the Council reject this ordinance, Atmos would have the ability to file a traditional rate case with the Railroad Commission. The City would have to independently hire legal counsel and expert witnesses, expenses which would most likely not be reimbursable. Ultimately, if Atmos prevailed at the Railroad Commission, the citizens of Bedford would pay higher rates compared to the neighboring cities.

**RECOMMENDATION:**

Staff recommends the following motion:

Approval of an ordinance approving a tariff authorizing an annual rate review mechanism ("RRM") as a substitution for the annual interim rate adjustment process defined by Section 104.301 of the Texas Utilities Code, and as negotiated between Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-tex" or "Company") and the Steering Committee of Cities Served by Atmos; requiring the Company to reimburse cities' reasonable ratemaking expenses; adopting a savings clause; determining that this ordinance was passed in accordance with the requirements of the open meetings act; declaring an effective date; and requiring delivery of this ordinance to the company and legal counsel for the steering committee.

**FISCAL IMPACT:**

N/A

**ATTACHMENTS:**

Ordinance  
Tariff  
Exhibit A

**ORDINANCE NO. 18-**

**AN ORDINANCE APPROVING A TARIFF AUTHORIZING AN ANNUAL RATE REVIEW MECHANISM (“RRM”) AS A SUBSTITUTION FOR THE ANNUAL INTERIM RATE ADJUSTMENT PROCESS DEFINED BY SECTION 104.301 OF THE TEXAS UTILITIES CODE, AND AS NEGOTIATED BETWEEN ATMOS ENERGY CORP., MID-TEX DIVISION (“ATMOS MID-TEX” OR “COMPANY”) AND THE STEERING COMMITTEE OF CITIES SERVED BY ATMOS; REQUIRING THE COMPANY TO REIMBURSE CITIES’ REASONABLE RATEMAKING EXPENSES; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND LEGAL COUNSEL FOR THE STEERING COMMITTEE.**

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

**WHEREAS, the City and similarly-situated Mid-Tex municipalities created the Steering Committee of Cities Served by Atmos to efficiently address all rate and service matters associated with delivery of natural gas; and,**

**WHEREAS, the Steering Committee formed an Executive Committee to direct legal counsel and to recommend certain specific actions to all aligned Mid-Tex Cities through resolution or ordinance; and,**

**WHEREAS, pursuant to the terms of a November 2007 agreement between the Steering Committee and Atmos Mid-Tex that settled the Company’s interim rate filing under Section 104.301 of the Texas Utilities Code (a “GRIP” rate case), the Steering Committee and the Company collaboratively developed a Rate Review Mechanism (“RRM”) Tariff, ultimately authorized by the City in 2008, that allows for an expedited rate review process as a substitute for the GRIP process; and,**

**WHEREAS, the City has kept some form of a RRM Tariff in place until 2017 when it adopted an ordinance approving an RRM Tariff filing settlement and specifically calling for termination of the existing RRM Tariff and negotiation of a replacement RRM Tariff following the Railroad Commission’s decision in a then-pending Atmos Texas Pipeline case (GUD No. 10580); and,**

**WHEREAS, the Steering Committee’s Executive Committee has recently approved a settlement with the Company on the attached RRM Tariff that contains certain notable improvements, from a consumer perspective, over the prior RRM Tariff, including a reduced rate of return on equity, acceptance of certain expense adjustments made by the Railroad Commission in the Order in GUD No. 10580, and the addition of two months to the time for processing a RRM Tariff application; and,**

**WHEREAS, the RRM Tariff contemplates reimbursement of Cities’ reasonable expenses associated with RRM Tariff applications; and,**

**WHEREAS, the Steering Committee’s Executive Committee recommends that all Steering Committee member cities adopt this ordinance and the attached RRM Tariff; and,**

**WHEREAS, the attached RRM Tariff is just, reasonable and in the public interest.**

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

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

**SECTION 2. That the attached RRM Tariff re-establishing a form of Rate Review Mechanism is just and reasonable and in the public interest, and is hereby adopted.**

**ORDINANCE NO. 18-**

- SECTION 3.** That Atmos Mid-Tex shall reimburse the Cities' reasonable expenses associated with adoption of this Ordinance and the attached RRM Tariff and in processing future RRM Tariff applications filed pursuant to the attached tariff.
- SECTION 4.** That to the extent any resolution or ordinance previously adopted by the City is inconsistent with this Ordinance, it is hereby repealed.
- SECTION 5.** That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
- SECTION 6.** That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance, and the remaining provisions of this Ordinance shall be interpreted as if the offending section or clause never existed.
- SECTION 7.** That this Ordinance shall become effective from and after its passage.
- SECTION 8.** That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs, Atmos Energy Corporation, Mid-Tex Division, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to Mid-Tex Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

**PRESENTED AND PASSED** on this 27th day of February 2018, by a vote of \_\_\_ ayes, \_\_\_ nays and \_\_\_ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

\_\_\_\_\_  
**Jim Griffin, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Michael Wells, City Secretary**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Stan Lowry, City Attorney**

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

<b>RATE SCHEDULE:</b>	<b>RRM – Rate Review Mechanism</b>	
<b>APPLICABLE TO:</b>	<b>ALL CITIES IN THE MID-TEX DIVISION AS IDENTIFIED IN EXHIBIT A TO THIS RATE SCHEDULE</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on and after 04/01/2018</b>	<b>PAGE: 1</b>

**I. Applicability**

Applicable to Residential, Commercial, Industrial, and Transportation tariff customers within the city limits of cities identified in Exhibit A that receive service from the Mid-Tex Division of Atmos Energy Corporation (“Company”). This Rate Review Mechanism (“RRM”) provides for an annual adjustment to the Company’s Rate Schedules R, C, I and T (“Applicable Rate Schedules”). Rate calculations and adjustments required by this tariff shall be determined on a System-Wide cost basis.

**II. Definitions**

“Test Period” is defined as the twelve months ending December 31 of each preceding calendar year.

The “Effective Date” is the date that adjustments required by this tariff are applied to customer bills. The annual Effective Date is October 1.

Unless otherwise provided in this tariff the term Final Order refers to the final order issued by the Railroad Commission of Texas in GUD No. 10170 and elements of GUD No. 10580 as specified in Section III below.

The term “System-Wide” means all incorporated and unincorporated areas served by the Company.

“Review Period” is defined as the period from the Filing Date until the Effective Date.

The “Filing Date” is as early as practicable, but no later than April 1 of each year.

**III. Calculation**

The RRM shall calculate an annual, System-Wide cost of service (“COS”) that will be used to adjust applicable rate schedules prospectively as of the Effective Date. The Company may request recovery of its total cost of service but will include schedules showing the computation of any adjustments. The annual cost of service will be calculated according to the following formula:

$$\text{COS} = \text{OM} + \text{DEP} + \text{RI} + \text{TAX} + \text{CD}$$

Where:

OM = all reasonable and necessary operation and maintenance expenses from the Test Period adjusted for known and measurable items and prepared

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

<b>RATE SCHEDULE:</b>	<b>RRM – Rate Review Mechanism</b>	
<b>APPLICABLE TO:</b>	<b>ALL CITIES IN THE MID-TEX DIVISION AS IDENTIFIED IN EXHIBIT A TO THIS RATE SCHEDULE</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on and after 04/01/2018</b>	<b>PAGE: 2</b>

consistent with the rate making treatments approved in the Final Order. Incentive compensation (Management Incentive Plan, Variable Pay Plan and Long Term Incentive Plan) related to Atmos' Shared Services Unit will be applied consistent with treatment approved in GUD 10580. Additionally, O&M adjustments will be incorporated and applied as modified by a final order, not subject to appeal, issued by the Railroad Commission of Texas in subsequent rate cases involving the Atmos Mid-Tex or West Texas divisions. Known and measurable adjustments shall be limited to those changes that have occurred prior to the Filing Date. OM may be adjusted for atypical and non-recurring items. Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Test Period, but the methodology used will be that approved in the Final Order in GUD 10580.

**DEP** = depreciation expense calculated at depreciation rates approved by the Final Order. Additionally, if depreciation rates are approved in a subsequent final order, not subject to appeal, issued by the Railroad Commission of Texas for the Mid-Tex division those rates would be applicable for subsequent RRM filings.

**RI** = return on prudently incurred investment calculated as the Company's pretax return multiplied by rate base at Test Period end. Rate base is prepared consistent with the rate making treatments approved in the Final Order, and as in GUD 10580 as specifically related to capitalized incentive compensation (Management Incentive Plan, Variable Pay Plan and Long Term Incentive Plan) for Atmos' Shared Services Unit. However, no post Test Period adjustments will be permitted. Additionally, adjustments will be incorporated and applied as modified by a final order, not subject to appeal, issued by the Railroad Commission of Texas in subsequent rate cases involving the Atmos Mid-Tex or West Texas divisions. Pretax return is the Company's weighted average cost of capital before income taxes. The Company's weighted average cost of capital is calculated using the methodology from the Final Order including the Company's actual capital structure and long term cost of debt as of the Test Period end (adjusted for any known and measurable changes that have occurred prior to the filing date) and the return on equity of 9.8%. However, in no event will the percentage of equity exceed 58%. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. Cash working capital will be calculated using the lead/lag days approved in the Final Order. With respect to pension and other postemployment benefits, the Company will record a regulatory asset or liability for these costs until the amounts are included in the next annual rate adjustment implemented under this tariff. Each year, the Company's filing under this Rider RRM will clearly state the level of pension

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

<b>RATE SCHEDULE:</b>	<b>RRM – Rate Review Mechanism</b>	
<b>APPLICABLE TO:</b>	<b>ALL CITIES IN THE MID-TEX DIVISION AS IDENTIFIED IN EXHIBIT A TO THIS RATE SCHEDULE</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on and after 04/01/2018</b>	<b>PAGE: 3</b>

and other postemployment benefits recovered in rates.

**TAX** = income tax and taxes other than income tax from the Test Period adjusted for known and measurable changes occurring after the Test Period and before the Filing Date, and prepared consistent with the rate making treatments approved in the Final Order. Atmos Energy shall comprehensively account for, including establishing a regulatory liability to account for, any statutory change in tax expense that is applicable to months during the Test Period in the calculation to ensure recovery of tax expense under new and old income tax rates.

**CD** = interest on customer deposits.

#### **IV. Annual Rate Adjustment**

The Company shall provide schedules and work papers supporting the Filing's revenue deficiency/sufficiency calculations using the methodology accepted in the Final Order. The result shall be reflected in the proposed new rates to be established for the effective period. The Revenue Requirement will be apportioned to customer classes in the same manner that Company's Revenue Requirement was apportioned in the Final Order. For the Residential Class, 50% of the increase may be recovered in the customer charge. However, the increase to the Residential customer charge shall not exceed \$0.60 per month in the initial filing and \$0.70 per month in any subsequent year. The remainder of the Residential Class increase not collected in the customer charge will be recovered in the usage charge. For all other classes, the change in rates will be apportioned between the customer charge and the usage charge, consistent with the Final Order. Test Period billing determinants shall be adjusted and normalized according to the methodology utilized in the Final Order.

#### **V. Filing**

The Company shall file schedules annually with the regulatory authority having original jurisdiction over the Company's rates on or before the Filing Date that support the proposed rate adjustments. The schedules shall be in the same general format as the cost of service model and relied-upon files upon which the Final Order was based. A proof of rates and a copy of current and proposed tariffs shall also be included with the filing. The filing shall be made in electronic form where practical. The Company's filing shall conform to Minimum Filing Requirements (to be agreed upon by the parties), which will contain a minimum amount of information that will assist the regulatory authority in its review and analysis of the filing. The Company and regulatory authority will endeavor to hold a technical conference regarding the filing within twenty (20) calendar days after the Filing Date.

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

<b>RATE SCHEDULE:</b>	<b>RRM – Rate Review Mechanism</b>	
<b>APPLICABLE TO:</b>	<b>ALL CITIES IN THE MID-TEX DIVISION AS IDENTIFIED IN EXHIBIT A TO THIS RATE SCHEDULE</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on and after 04/01/2018</b>	<b>PAGE: 4</b>

A sworn statement shall be filed by an Officer of the Company affirming that the filed schedules are in compliance with the provisions of this Rate Review Mechanism and are true and correct to the best of his/her knowledge, information, and belief. No testimony shall be filed, but a brief narrative explanation shall be provided of any changes to corporate structure, accounting methodologies, allocation of common costs, or atypical or non-recurring items included in the filing.

## **VI. Evaluation Procedures**

The regulatory authority having original jurisdiction over the Company's rates shall review and render a decision on the Company's proposed rate adjustment prior to the Effective Date. The Company shall provide all supplemental information requested to ensure an opportunity for adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information and such information shall be provided within seven (7) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the proposed rate adjustment into compliance with the provisions of this tariff.

The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall constitute a finding that such net plant investment was prudently incurred. Such finding of prudence shall not be subject to further review in a subsequent RRM or Statement of Intent filing.

During the Review Period, the Company and the regulatory authority will work collaboratively and seek agreement on the level of rate adjustments. If, at the end of the Review Period, the Company and the regulatory authority have not reached agreement, the regulatory authority shall take action to modify or deny the proposed rate adjustments. The Company shall have the right to appeal the regulatory authority's action to the Railroad Commission of Texas. Upon the filing of an appeal of the regulatory authority's order relating to an annual RRM filing with the Railroad Commission of Texas, the regulatory authority having original jurisdiction over the Company's rates shall not oppose the implementation of the Company's proposed rates subject to refund, nor will the regulatory authority advocate for the imposition of a third party surety bond by the Company. Any refund shall be limited to and determined based on the resolution of the disputed adjustment(s) in a final, non-appealable order issued in the appeal filed by the Company at the Railroad Commission of Texas.

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

<b>RATE SCHEDULE:</b>	<b>RRM – Rate Review Mechanism</b>	
<b>APPLICABLE TO:</b>	<b>ALL CITIES IN THE MID-TEX DIVISION AS IDENTIFIED IN EXHIBIT A TO THIS RATE SCHEDULE</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on and after 04/01/2018</b>	<b>PAGE: 5</b>

In the event that the regulatory authority and Company agree to a rate adjustment(s) that is different from the adjustment(s) requested in the Company's filing, the Company shall file compliance tariffs consistent with the agreement. No action on the part of the regulatory authority shall be required to allow the rate adjustment(s) to become effective on October 1. To the extent that the regulatory authority does not take action on the Company's RRM filing by September 30, the rates proposed in the Company's filing shall be deemed approved effective October 1. Notwithstanding the preceding sentence, a regulatory authority may choose to take affirmative action to approve a rate adjustment under this tariff. In those instances where such approval cannot reasonably occur by September 30, the rates finally approved by the regulatory authority shall be deemed effective as of October 1.

To defray the cost, if any, of regulatory authorities conducting a review of the Company's annual RRM filing, the Company shall reimburse the regulatory authorities on a monthly basis for their reasonable expenses incurred upon submission of invoices for such review. Any reimbursement contemplated hereunder shall be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made. A regulatory authority seeking reimbursement under this provision shall submit its request for reimbursement to the Company no later than December 1 of the year in which the RRM filing is made and the Company shall reimburse regulatory authorities in accordance with this provision on or before December 31 of the year the RRM filing is made.

To the extent possible, the provisions of the Final Order shall be applied by the regulatory authority in determining whether to approve or disapprove of Company's proposed rate adjustment.

This Rider RRM does not limit the legal rights and duties of a regulatory authority. Nothing herein shall abrogate the jurisdiction of the regulatory authority to initiate a rate proceeding at any time to review whether rates charged are just and reasonable. Similarly, the Company retains its right to utilize the provisions of Texas Utilities Code, Chapter 104, Subchapter C to request a change in rates. The provisions of this Rider RRM are implemented in harmony with the Gas Utility Regulatory Act (Texas Utilities Code, Chapters 101-105).

The annual rate adjustment process set forth in this tariff shall remain in effect during the pendency of any Statement of Intent rate filing.

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

<b>RATE SCHEDULE:</b>	<b>RRM – Rate Review Mechanism</b>	
<b>APPLICABLE TO:</b>	<b>ALL CITIES IN THE MID-TEX DIVISION AS IDENTIFIED IN EXHIBIT A TO THIS RATE SCHEDULE</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on and after 04/01/2018</b>	<b>PAGE: 6</b>

**VII. Reconsideration, Appeal and Unresolved Items**

Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007).

**VIII. Notice**

Notice of each annual RRM filing shall be provided by including the notice, in conspicuous form, in the bill of each directly affected customer no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

- a) a description of the proposed revision of rates and schedules;
- b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer;
- c) the service area or areas in which the proposed rates would apply;
- d) the date the annual RRM filing was made with the regulatory authority; and
- e) the Company's address, telephone number and website where information concerning the proposed rate adjustment can be obtained.

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

<b>RATE SCHEDULE:</b>	<b>RRM – Rate Review Mechanism</b>	
<b>APPLICABLE TO:</b>	<b>ALL CITIES IN THE MID-TEX DIVISION AS IDENTIFIED IN EXHIBIT A TO THIS RATE SCHEDULE</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on and after 04/01/2018</b>	<b>PAGE: 7</b>

## Exhibit A

### ACSC Cities

Abilene	Cleburne	Frost	Lincoln Park
Addison	Clyde	Gainesville	Little Elm
Albany	College Station	Garland	Lorena
Allen	Colleyville	Garrett	Madisonville
Alvarado	Colorado City	Grand Prairie	Malakoff
Angus	Comanche	Grapevine	Mansfield
Anna	Commerce	Groesbeck	Mckinney
Argyle	Coolidge	Gunter	Melissa
Arlington	Coppell	Haltom City	Mesquite
Aubrey	Copperas Cove	Harker Heights	Midlothian
Azle	Corinth	Haskell	Murphy
Bedford	Crandall	Haslet	Newark
Bellmead	Crowley	Hewitt	Nocona
Benbrook	Dalworthington Gardens	Highland Park	North Richland Hills
Beverly Hills	Denison	Highland Village	Northlake
Blossom	Denton	Honey Grove	Oak Leaf
Blue Ridge	Desoto	Hurst	Ovilla
Bowie	Draper	Hutto	Palestine
Boyd	Duncanville	Iowa Park	Pantego
Bridgeport	Eastland	Irving	Paris
Brownwood	Edgecliff Village	Justin	Parker
Buffalo	Emory	Kaufman	Pecan Hill
Burkburnett	Ennis	Keene	Petrolia
Burleson	Eules	Keller	Plano
Caddo Mills	Everman	Kemp	Ponder
Canton	Fairview	Kennedale	Pottsboro
Carrollton	Farmers Branch	Kerens	Prosper
Cedar Hill	Farmersville	Kerrville	Quitman
Celeste	Fate	Killeen	Red Oak
Celina	Flower Mound	Krum	Reno (Parker County)
Centerville	Forest Hill	Lake Worth	Rhome
Cisco	Forney	Lakeside	Richardson
Clarksville	Fort Worth	Lancaster	Richland
	Frisco	Lewisville	Richland Hills

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

<b>RATE SCHEDULE:</b>	<b>RRM – Rate Review Mechanism</b>	
<b>APPLICABLE TO:</b>	<b>ALL CITIES IN THE MID-TEX DIVISION AS IDENTIFIED IN EXHIBIT A TO THIS RATE SCHEDULE</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on and after 04/01/2018</b>	<b>PAGE: 8</b>

River Oaks	Temple
Roanoke	Terrell
Robinson	The Colony
Rockwall	Trophy Club
Roscoe	Tyler
Rowlett	University Park
Royse City	Venus
Sachse	Vernon
Saginaw	Waco
Sansom Park	Watauga
Seagoville	Waxahachie
Sherman	Westlake
Snyder	Westover Hills
Southlake	Westworth Village
Springtown	White Settlement
Stamford	Whitesboro
Stephenville	Wichita Falls
Sulphur Springs	Woodway
Sweetwater	Wylie



# Council Agenda Background

**PRESENTER:** Brian Bosshardt, City Manager

**DATE:** 02/27/18

**Council Mission Area:** Be responsive to the needs of the community.

**ITEM:**

Consider a resolution authorizing the City Manager to enter into a professional services agreement with Strategic Government Resources, securing the services of an Interim Capital Projects Manager for the Phase Next Improvements, and other capital project needs, at a rate of \$145 per hour.

**City Attorney Review:** N/A

**SUMMARY:**

- The City doesn't have the capacity internally, to assume overall project management for Phase Next;
- Staff is recommending an agreement with Strategic Government Resources for an Interim Capital Project Manager at a rate of \$145 per hour; and,
- Phase Next bond proceeds are proposed as the funding source.

**BACKGROUND:**

During a November 2017 Work Session, staff discussed with the City Council some of the initial steps required for the Phase Next improvements. One of those items is the need for overall project management of the construction process. The City has little capacity internally to take on this kind of effort.

Staff discussed with the City Council the options available for securing project management services including hiring a new full-time employee, contracting with an individual, or using a construction management firm. There was general support for all three options though Council did request that staff review each thoroughly. Staff met with eight different firms that could provide the necessary project management oversight in addition to interviewing three individuals.

After considering the various options, staff recommends entering into a contract with Strategic Government Resources, securing the services of Mary Sylo as Interim Capital Projects Manager, at a rate of \$145 per hour. Hiring the services in this manner, rather than the new employee or construction management firm option, is more cost effective for the City. In addition, staff is quite pleased with the project experience of Ms. Sylo that will certainly benefit the City. Ms. Sylo has over thirty years of project engineer experience in both the public and private sectors having worked for the cities of Arlington, Carrollton, Frisco, and DFW Airport, in addition to her private sector work.

**RECOMMENDATION:**

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into a professional services agreement with Strategic Government Resources, securing the services of an Interim Capital Projects Manager for the Phase Next Improvements, and other capital project needs, at a rate of \$145 per hour.

**FISCAL IMPACT:**

The fiscal impact is \$145 per hour for all work performed, to be paid from Series 2018 General Obligation Bonds.

**ATTACHMENTS:**

Resolution Agreement

**RESOLUTION NO. 18-**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH STRATEGIC GOVERNMENT RESOURCES, INC., SECURING THE SERVICES OF AN INTERIM CAPITAL PROJECTS MANAGER, AT A RATE OF \$140 PER HOUR.**

**WHEREAS, the City Council of Bedford, Texas determines the necessity to secure project management services for the Phase Next improvements, and other capital projects; and,**

**WHEREAS, Strategic Government Resources has provided the necessary scope and experience to satisfactorily perform the work.**

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

**SECTION 1. That the findings above are found to be true and correct, and are incorporated herein.**

**SECTION 2. That the City Council authorizes the City Manager to enter into a professional services agreement with Strategic Government Resources to secure an Interim Capital Projects Manager for the Phase Next improvements, and other capital projects.**

**SECTION 3. That funding of \$140 per hour will come from the Series 2018 General Obligation Bonds.**

**PRESENTED AND PASSED this 27th day of February 2018, by a vote of \_\_\_ ayes, \_\_\_ nays and \_\_\_ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.**

\_\_\_\_\_  
**Jim Griffin, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Michael Wells, City Secretary**



Date: February 27, 2018

**Agreement for Interim Capital Projects Manager Services  
By and Between Strategic Government Resources and the City of Bedford, Texas**

**City of Bedford, Texas**  
Brian Bosshardt, City Manager  
[Brian.Bosshardt@bedfordtx.gov](mailto:Brian.Bosshardt@bedfordtx.gov)

**Strategic Government Resources**  
Charles Sparks, Chief Operating Officer  
[ChuckSparks@GovernmentResource.com](mailto:ChuckSparks@GovernmentResource.com)

("City")

("SGR")

**Scope of Services.** The City of Bedford, Texas, (referred to as "City") seeks an Interim Capital Projects Manager to oversee the Phase Next Improvement and other capital projects. Strategic Government Resources (referred to as "SGR") will provide a highly experienced local government professional to serve as Interim Capital Projects Manager for City.

**Recommended Candidate.** SGR and City will work together to determine a final candidate for consideration. Should City wish to consider an alternate candidate, SGR can provide other experienced local government professionals for City to interview. City may interview candidate(s) by phone, Skype, or in person. City will reimburse all travel, lodging, and per diem expenses for any in-person interviews.

If at any time during the assignment, City wishes to have another candidate provided to serve as Interim Capital Projects Manager, SGR will produce additional experienced local government professionals to fill the position, to the satisfaction of City.

**Terms and Conditions.** SGR will provide an Interim Capital Projects Manager at a rate of \$140.00 per hour. The Interim Capital Projects Manager will work a maximum of 40 hours per week unless approved by City. Any hours worked in excess of 40 hours per week, will be billed at the standard contract rate of \$140.00 per hour.

City Contact for Invoicing:

Name: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

1. SGR will perform a Comprehensive Media Search on the candidate selected by City and provide a comprehensive media report to City. This media report is compiled from information gathered using our proprietary online search process. This is not an automated process, and produces far superior results than a standard media or simple Google search. The report length may be as long as 350 pages and may include news articles, links to video interviews, blog posts by residents, etc.

2. SGR will perform a comprehensive background investigation on the candidate selected by the City. SGR uses a licensed private investigation firm for these services. Through SGR's partnership with FirstCheck, we are able to provide our Cities with comprehensive background screening reports that include detailed information such as:
  - Social Security number trace
  - Address history
  - Driving history/motor vehicle records
  - Credit report
  - Federal criminal search
  - National criminal search
  - Global homeland security search
  - Sex offender registry search
  - State criminal search (for current and previous states of residence)
  - County criminal search (for every county in which candidate has lived or worked)
  - County civil search (for every county in which candidate has lived or worked)
  - Education verification
3. City is responsible for the cost of any drug screening that City may require.
4. All routine business expenses incurred by SGR's representative in their role as Interim Capital Projects Manager will be reimbursed under the same terms and conditions that such expenses would be reimbursed for any other employee of City, such as mileage, hotel, and per diem when traveling at the request of City, and business meals incurred for local meetings. Commute time will not be billed by SGR.
5. Depending on the location of the permanent residence of the selected Interim Capital Projects Manager, mileage reimbursement and/or temporary housing may be required. Mileage is reimbursed by City at the current IRS mileage reimbursement rate.
6. City will be billed weekly for the previous week's work and any travel/housing reimbursement. Payment will be due within 14 days of each billing. SGR will not be compensated for holidays, vacation time, sick leave, etc.
7. If City hires the candidate placed as Interim Capital Projects Manager for a permanent position during the term of this agreement or within 12 months after the conclusion of this agreement, City will pay SGR an employment placement fee of \$5,000.00. This fee is waived if SGR conducts a full-service executive search for this position.
8. City or SGR may terminate the agreement for Interim Capital Projects Manager Services with a fourteen (14) day written notice, without cause or penalty.

**Cost Summary.** SGR will provide Interim Capital Projects Manager Services to City as follows:

<b><i>Interim Capital Projects Manager Services</i></b>	<b><i>\$140.00 per hour</i></b>
<b><i>Comprehensive Media Search Report</i></b>	<b><i>\$500.00</i></b>
<b><i>Background Investigation</i></b>	<b><i>\$300.00</i></b>
<b><i>Mileage/Temporary Housing Stipend</i></b>	<b><i>TBD</i></b>
<b><i>Travel expenses for in-person interviews, if needed</i></b>	<b><i>TBD</i></b>
<b><i>Per diem for in-person interview, if needed</i></b>	<b><i>\$10 breakfast, \$15 lunch, \$25 dinner</i></b>

**Confidentiality Agreement.** The Interim Capital Projects Manager will perform services for City which may require City to disclose confidential and proprietary information to Interim Capital Projects Manager or which may require City to grant authorization to the Interim Capital Projects Manager to make financial and legal transactions on behalf of the City. Confidential information includes, but is not limited to, any information of any kind, nature, or description concerning any matters affecting or relating to Interim Capital Projects Manager's services for City, the business or operations of City, and/or the products, projects, drawings, plans, processes, or other data of City. Financial and legal information includes, but is not limited to, financial institution wire transfers, deposits, withdrawals, cash handling, investment handling, real property transactions, or other financial or legal transactions of City. The Interim Capital Projects Manager, through his/her contract with SGR agrees:

- To hold any and all confidential information received from City in strict confidence and shall exercise a reasonable degree of care to prevent disclosure to others.
- Not to disclose or divulge, either directly or indirectly, the confidential information to others unless first authorized to do so in writing by City. For financial and legal transactions, Interim Capital Projects Manager must receive authorization from City verbally and in writing, other than by email, and Interim Capital Projects Manager shall maintain reasonable data security controls to protect Interim Capital Projects Manager and City from social engineering attacks.
- Not to reproduce the confidential information, nor use this information commercially, or for any purpose other than the performance of his/her duties for City.
- That upon request or upon termination of his/her relationship with City, deliver to City, any drawings, notes, documents, equipment, and materials received from City or originating from his/her activities for City.
- That City shall have the sole right to determine the treatment of any information that is part or project specific received from Interim Capital Projects Manager, including the right to keep the same as confidential and proprietary.

**Indemnification.** To the extent it may be permitted to do so by applicable law, City does hereby agree to defend, hold harmless, and indemnify the designated Interim Capital Projects Manager, SGR, and all officers, employees, and contractors of SGR, from any and all demands, claims, suits, actions, judgments, expenses, and attorneys' fees incurred in any legal proceedings brought against them as a result of action taken in the Interim's individual or official capacity for the City as a contract employee and as Interim Capital Projects Manager, providing the incident(s), which is (are) the basis of any such demand, claim, suit, actions, judgments, expenses, and attorneys' fees, arose or does arise in the future from an act or omission of the Interim Capital Projects Manager as a contract employee of City acting within the course and scope of the Interim

Capital Projects Manager's employment with City; excluding, however, any such demand, claim, suit, action, judgment, expense, and attorneys' fees for those claims or any causes of action where it is determined that the Interim Capital Projects Manager committed official misconduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith; and excluding any insurance contract, held either by City or SGR. In the case of such indemnified demand, claim, suit, action, or judgment, the selection of the Interim Capital Projects Manager's legal counsel shall be with the mutual agreement of the Interim Capital Projects Manager and City if such legal counsel is not also City's legal counsel. A legal defense may be provided through insurance coverage, in which case the Interim Capital Projects Manager's right to agree to legal counsel provided for him/her will depend on the terms of the applicable insurance contract. The provisions of this paragraph shall survive the termination, expiration, or other end of this agreement and/or the Interim Capital Projects Manager's employment with City.

**Venue.** The venue for any disputes shall reside in Tarrant County, Texas.

**Applicable law.** This agreement shall be governed by the laws of the State of Texas.

This agreement represents the full and complete agreement between Strategic Government Resources and the City of Bedford, Texas, and supersedes any and all prior written or verbal agreements. This agreement may be modified or amended only by a written instrument signed by the parties.

Approved and Agreed to, this the \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between Strategic Government Resources and the City of Bedford, Texas.

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**Brian Bosshardt, City Manager**  
City of Bedford, Texas

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**Charles Sparks, Chief Operating Officer**  
Strategic Government Resources



# Council Agenda Background

<b><u>PRESENTER:</u></b> Paula McPartlin, CGFO, Interim Admin Services Director Representatives from Weaver, L.L.P.	<b><u>DATE:</u></b> 02/27/18
<b>Council Mission Area:</b> Demonstrate excellent customer service in an efficient manner.	
<b><u>ITEM:</u></b>  Consider a resolution accepting the report from the independent auditor and the audited financial statements for the fiscal year ending September 30, 2017 and providing an effective date.  <b>City Attorney Review:</b> N/A	
<b><u>SUMMARY:</u></b>  To accept the annual financial report for the fiscal year ending September 30, 2017. The report is derived from an independent audit by qualified public accountants designated by the City Council.	
<b><u>BACKGROUND:</u></b>  Per section 2.20 of the City Charter, the City Council designates qualified public accountants who, at the end of the fiscal year, make an independent audit of accounts and other evidence of financial transactions from city government. Once completed, they will submit their report to the Council and the City Manager.  On February 9, 2018, Jackie Gonzalez, Engagement Partner for Weaver, L.L.P. (Weaver) and Jennifer Ripka, Audit Senior Manager for Weaver, presented the independent audit report to the Audit Committee. The Committee consists of Mayor Jim Griffin, Council Member Roy Turner, Mayor Pro Tem Roger Fisher, City Manager Brian D. Bosshardt, Assistant City Manager Clifford Blackwell, and Interim Administrative Services Director Paula Y. McPartlin.  In the meeting, Weaver presented the City of Bedford's financial position, with respect to fiscal highlights, net assets, budgetary constraints and ending fund balance. Weaver conducted the audit in accordance with both auditing standards and accounting principles generally accepted in the United States of America. In summary, Weaver found that that the City of Bedford's financial statements for the fiscal year ending September 30, 2017 present fairly, in all material respects, without any material misstatement.  This marks the first year the City of Bedford has worked with Weaver. In March 2017, the City solicited requests for proposals (RFP) for audit services and four firms responded. An RFP committee evaluated the proposals based on technical qualifications, commitment to value added services, expertise and approach. Weaver scored the highest among the committee. Therefore, on May 9, 2017, Weaver, L.L.P. was awarded the contract to conduct the annual audit for the fiscal years ending 2017, 2018, 2019, with two one-year options to renew. They are currently in the first year of the initial three-year term agreement.	
<b><u>RECOMMENDATION:</u></b>  Staff recommends the following motion:  Approval of a resolution accepting the report from the independent auditor and the audited financial statements for the fiscal year ended September 30, 2017 and providing an effective date.	

**FISCAL IMPACT:**

**N/A**

**ATTACHMENTS:**

**Resolution  
Management Letter  
CAFR**

**RESOLUTION NO. 18-**

**A RESOLUTION ACCEPTING THE REPORT FROM THE INDEPENDENT AUDITOR AND THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017 AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS, the City has completed the annual audit of the City's financial statements for the fiscal year ending September 30, 2017; and,**

**WHEREAS, the City Council of Bedford, Texas has received the report from the City's independent audit firm, Weaver, L.L.P; and,**

**WHEREAS, the Audit Committee of the City of Bedford has reviewed and voted to accept the report as written.**

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

**SECTION 1. That the findings above are found to be true and correct, and are incorporated herein.**

**SECTION 2. That the City Council does hereby accept the report of the independent auditor and the audited financial statements for the fiscal year ending September 30, 2017 as presented.**

**SECTION 3. That this resolution shall take effect from and after the date of its passage.**

**PRESENTED AND PASSED on this 27th day of February 2018, by a vote of \_\_\_ ayes, \_\_\_ nays and \_\_\_ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.**

\_\_\_\_\_  
**Jim Griffin, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Michael Wells, City Secretary**



*[Prepared on client's letterhead]*

February 22, 2018

Weaver and Tidwell, L.L.P.  
2821 West Seventh Street Suite 700  
Fort Worth, Texas 76107

This representation letter is provided in connection with your audit of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Texas (the City) as of September 30, 2017 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of February 22, 2018:

#### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated November 30, 2017, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- No related party relationships and transactions, have been identified however transactions are reviewed to ensure such transactions and relationships are accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units are included and are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal, as applicable.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.

- The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
- The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
- There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes,<sup>7</sup> and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable, as applicable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of

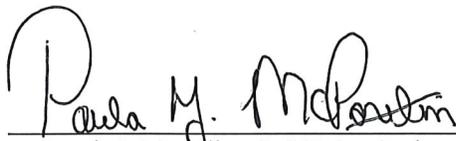
business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.



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Clifford Blackwell, C.G.F.O., Assistant City Manager



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Ms. Paula McParlin, C.G.F.O., Acting Administrative Services Director



## **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Mayor and City Council  
City of Bedford, Texas  
Bedford, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bedford, Texas (the City) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 22, 2018.

### ***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Bedford, Texas  
February 22, 2018

Page 2

#### Material Audit Adjustments

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.  
February 22, 2018



# **Comprehensive Annual Financial Report**

**Fiscal Year Ended  
September 30, 2017**

Prepared By  
**Finance Department**

**City of Bedford, Texas**  
 Comprehensive Annual Financial Report  
 For the Year Ended September 30, 2017  
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 Comprehensive Annual Financial Report  
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# CITY of BEDFORD

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2000 FOREST RIDGE DRIVE, BEDFORD, TEXAS 76021-1895

February 22, 2018

Citizens of Bedford, Honorable Mayor,  
Members of the City Council and City Manager:

The Administrative Services Department is pleased to submit the Comprehensive Annual Financial Report for the City of Bedford, Texas (City), for the fiscal year ended September 30, 2017. This report was prepared through the cooperative effort of the Administrative Services Department and the City's independent auditor. It is published to provide the City Council, staff, citizens, bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation rests with the City. We believe the data, as presented, is accurate in all material aspects. It is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and all disclosures necessary have been included to enable the reader to gain the maximum understanding of the City's financial affairs.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, organizational chart and a list of principal officials. The financial section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements and combining and individual fund statements and schedules. The statistical section includes a variety of financial and demographic information presented on a multiyear basis that is relevant to a financial statement reader. The financial section is prepared in accordance with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB).

## CITY PROFILE

The City of Bedford is a predominately residential community located in Tarrant County, near several major transportation links between Dallas and Fort Worth. It is part of the "Metroplex" of North Central Texas, which includes the cities of Dallas and Fort Worth. The City of Bedford is bordered on the east and south by the City of Euless, on the west by the City of Hurst and on the north by the City of Colleyville. Bedford lies approximately five miles from the Dallas/Fort Worth International Airport, 12 miles from downtown Fort Worth and 20 miles from downtown Dallas. There are three State Highways (183, 121, 157) and two Interstate Highways (35, 30) serving the City with the nearest Interstate located six miles away.

The City was incorporated in 1953 under the general laws of the state of Texas and the voters approved the current charter in 1966. The City is a home rule city and operates under the Council/Manager form of government. The City Council is composed of a mayor and six council members elected at large every three years.

## **THE REPORTING ENTITY AND ITS SERVICES**

Generally accepted accounting principles require the general-purpose financial statements present the City (the primary government) and its component units. Component units are organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. Based on the criterion, the following blended component unit is included. The City of Bedford Street Improvement Economic Development Corporation (EDC) is governed by a seven-member board appointed by the City Council. Although it is legally separate from the City, the EDC is reported as a Special Revenue Fund as if it were part of the primary government because its sole purpose is to operate, maintain and finance the costs of the City's street improvements using sales taxes collected under Section 4B of the Development Corporation Act of 1979.

Services provided by the City under the general governmental functions include police and fire protection, emergency medical services, planning and zoning, code enforcement and inspections, street maintenance, parks, recreation, library and senior citizen services. A Special Revenue Fund is used to account for revenues derived from hotel/motel taxes, with proceeds used to promote tourism. Water and sewer services are provided under an enterprise fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt. Drainage maintenance services are also provided under the enterprise fund concept, implemented in 1991 in accordance with amendments to Title 13 of the Texas Local Government Code.

The water supply for the City of Bedford is provided by the Trinity River Authority (TRA), which provides treated water to Bedford, Euless, Colleyville, Grapevine and North Richland Hills pursuant to separate, but similar contracts dated January 21, 1972 and April 25, 1979. In October 1973 the Trinity River Authority (Central Regional Wastewater System) entered into a 50-year contract with numerous cities in the Metroplex, including the City of Bedford for construction of a wastewater treatment plant to service all contracting parties.

The original 50-year duration of the contract is automatically extended through the latest maturity of any TRA outstanding debt issues.

## **ECONOMIC OUTLOOK AND FINANCIAL CONDITION**

The information presented in the financial statements should be considered from the broad perspective of the specific environment within which the City operates.

In recent years, the City of Bedford, located in the heart of the Dallas/Fort Worth Metropolitan area (DFW), has experienced a significant slowdown in population growth. The 2010 census reflects a population of 46,979, which is approximately a 0.4% decrease from the census results of 2000. However, current population estimates are projected to be 49,234 or 4.8% above the census results.

Multiple light manufacturing firms are in Bedford, as well as a variety of commercial establishments, restaurants, health care facilities, retail stores, shops and food stores. Several of the retail shopping centers in the City are undergoing renovation and expansion. Undeveloped property accounts for approximately 2.0% of the total area in the City.

The City is not financially dependent upon any one industry, or type of industry. The City recognizes the value of commercial development to its economic base and continues to encourage commercial growth that will be beneficial to the community. During the course of the year, it witnessed 1% growth in sales tax collections by \$117,859.

As a policy, the City Council has set certain economic goals that are intended to attract high quality, visually appealing businesses, as well as revitalize and invest in areas that have seen some deterioration of economic activity. By emphasizing the need to be more business friendly, the goals of the City Council seek to provide the general direction for future land use plans and decisions for the City.

Current longer range financial planning primarily revolves around several major water/sewer system infrastructure projects as well as significant improvements to our drainage system. In addition, as the City is approximately 98% built out, significant planning initiatives are being considered to provide for re-development of certain aging corridors within the City.

A few years ago, the City witnessed the widening of State Highway 183 (Airport Freeway), which runs eastbound/westbound through the center of town. During this period, Bedford officials were highly successful in retaining existing businesses while recruiting new ones to the newly expanded highway corridor. In addition, the City is working diligently with property owners to maximize development opportunities because of the expansion. This includes creating incentive agreements between the City and the business community that creates jobs, enhance the tax base and secure revenue resources for the City.

To the extent that operations result in surplus funds, we will continue to fund various capital needs of a one-time nature from the surplus rather than issuing unnecessary debt.

## **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary funds are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. The internal control structure is designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition

and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management. We believe the City's internal control structure is adequate to safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The budgetary process begins each year with the preparation of revenue estimates by the City's Administrative Services Department staff and expenditure estimates by each City department. Estimates are reviewed by the City Manager, and evaluated within the total financial framework. Budget proposals are recommended by the City Manager and reviewed extensively by the City Council, a process that includes a public hearing. After the conclusion of the public hearing, the City Council may make changes as deemed appropriate. The budget as amended is then adopted by ordinance, which also adopts the tax rate.

In addition, the annual budget also contains a capital improvement program which may be revised and extended each year to indicate capital improvements pending or in process of construction or acquisition. The capital program includes a list of all capital improvements that are planned during the upcoming five fiscal years, cost estimates, time schedules and methods of financing for each improvement.

## **GENERAL GOVERNMENTAL FUNCTIONS**

### **Property Taxes**

All eligible property within the City is subject to assessment, levy, and collection of a continuing, direct ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds within the limits prescribed by law, and the payment of operation and maintenance costs as approved by the City Council. Under state law, the City is limited to a maximum tax rate of \$2.50 per \$100 assessed valuation.

In addition, the City's home rule charter limits the tax rate to a maximum of \$1.50 per \$100 assessed valuation. The appraisal of property within the City is the responsibility of the Tarrant Appraisal District (TAD). The City of Bedford and other taxing jurisdictions in Tarrant County provide a pro rata share of the budgeted expenditures incurred by TAD based upon individual levy. The City contracts with the Tarrant County Tax Office for tax billing and collection services.

## **OTHER INFORMATION**

### **Audit**

The City Charter requires an annual audit of the books of accounts, financial records and transactions of all administrative departments of the City by independent certified public accountants selected and engaged by the City Council. The Independent Auditor's Report is included in the financial section of this report.

## **Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bedford for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended September 30, 2016. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement a government unit must publish an easily readable and efficiently organized CAFR with contents that conform to program standards. In addition, an award winning CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This is the 21st consecutive year the City of Bedford has received the Certificate of Achievement. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA for their consideration.

### **ACKNOWLEDGMENTS**

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Administrative Services Department. Many individuals devoted extra hours and exhibited dedicated effort in ensuring the accuracy and timeliness of this report. Appreciation is expressed to the City employees throughout the organization, especially those responsible for the maintenance of records upon which this report is based. Special acknowledgment is extended to Paula McPartlin and Crystal Segovia, whose arduous work and dedication was instrumental in the preparation of this report. Acknowledgment is also given to representatives of Weaver and Tidwell, LLP for their assistance in producing the final product. This was the first year in which Weaver conducted an audit of the City's financials and a considerable amount of time and effort has been given to ensure accuracy. Our appreciation is extended to the Mayor, the members of the City Council and the City Manager for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

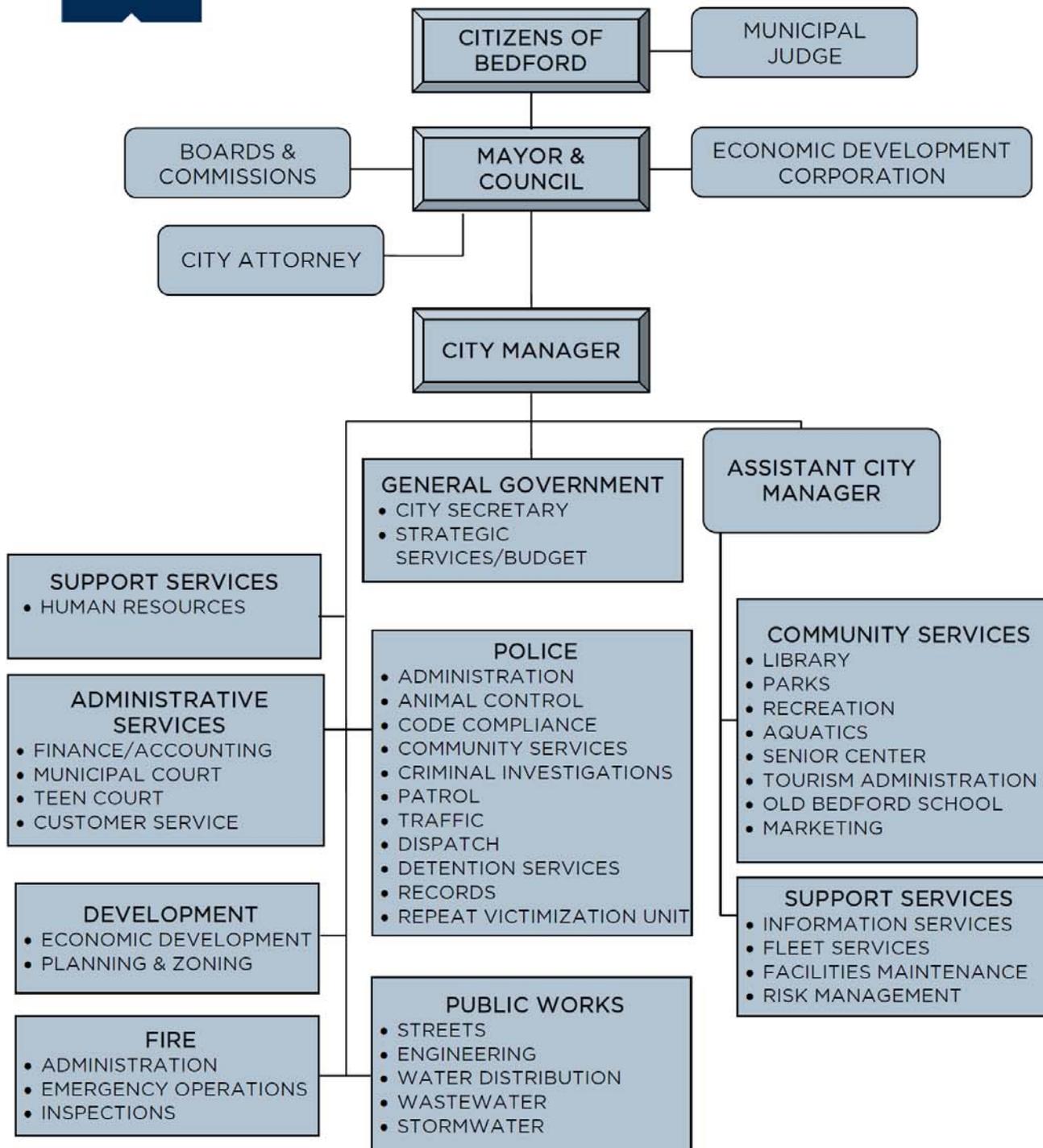


Clifford Blackwell, C.G.F.O.

Assistant City Manager



## CITY OF BEDFORD ORGANIZATIONAL CHART



**Principal Officials  
Fiscal Year 2017-2018**

**ELECTED**

**CITY COUNCIL**



Roger Fisher  
Mayor Pro Tem

Dave Gebhart  
Place 2

Amy Sabol  
Place 3

Rusty Sartor  
Place 1

Dr. Roy Turner  
Place 5

Jim Griffin  
Mayor

Michael Boyter  
Place 4

**SENIOR STAFF**

Brian Bosshardt, City Manager

Clifford W. Blackwell, III, C.G.F.O. .... Assistant City Manager  
 Paula McPartlin, C.G.F.O. .... Acting Director of Administrative Services  
 Jeff Gibson ..... Police Chief  
 Miguel Ozuna ..... Director of Human Resources  
 Kenny Overstreet ..... Director of Public Works/Engineering  
 Sean Fay ..... Fire Chief  
 Bill Syblon ..... Director of Development  
 Michael Wells ..... City Secretary

**BUDGET DEVELOPMENT**

Meg Jakubik, C.G.F.O. .... Strategic Services Manager



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Bedford  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2016**

*Christopher P. Morrill*

Executive Director/CEO

# Financial Section



## Independent Auditor's Report

The Mayor and City Council  
City of Bedford, Texas  
Bedford, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bedford, Texas (the City) as of and for the year ended September 30, 2017, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Prior Period Adjustment*

As discussed in Note 14 to the basic financial statements, the 2016 basic financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

## **Prior Year Comparative Information**

The financial statements include certain summarized prior-year comparative information derived from previously issued financial statements which have been restated as discussed in Note 14 to the basic financial statements. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. We have not audited such information and accordingly, we express no opinion and provide no assurance on it.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension and other postemployment benefit information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplemental information including the combining fund statements and budget and actual schedules, and the statistical section listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information including the combining fund statements and combining schedules of revenues, expenditures, and changes in fund balance-budget and actual listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Mayor and City Council  
City of Bedford, Texas

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*Other Reporting Required by Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 22, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
February 22, 2018

## Management's Discussion and Analysis

The discussion and analysis of the City of Bedford's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the accompanying letter of transmittal and the City's basic financial statements.

### *Financial Highlights*

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$63,939,957 (net position).

The City's net position increased \$2,805,332 or 4.5%. This increase is primarily due to increases in tax revenues as well as charges for services. The increase in charges for services stems from water and sewer rate increases as approved by the city council to match the rate increases passed on by the wholesale provider, TRA, as well as maintain current service levels. The operating revenue for water and sewer charges increased from \$20,083,419 to \$20,814,849 for fiscal years 2016 to 2017, respectively; resulting in an increase of \$731,430 or 3.6%.

As of September 30, 2017, the City's governmental funds reported combined ending fund balances of \$20,998,826. This represents a decrease of \$712,711 in comparison to the prior fiscal year, due to a decline in miscellaneous revenue that is partially offset by increases in taxes and debt proceeds. In the prior year, the City recognized a \$4,365,863 increase in miscellaneous revenue because of a defunct incentive agreement that was considered one-time income. Throughout the fiscal year, the City also witnessed 12% growth in assessed valuations that resulted in a \$945,578 increase in tax revenues. In addition, it issued \$1,105,000 in short-term debt to meet significant capital needs without impacting the operations budget. The combination of these additional resources, along with the sharp decline in miscellaneous revenue is what led to a 3.7% decrease in the combined ending fund balances.

Although the City issued an additional \$1,105,000 in short term debt, the total debt obligations still decreased by 8.7% from \$72,699,466 to \$66,390,811. In addition, as a part of annual debt service requirements, principal payments of \$7,395,000 were made during the 2016/2017 fiscal year.

### *Using This Annual Report*

This comprehensive annual financial report consists of a series of financial statements that serve as an introduction to the City of Bedford's financial health. The statement of net position provides information about the financial activities of the City, and it presents a long-term view of the finances.

The next section is the fund financial statements which shows how municipal services are financed in the short-term. In addition, it reports the operations in more detail than what the government-wide statements provide about the City's most financially significant funds. Lastly, this report also includes other supplementary information in addition to the basic financial statements.

### *Reporting the City as a Whole*

The statement of net position, also known as a 'balance sheet, presents the City's financials in the following manner. It compares the assets, or what is owned, against its liabilities, or what is owed, and measures the difference as the net position. The statement of activities, which is like an income statement, reports the municipal revenues in the form of contributions, program fees, charges for services, and other amounts released from restrictions. In addition, it categorizes municipal expenses in the form of primary government activities and proprietary or business-type activities. The difference between both areas, results in an increase or decrease in the net position of the statement of activities.

- **Governmental Activities** – Most of the City’s basic services are reported here, including the police, fire, street maintenance, parks and recreation and general administration. Taxes (property, sales, franchise, mixed beverage), licenses/permits, charges for services, and fines/forfeitures finance most of these activities.
- **Business-type Activities** – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City’s water and sewer and storm water system facilities are reported here.

The net position highlights the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Over time, increases or decreases in the City’s net position exemplifies how the financial health is improving or deteriorating. By assessing health of the City, it is important to consider other nonfinancial factors including changes in the City’s property tax base, the economic impact of municipal cost index and the condition of the City’s capital infrastructure (roads, buildings, water and sewer lines) to assess the value.

### ***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds. Some funds are required by state law. However, the City Council establishes many other funds that fulfill specific purposes or meet statutory requirements.

The City’s two kinds of funds, governmental and proprietary, use different accounting approaches.

### ***Governmental Funds***

Most of the City’s basic services are reported in governmental funds, which cannot be accounted for in any other specialized fund. These funds use the modified accrual basis of accounting, which recognizes revenues when they become available and measurable. They also recognize expenditures when liabilities are incurred. Fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides. Governmental fund information helps financial statement readers determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. We describe the relationship (of differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds within two reconciliations which outline individual financial items or factors converting the modified basis of accounting presentation to the full accrual basis of accounting presentation. These can be found following both the balance sheet and statement of revenues, expenditures and changes in fund balances.

### ***Proprietary Funds***

Proprietary funds use the full accrual basis of accounting. Meaning, these funds recognize the financial effect of events that impact an entity during the accounting period, regardless of whether cash was received or spent. In addition, under the full accrual basis, proprietary funds identify the full cost of services and usually create a fee structure that recaptures the true cost. A city may maintain two types of proprietary funds to record charges for the full cost of the services it provides whether to outside customers or to other units of the city. These services are reported in either Enterprise Funds or Internal Service Funds.

- **Enterprise Funds** – Are used to report the same function presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its water and sewer and storm water operations.
- **Internal Service Funds** – Are an accounting device used to accumulate costs internally among various functions of the City. The City currently has no operations that qualify as an Internal Service Fund.

## ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources would not be available to support the City's own programs. The City of Bedford currently has no fiduciary funds.

## ***Major Governmental Funds***

As noted, Bedford uses fund accounting to ensure and demonstrate compliance within the generally accepted accounting principles. The focus of governmental funds is to provide information on inflows, outflows and balances of spendable resources. Information such as unassigned fund balance serves as a useful measure of the City's ability to finance unforeseen upcoming obligations. As a measure of the General Fund's liquidity, year ending unassigned fund balance of \$11,873,958 represents 58.3% (approximately 128 days) of next year's budgeted expenditures.

The Debt Service Fund has a total fund balance of \$973,557, all of which is reserved for the payment of debt. It increased by \$29,084 or 3.1% during the current year, due to tax assessment income levels exceeding total expenditures from the fund. The fund has been used to not only pay annual debt service requirements but it also covers contractual service costs for arbitrage calculations as well as a pro-rata share of investment advisory services. These expenditures contribute to the total payment from the Debt Service Fund.

The Economic Development 4B Fund has a total fund balance of \$3,790,264, most of which is reserved for street infrastructure improvements and maintenance. The current year fund balance increased by \$177,297 or 4.9% due to a reduction in roadway repair services that were rescheduled for the following fiscal year.

## ***The City as a Whole***

The City's combined net position changed from a year ago, increasing from \$61,134,625 to \$63,939,957. The net position and net expenses of governmental and business-type activities have significant changes occurring this year. The analysis below focuses on the net position and changes in net position of the City's governmental and business-type activities.

The net position of the City's governmental activities increased by \$1,303,058 or 5.8%, from \$22,291,590 last fiscal year, to \$23,594,648 as of September 30, 2017, primarily due to increases in property tax revenue, along with contributions, that contributed to a net surplus over expenditures. In the business-type activities, the net position increased from \$38,843,035 to \$40,345,309, or 3.9%, primarily due to the increased water and sewer sales and charges for services. The unrestricted net position of the City's governmental activities (the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) decreased from (\$684,096) to \$(1,786,061) as of September 30, 2017, or -361%. The reason for the decrease in the governmental unrestricted net position is due the restriction of funds for street, drainage, and capital improvements not funded by bond proceeds. The unrestricted net position of the business-type activities increased from \$4,454,409 to \$5,088,590 as of September 30, 2017, or 14.4%. The primary reason for the increase is related to ongoing positive operations of the Water and Sewer fund.

The restricted net position of the City, those restricted mainly for capital acquisition, debt service, economic development, public safety and parks and beautification decreased from \$9,411,339 to \$9,064,138, or 3.8%, primarily due to the decrease in funds for street, drainage, and capital improvements not funded by bond proceeds.

The largest portion of the City's net position, 72.1%, reflects an investment in capital assets, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Resources needed to repay debt associated with acquisition of these assets must be provided from other sources, since the capital assets themselves cannot be used for this purpose.

	Governmental Activities		Business-type Activities		Total	
	2017	2016 As Restated	2017	2016	2017	2016 As Restated
Current assets	\$ 24,406	\$ 25,738	\$ 27,480	\$ 13,095	\$ 51,886	\$ 38,833
Internal balances	-	200	-	(200)	-	-
Restricted investments	-	-	10,546	26,980	10,546	26,980
Capital assets	39,247	41,129	49,697	48,022	88,944	89,151
Total assets	<u>63,653</u>	<u>67,067</u>	<u>87,723</u>	<u>87,897</u>	<u>151,376</u>	<u>154,964</u>
Deferred outflows of resources	2,323	2,377	275	286	2,598	2,663
Current liabilities	8,831	10,445	4,651	4,647	13,482	15,092
Long-term liabilities	33,221	36,253	42,965	44,643	76,186	80,896
Total liabilities	<u>42,052</u>	<u>46,698</u>	<u>47,616</u>	<u>49,290</u>	<u>89,668</u>	<u>95,988</u>
Deferred inflows of resources	329	454	37	50	366	504
Net Position						
Net Investment in capital assets	16,730	16,608	35,250	34,389	51,980	50,997
Restricted	9,064	9,412	7	-	9,071	9,412
Unrestricted	(2,199)	(3,728)	5,088	4,454	2,889	726
Total net position	<u>\$ 23,595</u>	<u>\$ 22,292</u>	<u>\$ 40,345</u>	<u>\$ 38,843</u>	<u>\$ 63,940</u>	<u>\$ 61,135</u>

- Governmental Activities** – The program revenues for the governmental activities were \$7,015,912 and total general revenues and transfers were \$34,878,441 for the fiscal year ended September 30, 2017. Expenses for these activities were \$40,591,295. Net position for Governmental Activities increased by \$1,303,058. This was primarily caused by a 2.0% increase in tax revenues coupled with a 5.3% increase in program revenues.
- Business-type Activities** – The program revenues for the City's business-type activities were \$23,281,913 for the fiscal year ended September 30, 2017. Expenses for these activities were \$19,438,577, resulting in income of \$4,405,991 from operations before nonoperating revenues and expenses. Net position with the inclusion of nonoperating activities and transfers increased by \$1,502,274. This is primarily due to increased water and sewer rates as approved by the City Council for January 2017, offset by increased expenses related to the purchase of water.

	Governmental Activities		Business-type Activities		Total	
	2016		2017	2016	2016	
	2017	As Restated			2017	As Restated
Revenues:						
Program revenues:						
Charges for services	\$ 6,480	\$ 6,500	\$ 22,656	\$ 21,571	\$ 29,136	\$ 28,071
Operating grants and contributions	25	42	-	-	25	42
Capital grants and contributions	511	135	626	163	1,137	298
General revenues:						
Property taxes	16,273	15,508	-	-	16,273	15,508
Other taxes	15,538	15,579	-	-	15,538	15,579
Interest and investment earnings	228	86	356	174	584	260
Gain on sale of assets	-	-	-	-	-	-
Other general revenue	140	4,527	-	(40)	140	4,487
Total revenues	39,195	42,377	23,638	21,868	62,833	64,245
Expenses:						
Public safety	22,071	20,781	-	-	22,071	20,781
Leisure services	5,364	4,364	-	-	5,364	4,364
Community services	1,811	1,876	-	-	1,811	1,876
General government/administration	5,172	5,430	-	-	5,172	5,430
Public services	5,422	5,983	-	-	5,422	5,983
Interest on long term debt	750	932	-	-	750	932
Water and sewer	-	-	18,565	17,511	18,565	17,511
Stormwater	-	-	873	874	873	874
Total expenses	40,590	39,366	19,438	18,385	60,028	57,751
Increases (decreases) in net position						
before transfers	(1,395)	3,011	4,200	3,483	2,805	6,494
Transfers	2,698	2,644	(2,698)	(2,644)	-	-
Increase in net position	1,303	5,655	1,502	839	2,805	6,494
Net position - October 1	21,842	16,187	38,843	38,004	60,685	54,191
Prior period adjustment	-	450	-	-	-	450
Net position - October 1, restated	21,842	16,637	38,843	38,004	60,685	54,641
Net position - September 30	\$ 23,145	\$ 22,292	\$ 40,345	\$ 38,843	\$ 63,490	\$ 61,135

### ***General Fund Budgetary Highlights***

General Fund budget to actual performance for the fiscal year fell below budgetary expectations, primarily in charges for services. The total operating revenues were \$28,953,093, which was short of budgetary expectations by \$1,060,712. The City of Bedford initiated a new Medicare supplemental program that overestimated its revenue by 88%. In addition, the actual revenues for ambulance services was 38% below budget. The total operating expenditures came in at 0.8% within budgetary expectations.

**The City's Funds**

The following tables present a summary of General, Special Revenue, Capital Projects and Debt Service Fund revenues and expenditures for the fiscal year ended September 30, 2017, and the amount and percentage of increases and decreases in relation to the prior year:

**General Revenues  
(in thousands)**

	2016	2017	2017 Percent of Total	Increase (Decrease) from 2016	Percent Increase (Decrease)
Taxes	\$ 30,860	\$ 31,805	81%	\$ 945	3%
Licenses, permits, and fees	693	1,056	3%	363	52%
Charges for services	3,959	3,333	8%	(626)	-16%
Fines and forfeitures	1,660	1,742	4%	82	5%
Intergovernmental	366	694	2%	328	90%
Interest	86	228	1%	142	165%
Miscellaneous	4,793	224	1%	(4,569)	-95%
Total	<u>\$ 42,417</u>	<u>\$ 39,082</u>	<u>100%</u>	<u>\$ (3,335)</u>	<u>-8%</u>

**General Expenditures  
(in thousands)**

	2016	2017	2017 Percent of Total	Increase (Decrease) from 2016	Percent Increase (Decrease)
General government	\$ 2,006	\$ 2,335	5%	\$ 329	16%
Community services	1,806	1,745	4%	(61)	-3%
Public services	3,264	2,937	7%	(327)	-10%
Administrative services	2,194	2,660	6%	466	21%
Public safety	19,384	20,244	46%	860	4%
Leisure services	4,291	4,306	10%	15	0%
Capital outlay	2,943	2,918	7%	(25)	-1%
Debt service	6,819	6,826	15%	7	0%
Total	<u>\$ 42,707</u>	<u>\$ 43,971</u>	<u>100%</u>	<u>\$ 1,264</u>	<u>3%</u>

Miscellaneous revenue decreased significantly (95%) due to a one-time adjustment from a defunct incentive program from the prior year. However, intergovernmental revenue increased by 90% due to Hurricane Harvey relief efforts being subsidized by the Texas Department of Emergency Management. The expenditure increase in public safety by 4% was primarily a result of increased personnel costs from the step program. Administrative Services increased by 21% primarily due to increased contractual services, which included implementing a new time clock management system.

## Capital Asset and Debt Administration

### Capital Assets

As of September 30, 2017, the City has \$284,665,168 invested in capital assets including police and fire equipment, buildings, park facilities, roads, water, sewer, and storm water facilities. This represents a net increase of 6,739,144, or 2.4%, over last year. Capital assets net of depreciation increased by approximately \$4,512,841, or 5.9%, due to significant capital equipment additions, that included, but is not limited to, new patrol pursuit vehicles, a mobile storage trailer, network switch upgrade and a new ambulance unit. The City's capital plans for fiscal year 2017/2018 call for expenditures of approximately \$16.8 million for capital projects, primarily in the following categories: streets, drainage, water and sewer distribution system. Most of the scheduled capital improvements are water and sewer related.

For fiscal year 2017/2018 the estimated capital improvement for water and sewer projects is \$14,364,000. The most notable of these projects is the automated meter reading (AMR) program which is estimated at \$15 million over two years. This project is part of the SWIFT program in which the City was approved for \$90 million to finance capital improvement projects that addressed water conservation issues. The AMR project will replace all water meters throughout the City with technologically advanced meters that can measure water usage in more frequent intervals, to prevent water loss. Other water and sewer projects consists of distribution main replacements, to reduce the number of breaks throughout the City.

Additional information on capital asset activity can be found in *Note 7* of this report.

### Capital Assets at Year-end (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 7,261	\$ 7,261	\$ 100	\$ 100	\$ 7,361	\$ 7,361
Buildings and structures	25,768	25,734	602	602	26,370	26,336
Other improvements	129,875	126,017	-	-	129,875	126,017
Equipment	31,548	29,488	3,998	3,826	35,546	33,314
Utility distribution	-	-	84,314	78,980	84,314	78,980
Construction in progress	765	3,691	434	2,227	1,199	5,918
Total	<u>\$ 195,217</u>	<u>\$ 192,191</u>	<u>\$ 89,448</u>	<u>\$ 85,735</u>	<u>\$ 284,665</u>	<u>\$ 277,926</u>

### Debt

At year-end, the City had \$65,670,255 in General Obligation Bonds, Combination Tax and Revenue Certificates of Obligation, Contractual Obligations and capital lease obligations compared to \$71,811,375 at the end of the prior fiscal year, a decrease of 8.6%. The primary reason for the decrease is because the debt amortization schedule reflects incremental increases in principal and interest payments as the City approaches the end of the cycle. Last year, the City issued new bonds to offset the incremental increases in debt payments so the obligations increased. However, this year, with no significant debt being added to the outstanding obligations, the total obligation declined.

**Outstanding Debt at Year-end  
(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligations	\$ 22,180	\$ 26,815	\$ -	\$ -	\$ 22,180	\$ 26,815
Certificates of obligation	-	-	43,120	44,775	43,120	44,775
Capital lease	370	221	-	-	370	221
<b>Total</b>	<b>\$ 22,550</b>	<b>\$ 27,036</b>	<b>\$ 43,120</b>	<b>\$ 44,775</b>	<b>\$ 65,670</b>	<b>\$ 71,811</b>

The City of Bedford maintains an "AA" rating as it pertains to general obligation bond issuances. The City's rating outlook from S&P's is "Stable." S&P's rating reflects their view of the City's strong wealth and income levels, its historically strong financial performance and reserves, and its moderate debt burden. In their opinion, the City budgetary flexibility remains very strong with reserves above 20% of expenditures. The General Obligation bonds are secured by an ad valorem tax levied against all taxable property within the City, within the limits prescribed by law. Additional information regarding the City's long-term debt can be found in *Note 8* of this report.

***Economic Factors and Next Year's Budgets and Rates***

The City has witnessed significant growth, by 10.48%, in its taxable values this fiscal year. In addition, staff made a concerted effort to think beyond the service needs of a single year and focus more on the fiscal impact of operations and services into future years. Therefore, the City Council adopted a budget that strategically addresses long standing needs in order to maintain high quality service to the citizens of Bedford. By doing so, they increased the property tax rate from \$0.476509 per \$100 assessed valuation (A.V.) to \$0.520000 per A.V., which is an increase of 4 cents.

In budget year 2018, the Council continued its goal to fund a compensation plan for employees to meet current market levels. They did so by instituting a seven-year step plan for public safety personnel. Within this plan, members of the public safety departments may receive mandatory increases in salaries over a seven-year period, so long as budgetary funds are available. In addition, non-public safety personnel will receive cost-of-living increases as well.

Moreover, to keep up with increased wholesale water and wastewater costs, the City Council authorized pass-through rate increases for both areas. In addition, the City conducted another rate study and found that in addition to increased wholesale water and wastewater costs, additional increases in the wastewater rates were deemed necessary to meet cost of service levels. In addition, the City's commitment to the SWIFT program will meet the City Council's goal of replacing the aging water infrastructure throughout the City in addition to improving accuracy and efficiency of meter reading operations, reducing both water loss and overall related costs for the City.

***Contacting The City's Financial Management***

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Division at 2000 Forest Ridge Drive, Bedford, Texas 76021.

# Basic Financial Statements

**City of Bedford, Texas**  
**Statement of Net Position**  
**September 30, 2017**  
 (with Summarized Financial Information for 2016)

	Primary Government		Totals	
	Governmental Activities	Business-type Activities	2017	2016 As Restated
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	8,785,594	15,247,975	24,033,569	22,304,545
Investments	11,231,940	8,387,407	19,619,347	8,500,000
Accounts receivables, net of allowance	4,358,133	3,844,544	8,202,677	8,002,637
Inventories and prepaid expenses	30,104	-	30,104	26,145
Total current assets	24,405,771	27,479,926	51,885,697	38,833,327
Noncurrent assets				
Restricted investments with trustee	-	10,546,412	10,546,412	26,980,451
Capital assets, not being depreciated	8,026,417	534,040	8,560,457	13,280,107
Capital assets, being depreciated, net	31,220,921	49,162,271	80,383,192	75,870,351
Total noncurrent assets	39,247,338	60,242,723	99,490,061	116,130,909
Total assets	63,653,109	87,722,649	151,375,758	154,964,236
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension contributions	1,297,106	144,123	1,441,229	1,222,688
Deferred pension investment difference	460,504	51,167	511,671	693,712
Deferred pension change in assumptions	483,886	53,766	537,652	624,651
Deferred charges on refundings	81,357	26,365	107,722	122,149
Total deferred outflows of resources	2,322,853	275,421	2,598,274	2,663,200
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued liabilities	2,647,848	1,659,510	4,307,358	5,055,706
Accrued interest	114,645	204,858	319,503	391,859
Unearned revenue	-	-	-	11,254
Customer deposits	-	971,623	971,623	959,063
Current portion of compensated absences	1,213,246	84,349	1,297,595	1,239,726
Current portion of bonds payable and capital leases	4,855,509	1,730,891	6,586,400	7,434,507
Total current liabilities	8,831,248	4,651,231	13,482,479	15,092,115
Noncurrent liabilities				
Net pension liability	11,706,803	1,300,756	13,007,559	12,520,528
Bonds payable	18,128,246	41,479,946	59,608,192	65,135,557
Capital leases	196,219	-	196,219	129,402
Compensated absences	2,426,490	168,698	2,595,188	2,479,454
Other post-employment benefits	763,349	15,579	778,928	631,192
Total noncurrent liabilities	33,221,107	42,964,979	76,186,086	80,896,133
Total liabilities	42,052,355	47,616,210	89,668,565	95,988,248
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension experience difference	328,959	36,551	365,510	504,563
<b>NET POSITION</b>				
Net investment in capital assets	16,730,480	35,250,028	51,980,508	50,996,619
Restricted for				
Street, drainage, and capital improvements	3,220,653	6,691	3,227,344	3,493,756
Debt service	978,394	-	978,394	944,473
Economic development	4,465,576	-	4,465,576	4,515,434
Other purposes	68,215	-	68,215	68,415
Public safety	210,675	-	210,675	279,938
Parks and beautification	120,624	-	120,624	109,323
Unrestricted	(2,199,969)	5,088,590	2,888,621	726,667
Total net position	\$ 23,594,648	\$ 40,345,309	\$ 63,939,957	\$ 61,134,625

The Notes to the Financial Statements are an integral part of this statement.

**City of Bedford, Texas**  
Statement of Activities  
Year Ended September 30, 2017  
(with Summarized Financial Information for 2016)

Program Activities	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities				
General government and administration	\$ 5,172,343	\$ 92,875	\$ 9,308	\$ -
Community services	1,811,320	330,216	-	-
Public services	5,421,724	934,551	15,520	179,638
Public safety	22,016,970	4,030,313	-	281,169
Leisure services	5,418,465	1,091,945	-	50,377
Interest expense	750,473	-	-	-
Total governmental activities	<u>40,591,295</u>	<u>6,479,900</u>	<u>24,828</u>	<u>511,184</u>
Business-type activities				
Water and sewer services	18,565,424	20,995,798	-	588,032
Stormwater collection and disposal	873,153	1,660,438	-	37,645
Total business-type activities	<u>19,438,577</u>	<u>22,656,236</u>	<u>-</u>	<u>625,677</u>
Total primary government	<u>\$ 60,029,872</u>	<u>\$ 29,136,136</u>	<u>\$ 24,828</u>	<u>\$ 1,136,861</u>
General revenues				
Taxes				
Property taxes, penalty and interest				
Sales				
Franchise				
Occupancy				
Other				
Investment earnings				
Gain (loss) on disposal of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Changes in net position				
Net position, beginning of year				
Prior period adjustment				
Net position, beginning of year, restated				
Net position, end of year				

The Notes to the Financial Statements are an integral part of this statement.

**Net (Expenses) Revenues and Changes in Net Position**

Primary Government		Totals	
Governmental Activities	Business-type Activities	2017	2016 As Restated
\$ (5,070,160)	\$ -	\$ (5,070,160)	(5,327,973)
(1,481,104)	-	(1,481,104)	(1,558,946)
(4,292,015)	-	(4,292,015)	(4,844,189)
(17,705,488)	-	(17,705,488)	(16,834,466)
(4,276,143)	-	(4,276,143)	(3,191,587)
(750,473)	-	(750,473)	(932,372)
<u>(33,575,383)</u>	<u>-</u>	<u>(33,575,383)</u>	<u>(32,689,533)</u>
-	3,018,406	3,018,406	2,919,483
-	824,930	824,930	429,542
-	3,843,336	3,843,336	3,349,025
<u>\$ (33,575,383)</u>	<u>\$ 3,843,336</u>	<u>\$ (29,732,047)</u>	<u>\$ (29,340,508)</u>
16,273,095	-	16,273,095	15,507,727
10,905,398	-	10,905,398	10,787,539
3,331,500	-	3,331,500	3,432,957
1,070,774	-	1,070,774	1,123,421
231,388	-	231,388	235,320
227,800	356,632	584,432	260,497
8,329	-	8,329	(61,966)
132,463	-	132,463	4,548,532
2,697,694	(2,697,694)	-	-
<u>34,878,441</u>	<u>(2,341,062)</u>	<u>32,537,379</u>	<u>35,834,027</u>
1,303,058	1,502,274	2,805,332	6,493,519
22,291,590	38,843,035	61,134,625	54,190,996
-	-	-	450,110
<u>22,291,590</u>	<u>38,843,035</u>	<u>61,134,625</u>	<u>54,641,106</u>
<u>\$ 23,594,648</u>	<u>\$ 40,345,309</u>	<u>\$ 63,939,957</u>	<u>\$ 61,134,625</u>

# City of Bedford, Texas

## Balance Sheet – Governmental Funds

September 30, 2017

(with Summarized Financial Information for 2016)

	General	Debt Service	Economic Development 4B
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,457,288	\$ 209,840	\$ 2,081,242
Investments	7,650,734	757,099	1,510,000
Receivables			
Taxes, less allowance for uncollectible	2,483,233	124,992	464,969
Accounts	519,405	1,433	737
Other	366,871	-	-
Due from other funds	25,452	-	-
Inventories and prepaid items	30,104	-	-
Advances to other funds	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 14,533,087</b>	<b>\$ 1,093,364</b>	<b>\$ 4,056,948</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts and accrued liabilities	2,195,592	325	266,684
Due to other funds	-	-	-
Unearned revenue	-	-	-
<b>TOTAL LIABILITIES</b>	<b>2,195,592</b>	<b>325</b>	<b>266,684</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	397,969	119,482	-
<b>FUND BALANCES</b>			
Nonspendable			
Advances to/due from other funds	-	-	-
Inventories and prepaid items	30,104	-	-
Restricted for			
Debt service	-	973,557	-
Street and drainage improvements	35,464	-	-
Capital acquisition and construction	-	-	-
Economic development	-	-	3,790,264
Public safety	-	-	-
Parks and beautification	-	-	-
Other	-	-	-
Assigned	-	-	-
Committed - special projects	-	-	-
Unassigned	11,873,958	-	-
<b>TOTAL FUND BALANCES</b>	<b>11,939,526</b>	<b>973,557</b>	<b>3,790,264</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 14,533,087</b>	<b>\$ 1,093,364</b>	<b>\$ 4,056,948</b>

The Notes to the Financial Statements are an integral part of this statement.

Nonmajor Government	Totals	
	2017	2016 As Restated
3,037,224	\$ 8,785,594	13,711,821
1,314,107	11,231,940	7,900,000
-	3,073,194	3,013,341
115,252	636,827	625,399
281,241	648,112	461,696
-	25,452	9,952
-	30,104	26,145
-	-	200,000
<u>\$ 4,747,824</u>	<u>\$ 24,431,223</u>	<u>\$ 25,948,354</u>
185,247	2,647,848	3,380,776
25,452	25,452	9,952
-	-	4,563
<u>210,699</u>	<u>2,673,300</u>	<u>3,395,291</u>
241,646	759,097	841,526
-	-	209,952
-	30,104	26,145
-	973,557	944,473
2,392,382	2,427,846	2,309,749
828,271	828,271	1,184,007
675,312	4,465,576	4,515,434
210,675	210,675	279,938
120,624	120,624	109,323
68,215	68,215	68,415
-	-	140,000
-	-	4,486,890
-	11,873,958	7,437,211
<u>4,295,479</u>	<u>20,998,826</u>	<u>21,711,537</u>
<u>\$ 4,747,824</u>	<u>\$ 24,431,223</u>	<u>\$ 25,948,354</u>

# City of Bedford, Texas

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2017

Fund balances of governmental funds		\$ 20,998,826
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and therefore are not reported as assets in the governmental funds. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation.		39,247,338
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.		(114,645)
Revenues earned but not available within 60 days of the year-end are not recognized as revenue on the fund financial statements.		759,097
Deferred outflows of resources and deferred inflows of resources represent amounts related to future periods and, therefore, are not reported in the fund financial statements. Deferred outflows of resources and deferred inflows of resources at year-end consist of:		
Employer pension contributions	1,297,106	
Pension Investment difference	460,504	
Pension change in assumptions	483,886	
Deferred charges on refundings	81,357	
Pension experience difference	(328,959)	1,993,894
Noncurrent liabilities, including bonds payable and net pension liability are not due and payable in the current period and therefore are not reported in the fund financial statements. Noncurrent liabilities at year-end consist of:		
General and contractual obligation bonds	(22,180,000)	
Bond premium	(629,719)	
Net pension liability	(11,706,803)	
Compensated absences	(3,639,736)	
OPEB liability	(763,349)	
Capital leases	(370,255)	(39,289,862)
Total net position of governmental activities		<u>\$ 23,594,648</u>

The Notes to the Financial Statements are an integral part of this statement.

# City of Bedford, Texas

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds  
 Year Ended September 30, 2017  
 (with Summarized Financial Information for 2016)

	General	Debt Service	Economic Development 4B
<b>REVENUES</b>			
Taxes, penalty and interest	\$ 22,714,729	\$ 5,242,846	\$ 2,776,931
Licenses, permits, and fees	982,054	-	-
Charges for services	3,067,148	-	-
Fines and forfeitures	1,510,112	-	-
Support from governmental entities	423,060	-	-
Interest	131,972	18,126	31,517
Miscellaneous	124,018	-	-
	<u>28,953,093</u>	<u>5,260,972</u>	<u>2,808,448</u>
<b>EXPENDITURES</b>			
Current			
General government	2,335,285	-	-
Community services	547,882	-	-
Public services	1,911,385	-	1,026,087
Administrative services	2,558,015	-	-
Public safety	20,020,428	-	-
Leisure services	4,228,845	-	-
Capital outlay	739,778	-	232,489
Debt service			
Principal retirement	174,341	5,740,000	-
Interest and fiscal agent fees	14,494	883,760	-
	<u>32,530,453</u>	<u>6,623,760</u>	<u>1,258,576</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,577,360)</u>	<u>(1,362,788)</u>	<u>1,549,872</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,826,384	1,391,872	-
Transfers out	-	-	(1,391,872)
Issuance of bonds	-	-	-
Proceeds from capital leases	323,221	-	-
Proceeds from sale of capital assets	8,329	-	-
Insurance proceeds	23,290	-	19,297
	<u>3,181,224</u>	<u>1,391,872</u>	<u>(1,372,575)</u>
Net change in fund balance	(396,136)	29,084	177,297
Fund balances, beginning of year	12,335,662	944,473	3,612,967
Prior period adjustment	-	-	-
Fund balances, beginning of year, restated	<u>12,335,662</u>	<u>944,473</u>	<u>3,612,967</u>
<b>Fund balances, end of year</b>	<u>\$ 11,939,526</u>	<u>\$ 973,557</u>	<u>\$ 3,790,264</u>

The Notes to the Financial Statements are an integral part of this statement.

Nonmajor Government	Totals	
	2017	2016 As Restated
\$ 1,070,774	\$ 31,805,280	\$ 30,859,702
74,273	1,056,327	692,700
265,715	3,332,863	3,959,448
232,213	1,742,325	1,660,311
271,074	694,134	365,533
46,185	227,800	86,353
99,787	223,805	4,792,905
<u>2,060,021</u>	<u>39,082,534</u>	<u>42,416,952</u>
-	2,335,285	2,005,931
1,196,902	1,744,784	1,806,262
-	2,937,472	3,263,538
101,843	2,659,858	2,194,218
223,271	20,243,699	19,383,973
77,616	4,306,461	4,290,997
1,945,695	2,917,962	2,943,455
-	5,914,341	5,698,767
13,960	912,214	1,119,668
<u>3,559,287</u>	<u>43,972,076</u>	<u>42,706,809</u>
<u>(1,499,266)</u>	<u>(4,889,542)</u>	<u>(289,857)</u>
-	4,218,256	4,658,149
(128,690)	(1,520,562)	(2,013,733)
1,105,000	1,105,000	-
-	323,221	-
-	8,329	11,489
-	42,587	55,635
<u>976,310</u>	<u>4,176,831</u>	<u>2,711,540</u>
(522,956)	(712,711)	2,421,683
4,818,435	21,711,537	18,839,744
-	-	450,110
<u>4,818,435</u>	<u>21,711,537</u>	<u>19,289,854</u>
<u>\$ 4,295,479</u>	<u>\$ 20,998,826</u>	<u>\$ 21,711,537</u>

## City of Bedford, Texas

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended September 30, 2017

Net change in fund balances – total governmental funds		\$ (712,711)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.		3,063,602
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		(4,944,700)
Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements as follows:		
General and certificates of obligation bonds	5,740,000	
Capital lease	<u>174,341</u>	5,914,341
The issuance of long-term debt, such as bonds and capital leases, are shown as “Other Sources” and “Other Uses” in the governmental funds, but are shown on the statement of net position with related costs amortized over the life of the bonds. Differences consist of the following:		
Issuance of debt	(1,105,000)	
Proceeds from capital leases	(323,221)	
Amortization of refunding loss	(9,155)	
Amortization of bond premium	<u>156,473</u>	(1,280,903)
Current year pension expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows of resources and deferred inflow of resources balances.		(358,629)
Current year change in long-term liability for compensated absences and OPEB liability do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(309,934)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		14,422
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. This is the net change in these revenues for the year.		<u>(82,430)</u>
Change in net position of governmental activities		<u><u>\$ 1,303,058</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**City of Bedford, Texas**  
Statement of Net Position  
Proprietary Funds  
September 30, 2017  
(with Summarized Financial Information for 2016)

	Water and Sewer	Stormwater Utility	Totals	
			2017	2016
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 14,148,873	\$ 1,099,102	\$ 15,247,975	\$ 8,592,724
Investments	8,133,151	254,256	8,387,407	600,000
Accounts receivable, net of allowance	3,578,675	265,869	3,844,544	3,902,201
Total current assets	25,860,699	1,619,227	27,479,926	13,094,925
Noncurrent assets				
Restricted investments with trustee	10,546,412	-	10,546,412	26,980,451
Property, plant and equipment				
Land	100,255	-	100,255	100,255
Equipment	3,732,415	265,403	3,997,818	3,825,320
Buildings and improvements	601,657	-	601,657	601,657
Utility distribution	69,609,696	14,703,879	84,313,575	78,980,220
Construction in progress	386,066	47,719	433,785	2,227,097
Less accumulated depreciation	(32,358,568)	(7,392,211)	(39,750,779)	(37,712,527)
Property, plant and equipment, net	42,071,521	7,624,790	49,696,311	48,022,022
Total noncurrent assets	52,617,933	7,624,790	60,242,723	75,002,473
Total assets	78,478,632	9,244,017	87,722,649	88,097,398
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension contributions	129,711	14,412	144,123	122,269
Deferred pension investment difference	46,050	5,117	51,167	69,371
Deferred pension change in assumptions	48,389	5,377	53,766	62,466
Deferred charges on refundings	26,365	-	26,365	31,637
Total deferred outflows of resources	250,515	24,906	275,421	285,743
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued liabilities	1,603,931	55,579	1,659,510	1,674,930
Accrued interest	188,233	16,625	204,858	262,792
Current portion compensated absences	76,321	8,028	84,349	77,324
Unearned revenue	-	-	-	6,691
Advances from other funds	-	-	-	200,000
Current portion of bonds payable	1,576,982	153,909	1,730,891	1,666,061
Customer deposits	971,623	-	971,623	959,063
Total current liabilities	4,417,090	234,141	4,651,231	4,846,861
Noncurrent liabilities				
Net pension liability	1,170,680	130,076	1,300,756	1,252,053
Compensated absences	152,643	16,055	168,698	154,649
Bonds payable	38,989,169	2,490,777	41,479,946	43,210,838
Other post-employment benefits	15,579	-	15,579	25,248
Total noncurrent liabilities	40,328,071	2,636,908	42,964,979	44,642,788
Total liabilities	44,745,161	2,871,049	47,616,210	49,489,649
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension experience difference	32,896	3,655	36,551	50,457
<b>NET POSITION</b>				
Net investment in capital assets	29,764,177	5,485,851	35,250,028	34,388,626
Restricted for drainage improvements	-	6,691	6,691	-
Unrestricted	4,186,913	901,677	5,088,590	4,454,409
<b>Total net position</b>	<b>\$ 33,951,090</b>	<b>\$ 6,394,219</b>	<b>\$ 40,345,309</b>	<b>\$ 38,843,035</b>

The Notes to the Financial Statements are an integral part of this statement.

# City of Bedford, Texas

## Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds Year Ended September 30, 2017 (with Summarized Financial Information for 2016)

	Water and Sewer	Stormwater Utility	Totals	
			2017	2016
<b>OPERATING REVENUES</b>				
Water sales	\$ 13,197,953	\$ -	\$ 13,197,953	\$ 12,839,683
Charges for sewer services	7,616,896	-	7,616,896	7,243,736
Stormwater charges	-	1,623,747	1,623,747	1,272,434
Other	180,949	36,691	217,640	214,973
	<u>20,995,798</u>	<u>1,660,438</u>	<u>22,656,236</u>	<u>21,570,826</u>
<b>OPERATING EXPENSES</b>				
Water supply and distribution	8,972,551	-	8,972,551	8,873,415
Wastewater collection and disposal	4,353,139	-	4,353,139	3,955,552
Billing and collection	1,389,577	458,642	1,848,219	1,720,680
Public services/engineering	1,038,085	-	1,038,085	762,902
Depreciation	1,720,341	317,910	2,038,251	1,943,119
	<u>17,473,693</u>	<u>776,552</u>	<u>18,250,245</u>	<u>17,255,668</u>
	<u>3,522,105</u>	<u>883,886</u>	<u>4,405,991</u>	<u>4,315,158</u>
<b>OPERATING INCOME</b>				
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	342,261	14,371	356,632	174,144
Loss on sale of capital assets	-	-	-	(39,892)
Interest expense and fiscal agent charges	(1,091,731)	(96,601)	(1,188,332)	(1,128,780)
	<u>(749,470)</u>	<u>(82,230)</u>	<u>(831,700)</u>	<u>(994,528)</u>
<b>INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	2,772,635	801,656	3,574,291	3,320,630
<b>CAPITAL CONTRIBUTIONS</b>	588,032	37,645	625,677	162,647
<b>TRANSFERS IN</b>	191,426	-	191,426	161,974
<b>TRANSFERS OUT</b>	<u>(2,359,853)</u>	<u>(529,267)</u>	<u>(2,889,120)</u>	<u>(2,806,390)</u>
<b>CHANGE IN NET POSITION</b>	1,192,240	310,034	1,502,274	838,861
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>32,758,850</u>	<u>6,084,185</u>	<u>38,843,035</u>	<u>38,004,174</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 33,951,090</u>	<u>\$ 6,394,219</u>	<u>\$ 40,345,309</u>	<u>\$ 38,843,035</u>

The Notes to the Financial Statements are an integral part of this statement.

**City of Bedford, Texas**  
Statement of Cash Flows – Proprietary Funds  
Year Ended September 30, 2017  
(with Summarized Financial Information for 2016)

	Water and Sewer	Stormwater Utility	Totals	
			2017	2016
<b>OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 21,119,508	\$ 1,606,945	\$ 22,726,453	\$ 21,712,239
Payments to other funds	-	(200,000)	(200,000)	(100,000)
Payments to suppliers	(13,158,939)	(278,241)	(13,437,180)	(12,945,694)
Payments to or on behalf of employees for services	(2,635,120)	(161,796)	(2,796,916)	(2,468,705)
Net cash provided by operating activities	5,325,449	966,908	6,292,357	6,197,840
<b>NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	191,426	-	191,426	161,974
Transfers out	(2,359,853)	(529,267)	(2,889,120)	(2,806,390)
Net cash used in noncapital financing activities	(2,168,427)	(529,267)	(2,697,694)	(2,644,416)
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital related debt	-	-	-	30,000,000
Principal paid on capital debt	(1,515,000)	(140,000)	(1,655,000)	(1,608,908)
Interest and fiscal agent fees	(1,093,612)	(100,510)	(1,194,122)	(1,130,660)
Proceeds from sale of property	-	-	-	(39,892)
Acquisition and construction of capital assets	(3,007,030)	(79,833)	(3,086,863)	(916,965)
Net cash provided by (used in) capital and related financing activities	(5,615,642)	(320,343)	(5,935,985)	26,303,575
<b>INVESTING ACTIVITIES</b>				
Purchase of investments	(18,980,365)	(10,947)	(18,991,312)	(29,225,996)
Proceeds from sale of investments	27,631,253	-	27,631,253	3,250,000
Interest on investments	342,261	14,371	356,632	174,144
Net cash provided by (used in) investing activities	8,993,149	3,424	8,996,573	(25,801,852)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	6,534,529	120,722	6,655,251	4,055,147
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	7,614,344	978,380	8,592,724	4,537,577
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 14,148,873	\$ 1,099,102	\$ 15,247,975	\$ 8,592,724

The Notes to the Financial Statements are an integral part of this statement.

**City of Bedford, Texas**

Statement of Cash Flows – Proprietary Funds – Continued

Year Ended September 30, 2017

(with Summarized Financial Information for 2016)

**RECONCILIATION OF OPERATING INCOME TO NET CASH**

**PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 3,522,105	\$ 883,886	\$ 4,405,991	\$ 4,315,158
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	1,720,341	317,910	2,038,251	1,943,119
Changes in				
Receivables	111,150	(53,493)	57,657	90,683
Due to and advances from other funds	-	(200,000)	-200,000	(100,000)
Accounts payable and accrued liabilities	(88,062)	14,708	-73,354	(102,924)
Pension & other post employment benefits	26,193	3,985	30,178	(26,444)
Compensated absences	21,162	(88)	21,074	32,168
Customer deposits	12,560	-	12,560	46,080
	<u>\$ 5,325,449</u>	<u>\$ 966,908</u>	<u>\$ 6,292,357</u>	<u>\$ 6,197,840</u>
Net cash provided by operating activities	\$ 5,325,449	\$ 966,908	\$ 6,292,357	\$ 6,197,840

**SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES**

Capital Contributions	<u>\$ 588,032</u>	<u>\$ 37,645</u>	<u>\$ 625,677</u>	<u>\$ 162,647</u>
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## City of Bedford, Texas

### Notes to the Financial Statements

#### Note 1. Summary of Significant Accounting Policies

The City of Bedford, Texas (City) Home Rule Charter was adopted September 24, 1966. The City operates under a Council/Manager form of government and provides the following services by its charter: public safety, public works, health, culture, recreation, community development, water and sewer utilities.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, the disclosure of contingent assets and liabilities, and the reported revenues, expenditures and expenses. Actual results could vary from the estimates that are used.

Significant policies of the City are described below.

##### A. Financial Reporting Entity

Generally accepted accounting principles require that financial statements present the City (primary government) and its component units. Component units are organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The accompanying general purpose financial statements comply with the provisions of the GASB Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34, in that the financial statements include all organizations, activities, functions and component units for which the City is financially accountable or those which would be misleading to exclude. In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. Based on these criteria, the following blended component unit is included in the accompanying financial statements. Blended component units, although legally separate entities are, in substance, part of the City's operations.

The City Street Improvement Economic Development Corporation (EDC) is governed by a seven-member board appointed by the City Council. Although it is legally separate from the City, the EDC is reported as if it were part of the primary government because its sole purpose is to operate, maintain, and finance the costs of the City's street improvements using taxes collected under Section 4B of the Development Corporation Act of 1979. Separate financial statements are not available.

##### B. Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

## City of Bedford, Texas

### Notes to the Financial Statements

The primary effect of internal activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation on the government-wide statement of activities.

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The City reports the following major governmental funds:

- General Fund – is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- Debt Service Fund – is used to account for the accumulation of resources for the payment of general long-term obligations principal, interest and related costs.
- Economic Development 4B Fund – is used to account for revenues and expenses associated with the operation, maintenance and financing of the costs of the City's street improvements. The fund's primary revenue source is sales taxes, and a small amount of interest.

All proprietary funds account for operations that are primarily financed by user charges.

The City reports the following proprietary funds:

- Water and Sewer Fund – accounts for providing water and sewer services to residential and commercial users in the City.
- Stormwater Utility Fund – accounts for the storm drainage runoff service provided to the residential and commercial users of the City.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

## **City of Bedford, Texas**

### Notes to the Financial Statements

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, charges for services (except for sanitation services), fines and forfeitures and rents and concessions are recorded as revenues when received in cash because they are generally not measurable until actually received. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

#### **D. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the City considers cash and cash equivalents to be all unrestricted cash and certificates of deposit with an original maturity date of three months or less.

#### **E. Investments**

Investments in debt securities and money market mutual funds are carried at fair value. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit are carried at cost.

Investments in external investment pools are carried at net asset value, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the City's fiscal year end. In instances where pools transact at amortized cost, no readily determinable fair value is deemed available.

#### **F. Accounts Receivable**

Accounts receivable consist primarily of amounts due from citizens for various services provided by the City as well as property taxes and sales taxes receivable. Management evaluates the adequacy of the allowance for doubtful accounts based on a review of individual accounts. The primary factors considered in determining the amount of the allowance are collection history, the aging of the accounts and other specific information known to management that may affect collectability.

#### **G. Inventories**

Inventories in the general and proprietary fund types are carried at cost (first-in, first-out method). The City uses the consumption method for determining cost; inventories are recognized as expenditures when consumed.

**City of Bedford, Texas**  
Notes to the Financial Statements

**H. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure such as roads, bridges, drainage systems and lighting systems, are reported at historical cost. Contributed assets are recorded at their acquisition value as of the date received. Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets. Estimated useful lives of major categories of property are:

Buildings	20 – 40 years
Infrastructure	20 – 30 years
Water and sewer system	50 years
Improvements	10 – 20 years
Machinery and equipment	3 – 10 years

Interest expense is capitalized on contracts with durations over one-year in the proprietary funds. The minimum capitalization threshold is any item with a total cost greater than \$5,000 and a useful life greater than one-year.

**I. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service from the City.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay only if the compensated absences have matured with unused reimbursable leave outstanding following an employee's resignation or retirement. Vested or accumulated vacation leave within proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of such liabilities.

**J. Defined Benefit Pension Plans**

For purposes of measuring the net pension liability, pension related deferred outflows of resources and deferred inflows of resources, and pension expense, City specific information about its fiduciary net position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's fiduciary net position have been determined on the same basis as reported by TMRS. For this purpose, plan contributions are recognized in the period compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's total pension liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.

Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources.

## City of Bedford, Texas

### Notes to the Financial Statements

This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Employer Contributions – Pensions – These contributions are those made after the measurement date through the fiscal year end (January 1st – September 30th) resulting in a cash outlay not yet recognized under GASB 68. This amount is deferred and recognized in the following fiscal year.
- Investment difference – Pensions – These amounts represent the difference in projected and actual earnings on pension plan assets. These differences are deferred and amortized over a closed five-year period.
- Assumption changes – Pensions – These amounts represent the difference resulting from a change in assumptions used to measure the underlying net pension liability. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category.

- Experience difference – Pensions – These amounts represent the difference in expected and actual pension experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Unavailable revenue – These amounts represent uncollected property taxes, uncollected ambulance revenue and property assessments. These amounts are deferred in the fund's financial statements and recognized once payments are received in the following fiscal year(s).

Fund allocation of pension related balances is determined by individual employee assignment and is modeled by allocation of the net pension liability. This assignment is uniform with regard to liquidation of the net pension liability.

#### **K. Interfund Transactions**

During the course of normal City operations, transactions occur between funds, including reimbursement of expenditures and transfers of resources to provide services, construct assets and service debt. There is no interest charged between funds for these advances. Interfund transactions are eliminated upon consolidation in the government-wide financial statements unless the transaction is deemed to be at market or near market value and is reported as revenue, expenditure or expense.

#### **L. Net Position**

Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, donors, grantors or laws or regulations of other governments.

## City of Bedford, Texas

### Notes to the Financial Statements

The net position of the Tourism Development Fund and the Economic Development 4B Fund are restricted by enabling legislation as indicated on the statement of net position. The City's policy is to use restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

#### M. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Balances include items not expected to be converted to cash including inventories and prepaid items.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned – This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.
- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds.

#### N. New Pronouncements

The City has adopted and implemented the following GASB statements which have become effective for the fiscal year 2017:

##### **GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68**

- The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement applies to all state and governmental entities and was effective for fiscal year 2017. The implementation of this statement did not impact the City's financial statements.

## City of Bedford, Texas

### Notes to the Financial Statements

#### **GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans other than Pension Plans**

- The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local OPEB plans for making decisions and assessing accountability. This Statement applies to all state and governmental entities and was effective for fiscal year 2017. The implementation of this statement did not impact the City's financial statements.

#### **GASB Statement No. 77, Tax Abatement Disclosures**

- The objective of this Statement is to require governments that enter into tax abatement agreements to provide certain disclosures regarding the commitments. This Statement applies to all state and governmental entities and was effective for fiscal year 2017. See Note 12 for the tax abatement disclosure.

#### **GASB Statement No. 78, Pension Provided through Certain Multiple-Employer Defined Benefit Pension Plans**

- The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement applies to all state and governmental entities and was effective for fiscal year 2017. The implementation of this statement did not impact the City's financial statements.

#### **GASB Statement No. 79, Certain External Investment Pools and Pool Participants**

- The objective of this Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement applies to all state and governmental entities and was effective for fiscal year 2017. The implementation of this statement did not impact the City's financial statements.

#### **GASB Statement No. 80, Blending Requirements for Certain Component Units- an amendment of GASB Statement No. 14**

- The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement applies to all state and governmental entities. This Statement applies to all state and governmental entities and was effective for fiscal year 2017. The implementation of this statement did not impact the City's financial statements.

### **O. Prior Year Comparative Information**

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements as of and for the year ended September 30, 2016, from which the summarized information was derived and as restated during the current year as described in Note 14.

### **Note 2. Deposits and Investments**

The deposit and investment policies of the City are governed by State Statutes and the adopted City Investment Policy. City policies governing bank deposits require depositories to be insured by the Federal Deposit Insurance Corporation (FDIC). Financial institutions, and depositories must fully collateralize all deposits in excess of FDIC insurance limits.

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agency securities, repurchase agreements and municipal pools.

**City of Bedford, Texas**  
Notes to the Financial Statements

The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

Investments measured at fair value are categorized within the fair value hierarchy. Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The hierarchy provides a framework for measuring fair value based on three levels. The three level fair value hierarchy describes the inputs that are used to measure assets and liabilities.

Level 1	Quoted prices in active markets for identical assets or liabilities
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
Level 3	Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The fair value hierarchy gives the highest priority to Level 1 and the lowest priority to level 3 inputs. If a price for an identical asset or liability is not observable a government should measure fair value using another valuation technique that maximizes the use of an asset inputs from more than one level of the fair value hierarchy. The measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The following table presents the weighted average maturity, credit rating, and fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2017:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Weighted Average Maturity (Days)	Standard & Poor's Credit Rating
September 30, 2017						
Investments by fair value level						
U.S. agency securities	\$ 6,054,215	\$ -	\$ 6,054,215	\$ -	141 days	Aaa/AA+
Money market mutual funds	4,056,113	4,056,113	-	-	1 day	Aaa/AA+
<b>Total investments by fair value level</b>	<b>10,110,328</b>	<b>\$ 4,056,113</b>	<b>\$ 6,054,215</b>	<b>\$ -</b>		
Investments measured at net asset value						
TexSTAR	10,462,770				1 day	AAAm
TexasTERM	304,923				1 day	AAAm
Lone Star Investment Pool	17,580				1 day	AAAm
Texas CLASS	211,980				1 day	AAAm
	10,997,253					
Non-negotiable certificate of deposit	19,619,347				428 days	N/A
<b>Total investments</b>	<b>\$ 40,726,928</b>					

## City of Bedford, Texas

### Notes to the Financial Statements

#### B. Investments

Investment Pools and non-negotiable Certificates of Deposit are measured at amortized cost or net asset value and are exempt from fair value reporting and therefore have been excluded from the hierarchy.

The TexStar, TexasTerm, Lone Star and Texas CLASS are external investment pools measured at NAV. These investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pools. Each of these investment pools has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity. These investment pools are authorized by the Texas Legislature. The Texas Treasury Safekeeping Trust Company is the trustee and is a limited purpose trust company authorized pursuant to Texas Government Code.

**Interest Rate Risk** — In accordance with its investment policy, the City manages its exposure to declines in fair market values by investing operating funds primarily in short-term securities, money market mutual funds or similar investment pools. Furthermore, unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three years from the date of purchase.

**Credit Risk** — It is the City's policy to follow statutes, which authorize the City to invest in obligations of the U. S. Treasury agencies and instrumentalities, obligations of the state of Texas and related agencies, obligations of states, agencies, counties, cities and other political subdivisions of any state rated "A" or above by Standard & Poor's Corporation or Moody's, repurchase agreements and designated investment pools. The City's assets in investment pools meet this requirement as noted above.

**Custodial Credit Risk — Investments** — In accordance with its investment policy, the City minimizes custodial credit risk by limiting investments to the safest types of investment vehicles, prequalifying the financial institutions, brokers/dealers, intermediaries and advisors with which the City will do business and diversifying the investment portfolio so that potential losses on individual investments will be minimized. Currently, all investments are registered in the City's name.

**Custodial Credit Risk — Deposits** — The City's deposits do not have any exposure to credit risk because all deposits in financial institutions are fully collateralized by U.S. government obligations or obligations of the state of Texas and its agencies that have a value of not less than the principal amount of the deposits. The collateral is held by a third-party custodial bank as the City's agent.

**Concentration of Credit Risk** — The City limits investments to avoid concentration in securities from a specific issuer or business sector (where appropriate). As noted above, the City's investments are distributed into a variety of allowable investment vehicles. Management does not believe there is a significant risk of loss due to the credit rating and nature of the investments.

**City of Bedford, Texas**  
Notes to the Financial Statements

Following is a reconciliation of the City's deposit and investment balances at September 30, 2017 to the government-wide statement of net position:

	<u>Balance at September 30, 2017</u>
Investments	\$ 40,726,928
Deposits and cash on hand	13,472,400
	<u>\$ 54,199,328</u>
	<u>Government-wide Statement of Net Position</u>
Cash and cash equivalents	\$ 24,033,569
Investments	19,619,347
Restricted Investments with Trustee	10,546,412
	<u>\$ 54,199,328</u>

**Note 3. Receivables and Governmental Funds Deferred Inflows**

Receivables, including amounts due from other governments, as of September 30, 2017, for the City's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Funds</u>				<u>Proprietary Funds</u>		<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Economic Development</u>	<u>Nonmajor Governmental</u>	<u>Water and Sewer</u>	<u>Stormwater Utility</u>	
Receivables							
Taxes							
Delinquent property taxes	\$ 238,280	\$ 151,772	\$ -	\$ -	\$ -	\$ -	\$ 390,052
Sales taxes	1,394,907	-	464,969	-	-	-	1,859,876
Franchise	834,384	-	-	-	-	-	834,384
Other	56,662	-	-	-	-	-	56,662
Accounts	519,405	-	737	115,252	3,578,675	265,869	4,479,938
Other	366,871	1,433	-	281,241	-	-	649,545
Gross receivables	3,410,509	153,205	465,706	396,493	3,578,675	265,869	8,270,457
Less allowance for uncollectibles	(41,000)	(26,780)	-	-	-	-	(67,780)
<b>Net total receivables</b>	<u>\$ 3,369,509</u>	<u>\$ 126,425</u>	<u>\$ 465,706</u>	<u>\$ 396,493</u>	<u>\$ 3,578,675</u>	<u>\$ 265,869</u>	<u>\$ 8,202,677</u>

**City of Bedford, Texas**  
Notes to the Financial Statements

Governmental funds report deferred inflows in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period.

At the end of the year, the various components of deferred inflows reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent property taxes receivable (General Fund)	\$ 188,844
Delinquent property taxes receivable (Debt Service Fund)	119,482
Delinquent ambulance receivable (General Fund)	209,125
Assessments (Nonmajor Governmental)	<u>241,646</u>
<b>Total deferred inflows for governmental funds</b>	<b>\$ <u><u>759,097</u></u></b>

**Note 4. Property Tax**

Property taxes attach as an enforceable lien on property as of January 1. The City's property tax is levied each October 1, on the assessed value listed as of the prior January 1, for all real property and personal business property located in the City. The assessed value upon which the fiscal 2016 levy was based was \$3,534,315,952. The appraisal function is performed by the Tarrant County Appraisal District.

General property taxes are limited by the Texas Constitution to \$2.50 per \$100 of assessed valuation and by Home Rule Charter to \$1.50 per \$100 of assessed valuation for general governmental services and payment of principal and interest on long-term debt. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2017, was \$.476509 per \$100 of assessed valuation.

Taxes are due by January 31 following the levy date. Current tax collection for the year ended September 30, 2017, was 99.6% of the tax levy.

Uncollected property taxes levied for the current fiscal year are recognized as receivables, and are deemed collectible in full.

**Note 5. Interfund Transfers**

Interfund transfers are payments between funds that are designed to cover various operating and overhead expenses and to allocate charges for services performed by one fund on behalf of another fund.

Individual fund transfers for the year ended September 30, 2017, were:

	<u>Transfer In</u>			<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Water and Sewer</u>	
Transfers out				
Economic Development 4B	\$ -	\$ 1,391,872	\$ -	\$ 1,391,872
Nonmajor Governmental	128,690	-	-	128,690
Water and Sewer	2,359,853	-	-	2,359,853
Stormwater Utility	337,841	-	191,426	529,267
<b>Total transfers out</b>	<b>\$ <u><u>2,826,384</u></u></b>	<b>\$ <u><u>1,391,872</u></u></b>	<b>\$ <u><u>191,426</u></u></b>	<b>\$ <u><u>4,409,682</u></u></b>

**City of Bedford, Texas**  
 Notes to the Financial Statements

**Note 6. Interfund Assets/Liabilities**

Interfund balances reflect payments made by one fund on behalf of another fund for which cash settlement has not been made as of the end of the accounting period. Amounts due to and from other funds will be settled within the next accounting period. As of September 30, 2017 the only interfund balance outstanding was between the General fund and a nonmajor governmental fund as follows:

	<u>Due From Nonmajor Governmental</u>
Due To General Fund	<u>\$ 25,452</u>
<b>Total</b>	<b><u>\$ 25,452</u></b>

The due to the General Fund from the Various Grants Fund is the result of the General Fund funding purchases prior to the receipt of grant funding.

**City of Bedford, Texas**  
Notes to the Financial Statements

**Note 7. Capital Assets**

The following tables summarize changes in capital assets during the year ended September 30, 2017:

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Land	\$ 7,261,343	\$ -	\$ -	\$ -	\$ 7,261,343
Construction in progress	3,691,412	417,776	-	(3,344,114)	765,074
<b>Total assets not being depreciated</b>	<b>10,952,755</b>	<b>417,776</b>	<b>-</b>	<b>(3,344,114)</b>	<b>8,026,417</b>
Capital assets, being depreciated					
Buildings and improvements	25,733,741	34,428	-	-	25,768,169
Equipment	29,488,422	2,097,051	(37,000)	-	31,548,473
Improvements other than buildings	126,016,557	514,347	-	3,344,114	129,875,018
<b>Total capital assets being depreciated</b>	<b>181,238,720</b>	<b>2,645,826</b>	<b>(37,000)</b>	<b>3,344,114</b>	<b>187,191,660</b>
Less accumulated depreciation					
Buildings and improvements	(12,871,169)	(704,234)	-	-	(13,575,403)
Equipment	(25,619,084)	(1,306,876)	37,000	-	(26,888,960)
Improvements other than buildings	(112,572,786)	(2,933,590)	-	-	(115,506,376)
<b>Total accumulated depreciation</b>	<b>(151,063,039)</b>	<b>(4,944,700)</b>	<b>37,000</b>	<b>-</b>	<b>(155,970,739)</b>
<b>Total capital assets being depreciated, net</b>	<b>30,175,681</b>	<b>(2,298,874)</b>	<b>-</b>	<b>3,344,114</b>	<b>31,220,921</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 41,128,436</b>	<b>\$ (1,881,098)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,247,338</b>
<b>Business-type Activities</b>					
Capital assets, not being depreciated					
Land	\$ 100,255	\$ -	\$ -	\$ -	\$ 100,255
Construction in progress	2,227,097	2,957,237	(149,861)	(4,600,688)	433,785
<b>Total assets not being depreciated</b>	<b>2,327,352</b>	<b>2,957,237</b>	<b>(149,861)</b>	<b>(4,600,688)</b>	<b>534,040</b>
Capital assets, being depreciated					
Buildings and improvements	601,657	-	-	-	601,657
Equipment	3,825,320	172,497	-	-	3,997,817
Utility distributions	78,980,220	732,667	-	4,600,688	84,313,575
<b>Total capital assets being depreciated</b>	<b>83,407,197</b>	<b>905,164</b>	<b>-</b>	<b>4,600,688</b>	<b>88,913,049</b>
Less accumulated depreciation					
Buildings and improvements	(530,287)	(7,576)	-	-	(537,863)
Equipment	(3,164,273)	(221,765)	-	-	(3,386,038)
Utility distributions	(34,017,967)	(1,808,910)	-	-	(35,826,877)
<b>Total accumulated depreciation</b>	<b>(37,712,527)</b>	<b>(2,038,251)</b>	<b>-</b>	<b>-</b>	<b>(39,750,778)</b>
<b>Total capital assets being depreciated, net</b>	<b>45,694,670</b>	<b>(1,133,087)</b>	<b>-</b>	<b>4,600,688</b>	<b>49,162,271</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 48,022,022</b>	<b>\$ 1,824,150</b>	<b>\$ (149,861)</b>	<b>\$ -</b>	<b>\$ 49,696,311</b>

**City of Bedford, Texas**  
Notes to the Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General government	\$ 58,562
Community services	50,666
Public services	2,471,968
Public safety	1,248,028
Leisure services	1,044,514
Administrative services	70,962
	<hr/>
<b>Total depreciation expense – governmental activities</b>	<b>\$ 4,944,700</b>
	<hr/> <hr/>
Business-type Activities	
Water and sewer	\$ 1,720,341
Stormwater collection and disposal	317,910
	<hr/>
<b>Total depreciation expense – business-type activities</b>	<b>\$ 2,038,251</b>
	<hr/> <hr/>

**Note 8. Long-term Liabilities**

The following is a summary of the long-term liabilities of the City for the year ended September 30, 2017:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One-Year
Governmental Activities					
General/Contractual obligation bonds/Tax notes	\$ 26,815,000	\$ 1,105,000	\$ (5,740,000)	\$ 22,180,000	\$ 4,525,000
Premium on debt	786,192	-	(156,473)	629,719	156,473
Capital lease	221,375	323,221	(174,341)	370,255	174,036
Compensated absences	3,487,207	1,898,089	(1,745,560)	3,639,736	1,213,246
Net pension liability	11,268,475	438,328	-	11,706,803	-
Other post-employment benefits	605,944	157,405	-	763,349	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Governmental activities long-term liabilities</b>	<b>\$ 43,184,193</b>	<b>\$ 3,922,043</b>	<b>\$ (7,816,374)</b>	<b>\$ 39,289,862</b>	<b>\$ 6,068,755</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Business-type Activities					
Certificates of obligation	\$ 44,775,000	\$ -	(1,655,000)	\$ 43,120,000	\$ 1,720,000
Premiums on debt	101,899	-	(11,062)	90,837	10,891
Compensated absences	231,973	202,388	(181,314)	253,047	84,349
Net pension liability	1,252,053	48,703	-	1,300,756	-
Other post-employment benefits	25,248	-	(9,669)	15,579	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Business-type activities long-term liabilities</b>	<b>\$ 46,386,173</b>	<b>\$ 251,091</b>	<b>\$ (1,857,045)</b>	<b>\$ 44,780,219</b>	<b>\$ 1,815,240</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In October 2016, the City issued \$1,105,000 of Tax Notes, Series 2016. These certificates have biannual payments in February and August with an interest rate of 1.3% ranging from 0.22% to 2.65%, maturing February 1, 2021. Proceeds from this issuance are for capital outlay.

**City of Bedford, Texas**  
Notes to the Financial Statements

Governmental long-term debt consists of the following individual issues at September 30, 2017:

Series	Original Issue	Interest Rate	Debt Outstanding
General Obligation Bonds			
Series 2005 General Obligation Refunding Bonds	28,600,000	3.25% – 5.0%	\$ 3,355,000
Series 2007 General Obligation Bonds	4,000,000	3.875% – 5.0%	2,425,000
Series 2010 General Obligation Bonds	4,885,000	2.0% – 5.0%	3,770,000
Series 2011 General Obligation Refunding and Improvement Bonds	8,185,000	2.0% – 4.375%	2,015,000
Series 2013 General Obligation Refunding and Improvement Bonds	5,375,000	2.0% – 4.0%	3,775,000
Series 2014 General Obligation Bonds	3,200,000	2.0% – 4.0%	2,870,000
Certificates of Obligation			
Series 2011 General Tax and Revenue Certificates of Obligation	6,590,000	2.0% – 4.375%	1,430,000
Contractual Obligations			
Series 2014 Public Property Finance Contractual Obligations	2,300,000	1.0% – 2.5%	1,655,000
Tax Notes			
Series 2016 Tax Notes	1,105,000	1.30%	885,000
<b>Total General Obligation, Certificates of Obligation Contractual Bonds, and Tax Notes</b>			<b>\$ 22,180,000</b>

Business-type long-term debt consists of the following individual issues at September 30, 2017:

Series	Original Issue	Interest Rate	Debt Outstanding
General Obligation Bonds			
Series 2011 General Obligation Refunding and Improvement Bonds	\$ 8,185,000	2.0% – 4.375%	\$ 2,715,000
Certificates of Obligation			
Series 2007 Certificates of Obligation	4,975,000	3.875% – 4.25%	3,015,000
Series 2010 Certificates of Obligation	2,035,000	3.0% – 4.125%	1,575,000
Series 2011 Combination Tax and Revenue Certificates of Obligation	6,590,000	2.0% – 4.375%	3,175,000
Series 2012 Combination Tax and Revenue Certificates of Obligation	630,000	0.09% – 1.4%	480,000
Series 2012A Combination Tax and Revenue Certificates of Obligation	4,270,000	1.0% – 2.75%	3,410,000
Series 2015 Combination Tax and Revenue Certificates of Obligation	30,000,000	0.22% – 3.210%	28,750,000
<b>Total General Obligation and Certificates of Obligation</b>			<b>\$ 43,120,000</b>

The City entered into a capital lease agreement in November 2016 for the purchase of police interceptors. The leased property under capital lease is classified as equipment with the total capitalized cost of \$300,721 and an amortized value of approximately \$240,577 at September 30, 2017.

## City of Bedford, Texas

### Notes to the Financial Statements

Capital leases entered into prior to fiscal year 2017 totaled \$567,381, is classified as equipment, and has an amortized value of approximately \$113,476 at September 30, 2017.

Capital lease amortization expense has been included in depreciation expense for the year ended September 30, 2017.

The annual debt service requirement to amortize the bonds, certificates of obligation and capital lease obligations outstanding at September 30, 2017, follows:

#### Governmental Activities:

Year Ending September 30	Bonded Debt Obligations	Capital Lease	Interest	Total
2018	\$ 4,525,000	\$ 174,036	\$ 677,306	\$ 5,376,342
2019	2,355,000	114,379	551,086	3,020,465
2020	2,385,000	81,840	482,657	2,949,497
2021	2,095,000	-	419,601	2,514,601
2022	1,780,000	-	364,464	2,144,464
2023-2027	5,510,000	-	1,175,439	6,685,439
2028-2032	2,965,000	-	367,469	3,332,469
2033-2034	565,000	-	20,500	585,500
	<u>\$ 22,180,000</u>	<u>\$ 370,255</u>	<u>\$ 4,058,522</u>	<u>\$ 26,608,777</u>

#### Business-type Activities:

Year Ending September 30	Debt Obligations	Interest	Total
2018	1,720,000	1,214,173	\$ 2,934,173
2019	1,610,000	1,181,296	2,791,296
2020	1,665,000	1,147,484	2,812,484
2021	1,725,000	1,110,383	2,835,383
2022	1,795,000	1,069,302	2,864,302
2023-2027	9,935,000	4,570,266	14,505,266
2028-2032	8,240,000	3,207,572	11,447,572
2033-2037	5,555,000	2,241,171	7,796,171
2038-2042	6,475,000	1,334,391	7,809,391
2043-2045	4,400,000	285,530	4,685,530
	<u>\$ 43,120,000</u>	<u>\$ 17,361,568</u>	<u>\$ 60,481,568</u>

**City of Bedford, Texas**  
Notes to the Financial Statements

**Note 9. Retirement Plan**

**A. Plan Description**

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

All eligible employees of the City are required to participate in TMRS.

**B. Benefits Provided**

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5 years
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	0%
Annuity increase (to retirees)	0% of CPI

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	42
Inactive employees entitled to but not yet receiving benefits	114
Active employees	341
	<hr/>
Total	497
	<hr/> <hr/>

# City of Bedford, Texas

## Notes to the Financial Statements

### C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City are required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 8.02% and 8.94% in calendar years 2016 and 2017, respectively. The city's contributions to TMRS for the year ended September 30, 2017, were \$1,924,529, and were equal to the required contributions.

### D. Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

#### *Actuarial assumptions:*

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.00% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality 16 rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

**City of Bedford, Texas**  
Notes to the Financial Statements

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	4.15%
Real Return	10.0%	4.15%
Real Estate	10.0%	4.75%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	7.75%
Total	100.0%	

*Discount Rate*

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability

*Changes in the Net Pension Liability*

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2016	\$ 26,539,947	14,019,419	\$ 12,520,528
Changes for the year:			
Service cost	2,676,451	-	2,676,451
Interest on total pension liability	1,866,228	-	1,866,228
Effect of difference in expected and actual experience	77,844	-	77,844
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(460,701)	(460,701)	-
Administrative expenses	-	(10,700)	10,700
Employer contributions	-	1,705,987	(1,705,987)
Net investment income	-	949,763	(949,763)
Employee contributions	-	1,489,019	(1,489,019)
Other	-	(577)	577
Net changes	4,159,822	3,672,791	487,031
Balances as of September 30, 2017	\$ 30,699,769	\$ 17,692,210	\$ 13,007,559

**City of Bedford, Texas**  
Notes to the Financial Statements

*Sensitivity of the net pension liability to changes in the discount rate*

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Single Rate Assumption (6.75%)	1% Increase (7.75%)
City's net pension liability	\$ 17,298,410	\$ 13,007,559	\$ 9,340,063

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tms.com](http://www.tms.com).

**E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2017, the city recognized pension expense of \$2,323,004.

At September 30, 2017, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:	\$ -	\$ 365,510
Difference in assumptions changes	537,652	-
Difference between projected and actual earnings on pension plan investments	511,671	-
Contributions subsequent to the measurement date	1,441,229	-
<b>Total</b>	<b>\$ 2,490,552</b>	<b>\$ 365,510</b>

\$1,441,230 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2017.

**City of Bedford, Texas**  
Notes to the Financial Statements

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ending September 30,	
2018		\$ 204,378
2019		204,377
2020		180,978
2021		25,098
2022		25,790
Thereafter		43,192
<b>Total</b>		<b>\$ 683,813</b>

**Note 10. Post-employment Health Care Plan**

**A. Plan Description and Funding Policy**

Starting January 1, 2010, the City began requiring participants who are active employees with less than 20 years of service or 60 years or more of age with less than 5 years of service to contribute an age-based full-cost premium if they choose to remain on the City's health care plan upon retirement. In return, the City will make scheduled annual contributions into a retiree health savings plan in the name of each eligible employee who has 10 years of service or more. Employees are 50% vested at 20 years of service and 100% vested at 30 years of service.

Under provisions of GASB Statement No. 45, employees who will be required to contribute the full age-based cost of coverage for the City's health plan do not receive another post-employment benefit.

Retiring employees will pay either age-based or blended premiums depending on their status as "grandfathered" or "non-grandfathered." Blended premiums blend the cost of providing health coverage to both active employees and retirees, and will be based on the total employer/employee premium for the health plan as a whole, and will be determined annually during the budget process.

**B. Grandfathered Employees**

As of January 1, 2010, employees that have 20 years of continuous service with the City or employees having 5 years of continuous service and have reached the age of 60 will be eligible to purchase City health benefits at blended rates upon the date of their retirement if they are less than age 65. Employees who meet the requirements to stay on the plan will continue to pay both employee and employer required contributions for the retiree health plan chosen for themselves and eligible dependents. Employer and employee required contributions are determined annually by plan as part of the City's annual budget. If the spouse or eligible dependents are on the plan at the time of the employee's retirement, they can remain on the plan, until which time they are no longer eligible.

**C. Non-Grandfathered Employees**

Employees who do not meet the eligibility requirements to stay on the plan will pay age-based premiums for the retiree health plan chosen for themselves and eligible dependents. These employees will participate in the City's retiree health savings plan.

## City of Bedford, Texas

### Notes to the Financial Statements

#### D. Policy Information

##### Retiree Health Plan Benefit Eligibility

To be eligible for retiree health benefits, employees must meet the following criteria:

- Any employee who is covered under the City's health plan at the effective date of (the employee's) retirement, who is less than age 65, and who meets the "retiree" definition (as described below) may elect to continue health insurance coverage under the plan.
- Employees who are eligible and elect to stay on the plan will be required to begin paying monthly premiums immediately upon retirement.
- Employees eligible for retiree health insurance may also continue coverage for any dependents following the employee's retirement, provided the dependents were covered under the employee's health insurance as of the effective date of the employee's retirement and the appropriate enrollment forms are completed within 30 days of retirement. Anyone electing this coverage must meet all of the eligibility rules of the plan.

NOTE: When a covered retiree's spouse is employed at the time the City of Bedford employee retires, an exception to this policy may be made. The spouse may elect coverage under the City's health plan if the spouse's employment ends or the spouse's employer discontinues coverage.

- Dependents who are covered under the retiree's health insurance at the time of the retiree's death may continue coverage as follows: (a) the spouse may continue coverage following the death of the retiree until such time as the spouse remarries, dies or reaches age 65 (b) any other eligible dependent(s), as defined by the City's self-funded plan, may continue to be covered under retiree health insurance as long as all eligibility requirements of the City's plan are met.

##### Retiree Health Plan Benefit Coverage

Retirees are able to maintain retiree coverage through the City until they reach age 65 (see section below). Retirees cannot drop the City's plan and re-elect retiree benefits at a later date unless they become re-employed by the City. If this is the case, they must re-enroll into the City's retiree insurance program within 30 days of the termination from the City's re-employment.

- Retirees are able to choose from and elect the same plans offered to active employees during open enrollment each year until they reach age 65.
- Retirees who decide to elect the City's retiree health benefits will pay either age based on blended premiums depending on their status as "grandfathered" or "non-grandfathered."
- Blended premiums blend the cost of providing health coverage to both active employees and retirees, will be based on the total employer/employee premium for the health plan as a whole, and will be determined annually during the budget process.

##### Retirees Age 65 or Older

Effective January 1, 2010, retirees who are Medicare eligible or age 65 or older will have access to a more cost effective and comparable Medicare Supplement or Medicare Advantage Plan and will no longer have access to the City's health plan. Retirees will continue to have access to the City's dental plan.

- Retirees who choose to obtain coverage elsewhere may later elect one of the City's Medicare Supplement or Medicare Advantage plans when they become eligible for Medicare.
- Retirees' dependents who are under 65 years of age will be able to maintain coverage through the City's health plan. Once a dependent reaches age 65, the dependent will no longer be able to access the City's health plan, but will be able to select either the Medicare Supplement or Medicare Advantage Plan which is less expensive than the current retiree premiums and is comparable to or offers a richer benefit than the City's health plan.

## City of Bedford, Texas

### Notes to the Financial Statements

- If the employee is 65 years of age or older, but is not Medicare eligible, the City will evaluate the cost of Medicare Part A premiums each year and determine whether the City will reimburse the employee for the purchase of Medicare Part A (on behalf of the retiree or whether to allow the retiree to pay the premium to stay on the City's health plan). Retirees in this situation will be notified of this determination at the end of each year for the following plan year.

#### **E. Applicability**

This policy applies to all regular full-time employees.

#### **F. Definitions**

Retiree — is defined as an employee who has effected retirement with the City and is eligible to retire according to the City's pension plan guidelines.

#### **G. Policy Authority**

The City Council authorizes this policy. The City's management team and Human Resources are responsible for interpreting and enforcing this policy.

#### **H. Implementation Procedures**

Employees eligible for retiree health insurance will be given written notification from Human Resources explaining their eligibility to elect retiree health insurance, the applicable premium rates for the type of coverage(s) they are eligible to continue and the procedures the employee must follow in order to elect retiree health insurance. They will also be given an election form on which to make their health insurance elections.

Employees eligible for retiree health insurance must complete the retiree health insurance election form and remit the appropriate premium payment as outlined in the retiree medical information packet within 30 days following the effective date of the employee's retirement; otherwise, the retiree will automatically forfeit his/her right to continue health insurance under this policy, except as provided by federal law.

Retirees who are not age 65 and who are eligible for and elect retiree coverage through the City will receive notification from the City's Human Resources Department of the discontinuation of their retiree coverage along with enrollment information for the Medicare Supplement and Medicare Advantage plans upon turning age 65.

#### **Termination of Retiree Health Plan Coverage**

Retiree health insurance will automatically terminate for the retiree and/or covered dependents upon the earliest of the following occurrences:

- The City ceases to provide group health insurance.
- Retiree/retiree's dependent(s) fail to remit the monthly premium payment to the City's Human Resources Department by the last day of each month.
- The retiree returns to active employment status with the City and becomes covered under a City sponsored health plan.
- Dependent(s) of the retiree cease to meet the eligibility requirements of the City's medical plan.

**Note 11. Other Post-Employment Benefits**

**A. Plan Description**

The City provides post-employment medical care (OPEB) for employees through a single-employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents through the City's group health insurance plans, which cover both active and retired members. The benefit levels and contribution rates are approved annually by the City management and the City Council as part of the budget process. Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

**B. Benefits Provided**

The City provides post-employment medical and dental care benefits to its retirees. Retirees who elect COBRA cannot later elect retiree coverage. To be eligible for coverage an employee must qualify under all three of the following:

- The retiree must have been covered for medical benefits under the City health plan as an employee immediately prior to termination of employment.
- Apply for pension benefits from TMRS in accordance with their requirements and deadlines, but in no event later than 90 days from termination of employment.
- Enroll for retiree health coverage within 30 days of the date of termination. Annual Funding Policy

The plan's premium rates are determined annually by City management and approved by the City Council as part of the annual budget. Members receiving PPO medical benefits contribute 50% — 80% per month for retiree-only coverage, 50% — 80% per month for retiree and spouse and 50% — 80% per month for retiree and family.

**C. Annual OPEB Costs**

The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB No. Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

**City of Bedford, Texas**  
Notes to the Financial Statements

The City's annual OPEB cost for the past three years and the related information is listed below:

	September 30,		
	2017	2016	2015
Annual required contribution	\$ 243,772	\$ 243,772	\$ 243,772
Interest on prior year net OPEB obligation	28,404	22,205	15,190
Adjustment to annual required contribution	(47,464)	(36,007)	(23,954)
	<u>224,712</u>	<u>229,970</u>	<u>235,008</u>
Annual OPEB cost			
Contributions made	(76,976)	(92,224)	(79,126)
	<u>147,736</u>	<u>137,746</u>	<u>155,882</u>
Increase in net OPEB obligation	147,736	137,746	155,882
Net obligation, beginning of year	<u>631,192</u>	<u>493,446</u>	<u>337,564</u>
<b>Net obligation, end of year</b>	<b><u>\$ 778,928</u></b>	<b><u>\$ 631,192</u></b>	<b><u>\$ 493,446</u></b>
Percentage of OPEB costs contributed	34%	40%	34%

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year are calculated using a 4.5% discount rate, and the Projected Unit Credit Cost method.

**D. Funded Status and Funding Progress**

The funded status of the plan as of actuarial measurement date of December 31, 2014, was as follows:

Actuarial accrued liability	2,827,600
Actuarial value of plan assets	<u>32,933</u>
<b>Unfunded actuarial accrued liability</b>	<b><u>\$ 2,794,667</u></b>
Funded ratio	1.2%
Covered payroll	2,717,304
Unfunded actuarial accrued liability as a percentage of covered payroll	102.8%

**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

## City of Bedford, Texas

### Notes to the Financial Statements

In the December 31, 2014, actuarial valuation, the Projected Unit Credit Cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 9.0% initially, reduced by decrements to an ultimate rate of 4.5% after a number of years. Both rates include a 3.0% inflation assumption. The actuarial value of the plan's assets was set equal to the reported market value of assets. The assets are allocated among the divisions based on liabilities valued at 4.5%. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2014, was 25 years.

#### **Note 12. Tax Abatements and Economic Incentive Agreements**

Tax Abatements under Chapter 312 of the Texas Tax Code and economic incentive agreements under Chapter 380 of the Texas Tax Code allow the City to negotiate tax abatement agreements and economic incentive agreements with applicants. These agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. Property taxes abated under these programs were \$25,588 in fiscal year 2017.

#### **Note 13. Commitments and Contingencies**

##### **A. Risk Management**

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City participates in the Texas Municipal League Intergovernmental Risk Pool (Risk Pool) to provide insurance for workers' compensation benefits, liability and property coverage.

At September 30, 2017, the Risk Pool was self-sustaining based on premiums charged, so that total contributions plus compounded earnings on these contributions will be sufficient to satisfy claims and liabilities and other expenses. Premiums are assessed based on the rates set by the Texas State Board of Insurance and may be adjusted, on an annual basis, by the Risk Pool's Board of Trustees for each participating political subdivision's experience. The City is not liable for payments beyond the annual contributions.

The Risk Pool has purchased stop-loss coverage to protect the assets of the pool from catastrophic losses. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years, and there have been no significant reductions in insurance coverage during the current year.

##### **B. Trinity River Authority of Texas**

In 1972, the City entered into a contract with the Trinity River Authority (TRA) for the purchase of water. The contract shall remain in effect until all bonds, including refunding bonds, have been paid.

Under the terms of the contract, the City is obligated to pay its proportional share of operating and maintenance expenses and debt service charges by the TRA based on the ratio of estimated water usage for the ensuing year to the total estimated water usage. Total purchases during fiscal year 2017 were \$7,542,646.

In 1973, the City entered into a 50-year contract with the TRA for the transportation, treatment, and disposal of sanitary sewage actually discharged and to share in the cost of operation and maintenance of the system. Total payments of \$3,613,778 were made in fiscal year 2017. Additionally, \$323,849 was spent with the City of Hurst for the transportation, treatment and disposal of sanitary sewage as well.

**City of Bedford, Texas**  
Notes to the Financial Statements

**C. Litigation**

Various claims and lawsuits are pending against the City. In the opinion of the City's legal counsel and management, the potential loss on all claims after insurance will not be significant to the City's financial statements.

**D. State and Federal Programs**

The City has received federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. In the opinion of management of the City, disallowed costs, if any, should not be material.

**Note 14. Prior Period Adjustment**

The restatement of fund balance and net position represents escrow development fees previously recorded as liabilities instead of recognized as revenue and restricted for future street and landscaping improvements. The effect of the correction on beginning fund balance for the General Fund and the Street and Drainage Fund are as follows:

	General Fund	Street and Drainage
Fund balance - October 1	\$ 12,300,198	\$ 1,859,639
Prior period adjustment	35,464	414,646
Fund balance - October 1, restated	<u>\$ 12,335,662</u>	<u>\$ 2,274,285</u>

The effect of the correction on beginning net position of Governmental Activities in the Government-Wide Statements is as follows:

	Governmental Activities
Net position - October 1	\$ 21,841,480
Prior period adjustment	450,110
Net position - October 1, restated	<u>\$ 22,291,590</u>

**Note 15. Subsequent Events**

In November 2017, the City issued \$20,000,000 of Combination Tax and Surplus Revenue Certificate of Obligation, Series 2017 for the purpose of improving and extending the City's waterworks system. The obligations are payable over the next 30 years bearing interest rates of 0.69-3.02%.

## **Required Supplementary Information**

**City of Bedford, Texas**  
 Schedule of Funding Progress  
 Post-employment Health Care Plan  
 September 30, 2017

Actuarial Valuation Date	Plan	Actuarial Value of Assets [1]	Actuarial Accrual Liability (AAL) [2]	Funded Ratio [3] [1]/[2]	Unfunded AAL (UAAL) [4] [2]-[1]	Covered Payroll [5]	UAAAL as a Percentage of Covered Payroll [6] [4]/[5]
12/31/2011	OPEB	27,970	\$ 1,138,070	2.5%	\$ 1,110,100	\$ 3,596,883	31%
12/31/2014	OPEB	32,933	2,827,600	1.2%	2,794,667	2,717,304	103%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with the perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Under the reporting parameters, the City's retiree health care plan is 1.2% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$2,794,667 at December 31, 2014. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 103%.

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

## City of Bedford, Texas

### Schedule of Changes in the City's Net Pension Liability and Related Ratios Last Three Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 1,588,982	\$ 2,515,193	2,676,451
Interest (on the Total Pension Liability)	1,439,551	1,643,314	1,866,228
Changes of benefit terms	1,308,563	-	-
Changes in assumptions	-	711,649	-
Difference between expected and actual experience	(233,110)	(368,820)	77,844
Benefit payments, including refunds of employee contributions	(335,835)	(359,420)	(460,701)
<b>Net change in total pension liability</b>	<b>3,768,151</b>	<b>4,141,916</b>	<b>4,159,822</b>
<b>Total pension liability - beginning</b>	<b>18,629,880</b>	<b>22,398,031</b>	<b>26,539,947</b>
<b>Total pension liability - ending (a)</b>	<b>22,398,031</b>	<b>26,539,947</b>	<b>30,699,769</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - employer	1,032,810	1,611,071	1,705,987
Contributions - employee	972,517	1,387,526	1,489,019
Net investment income	525,939	16,795	949,763
Benefit payments, including refunds of employee contributions	(335,835)	(359,420)	(460,701)
Administrative expense	(5,486)	(10,223)	(10,700)
Other	(451)	(505)	(577)
<b>Net change in plan fiduciary net position</b>	<b>2,189,494</b>	<b>2,645,244</b>	<b>3,672,791</b>
<b>Plan fiduciary net position - beginning</b>	<b>9,184,681</b>	<b>11,374,175</b>	<b>14,019,419</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>11,374,175</b>	<b>14,019,419</b>	<b>17,692,210</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$11,023,856</b>	<b>\$12,520,528</b>	<b>\$13,007,559</b>
Plan fiduciary net position as a percentage of total pension liability	50.78%	52.82%	57.63%
Covered employee payroll	\$19,450,346	\$21,351,384	\$21,258,547
City's net pension liability as a percentage of covered employee payroll	56.68%	58.64%	61.19%

#### Other Information:

No changes in assumptions.

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.

**City of Bedford, Texas**  
 Schedule of City Contributions  
 Last Three Fiscal Years

	2015	2016	2017
Actuarially determined contribution	\$ 1,399,303	\$ 1,680,982	\$ 1,924,529
Contributions in relation to the actuarially determined contribution	<u>1,399,303</u>	<u>1,680,982</u>	<u>1,924,529</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	<u>\$ 23,602,275</u>	<u>\$ 22,649,265</u>	<u>\$ 22,147,313</u>
Contributions as a percentage of covered employee payroll	5.93%	7.42%	8.69%

**Note to schedule:**

Valuation Date: December 31, 2016

Actuarial determined contribution rates are calculated as of December 31st, each year and become effective in January, 13 months and a day later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 – 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

There were no benefit changes during the year.

**City of Bedford, Texas**  
 Budgetary Comparison Schedule General Fund  
 Year Ended September 30, 2017

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes, penalty and interest	\$ 22,914,835	\$ 22,914,835	\$ 22,714,729	\$ (200,106)
Licenses, permits, and fees	683,750	683,750	982,054	298,304
Charges for services	4,186,980	4,186,980	3,067,148	(1,119,832)
Fines and forfeits	1,760,000	1,760,000	1,510,112	(249,888)
Support from other governmental entities	293,490	293,490	423,060	129,570
Interest	27,850	27,850	131,972	104,122
Miscellaneous	146,900	146,900	124,018	(22,882)
<b>Total revenues</b>	<b>30,013,805</b>	<b>30,013,805</b>	<b>28,953,093</b>	<b>(1,060,712)</b>
<b>EXPENDITURES</b>				
General government				
City Council	224,390	224,390	126,131	98,259
City Manager	656,598	656,598	870,391	(213,793)
City Secretary	248,703	248,703	261,742	(13,039)
Information systems	708,342	708,342	657,672	50,670
Human Resources	427,181	427,181	419,349	7,832
<b>Total general government</b>	<b>2,265,214</b>	<b>2,265,214</b>	<b>2,335,285</b>	<b>(70,071)</b>
Community services				
Economic development	220,895	220,895	184,768	36,127
Planning and zoning	378,992	378,992	363,114	15,878
<b>Total community services</b>	<b>599,887</b>	<b>599,887</b>	<b>547,882</b>	<b>52,005</b>
Public services				
Facilities maintenance	752,889	752,889	666,175	86,714
Maintenance services	339,011	339,011	290,538	48,473
Streets	1,201,205	1,201,205	954,672	246,533
<b>Total public services</b>	<b>2,293,105</b>	<b>2,293,105</b>	<b>1,911,385</b>	<b>381,720</b>
Administrative services				
Finance	566,089	566,089	548,186	17,903
Nondepartmental	1,146,500	1,146,500	1,229,860	(83,360)
Municipal court	678,891	678,891	646,522	32,369
Teen court	182,886	182,886	133,447	49,439
<b>Total administrative services</b>	<b>2,574,366</b>	<b>2,574,366</b>	<b>2,558,015</b>	<b>16,351</b>

**City of Bedford, Texas**

Budgetary Comparison Schedule General Fund – Continued

Year Ended September 30, 2017

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Public safety				
Administration	926,861	926,861	929,682	(2,821)
Animal control	405,376	405,376	381,370	24,006
Criminal investigation division	1,753,193	1,753,193	1,598,034	155,159
Community services	921,877	921,877	901,859	20,018
Code compliance	505,225	505,225	388,936	116,289
SWAT	16,090	16,090	17,227	(1,137)
Patrol	4,495,081	4,495,081	4,593,816	(98,735)
Traffic	857,144	857,144	757,307	99,837
Dispatch	824,846	824,846	818,823	6,023
Jail	876,812	876,812	781,676	95,136
Records	438,085	438,085	409,445	28,640
Repeat victimization unit	313,373	313,373	311,400	1,973
Fire operations	8,083,484	8,083,484	8,130,853	(47,369)
Total public safety	<u>20,417,447</u>	<u>20,417,447</u>	<u>20,020,428</u>	<u>397,019</u>
Leisure services				
Library	1,579,435	1,579,435	1,479,464	99,971
Parks	1,477,479	1,477,479	1,422,858	54,621
Recreation	644,552	644,552	633,808	10,744
Senior citizens	280,241	280,241	274,231	6,010
Splash	417,831	417,831	418,484	(653)
Total leisure services	<u>4,399,538</u>	<u>4,399,538</u>	<u>4,228,845</u>	<u>170,693</u>
Capital outlay	253,700	253,700	739,778	(486,078)
Debt service	-	-	188,835	(188,835)
Total expenditures	<u>32,803,257</u>	<u>32,803,257</u>	<u>32,530,453</u>	<u>272,804</u>
Excess (deficiency) of revenues over expenditures	<u>(2,789,452)</u>	<u>(2,789,452)</u>	<u>(3,577,360)</u>	<u>(787,908)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,931,284	2,931,284	2,826,384	(104,900)
Proceeds from capital leases	-	-	323,221	323,221
Proceeds from sale of capital asset	5,000	5,000	8,329	3,329
Insurance proceeds	15,000	15,000	23,290	8,290
Total other financing sources (uses)	<u>2,951,284</u>	<u>2,951,284</u>	<u>3,181,224</u>	<u>229,940</u>
<b>NET CHANGES IN FUND BALANCE</b>	<u>161,832</u>	<u>161,832</u>	<u>(396,136)</u>	<u>(557,968)</u>
<b>FUND BALANCE, BEGINNING OF YEAR, RESTATED</b>	<u>12,335,662</u>	<u>12,335,662</u>	<u>12,335,662</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 12,497,494</u>	<u>\$ 12,497,494</u>	<u>\$ 11,939,526</u>	<u>\$ (557,968)</u>

**City of Bedford, Texas**  
 Budgetary Comparison Schedule  
 Economic Development 4B Fund  
 Year Ended September 30, 2017

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes, penalty and interest	\$ 2,732,650	\$ 2,732,650	\$ 2,776,931	\$ 44,281
Interest	8,000	8,000	31,517	23,517
Total revenues	2,740,650	2,740,650	2,808,448	67,798
<b>EXPENDITURES</b>				
Current				
Public services	1,761,590	1,761,590	1,026,087	735,503
Capital outlay	2,038,050	2,038,050	232,489	1,805,561
Total expenditures	3,799,640	3,799,640	1,258,576	2,541,064
Excess (deficiency) of revenues over expenditures	(1,058,990)	(1,058,990)	1,549,872	2,608,862
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,391,600)	(1,391,600)	(1,391,872)	(272)
Insurance proceeds	-	-	19,297	19,297
Total other financing sources (uses)	(1,391,600)	(1,391,600)	(1,372,575)	19,025
<b>NET CHANGES IN FUND BALANCE</b>	(2,450,590)	(2,450,590)	177,297	2,627,887
<b>FUND BALANCE, BEGINNING OF YEAR</b>	3,612,967	3,612,967	3,612,967	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,162,377</u>	<u>\$ 1,162,377</u>	<u>\$ 3,790,264</u>	<u>\$ 2,627,887</u>

## **City of Bedford, Texas**

Notes to Required Supplementary Information

September 30, 2017

### **Stewardship, Compliance and Accountability**

#### **Budgetary Information**

Annual budgets are adopted for the General, Debt Service, Court Security, Court Technology, Drug Forfeiture, Tourism Development, Park Donation, Bedford Beautification, Economic Development, Red Light Cameras and Public Safety Training funds using the modified accrual basis of accounting.

The City Council follows these procedures in establishing budgetary data reflected in the financial statements:

- Prior to August 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to September 30, the budget is legally enacted through passage of an ordinance.
- The City Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council after public hearings.
- All unexpended appropriations lapse at year-end.

# Combining Fund Statements and Schedules

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

**Special Revenue Funds** are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The City's nonmajor special revenue funds are as follows:

**Miscellaneous Donations Fund** – This fund is used to account for miscellaneous designated contributions from citizens and other governments.

**Court Security Fund** – This fund accounts for monies collected under state statute designated to provide security for the Municipal Court facilities.

**Court Technology Fund** – This fund is used for monies collected under state statute designed to provide increased technology for the Municipal Court facilities.

**Park Donation Fund** – This fund is used for contributions from citizens designated for park improvements.

**Drug Forfeiture Fund** – This fund accounts for monies received from participation in federal drug enforcement activities.

**Bedford Beautification Fund** – This fund accounts for revenue and expenditures related to various citywide beautification programs proposed by the City's Beautification Commission.

**Public Safety Training Fund** – This fund accounts for funds received from state surplus to be used for police training.

**Tourism Development Fund** – This fund accounts for hotel/motel taxes received.

**Red Light Cameras Fund** – This fund accounts for revenues generated from red light camera fines.

**NETCO/Motorola Rebanding Fund**– This fund accounts for the City's portion of proceeds received from Motorola for Northeast Tarrant County Trunked Radio Consortium (NETCO). Resolution No. 07-53.

**Various Grants Fund**– This fund accounts for revenues and expenditures from multiple grants, the majority of which pertain to energy conservation.

### **Capital Projects Funds**

**Capital Projects Funds** are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**Street and Drainage Fund**– to account for construction projects funded by developer agreements and assessments.

**Capital Projects Fund**– to account for construction projects funded from major resources such as general obligation bonds, certificates of obligation, short-term obligations and operating funds for governmental purposes.

**City of Bedford, Texas**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2017

	Special Revenue Funds					
	Miscellaneous Donation	Court Security	Court Technology	Park Donation	Drug Forfeiture	Bedford Beautification
<b>ASSETS</b>						
Cash and cash equivalents	\$ 69,587	\$ 927	\$ 34,356	\$ 64,804	\$ 83,741	\$ 55,381
Investments	-	-	50,851	-	-	-
Receivables						
Accounts	87	-	287	564	-	-
Other	-	-	-	-	-	-
	<u>69,674</u>	<u>927</u>	<u>85,494</u>	<u>65,368</u>	<u>83,741</u>	<u>55,381</u>
Total Assets						
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities						
Accounts and contract payable	5,274	-	170	-	18	125
Escrow	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
	<u>5,274</u>	<u>-</u>	<u>170</u>	<u>-</u>	<u>18</u>	<u>125</u>
Total Liabilities						
Deferred inflows of resources						
Unavailable revenue	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Restricted for						
Street and drainage improvements	-	-	-	-	-	-
Capital acquisition and construction	-	-	-	-	-	-
Public safety	-	927	85,324	-	83,723	-
Parks and beautification	-	-	-	65,368	-	55,256
Economic development	-	-	-	-	-	-
Other	64,400	-	-	-	-	-
	<u>64,400</u>	<u>927</u>	<u>85,324</u>	<u>65,368</u>	<u>83,723</u>	<u>55,256</u>
Total Fund Balances						
	<u>\$ 69,674</u>	<u>\$ 927</u>	<u>\$ 85,494</u>	<u>\$ 65,368</u>	<u>\$ 83,741</u>	<u>\$ 55,381</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>						

Special Revenue Funds					Capital Projects Fund		Total Nonmajor Governmental Funds
Public Safety Training	Tourism Development	Red Light Cameras	NETCO/ Motorola Rebanding	Various Grants	Street and Drainage	Capital Projects	
\$ 25,943	\$ 712,332	\$ 15,021	\$ 3,815	\$ -	\$ 1,127,046	\$ 844,271	\$ 3,037,224
-	-	-	-	-	1,263,256	-	1,314,107
-	112,234	-	-	-	2,080	-	115,252
-	-	10,846	-	28,749	241,646	-	281,241
<b>25,943</b>	<b>824,566</b>	<b>25,867</b>	<b>3,815</b>	<b>28,749</b>	<b>2,634,028</b>	<b>844,271</b>	<b>4,747,824</b>
551	149,254	10,558	-	3,297	-	16,000	185,247
-	-	-	-	-	-	-	-
-	-	-	-	25,452	-	-	25,452
-	-	-	-	-	-	-	-
<b>551</b>	<b>149,254</b>	<b>10,558</b>	<b>-</b>	<b>28,749</b>	<b>-</b>	<b>16,000</b>	<b>210,699</b>
-	-	-	-	-	241,646	-	241,646
-	-	-	-	-	2,392,382	-	2,392,382
-	-	-	-	-	-	828,271	828,271
25,392	-	15,309	-	-	-	-	210,675
-	-	-	-	-	-	-	120,624
-	675,312	-	-	-	-	-	675,312
-	-	-	3,815	-	-	-	68,215
<b>25,392</b>	<b>675,312</b>	<b>15,309</b>	<b>3,815</b>	<b>-</b>	<b>2,392,382</b>	<b>828,271</b>	<b>4,295,479</b>
<b>\$ 25,943</b>	<b>\$ 824,566</b>	<b>\$ 25,867</b>	<b>\$ 3,815</b>	<b>\$ 28,749</b>	<b>\$ 2,634,028</b>	<b>\$ 844,271</b>	<b>\$ 4,747,824</b>

**City of Bedford, Texas**  
Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended September 30, 2017

	Special Revenue Funds					
	Miscellaneous Donation	Court Security	Court Technology	Park Donation	Drug Forfeiture	Bedford Beautification
<b>REVENUES</b>						
Taxes, penalty and interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Fines and forfeitures	-	30,954	41,265	-	-	-
Support from governmental entities	-	-	-	-	10,076	-
Interest	637	4	1,519	566	714	498
Miscellaneous	64,543	-	-	23,568	-	10,020
<b>Total revenues</b>	<b>65,180</b>	<b>30,958</b>	<b>42,784</b>	<b>24,134</b>	<b>10,790</b>	<b>10,518</b>
<b>EXPENDITURES</b>						
Current						
Community services	-	-	-	-	-	-
Public safety	21,555	-	-	-	27,820	-
Administrative services	1,718	-	100,125	-	-	-
Leisure services	17,652	-	-	17,465	-	5,886
Capital outlay	24,489	-	-	-	-	-
Debt service						
Interest and fiscal agent fees	-	-	-	-	-	-
<b>Total expenditures</b>	<b>65,414</b>	<b>-</b>	<b>100,125</b>	<b>17,465</b>	<b>27,820</b>	<b>5,886</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(234)</b>	<b>30,958</b>	<b>(57,341)</b>	<b>6,669</b>	<b>(17,030)</b>	<b>4,632</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of bonds	-	-	-	-	-	-
Transfers out	-	(30,100)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(30,100)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>(234)</b>	<b>858</b>	<b>(57,341)</b>	<b>6,669</b>	<b>(17,030)</b>	<b>4,632</b>
<b>FUND BALANCE, BEGINNING OF YEAR, RESTATED</b>	<b>64,634</b>	<b>69</b>	<b>142,665</b>	<b>58,699</b>	<b>100,753</b>	<b>50,624</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 64,400</b>	<b>\$ 927</b>	<b>\$ 85,324</b>	<b>\$ 65,368</b>	<b>\$ 83,723</b>	<b>\$ 55,256</b>

Special Revenue Funds					Capital Projects Fund		Total Nonmajor Governmental Funds
Public Safety Training	Tourism Development	Red Light Cameras	NETCO/ Motorola Rebanding	Various Grants	Street and Drainage	Capital Projects	
\$ -	1,070,774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,070,774
-	-	-	-	-	74,273	-	74,273
-	265,715	-	-	-	-	-	265,715
-	-	140,563	-	-	19,431	-	232,213
6,332	-	-	-	154,666	-	100,000	271,074
225	6,385	175	34	-	24,393	11,035	46,185
-	1,656	-	-	-	-	-	99,787
<u>6,557</u>	<u>1,344,530</u>	<u>140,738</u>	<u>34</u>	<u>154,666</u>	<u>118,097</u>	<u>111,035</u>	<u>2,060,021</u>
-	1,196,902	-	-	-	-	-	1,196,902
4,714	-	138,331	-	30,851	-	-	223,271
-	-	-	-	-	-	-	101,843
-	-	-	-	36,613	-	-	77,616
-	276,193	-	-	87,202	-	1,557,811	1,945,695
-	-	-	-	-	-	13,960	13,960
<u>4,714</u>	<u>1,473,095</u>	<u>138,331</u>	<u>-</u>	<u>154,666</u>	<u>-</u>	<u>1,571,771</u>	<u>3,559,287</u>
<u>1,843</u>	<u>(128,565)</u>	<u>2,407</u>	<u>34</u>	<u>-</u>	<u>118,097</u>	<u>(1,460,736)</u>	<u>(1,499,266)</u>
-	-	-	-	-	-	1,105,000	1,105,000
-	(98,590)	-	-	-	-	-	(128,690)
-	(98,590)	-	-	-	-	1,105,000	976,310
1,843	(227,155)	2,407	34	-	118,097	(355,736)	(522,956)
<u>23,549</u>	<u>902,467</u>	<u>12,902</u>	<u>3,781</u>	<u>-</u>	<u>2,274,285</u>	<u>1,184,007</u>	<u>4,818,435</u>
<u>\$ 25,392</u>	<u>\$ 675,312</u>	<u>\$ 15,309</u>	<u>\$ 3,815</u>	<u>\$ -</u>	<u>\$ 2,392,382</u>	<u>\$ 828,271</u>	<u>\$ 4,295,479</u>

## Nonmajor Governmental Funds

### Special Revenue Funds

Annual budgets are adopted using the modified accrual basis of accounting for the following funds.

**City of Bedford, Texas**

Individual Schedules of Revenues, Expenditures and  
 Changes in Fund Balances – Budget and Actual  
 Nonmajor Special Revenue Funds  
 Year Ended September 30, 2017

	<b>Court Security</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Budget</b>
<b>REVENUES</b>				
Taxes, penalty and interest	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-
Fines and forfeitures	40,000	40,000	30,954	(9,046)
Support from governmental entities	-	-	-	-
Interest	-	-	4	4
Miscellaneous	-	-	-	-
	<u>40,000</u>	<u>40,000</u>	<u>30,958</u>	<u>(9,042)</u>
Total revenues				
<b>EXPENDITURES</b>				
Current				
Community services	-	-	-	-
Public safety	-	-	-	-
Administrative services	-	-	-	-
Leisure services	-	-	-	-
Capital outlay	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures				
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	40,000	40,000	30,958	(9,042)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(40,000)	(40,000)	(30,100)	9,900
	<u>(40,000)</u>	<u>(40,000)</u>	<u>(30,100)</u>	<u>9,900</u>
Total other financing sources (uses)				
<b>NET CHANGES IN FUND BALANCE</b>	-	-	858	858
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>69</u>	<u>69</u>	<u>69</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 69</u>	<u>\$ 69</u>	<u>\$ 927</u>	<u>\$ 858</u>

Court Technology				Park Donation			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
50,000	50,000	41,265	(8,735)	-	-	-	-
-	-	-	-	-	-	-	-
200	200	1,519	1,319	125	125	566	441
-	-	-	-	14,000	14,000	23,568	9,568
<u>50,200</u>	<u>50,200</u>	<u>42,784</u>	<u>(7,416)</u>	<u>14,125</u>	<u>14,125</u>	<u>24,134</u>	<u>10,009</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
39,180	39,180	100,125	(60,945)	-	-	-	-
-	-	-	-	10,000	10,000	17,465	(7,465)
<u>64,540</u>	<u>64,540</u>	<u>-</u>	<u>64,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>103,720</u>	<u>103,720</u>	<u>100,125</u>	<u>3,595</u>	<u>10,000</u>	<u>10,000</u>	<u>17,465</u>	<u>(7,465)</u>
(53,520)	(53,520)	(57,341)	(3,821)	4,125	4,125	6,669	2,544
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(53,520)	(53,520)	(57,341)	(3,821)	4,125	4,125	6,669	2,544
<u>142,665</u>	<u>142,665</u>	<u>142,665</u>	<u>-</u>	<u>58,699</u>	<u>58,699</u>	<u>58,699</u>	<u>-</u>
<u>\$ 89,145</u>	<u>\$ 89,145</u>	<u>\$ 85,324</u>	<u>\$ (3,821)</u>	<u>\$ 62,824</u>	<u>\$ 62,824</u>	<u>\$ 65,368</u>	<u>\$ 2,544</u>

**City of Bedford, Texas**

Individual Schedule of Revenues, Expenditures and  
 Changes in Fund Balances – Budget and Actual  
 Nonmajor Special Revenue Funds – Continued  
 Year Ended September 30, 2017

	<b>Bedford Beautification</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Budget</b>
<b>REVENUES</b>				
Taxes, penalty and interest	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-
Fines and forfeitures	-	-	-	-
Support from governmental entities	-	-	-	-
Interest	150	150	498	348
Miscellaneous	10,000	10,000	10,020	20
	<u>10,150</u>	<u>10,150</u>	<u>10,518</u>	<u>368</u>
Total revenues				
<b>EXPENDITURES</b>				
Current				
Community services	-	-	-	-
Public safety	-	-	-	-
Administrative services	-	-	-	-
Leisure services	10,000	10,000	5,886	4,114
Capital outlay	-	-	-	-
	<u>10,000</u>	<u>10,000</u>	<u>5,886</u>	<u>4,114</u>
Total expenditures				
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	150	150	4,632	4,482
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
<b>NET CHANGES IN FUND BALANCE</b>	150	150	4,632	4,482
<b>FUND BALANCE, BEGINNING OF YEAR</b>	50,624	50,624	50,624	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 50,774</u>	<u>\$ 50,774</u>	<u>\$ 55,256</u>	<u>\$ 4,482</u>

Public Safety Training				Tourism Development			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
\$ -	\$ -	\$ -	\$ -	\$ 950,000	\$ 950,000	\$1,070,774	\$ 120,774
-	-	-	-	393,450	393,450	265,715	(127,735)
-	-	-	-	-	-	-	-
5,900	5,900	6,332	432	-	-	-	-
50	50	225	175	2,000	2,000	6,385	4,385
-	-	-	-	150	150	1,656	1,506
<u>5,950</u>	<u>5,950</u>	<u>6,557</u>	<u>607</u>	<u>1,345,600</u>	<u>1,345,600</u>	<u>1,344,530</u>	<u>(1,070)</u>
-	-	-	-	1,190,788	1,190,788	1,196,902	(6,114)
3,150	3,150	4,714	(1,564)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	276,193	(276,193)
<u>3,150</u>	<u>3,150</u>	<u>4,714</u>	<u>(1,564)</u>	<u>1,190,788</u>	<u>1,190,788</u>	<u>1,473,095</u>	<u>(282,307)</u>
2,800	2,800	1,843	(957)	154,812	154,812	(128,565)	(283,377)
-	-	-	-	(98,590)	(98,590)	(98,590)	-
-	-	-	-	(98,590)	(98,590)	(98,590)	-
2,800	2,800	1,843	(957)	56,222	56,222	(227,155)	(283,377)
<u>23,549</u>	<u>23,549</u>	<u>23,549</u>	<u>-</u>	<u>902,467</u>	<u>902,467</u>	<u>902,467</u>	<u>-</u>
<u>\$ 26,349</u>	<u>\$ 26,349</u>	<u>\$ 25,392</u>	<u>\$ (957)</u>	<u>\$ 958,689</u>	<u>\$ 958,689</u>	<u>\$ 675,312</u>	<u>\$ (283,377)</u>

**City of Bedford, Texas**

Individual Schedules of Revenues, Expenditures and  
 Changes in Fund Balances – Budget and Actual  
 Nonmajor Special Revenue Funds – Continued  
 Year Ended September 30, 2017

	<b>Red Light Cameras</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Budget</b>
<b>REVENUES</b>				
Taxes, penalty and interest	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-
Fines and forfeitures	100,000	100,000	140,563	40,563
Support from governmental entities	-	-	-	-
Interest	-	-	175	175
Miscellaneous	-	-	-	-
	<u>100,000</u>	<u>100,000</u>	<u>140,738</u>	<u>40,738</u>
Total revenues				
<b>EXPENDITURES</b>				
Current				
Community services	-	-	-	-
Public safety	71,796	71,796	138,331	(66,535)
Administrative services	-	-	-	-
Leisure services	-	-	-	-
Capital outlay	-	-	-	-
	<u>71,796</u>	<u>71,796</u>	<u>138,331</u>	<u>(66,535)</u>
Total expenditures				
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	28,204	28,204	2,407	(25,797)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
<b>NET CHANGES IN FUND BALANCE</b>	28,204	28,204	2,407	(25,797)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	12,902	12,902	12,902	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 41,106</u>	<u>\$ 41,106</u>	<u>\$ 15,309</u>	<u>\$ (25,797)</u>

## **Debt Service Fund**

**Debt Service Fund** is used to account for the accumulation of resources for the repayment of long-term debt.

**City of Bedford, Texas**

Schedule of Revenues, Expenditures and Changes  
in Fund Balance – Budget and Actual  
Debt Service Fund  
Year Ended September 30, 2017

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes, penalty and interest	\$ 5,242,848	\$ 5,242,848	\$ 5,242,846	\$ (2)
Interest	5,000	5,000	18,126	13,126
Total revenues	5,247,848	5,247,848	5,260,972	13,124
<b>EXPENDITURES</b>				
Principal retirement	5,730,000	5,730,000	5,740,000	(10,000)
Interest and fiscal agent fees	905,348	905,348	883,760	21,588
Total expenditures	6,635,348	6,635,348	6,623,760	11,588
Excess (deficiency) of revenues over expenditures	(1,387,500)	(1,387,500)	(1,362,788)	24,712
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,391,600	1,391,600	1,391,872	272
<b>NET CHANGES IN FUND BALANCE</b>	4,100	4,100	29,084	24,984
<b>FUND BALANCE, BEGINNING OF YEAR</b>	944,473	944,473	944,473	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 948,573</u>	<u>\$ 948,573</u>	<u>\$ 973,557</u>	<u>\$ 24,984</u>

## **Statistical Section (Unaudited)**

## Statistical Section

This part of the City of Bedford's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. The tables herein, are unaudited.

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#### **Debt Capacity**

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#### **Operating Information**

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Sources: Unless otherwise noted, the information in these schedules are derived from Comprehensive Annual Financial Reports for the relevant year.

# Financial Trends

**City of Bedford, Texas**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 1**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015*	2016**	2017
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 14,984,593	\$ 15,746,263	\$ 15,639,418	\$ 18,342,224	\$ 18,908,115	\$ 14,323,066	\$ 10,378,086	\$ 12,689,825	\$ 16,607,993	\$ 16,730,480
Restricted	9,252,835	8,175,954	7,306,010	3,638,843	5,213,292	8,426,186	6,081,351	6,583,532	9,411,339	9,064,137
Unrestricted	11,143,963	6,437,967	6,795,025	4,537,414	1,035,005	(20,696)	5,653,694	(3,086,535)	(3,727,742)	(2,199,969)
<b>Total governmental activities net position</b>	<b>\$ 35,381,391</b>	<b>\$ 30,360,184</b>	<b>\$ 29,740,453</b>	<b>\$ 26,518,481</b>	<b>\$ 25,156,412</b>	<b>\$ 22,728,556</b>	<b>\$ 22,113,131</b>	<b>\$ 16,186,822</b>	<b>\$ 22,291,590</b>	<b>\$ 23,594,648</b>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 25,633,370	\$ 27,674,312	\$ 26,993,812	\$ 26,915,595	\$ 25,139,719	\$ 20,170,192	\$ 32,812,435	\$ 33,942,144	\$ 34,388,626	\$ 35,250,028
Restricted	574,491	576,397	576,397	-	-	-	158,872	-	-	6,691
Unrestricted	3,846,498	985,709	1,547,031	3,806,277	7,136,012	11,845,248	5,256,555	4,062,030	4,454,409	5,088,590
<b>Total business-type activities, net position</b>	<b>\$ 30,054,359</b>	<b>\$ 29,236,418</b>	<b>\$ 29,117,240</b>	<b>\$ 30,721,872</b>	<b>\$ 32,275,731</b>	<b>\$ 32,015,440</b>	<b>\$ 38,227,862</b>	<b>\$ 38,004,174</b>	<b>\$ 38,843,035</b>	<b>\$ 40,345,309</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 40,617,963	\$ 43,420,575	\$ 42,633,230	\$ 45,257,819	\$ 44,047,834	\$ 34,493,258	\$ 43,190,521	\$ 46,631,969	\$ 50,996,619	\$ 51,980,508
Restricted	9,827,326	8,752,351	7,882,407	3,638,843	5,213,292	8,426,186	6,240,223	6,583,532	9,411,339	9,070,828
Unrestricted	14,990,461	7,423,676	8,342,056	8,343,691	8,171,017	11,824,552	10,910,249	975,495	726,667	2,888,621
<b>Total primary government net position</b>	<b>\$ 65,435,750</b>	<b>\$ 59,596,602</b>	<b>\$ 58,857,693</b>	<b>\$ 57,240,353</b>	<b>\$ 57,432,143</b>	<b>\$ 54,743,996</b>	<b>\$ 60,340,993</b>	<b>\$ 54,190,996</b>	<b>\$ 61,134,625</b>	<b>\$ 63,939,957</b>

\*Amounts for 2015 were restated from the effects of GASB Statement No. 68

\*\*Amounts for 2016 were restated to reflect the effects of prior period adjustment as described in Note 14.

**City of Bedford, Texas**  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	Fiscal Year		
	2008	2009	2010
<b>Expenses</b>			
Governmental activities			
General government and administration	\$ 3,824,933	\$ 4,184,723	\$ 4,117,515
Community services	1,847,222	2,270,248	1,883,752
Public services	10,375,836	8,185,269	9,038,955
Public safety	17,811,789	19,499,698	18,500,766
Leisure services	4,181,914	4,191,990	4,100,548
Interest expense	2,415,600	2,254,217	2,140,046
Total governmental activities expense	40,457,294	40,586,145	39,781,582
Business-type activities			
Water and sewer services	14,178,331	13,999,365	15,094,351
Stormwater collection and disposal	722,489	716,601	731,109
Total business-type activities expenses	14,900,820	14,715,966	15,825,460
Total primary government program expenses	\$ 55,358,114	\$ 55,302,111	\$ 55,607,042
<b>Program Revenues</b>			
Governmental activities			
Charges for services			
General government and administration	\$ 123,753	\$ 98,178	\$ 90,428
Community services	613,936	266,293	405,255
Public services	154,155	180,998	210,354
Public safety	3,868,960	3,314,907	3,472,196
Leisure services	898,200	1,105,972	1,001,728
Operating grants and contributions	666,150	735,473	3,092,958
Capital grants and contributions	-	-	-
Total governmental activities program revenues	6,325,154	5,701,821	8,272,919
Business-type activities			
Charges for services			
Water and sewer services	13,250,970	14,539,710	16,104,703
Stormwater collection and disposal	1,308,828	1,291,800	1,291,249
Capital grants and contributions	300,648	71,486	267,469
Total business-type activities program revenues	14,860,446	15,902,996	17,663,421
Total primary government program revenues	\$ 21,185,600	\$ 21,604,817	\$ 25,936,340

Table 2

Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
\$ 3,906,050	\$ 4,796,677	\$ 4,688,432	\$ 5,688,961	\$ 5,393,564	\$ 5,429,870	\$ 5,172,343
1,848,795	1,986,123	2,017,011	1,549,075	1,744,633	1,876,441	1,811,320
8,876,104	8,354,007	3,486,148	3,431,383	3,655,287	5,983,295	5,421,724
18,358,228	17,292,190	22,828,761	23,669,141	22,264,933	20,780,556	22,016,970
4,754,190	3,690,814	3,765,867	3,823,403	4,068,948	4,364,247	5,418,465
2,213,384	2,169,120	1,724,511	1,288,725	1,301,208	932,371	750,473
39,956,751	38,288,931	38,510,730	39,450,688	38,428,573	39,366,781	40,591,295
16,294,807	15,112,250	15,645,261	16,560,909	16,746,182	17,510,256	18,565,424
950,760	1,336,366	1,256,126	926,258	956,824	874,192	873,153
17,245,567	16,448,616	16,901,387	17,487,167	17,703,006	18,384,448	19,438,577
\$ 57,202,318	\$ 54,737,547	\$ 55,412,117	\$ 56,937,855	\$ 56,131,579	\$ 57,751,229	\$ 60,029,872
\$ 88,135	\$ 84,733	\$ 76,647	\$ 86,874	\$ 159,473	\$ 91,702	\$ 92,875
1,061,313	652,376	358,167	586,449	274,561	310,534	330,216
1,362,564	1,687,163	218,646	261,846	1,111,453	1,102,811	934,551
2,541,942	2,386,756	3,374,638	4,083,939	4,227,029	3,837,145	4,030,313
1,129,453	1,174,702	1,158,956	1,210,305	1,126,884	1,158,145	1,091,945
711,749	599,111	610,603	599,930	61,067	41,653	24,828
1,695,184	44,102	-	93,556	79,783	135,258	511,184
8,590,340	6,628,943	5,797,657	6,922,899	7,040,250	6,677,248	7,015,912
19,811,255	18,915,135	17,908,621	18,607,795	19,102,535	20,267,092	20,995,798
1,290,285	1,291,856	1,290,624	1,312,932	1,302,656	1,303,734	1,660,438
26,446	147,360	-	6,263,044	325,496	162,647	625,677
21,127,986	20,354,351	19,199,245	26,183,771	20,730,687	21,733,473	23,281,913
\$ 29,718,326	\$ 26,983,294	\$ 24,996,902	\$ 33,106,670	\$ 27,770,937	\$ 28,410,721	\$ 30,297,825

**City of Bedford, Texas**

Changes in Net Position – Continued  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	Fiscal Year		
	2008	2009	2010
<b>Net (Expense) Revenues</b>			
Governmental activities	\$ (34,132,140)	\$(34,884,324)	\$(31,508,663)
Business-type activities	(40,374)	1,187,030	1,837,961
	<hr/>		
Total primary government net expense	(34,172,514)	(33,697,294)	(29,670,702)
	<hr/>		
<b>General Revenues and Other</b>			
<b>Changes in Net Position</b>			
Governmental activities			
Taxes			
Property	13,227,183	13,486,685	13,714,212
Sales	9,691,349	9,360,239	9,531,017
Franchise and occupancy	3,195,320	3,407,455	3,278,385
Other	866,468	753,160	869,071
Unrestricted grants and contributions	33,737	35,973	34,631
Investment earnings	793,585	344,023	151,108
Miscellaneous	407,004	423,658	229,001
Transfers	2,033,117	2,051,924	2,086,467
	<hr/>		
Total governmental activities	30,247,763	29,863,117	29,893,892
	<hr/>		
Business-type activities			
Investment earnings	226,378	46,935	17,046
Miscellaneous	-	-	112,282
Transfers	(2,033,117)	(2,051,924)	(2,086,467)
	<hr/>		
Total business-type activities	(1,806,739)	(2,004,989)	(1,957,139)
	<hr/>		
Total primary government	28,441,024	27,858,128	27,936,753
	<hr/>		
<b>Change in Net Position</b>			
Government activities	(3,884,377)	(5,021,207)	(1,614,771)
Business-type activities	(1,847,113)	(817,959)	(119,178)
	<hr/>		
Total primary government	\$ (5,731,490)	\$ (5,839,166)	\$ (1,733,949)
	<hr/> <hr/>		

Table 2

Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
\$(31,366,411)	\$(31,659,988)	\$(32,713,073)	\$(32,527,789)	\$(31,388,323)	\$(32,689,533)	\$(33,575,383)
3,882,419	3,905,735	2,297,858	8,696,604	3,027,681	3,349,025	3,843,336
(27,483,992)	(27,754,253)	(30,415,215)	(23,831,185)	(28,360,642)	(29,340,508)	(29,732,047)
13,968,871	13,735,255	14,488,399	14,297,275	14,543,198	15,507,727	16,273,095
9,060,295	9,363,047	9,629,427	9,985,658	11,048,748	10,787,539	10,905,398
3,405,709	3,325,941	3,338,307	3,584,311	3,555,243	3,432,957	3,331,500
919,452	875,838	901,956	1,028,447	1,236,319	1,358,741	1,070,774
34,355	-	-	-	-	-	231,388
131,541	26,459	33,521	43,393	45,552	86,353	227,800
451,896	594,715	535,474	466,677	425,314	4,526,458	140,792
2,336,631	2,376,664	2,414,451	2,506,603	2,479,790	2,644,416	2,697,694
30,308,750	30,297,919	31,341,535	31,912,364	33,334,164	38,344,191	34,878,441
55,527	21,051	47,321	22,421	14,955	174,144	356,632
3,317	3,734	11,406	-	-	(39,892)	-
(2,336,631)	(2,376,664)	(2,414,451)	(2,506,603)	(2,479,790)	(2,644,416)	(2,697,694)
(2,277,787)	(2,351,879)	(2,355,724)	(2,484,182)	(2,464,835)	(2,510,164)	(2,341,062)
28,030,963	27,946,040	28,985,811	29,428,182	30,869,329	35,834,027	32,537,379
(1,057,661)	(1,362,069)	(1,371,538)	(615,425)	1,945,841	5,654,658	1,303,058
1,604,632	1,553,856	(57,866)	6,212,422	562,846	838,861	1,502,274
\$ 546,971	\$ 191,787	\$ (1,429,404)	\$ 5,596,997	\$ 2,508,687	\$ 6,493,519	\$ 2,805,332

**City of Bedford, Texas**

Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

**Table 3**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved/nonspendable	\$ 445,045	\$ 431,320	\$ 336,227	\$ 326,807	\$ 360,284	\$ 357,761	\$ 724,210	\$ 326,676	\$ 236,097	\$ 30,104
Restricted	-	-	-	-	-	-	478,872	-	35,464	35,464
Assigned	-	-	-	-	-	-	-	-	140,000	-
Committed - special projects	-	-	-	-	-	-	-	-	4,486,890	-
Unassigned	9,225,455	7,258,376	5,666,237	4,087,163	4,764,530	5,751,658	6,172,841	7,199,906	7,437,211	11,873,958
<b>Total general fund</b>	<b>\$ 9,670,500</b>	<b>\$ 7,689,696</b>	<b>\$ 6,002,464</b>	<b>\$ 4,413,970</b>	<b>\$ 5,124,814</b>	<b>\$ 6,109,419</b>	<b>\$ 7,375,923</b>	<b>\$ 7,526,582</b>	<b>\$ 12,335,662</b>	<b>\$ 11,939,526</b>
<b>All Other Governmental Funds</b>										
Reserved/nonspendable	\$ 1,290,684	\$ 1,247,939	\$ 1,240,869	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for										
Debt service	-	-	-	1,219,755	1,108,669	1,060,593	977,409	936,907	944,473	973,557
Street and drainage improvements	-	-	-	1,815,920	1,824,024	1,832,971	1,839,601	1,848,957	2,274,285	2,392,382
Capital acquisition and construction	-	-	-	3,254,958	1,830,699	3,274,169	7,015,936	3,207,349	1,184,007	828,271
Economic development	-	-	-	1,183,613	1,501,475	1,903,735	2,697,890	3,713,371	4,515,434	4,465,576
Public safety	-	-	-	625,514	308,698	248,091	284,840	277,111	279,938	210,675
Parks and beautification	-	-	-	83,481	505,923	715,438	982,540	1,234,435	109,323	120,624
Other	-	-	-	52,482	54,960	48,909	75,590	95,032	68,415	68,215
<b>Assigned</b>										
Unreserved, reported in										
Special revenue funds	3,763,105	3,564,887	2,781,166	-	-	-	-	-	-	-
Capital projects	4,199,046	3,363,128	3,057,292	-	-	-	-	-	-	-
<b>Unassigned</b>	-	-	-	(204,412)	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 9,252,835</b>	<b>\$ 8,175,954</b>	<b>\$ 7,079,327</b>	<b>\$ 8,031,311</b>	<b>\$ 7,134,448</b>	<b>\$ 9,083,906</b>	<b>\$ 13,873,806</b>	<b>\$ 11,313,162</b>	<b>\$ 9,375,875</b>	<b>\$ 9,059,300</b>

**City of Bedford, Texas**

Changes in Fund Bal of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

**Table 4**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes, penalties and interest	\$ 26,844,636	\$ 26,881,888	\$ 27,283,735	\$ 27,322,766	\$ 27,950,618	\$ 28,278,856	\$ 29,072,928	\$ 30,729,516	\$ 30,859,702	\$ 31,805,280
Licenses and permits	802,498	614,126	710,722	521,463	863,709	456,761	628,484	871,081	692,700	1,056,327
Charges for services	2,579,188	2,725,039	2,522,870	2,817,269	2,822,239	3,097,437	3,177,429	3,591,135	3,959,448	3,332,863
Fines and forfeitures	1,353,458	1,515,851	1,920,400	2,109,088	2,078,895	1,502,737	2,220,906	1,949,006	1,660,311	1,742,325
Support from governmental entities	752,157	923,368	3,034,152	2,329,053	654,732	661,413	689,840	647,946	365,533	694,134
Interest	793,585	344,023	151,108	131,541	26,459	33,521	43,393	45,552	86,353	227,800
Miscellaneous	705,769	396,980	300,394	577,387	557,599	622,819	425,913	486,410	4,792,905	223,805
<b>Total revenues</b>	<b>33,831,291</b>	<b>33,401,275</b>	<b>35,923,381</b>	<b>35,808,567</b>	<b>34,954,251</b>	<b>34,653,544</b>	<b>36,258,893</b>	<b>38,320,646</b>	<b>42,416,952</b>	<b>39,082,534</b>
<b>Expenditures</b>										
General government	1,884,640	1,865,968	1,881,419	1,637,817	1,574,751	1,627,934	1,791,511	2,229,137	2,005,931	2,335,285
Community services	1,741,022	2,113,053	1,814,002	1,780,483	1,912,686	1,953,414	1,488,981	1,682,326	1,806,262	1,744,784
Public services	5,165,407	2,808,318	3,678,797	3,497,327	2,708,419	2,457,948	2,452,901	2,622,977	3,263,538	2,937,472
Administrative services	1,810,273	1,837,426	1,946,935	1,903,157	2,081,900	1,946,533	2,261,952	2,057,540	2,194,218	2,659,858
Public safety	16,444,533	17,179,678	17,144,215	16,986,248	16,126,751	16,797,850	18,051,735	18,346,405	19,383,973	20,243,699
Leisure services	3,538,133	3,605,545	3,666,662	3,782,933	3,661,546	3,751,588	3,804,071	4,046,351	4,290,997	4,306,461
Capital outlay	4,677,674	2,793,519	9,192,117	5,272,761	2,281,440	1,243,851	2,114,252	5,154,812	2,943,455	2,917,962
Debt service										
Interest and fiscal agent fees	2,326,809	2,168,905	2,047,707	2,265,090	1,921,115	1,689,615	1,462,845	1,358,233	1,119,668	912,214
Principal retirement	4,110,000	4,245,000	4,405,000	4,610,000	5,186,621	5,066,888	5,268,055	5,775,675	5,698,767	5,914,341
Bond issuance costs	-	-	-	-	-	72,818	96,476	-	-	-
<b>Total expenditures</b>	<b>41,698,491</b>	<b>38,617,412</b>	<b>45,776,854</b>	<b>41,735,816</b>	<b>37,455,229</b>	<b>36,608,439</b>	<b>38,792,779</b>	<b>43,273,456</b>	<b>42,706,809</b>	<b>43,972,076</b>

**City of Bedford, Texas**

Fund Balances of Governmental Funds – Continued  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

**Table 4 (Continued)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Excess (Deficiency) of</b>										
<b>Revenues Over Expenditures</b>	\$ (7,867,200)	\$ (5,216,137)	\$ (9,853,473)	\$ (5,927,249)	\$ (2,500,978)	\$ (1,954,895)	\$ (2,533,886)	\$ (4,952,810)	\$ (289,857)	\$ (4,889,542)
<b>Other Financing Sources (Uses)</b>										
Issuance of debt	4,002,129	-	4,885,000	6,115,000	-	5,375,000	5,500,000	-	-	1,105,000
Lease purchase proceeds	-	-	-	-	339,011	228,370	221,936	-	-	323,221
Proceeds from sale of capital assets	26,972	5,265	43,152	44,797	219,723	77	40,764	35,550	11,489	8,329
Premium on debt	-	-	-	97,085	-	75,085	61,948	-	-	-
Payments to escrow account	-	-	-	(3,313,090)	-	(3,682,267)	-	-	-	-
Insurance proceeds	-	101,263	55,023	10,288	41,100	45,073	30,669	27,485	55,635	42,587
Transfers in	3,638,901	3,648,823	4,803,148	3,909,807	3,863,681	3,896,716	3,999,750	3,956,299	4,658,149	4,218,256
Transfers out	(1,605,784)	(1,596,899)	(2,616,681)	(1,573,176)	1,487,017	(1,482,265)	(1,493,147)	(1,476,509)	(2,013,733)	(1,520,562)
Total other financing sources (uses)	6,062,218	2,158,452	7,169,642	5,290,711	5,950,532	4,455,789	8,361,920	2,542,825	2,711,540	4,176,831
<b>Net Change in Fund Balances</b>	\$ (1,804,982)	\$ (3,057,685)	\$ (2,683,831)	\$ (636,538)	\$ 3,449,554	\$ 2,500,894	\$ 5,828,034	\$ (2,409,985)	\$ 2,421,683	\$ (712,711)
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	17.4%	17.9%	17.6%	18.9%	20.2%	19.3%	18.6%	18.7%	17.1%	17.3%

# Revenue Capacity

**City of Bedford, Texas**Tax Revenues by Source – Governmental Funds  
Last Ten Fiscal Years**Table 5**

<b>Fiscal Years Ended</b>	<b>Ad Valorem</b>	<b>Hotel/Motel</b>	<b>Franchise</b>	<b>Sales and Other</b>	<b>Total</b>
2008	\$ 13,227,183	\$ 665,255	\$ 3,195,320	\$ 9,691,349	\$ 26,562,302
2009	13,486,685	434,495	3,407,455	9,360,239	26,661,297
2010	13,714,212	557,129	3,278,385	9,531,017	27,060,530
2011	13,968,871	663,291	3,405,709	9,060,295	27,098,166
2012	13,735,255	723,745	3,325,941	9,363,047	27,147,988
2013	14,488,399	749,612	3,338,307	9,629,427	28,129,068
2014	14,297,275	840,119	3,584,311	9,985,658	28,884,962
2015	14,543,198	1,027,473	3,555,243	11,048,748	30,174,662
2016	15,507,727	1,123,421	3,432,957	11,022,859	31,086,964
2017	16,266,220	1,070,774	3,331,500	11,136,786	31,805,280

**City of Bedford, Texas**

Water Revenue  
Last Ten Fiscal Years

**Table 6**

<b>Fiscal Year</b>	<b>Number of Customers</b>	<b>Gallons Billed (000's)</b>	<b>Water Revenue</b>	<b>Revenue Per Customer</b>	<b>Revenue Per 1,000 Gallons</b>
2008	23,113	2,804,199	\$ 8,460,437	\$ 366	\$ 3.02
2009	23,100	2,667,852	9,245,489	400	3.47
2010	23,085	2,486,470	10,038,233	435	4.04
2011	23,090	2,945,337	12,673,013	549	4.30
2012	23,035	2,674,949	12,185,112	529	4.56
2013	23,018	2,511,415	11,834,377	514	4.71
2014	23,041	2,337,171	11,855,648	515	5.07
2015	23,116	2,235,456	12,309,854	533	5.51
2016	23,172	2,355,706	12,806,549	553	5.44
2017	23,216	2,282,073	13,165,148	567	5.77

**City of Bedford, Texas**  
Principal Water Customers  
Fiscal Year Ended September 30, 2017

**Table 7**

<b>Customer Name</b>	<b>Gallons Consumed (000's)</b>	<b>Percent Total</b>	<b>Amount Billed</b>	<b>Total Percent</b>
Walden Residential Property Apartments	45,035	1.97%	\$ 209,058	1.59%
Texas Health Resources-HEB Hospital	42,498	1.86%	189,930	1.44%
City of Bedford	33,594	1.47%	181,656	1.38%
Colonial Village @ Willow Creek	23,932	1.05%	119,732	0.91%
Colonial Village @ Shoal Creek	23,189	1.02%	117,735	0.89%
Kensington Station Apts.	23,039	1.01%	94,983	0.72%
1611 Oak Creek Lance, LP (Oak Creek Apt)	21,346	0.94%	95,377	0.72%
The Reserve at Central Park	20,615	0.90%	95,470	0.73%
Pecan Creek Apartments	17,090	0.75%	78,469	0.60%
Amherst Apartments - 2007 Amherst LP	<u>16,239</u>	<u>0.71%</u>	<u>70,384</u>	<u>0.53%</u>
Top Ten Total	<u>266,577</u>	<u>11.68%</u>	<u>1,252,796</u>	<u>9.52%</u>
City Total	<u><u>2,282,073</u></u>	<u><u>100.00%</u></u>	<u><u>\$ 13,165,148</u></u>	<u><u>100.00%</u></u>

**City of Bedford, Texas**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

**Table 8**

Fiscal Year	Real Property	Personal Property	Total Appraised Value	Less: Tax-exempt Property	Net Taxable Value	Total Direct Tax Rate	Estimated Net Taxable Value
2008	\$2,842,614,223	\$ 196,258,668	\$ 3,038,872,891	\$ 241,756,607	\$ 2,797,116,284	0.4468820	\$ 2,797,116,284
2009	3,087,588,896	191,415,397	2,379,004,293	365,023,177	2,913,981,116	0.4468820	2,913,981,116
2010	3,091,012,419	190,186,408	3,281,198,827	346,224,096	2,934,974,731	0.4633480	2,934,974,731
2011	2,986,569,350	179,267,541	3,165,836,891	363,395,164	2,802,441,727	0.4916090	2,802,441,727
*2012	3,095,960,546	168,619,714	3,264,580,260	387,551,829	2,877,028,431	0.5043290	2,877,028,431
2013	3,235,990,575	159,315,402	3,395,305,977	429,317,650	2,965,988,327	0.4991150	2,970,991,006
2014	3,202,304,589	161,052,296	3,363,356,885	402,262,501	2,961,094,384	0.4948303	2,961,094,384
2015	3,372,021,008	165,181,254	3,537,202,262	449,152,253	3,088,050,009	0.4948303	3,121,183,647
2016	3,359,873,966	168,488,758	3,528,362,724	451,210,531	3,077,152,193	0.4948303	3,192,632,438
2017	3,683,978,396	169,722,606	3,853,701,002	463,425,828	3,390,275,174	0.4765090	3,566,086,055

Source: Tarrant Appraisal District (Reports)

\*Note: Net Taxable Value and Estimated Net Taxable Value Columns are based on the July Certified Appraisal roles with the exception of 2012. 2012 Total Taxable Assessed Value and Estimated Actual Taxable Value columns are based on the September Certified Appraisal roles due to the timing of re-evaluation of properties. If the July role would have been used, the taxable value would have been materially understated.

**City of Bedford, Texas**  
Principal Property Taxpayers  
Current Year and Nine Years Ago

**Table 9**

Taxpayer	2017			2008		
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	
CMF 15 Portfolio LLC	\$ 105,960,000	1	2.97%	\$ -		
SOF Woods of Bedford Owners LP	45,000,000	2	1.26%	-		
Bedford Oak Creek LLC	38,000,000	3	1.07%	-		
Stanton Road Capital LLC	30,063,164	4	0.84%	-		
Point Loma Woods Dallas LLC	26,180,000	5	0.73%	17,368,528	7	0.62%
Allmark Central Park LP	25,069,378	6	0.70%	-		
SOF Meadows of Bedford I Owners LP	20,700,000	7	0.58%	-		
Arbors of Central Park ICG LLC	20,400,000	8	0.57%	-		
Oncor Electric Delivery CO LLC	20,055,630	9	0.56%	22,298,840	5	0.80%
HB Property Owner 3 LP	19,990,000	10	0.56%	-		
CRLP Central Park/Airport	-			72,258,661	1	2.58%
Wal-Mart Stores, Inc.	-			27,830,670	2	0.99%
121 Airport Centre II LP	-			27,743,420	3	0.99%
CRP/TBG Forestwood LP	-			27,100,000	4	0.97%
Southwestern Bell Mobile Systems	-			21,099,105	6	0.75%
ML CASA III LP	-			13,640,810	8	0.49%
WDOP SUB II LP	-			13,373,808	9	0.48%
Newkirk Texford LP	-			12,657,600	10	0.45%
<b>Total</b>	<b>\$ 351,418,172</b>		<b>9.85%</b>	<b>\$ 255,371,442</b>		<b>9.13%</b>
<b>Total Taxable Assessed Value</b>	<b>\$ 3,566,086,055</b>			<b>\$ 2,797,116,284</b>		

**City of Bedford, Texas**  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years

**Table 10**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 13,032,220	\$ 12,951,575	99.38%	\$ 71,900	\$ 13,023,475	99.93%
2009	13,584,386	13,334,703	98.16%	48,001	13,382,704	98.52%
2010	13,688,110	13,566,375	99.11%	55,547	13,621,922	99.52%
2011	13,897,299	13,799,107	99.29%	93,693	13,892,800	99.97%
2012	14,374,422	14,201,336	98.80%	63,934	14,265,271	99.24%
2013	14,437,257	14,263,591	98.80%	51,369	14,314,960	99.15%
2014	14,524,393	14,414,247	99.24%	15,728	14,429,974	99.35%
2015	15,079,653	14,817,417	98.26%	33,488	14,850,904	98.48%
2016	15,294,958	15,244,866	99.67%	18,242	15,263,108	99.79%
2017	16,266,337	16,194,415	99.56%	18,080	16,212,495	99.67%

Source: Tarrant County Tax Office (YTD Summary - Part C)

# Debt Capacity

**City of Bedford, Texas**  
Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

**Table 11**

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Contractual Obligations	Certificates of Obligation	Tax Notes	Capital Leases	Water Revenue Bonds	General Obligation Bonds	Certificates of Obligation			
2008	\$ 50,635,000	\$ 360,000	\$ -	\$720,000	\$ -	\$3,760,000	\$ 820,000	\$4,790,000	\$61,085,000	3.85%	1,235
2009	46,740,000	180,000	-	550,000	-	2,580,000	390,000	4,625,000	55,065,000	3.44%	1,128
2010	47,575,000	-	-	375,000	-	3,395,000	-	6,490,000	57,835,000	3.68%	1,231
2011	43,580,000	-	2,440,000	190,000	-	4,150,000	-	10,810,000	61,170,000	3.77%	1,302
2012	38,738,000	-	2,285,000	-	339,000	-	4,510,000	9,832,000	55,704,000	3.39%	1,185
2013	35,680,000	-	2,120,000	-	478,872	-	3,945,000	14,330,000	56,553,872	3.50%	1,164
*2014	34,926,852	2,309,788	1,977,498	-	395,817	-	3,703,018	13,756,004	57,068,977	3.32%	1,171
2015	29,462,886	2,098,809	1,805,970	-	310,142	-	3,395,766	13,097,194	50,170,767	2.83%	1,023
2016	24,083,919	1,882,830	1,634,443	-	221,375	-	3,078,513	41,798,385	72,699,466	4.00%	1,479
2017	18,809,953	1,661,852	1,452,915	885,000	370,255	-	2,751,261	40,459,576	66,390,811	3.64%	1,348

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Personal income and population information can be found in Table 16

\*Beginning Fiscal Year 2014, balances are net of bond premium/discounts.

**City of Bedford, Texas**

Ratio of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years

**Table 12**

Fiscal Year	General Bonded Debt Outstanding			Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
	Gross Bonded Debt	Less Debt Service	Less Debt Payable from Enterprise			
2008	\$ 61,085,000	\$ 1,290,684	\$ 5,610,000	\$ 54,184,316	1.94%	1,096
2009	55,065,000	1,247,939	5,015,000	48,802,061	1.67%	982
2010	57,835,000	1,240,869	6,490,000	50,104,131	1.71%	1,003
2011	61,170,000	1,219,755	13,340,000	46,610,245	1.66%	992
2012	55,704,000	1,108,669	12,725,000	41,870,331	1.46%	891
2013	56,553,872	1,070,702	12,075,000	43,408,170	1.46%	894
2014	57,068,977	977,409	17,459,022	38,632,546	1.30%	793
2015	50,170,767	936,908	16,492,960	32,740,899	1.05%	667
2016	72,699,466	944,475	44,876,898	26,878,093	0.84%	547
2017	66,390,811	973,557	43,210,837	22,206,417	0.62%	451

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
 Property value data can be found in Table 8  
 Population data can be found in Table 16

City of Bedford, Texas  
 Direct and Overlapping  
 Governmental Activities Debt  
 September 30, 2017

Table 13

Taxing Jurisdiction	Taxable Assessed Value (000's) 2016/2017	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Direct and Overlapping Debt
Hurst-Eules-Bedford Independent School District	\$ 10,254,609	\$ 268,469,425	33.77%	\$ 90,662,125
Tarrant County	143,208,842	324,065,000	2.42%	7,842,373
Tarrant County College District	143,670,377	-	2.42%	-
Tarrant County Hospital District	143,381,710	39,500,000	2.42%	955,900
Subtotal overlapping debt		632,034,425		99,460,398
City of Bedford	3,390,275	23,179,974	100.00%	23,179,974
Total direct and overlapping debt		\$ 655,214,399		\$ 122,640,372

Source: Debt outstanding data provided by each governmental unit or obtained from Municipal Advisory Council of Texas.

\*The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**City of Bedford, Texas**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

**Table 14**

Fiscal Year	Total taxable assessed value (AV)	Debt limit 2.5% of Assessed Value (AV)	Total Net Debt Applicable to the Limit	Legal Debt Margin	Total net debt applicable to the limit as a % of Taxable AV	% of Debt Limit Available
2008	\$ 2,797,116,284	\$ 69,927,907	\$ 57,325,000	\$ 12,602,907	2.0%	18.0%
2009	2,913,981,116	72,849,528	52,485,000	20,364,528	1.8%	28.0%
2010	2,934,974,731	73,374,368	54,440,000	18,934,368	1.9%	25.8%
2011	2,802,441,727	70,061,043	57,020,000	13,041,043	2.0%	18.6%
2012	2,877,028,431	71,925,711	55,365,000	16,560,711	1.9%	23.0%
2013	2,965,988,327	74,149,708	56,075,000	18,074,708	1.9%	24.4%
2014	2,961,094,384	74,027,360	56,673,160	17,354,200	1.9%	23.4%
2015	3,121,183,647	78,029,591	49,860,625	28,168,966	1.6%	36.1%
2016	3,077,152,193	76,928,805	72,478,091	4,450,714	2.4%	5.8%
2017	3,390,275,174	84,756,879	66,020,556	18,736,323	1.9%	22.1%

\*Note: The City of Bedford does not have a legal debt limit prescribed by state law. However, Article XI, Section 5 provide that a maximum tax rate of \$2.50 per \$100 assessed valuation may be imposed for any one year. Additionally, no debt shall be created by any city, unless at the same time provision be made to assess and collect annually a sufficient sum to pay the interest thereon and creating an interest and sinking fund of at least 2 percent thereon...

Although Section 6.01 of the Bedford City Charter states a maximum tax rate of \$1.50 per \$100 assessed valuation, this particular table will address the City of Bedford's legal debt limit by using Article XI, Section 5 of the State Constitution because the City does not officially have a legal debt limit for general obligation bonds as well as certificate of obligations

**City of Bedford, Texas**  
Pledged Revenue Coverage  
Last Ten Fiscal Years

**Table 15**

Fiscal Year	Water Revenue Bonds							
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Revenue Bond Coverage	Average Annual Debt Service	Average Requirements
				Principal	Interest			
2008	\$ 13,451,782	\$ 12,620,031	\$ 831,751	\$ 240,000	\$ 187,049	1.95	\$ 287,053	2.90
2009	14,539,710	12,539,272	2,000,438	180,000	176,895	5.61	286,163	7.06
2010	16,104,703	13,531,696	2,573,007	185,000	167,908	7.29	283,163	9.09
2011	19,811,255	14,552,568	5,258,687	195,000	158,533	2.95	316,165	16.63
* 2012	18,915,135	13,473,986	5,441,149	-	-	-	-	-
2013	17,908,621	13,900,489	4,008,132	-	-	-	-	-
2014	18,607,795	14,575,557	4,032,238	-	-	-	-	-
2015	19,102,535	14,623,282	4,479,253	-	-	-	-	-
2016	20,267,092	14,853,564	5,413,528	-	-	-	-	-
2017	20,995,798	15,753,352	5,242,446	-	-	-	-	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Operating expenses do not include interest, depreciation, or amortization expenses.

\* 2012 - Annual Debt Service Variance is due to the city refunded its 1998 and 2002 revenue bonds, so no longer own revenue bonds which impact the calculation.

## **Demographic and Economic Information**

**City of Bedford, Texas**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years

**Table 16**

Calendar Year	Population	(000's) Personal Income	Per Capita Personal Income	Average Household Income	Median Age	School Enrollment	Unemployment Rate
2008	49,450	\$ 1,587,543	\$ 32,104	\$ 75,508	38	21,000	3.6%
2009	49,700	1,628,073	32,758	76,000	38	20,653	6.0%
2010	49,979	1,673,647	33,487	81,109	39	50,537	6.8%
2011	46,979	1,620,682	34,498	75,462	34	20,898	6.8%
2012	47,001	1,641,557	34,926	61,584	40	20,762	5.2%
2013	48,566	1,615,499	33,264	78,521	40	21,814	5.3%
2014	48,721	1,719,705	35,297	78,372	41	22,138	4.7%
2015	49,054	1,773,155	36,147	80,275	41	22,180	4.6%
2016	49,151	1,819,154	37,001	82,240	41	22,762	3.6%
2017	49,234	1,824,415	37,056	82,321	41	23,090	3.2%

Sources: Population: North Central Texas Council of Governments (NCTOG)  
 Per Capita Personal Income and Average Household Income: Alteryx  
 Median Age and Unemployment Rate: Alteryx  
 School Enrollment: HEB ISD/About/Quick Facts  
 Unemployment Rate: Texas Labor Market and Career Information (TWC)

**City of Bedford, Texas**  
Principal Employers  
Current Year and Nine Years Ago

**Table 17**

Employer	2017		2008	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Texas Health Resources	1,550	5.22%	1,600	5.20%
Carter Blood Care	872	2.94%	600	1.95%
Warrantech	473	1.59%	550	1.79%
State National Companies	394	1.33%	-	-
Wal-Mart Supercenter	389	1.31%	318	1.03%
City of Bedford	358	1.21%	365	1.19%
Stericycle (aka Beryl Companies)	345	1.16%	250	0.81%
Daystar Television Network	288	0.97%	-	-
HEB ISD (Administrative Office)	251	0.85%	2,500	0.08
Grubb's Nissan	142	0.48%	155	0.50%
Citigroup	-	-	540	1.76%
Albertson's	-	-	155	0.50%
	<u>29,695</u>	<u>17.05%</u>	<u>30,749</u>	<u>22.87%</u>

Sources:

Information comes from City of Bedford, Economic Development Department - Demographics data  
Total City Employment information can be found Texas Workforce Commission Website via  
via (<http://www.tracer2.com/cgi/dataanalysis/labForceReport.asp?menuchoice=LABFORCE>) - this link only gi

**City of Bedford, Texas**  
 Direct and Overlapping Tax Rates  
 Last Ten Fiscal Years

**Table 18**

Fiscal Year	City Direct Rates			Overlapping Rates			
	Operating / General Rate	General Obligation Debt Service	Total Direct Rate	Hurst-Eules-Bedford ISD	Tarrant County	Tarrant County Hospital District	Tarrant County Community College
2008	0.297623	0.149259	0.446882	1.3004	0.2665	0.2304	0.1394
2009	0.285847	0.161035	0.446882	1.2950	0.2640	0.2279	0.1380
2010	0.299096	0.164252	0.463348	1.2955	0.2640	0.2280	0.1377
2011	0.309075	0.182534	0.491609	1.2882	0.2640	0.2279	0.1376
2012	0.311257	0.193072	0.504329	1.4140	0.2640	0.2279	0.1490
2013	0.306043	0.193072	0.499115	1.4075	0.2640	0.2279	0.1490
2014	0.303214	0.191616	0.494830	1.3875	0.2640	0.2279	0.1495
2015	0.289907	0.204923	0.494830	1.3750	0.2640	0.2279	0.1495
2016	0.299332	0.195498	0.494830	1.3500	0.2640	0.2279	0.1495
2017	0.303747	0.172762	0.476509	1.3160	0.2540	0.2279	0.1447

Sources: City of Bedford Budget Office, Tarrant Appraisal District

# Operating Information

**City of Bedford, Texas**

**Table 19**

Full-time Equivalent City Governmental Employees by Function/Program  
Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Management and Communication	8.0	8.0	6.0	6.0	6.0	6.0	7.5	7.5	9.5	9.5
Finance	14.0	14.0	13.0	12.0	12.0	12.5	11.5	11.5	11.5	11.5
Municipal Court and Teen Court	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Development and Planning	13.5	15.0	18.0	12.8	12.8	6.0	6.0	6.0	6.0	6.0
Library	16.4	16.4	16.4	16.4	17.2	19.7	19.6	19.6	19.5	19.5
Support Services	7.0	7.0	7.0	11.0	11.0	10.0	11.0	11.0	22.0	23.0
Police										
Officers	82.0	82.0	83.0	86.3	84.3	80.0	80.0	80.0	81.0	80.0
Civilians	47.0	47.0	51.7	48.6	49.6	55.0	53.0	56.0	57.0	56.0
Animal Control	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Fire										
Firefighters and Officers	64.0	64.0	64.0	64.0	64.0	63.0	63.0	63.0	63.0	63.0
Civilians	2.0	2.0	2.0	2.0	2.0	8.0	8.0	9.0	10.0	10.0
Parks and Recreation										
Management and Communication	-	-	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Parks and Recreation	42.8	42.8	41.3	37.8	36.4	37.5	37.6	37.1	39.1	39.4
Senior Citizens Center	4.0	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.5	3.5
Tourism and Special Events	-	-	-	3.5	3.5	4.4	4.5	5.5	6.0	6.0
Public works										
Engineering	5.0	5.0	6.1	6.0	6.0	5.5	5.5	8.0	8.0	8.0
Water	12.6	12.6	12.0	15.0	13.0	13.8	12.5	12.5	13.3	14.3
Wastewater	10.0	10.0	10.0	8.0	7.0	7.0	7.5	7.5	7.5	7.5
Stormwater	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Streets	11.0	11.0	11.0	10.0	11.0	10.0	10.0	10.0	10.0	10.0
*Fleet Maintenance	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	-	-
Total	<u>365.3</u>	<u>366.8</u>	<u>372.5</u>	<u>370.4</u>	<u>367.2</u>	<u>369.7</u>	<u>368.6</u>	<u>375.6</u>	<u>390.8</u>	<u>391.1</u>

Source: City Finance - Position Control Report

\*2016 - Fleet Maintenance moved from Public Works to Support Services (5.0 FTE)

\*2017 - Inspections moved from Fire Department to Development and Planning (7.0 FTE)

**City of Bedford, Texas**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

**Table 20**

<b>Function/Program by Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Inspections</b>										
Residential & Commercial Permits Issued	4,925	917	762	800	995	761	778	535	650	843
Estimated Value	23,921,329	15,326,556	27,144,564	10,216,130	44,479,341	19,951,220	29,646,601	37,315,837	29,813,302	52,625,480
<b>Police</b>										
Physical Arrests	2,986	2,368	2,607	3,490	3,285	2,715	2,534	1,982	1,992	2,275
Parking Violations	4,115	91	114	150	207	135	47	90	229	108
Traffic Violations	14,664	11,225	14,740	15,945	15,929	11,848	19,807	16,056	10,898	12,512
<b>Fire</b>										
Emergency Responses	7,345	7,291	7,312	7,550	8,218	8,114	8,155	8,042	8,431	8,070
Patients Transported	2,474	2,478	2,462	2,628	2,989	3,015	3,038	3,198	3,118	3,000
Fires Extinguished	206	132	88	145	90	103	106	199	115	90
Inspections	2,480	2,189	2,705	2,438	2,901	2,835	3,096	3,152	3,366	3,050
<b>Culture and Recreation</b>										
<b>Parks and Recreation:</b>										
Athletic League Spring Team	15	42	39	12	8	-	-	-	-	-
Athletic League Fall Team	16	13	13	10	-	-	-	-	-	-
Community Center Registration	3,562	4,154	3,666	3,633	3,945	4,040	4,112	4,795	4,483	3,994
Annual Recreation Revenue	209,346	268,871	267,648	281,047	306,587	289,285	332,189	508,903	511,242	489,555
<b>Library</b>										
Population Service	49,450	49,700	49,700	49,700	46,979	48,566	48,721	49,054	49,151	49,234
Number of Library Visits	252,319	271,764	256,674	265,674	279,991	252,506	244,388	221,177	219,543	214,899
Volumes in Collection	101,935	101,179	99,104	90,602	101,395	112,644	118,095	114,573	149,071	143,007
Total Volumes Borrowed	496,144	511,186	252,401	525,401	552,737	579,572	584,917	567,290	545,126	632,599
Turnover Rate	0	0	0	6	5	5	5	4	3	4
Total Operating Expenditures	1,015,766	1,037,121	1,141,421	1,141,421	1,119,609	1,249,419	1,309,275	1,320,502	1,457,919	1,487,263
Cost Per Population Served	21	21	23	23	24	26	27	27	30	30
Total Paid Staff (FTE)	16	16	16	16	16	20	20	19	19	19
<b>Public Works</b>										
Street Repair - Asphalt sq. yard	1,494	2,150	3,055	40,988	36,004	21,850	26,425	27,186	60,935	37,977
Street Repair - Concrete sq. yard	73	311	602	22,661	3,693	3,655	311	6,216	19,623	3,524
Sidewalk Installation/Repairs - sq. feet	22,483	32,913	4,947	1,684	10,503	5,630	5,950	6,500	9,255	1,383
<b>Water and Sewer</b>										
New Connections - Water	127	(23)	(31)	36	5	(14)	23	75	57	44
New Connections - Sewer	3	27	(14)	63	(7)	6	(4)	51	63	49
Water Main Breaks	20	21	24	39	67	46	46	62	31	16
<b>Stated in Thousands of Gallons:</b>										
Average Daily Consumption	8,592	8,194	7,600	8,988	7,329	6,881	6,403	6,125	6,810	6,252
Peak Daily Consumption	16,476	14,168	12,932	16,232	12,375	10,141	9,588	14,133	13,136	11,840

Source: Various City Departments

**City of Bedford, Texas**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

**Table 21**

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	9	9	15	15	15	17	17	17	17	22
Other Units: CID-SWAT-PSO	47	47	58	58	58	50	59	63	65	77
<b>Fire</b>										
Stations	3	3	3	3	3	3	3	3	3	3
Fire Equipment Units	5	5	5	5	5	5	5	5	5	5
EMS Units	4	4	4	4	4	4	4	4	5	5
Other Units	11	11	11	11	11	11	11	11	11	11
Regional Grant Units - Homeland Security	11	11	11	11	11	-	-	-	2	2
<b>Other Public Works</b>										
Streets (Miles)	460	460	460	460	460	455	456	456	456	460
Streetlights	1,735	1,737	1,738	1,738	1,738	1,738	1,738	1,738	1,751	1,753
Traffic Signals	24	24	24	24	24	25	25	26	26	26
<b>Parks and Recreation</b>										
Park Acreage	150	150	150	150	150	150	150	155	155	155
Playgrounds	17	17	17	17	17	17	17	16	16	16
Swimming Pools	3	3	3	3	3	4	4	4	4	4
Soccer/Baseball/Softball Fields	6	6	6	6	6	11	11	11	11	11
Community Centers	3	3	3	3	3	3	3	3	3	3
<b>Water</b>										
Water Mains (Miles)	147	147	147	147	147	148	149	165	167	192
Fire Hydrants <sup>a</sup>	1,425	1,425	1,425	1,425	1,425	1,425	1,800	1,800	1,802	1,818
Storage Capacity										
(One Ground Well - 250,000 gallons)	6,225	6,225	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250
(Elevated Storage - 5 million gallons)										
<b>Stormwater</b>										
Storm Sewers (Miles)	91	91	91	91	91	92	92	93	173	198

Source: Various City Departments



# Council Agenda Background

**PRESENTER:** Miguel Ozuna, Director of Human Resources      **DATE:** 02/27/18

**Council Mission Area:** Demonstrate excellent customer service in an efficient manner.

**ITEM:**

Consider a resolution authorizing the City Manager to enter into a contract with Public Sector Personnel Consultants to conduct a job classification and compensation study in an amount not to exceed \$50,000.

**City Attorney Review:** Yes

**SUMMARY:**

This item relates to a contract for the purpose of conducting a Job Classification and Compensation Study. Staff solicited proposals through an RFP process and evaluated a total of 8 proposals. The individuals rating the proposals rated the Public Sector Personnel Consultant proposal as the most qualified due to the firm's experience and familiarity with the Texas market.

**BACKGROUND:**

An organization's job classification and compensation program is vital for the retention and recruitment of its employees. In an effort to ensure market competitiveness within the region, funds were allocated in the FY 2017/18 budget to conduct a job classification and compensation study. The purpose of the study is to review and update the current classification and compensation plan utilizing industry accepted practices and methods. It will ensure the City's market competitiveness in retaining and attracting quality employees. The standard for organizations to conduct a study is every four to five years; however, it has been over 10 years since a formal study was conducted for the organization.

Proposals were solicited and received from eight qualified firms.

- Paypoint
- Evergreen Solutions
- Paradox
- Condrey and Associates
- Public Sector Personnel Consultants
- Springsted
- Segal/Waters Consulting
- CPS HR Consulting

All met the required specifications, and each was evaluated on the following weighted criteria:

- Qualifications and experience
- Work in public sector
- Methodology and project timeframe
- Firm location
- Economic evaluation

Staff rated each proposal and Public Sector Personnel Consultants (PSPC) was rated the highest. PSPC was not the proposal with the lowest fees; however, the individuals rating the proposals rated the PSPC proposal as the most qualified due to the firm's experience and familiarity with the Texas market. The FY 2017/18 budget allocated \$50,000 for the study.

**RECOMMENDATION:**

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into a contract with Public Sector Personnel Consultants to conduct a job classification and compensation study in an amount not to exceed \$50,000.

**FISCAL IMPACT:**

FY 2018/19 Budget: \$50,000.00

**ATTACHMENTS:**

Resolution  
Contract  
Rating Sheet

**RESOLUTION NO. 18-**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH PUBLIC SECTOR PERSONNEL CONSULTANTS TO CONDUCT A JOB CLASSIFICATION AND COMPENSATION STUDY IN AN AMOUNT NOT TO EXCEED \$50,000.**

**WHEREAS, the City of Bedford strives to provide a sound job classification structure and competitive wages for it workforce; and,**

**WHEREAS, it is the City of Bedford's intention to conduct a job classification and compensation study to ensure competitiveness with the market; and,**

**WHEREAS, the City of Bedford solicited and evaluated "Request for Proposals" from qualified firms to conduct the job classification and compensation study.**

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

**SECTION 1. That the findings above are found to be true and correct, and are incorporated herein.**

**SECTION 2. That the City Council authorizes the City Manager to enter into a contract with Public Sector Personnel Consultants to conduct a job classification and compensation study in an amount not to exceed \$50,000.**

**PRESENTED AND PASSED on this 27th day of February 2018, by a vote of \_\_ ayes, \_\_ nays and \_\_ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.**

\_\_\_\_\_  
**Jim Griffin, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Michael Wells, City Secretary**

## **PROFESSIONAL SERVICES AGREEMENT**

This Agreement is entered into by **City of Bedford** and **Public Sector Personnel Consultants, Inc. (PSPC)**, 1215 West Rio Salado Parkway Suite 109, Tempe, Arizona 85281 (National Office).

This Agreement is for PSPC to conduct a classification and compensation study described in "Exhibit A".

### ***CONTRACT TIME ESTIMATE***

The City and PSPC will partner to complete the study by **August 31, 2018**. This agreement may remain in effect until **December 31, 2018**.

### ***CONTRACT COST ESTIMATE***

At no time shall the total contract exceed **\$50,000**, without further approval and modification of this agreement.

### ***CONTRACT BILLING AND PAYMENT***

We do not require any advance payments, and will provide monthly invoices for the professional services provided and out-of-pocket expenses incurred during the month. We request that invoices be paid within thirty (30) days of their receipt.

### ***SEVERABILITY***

That should any word, sentence, paragraph, subdivision, clause, phrase or section of this Agreement, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said agreement, which shall remain in full force and effect.

### ***VENUE***

The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement. The parties agree that this Agreement is performable in Tarrant County, and that exclusive venue shall lie in Tarrant County.

### ***TERMINATION***

This Agreement may be terminated by either party with 30 days written notice.

### ***ASSIGNMENT***

The assignment of this Agreement by any party is prohibited without the prior written consent of the other Party.

### ***AMENDMENT***

Any amendment of this Agreement must be in writing and will be effective if signed by the authorized representatives of the Parties.

**NOTICES**

Any notices under this Agreement will be effective if transmitted to a Party by confirmed telecopy or via US Postal Service to the address of the Party indicated below:

**CITY OF BEDFORD**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PSPC**

Matthew Weatherly  
President  
Public Sector Personnel Consultants, Inc.  
1215 W. Rio Salado Parkway #109  
Tempe, Arizona 85281

**NO THIRD PARTY BENEFICIARIES**

Nothing in this Agreement, express or implied, is intended to confer any rights, benefits, or remedies under or by reason of this agreement upon person or entity, other than the City and PSPC.

**APPROVED FOR  
CITY OF BEDFORD**

By: \_\_\_\_\_  
(Signature)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**APPROVED FOR  
PUBLIC SECTOR PERSONNEL CONSULTANTS, INC.**

By: \_\_\_\_\_  
(Signature)  
Matthew Weatherly  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
President  
Date: \_\_\_\_\_

## SUMMARY SERVICES FOR THE CITY OF BEDFORD

**PUBLIC SECTOR PERSONNEL CONSULTANTS (PSPC)** proposes the following program of consulting services and implementation support to conduct a classification and/or compensation study.

### Project Planning and Communication

1. Project planning and scheduling meeting with the City's Human Resources Staff and project designee(s)
2. Policy input and project direction meeting and briefing with Council, Human Resources and designee(s)
3. Project briefing presentation for all employees, Council, City officials, City's project leaders
4. Management and employee communication, progress reports throughout all project phases

### Classification Project Tasks

5. Occupational familiarization by review of City's current job descriptions and compensation plans
6. Organizational familiarization by review of City organization charts, budgets, and annual reports
7. Position Analysis Questionnaire (PAQ) customized for gathering City employee occupation data
8. Meetings to distribute and explain the PAQ and the project for all City officials and employees
9. Worksite job desk audits / field observations with representatives of each class (*optional service*)
10. Determination of job classification and FLSA Exempt / Non-Exempt designation for each position
11. Recommended title modifications and reclassifications for consideration by department heads
12. Review of position classification recommendations with City's project staff and respective departments
13. Preparation of updated job descriptions for each City job classification (*option*)
14. Resolution of employee reviews of classification recommendations and draft job descriptions

### Custom and Comprehensive Market Compensation Survey(s)

15. Identification of City's competitive employment areas for compensation surveys, for City approval
16. Identification of City occupations to utilize as survey benchmark job classifications – estimated 100+
17. Solicitation of comparator employers and agencies for participation in external compensation surveys
18. Extraction of data from public employer compensation plans, questionnaires, reliable published surveys
19. Consolidation of data from all sources and calculation of prevailing rates for benchmark jobs
20. Collection of benefits and add pay details from comparator cities, for comparison to current practices
21. Computation of extent City's compensation offerings vary from external prevailing rates and practices
22. Review of competitiveness analysis with Human Resources, City Officials and City's project designees

### Compensation Plan Development

23. Construction of optional salary range structures for review and selection by City's project leaders
24. Assignment of job classes to salary ranges by internal equity and external competitiveness
25. Assistance with City Council identification of desired, affordable salary competitiveness policy
26. Fiscal impact estimates at various levels of external prevailing rates competitiveness policies
27. Review and critique of draft salary and implementation plans with Human Resources, project leaders

### Communication of Results and Implementation Strategies

28. Preparation and presentation of final project reports for the City Council, staff, and City Officials
29. Development of a plan for the implementation of City's updated classification and compensation plan
30. Uploading of **EZ COMP™** program files on a Human Resources Department computer, staff training
31. Development and provision of process for ongoing plan maintenance and subsequent plan updates
32. Assistance with communicating the City's updated plans for all City officials and employees
33. One year classification and compensation plan maintenance assistance **at no cost to the City**

## PROJECT APPROACH AND METHODOLOGY

Following is our overall work plan and approach to achieving the City's objectives for the conduct of a classification and/or compensation study.

### A. OBJECTIVES OF THE PROJECT

The recommended plans, programs, systems and administrative procedures will meet these ten most important criteria.

- Internally equitable
- Externally competitive
- Readily understood
- Easily updated & maintained
- Legally compliant & defensible
- Financially responsible
- Efficiently administered
- Inclusive of employee input
- Reflective of City's values
- Reflective of prevailing "best practices"

### B. SCOPE OF THE PROJECT

The project includes a management and employee communication plan; partnership with the City's Human Resources staff, City Manager, Council, and project designee(s); occupational, organizational, and operational familiarization; Position Analysis Questionnaire (PAQ) and job analysis for all classifications; optional worksite job information interviews; position classification and job title recommendations for all employees and classifications; FLSA designations; optional updated job descriptions; **EZ COMP™**; internal equity and external competitiveness evaluation; salary and benefits compensation survey and competitiveness analysis; salary range recommendations; fiscal impact estimates and multiple implementation scenarios; updated classification and compensation plan and one year of classification and compensation plan implementation support for all included employees in all job classifications.

### C. PROJECT METHODOLOGY

#### 1. Quality Assurance

To ensure a high quality project, we have built in several layers of procedural and statistical controls, in addition to those already in **EZ COMP™**. Internally, we follow a prescribed series of steps in each project phase, which are reviewed by our Project Director. We request that the Human Resources and City's Project Manager(s) review our work to minimize the chance of errors and to ensure that it reflects the City's organizational values.

#### 2. Project Planning Meetings and Communication Plan Development

We will consult with the Human Resources Director and City Officials or representatives on a communication strategy, plan, and materials, beginning prior to the project and extending to the post-project information meetings. We plan to conduct group pre-project meetings for all City officials and employees where we will discuss the project's scope, answer questions, and distribute and explain the Position Analysis Questionnaire.

## **D. POSITION CLASSIFICATION ANALYSIS**

### **1. Review of Essential Tasks – Position Analysis Questionnaire**

We will review and analyze the current essential tasks, duties and responsibilities, and minimum qualifications of each included position through the Position Analysis Questionnaire (PAQ) to be completed by each employee (or group of employees with identical jobs) in print or electronic format. If the information on the PAQ does not clearly delineate the position's scope of responsibilities, we may return the PAQ to the position's incumbent for additional information, or focus on the data gap during a worksite job information interview.

### **2. Employee Worksite Job Information Interviews (optional)**

We can conduct a worksite job information interview with a representative incumbent of every job classification. The purpose of these interviews is to verify the data on the PAQ, obtain additional insight into the scope and complexity of the job duties, observe technical processes and working conditions, and to provide employees with an additional method of participation in the project. This process also ensures that we make all internal and external comparisons on the basis of **actual job content** and not merely job title.

### **3. FLSA Status Determination**

We will review the essential tasks and minimum qualifications of each of the City's job classifications and subject them to the Fair Labor Standards Act tests to determine their exempt or non-exempt status.

### **4. Position Classification**

Each of the City's positions will be analyzed and evaluated to determine their primary characteristics, including:

- Is there a current City occupational job group comprised of job classes with essential functions similar to the subject position; if so:
- To which of the group's job classes, and at what level, are the subject position's essential functions similar to the subject position, and if so:
- Are they sufficiently comparable (+/- 20% guideline) to be allocated to that job class, utilize the same job title, require the same minimum qualifications, and be assigned to the same salary range.
- If the City does not currently have a sufficiently comparable job class, what should be the subject position's occupational job class and title, and:
- What should the recommended occupational classification action be, No Change (N), Title Change (T), Merge With Other Job Class (M), New Job Class (J).
- We may find that a job class is overly broad and encompasses several job activities which are regarded with significant salary difference in the marketplace. In such an instance, we will recommend "splitting" the job class into the current job class and a new job class which encompasses the different job activities.

**5. Updated Job Descriptions (optional)**

We can prepare an updated job description in the City's standard or other selected format for each occupational job class. Focus will be on the Essential Functions and Minimum Qualifications. The specifications or descriptions may include (not limited to) the following components:

Job Title – Definition	Education, Training and Experience	Physical Requirements
Distinguishing Characteristics	Licenses and Certifications	Non-Essential Functions
Essential Functions	FLSA Exempt/Non-Exempt Status	Mental Requirements
Desired Knowledge and Skills	Supervision Exercise/Received	Working Conditions

**6. Draft Classification Plan Review with Human Resources and Department Heads**

We will conduct a review of our initial position classification recommendations and draft job descriptions with the City's Project Team and respective department heads to identify possible errors, obtain feedback, and solicit suggestions for clarification.

**7. Resolution of Employees' Classification Reviews**

We will provide the City with a process for employees to review our initial occupational job classification of their position, and provide a form for them to complete if they feel that an error has been made or to provide significant additional job content information.

Depending on the action recommended by the respective department heads we may conduct a second job analysis and will inform the project designee(s) of our final recommendation.

**8. Various Approaches to Ensure Internal Equity**

If desired, and for precision in job class analyses, and subsequent salary range determinations, we may utilize one of several job evaluation systems widely in use, including the Hay Method, Decision Band Method (DBM), and the **Factor Evaluation System (FES)**. **FES** is the most extensively validated and commonly utilized quantitative job evaluation system for public sector occupations, consisting of the following flexible compensable factors.

Knowledge Required	Personal Contacts	Complexity
Supervisory Controls	Scope and Effect	Work Environment
Guidelines Provided	Supervision Exercised	Physical Demands

The job class hierarchy based on job points will reflect the City's relative internal job worth values. The City's annual salary competitiveness policy will be translated into a mathematical formula which, when combined with the job points of each City job class, will determine the proper salary range for each job class and position. This balances internal equity (job points relationships) with external competitiveness (market relationship formula).

**a. Optional Approach A – FES System** – We will train a task force of representative City employees in the adaptation of the **FES** point-factor job content evaluation system to the City's job worth values, guide them in the evaluation of a structured benchmark of job classes, conduct QC reviews, and evaluate the remaining job classes within the relative job worth structure established by the task force. We can provide the City with manual or automated versions of this system.

**b. Optional Approach B – Custom Designed System for the City** – We will train and guide a task force of representative City employees in the design of a point-factor system of job content evaluation total reflecting the City's relative job worth values, and proceed as in Approach A. We can provide the City with an automated version of the system once it has been developed with the task force.

## **E. SURVEYS AND COMPENSATION ANALYSIS**

### **1. City Involvement in Compensation Plan Development**

We will obtain policy direction from the City Council, Human Resources staff, and/or City Officials on the following key components of the salary plan development process:

- Comparator Employer Selection
- Benchmark Job Class Selection
- Compensation Competitiveness Policy
- Salary Structure Selection
- Job Evaluation Method-Salary Plan Linkage
- Draft Compensation Plan Review / Critique
- Total Compensation Points for Analysis
- Project Implementation Plan

### **2. Comprehensive Compensation Survey**

We do not subscribe to or recommend the use of databases or data warehouses used or hosted by other firms! We will collect the complete pay plans from each of the City's comparators and build a custom survey database to ensure accuracy and completeness, unique to the City's job classifications.

- a. *Data Collection Protocol*** will be developed in consultation with the City's project leaders to determine which salary data elements to include, such as:

#### ***Base Salary Information***

- Salary grade/step or open range salary plan structure
- Salary range structure Minimum, Midpoint, and Maximum
- Method of salary administration – longevity, performance, or skill

#### ***Additional Compensation Information (to be finalized and approved with City)***

- City-supported benefits such as health insurance, pension contributions
- Supplemental pay items for special qualifications/certifications
- Individual or group incentive plans, bonus, awards, stipends
- Any additional add-pay or benefits items at City's direction

- b. *Benchmark Job Selection*** will be made by identifying City job classes common to its employment-competitive public and private employers in the immediate area and throughout the region or State, clearly identifiable, and representative of standard occupational job groups.

- c. *Comparator Employers Identification*** will be made in consultation with the City's Project Manager(s) or City Council. Criteria include their degree of competition to the City in obtaining and retaining high quality staff, their location in the City's traditional recruitment areas, and their organizational size and complexity.

- d. *Compensation Data Collection*** will be made by one or more of the following methods.

- Pre-survey contact with the selected comparator employers to solicit participation in the City's compensation survey(s)
- Extraction from the pay plans of designated public employers.
- Customized salary and additional (optional) total compensation and benefits survey requests for local governments and other public and private employers, distributed by mail, fax, and e-mail.
- As desired, additional data extraction from established salary surveys and commercial survey sources such as Watson Wyatt, ERI, AWWA, etc.

- e. *Data Quality Control*** includes editing data for accuracy and proper matching to the City's survey benchmark jobs, and phone/fax/E-mail follow-ups for data clarification and to obtain comparators' benchmark job descriptions.

### **3. Prevailing Rates Calculation**

We will consolidate the compensation data from all sources, enter the information into the **EZ COMP™** program, and compute the prevailing rates, inclusive of cost of living differentials, as the statistical mean of the survey data for each benchmark job class. Data will be projected forward from the date of collection to a common date relating to the City's salary plan year by the annual Prevailing Rate Increase Factor (PRI) applicable at that time.

### **4. Compensation Competitiveness Comparison**

We will provide the City with charts comparing its current salary structures to those of the selected public and private comparator employers. We will calculate the extent that the City's offerings vary from the prevailing rates and practices of other relevant employers.

### **5. Compensation Competitiveness Policy**

We will assist the City to select a compensation competitiveness policy which best fits its compensation strategy and financial resources, by providing fiscal impact estimates at various percentage relationships to the prevailing rates.

### **6. Salary Plan Structure Development**

We will review the City's current employee agreements and wage plans and **1)** utilize the City's current wage plan structures to identify internally equitable and externally competitive salary ranges for each City job class or **2)** prepare alternative salary range structures and schedules for the City to select the best fit for its competitiveness strategy, with these optional criteria:

- Method of administration, i.e.: measured job performance, longevity, or skill
- Width of the salary ranges, grades, or broad bands, from Minimum to Maximum
- Varying salary range widths for FLSA non-exempt or exempt positions
- Open salary ranges for pay-for-performance or variable compensation plan
- If steps within the salary ranges, number of steps, percentage separation
- Number of salary ranges, grades, or broad bands in the salary schedule
- Percentage of separation between salary ranges, grades or broad bands
- Recognition for longevity, unique assignments, and special skill requirements
- Remuneration for required special licenses, certifications and registrations
- Linkage of performance evaluations to performance increase opportunities

### **7. Salary Range Assignment Development**

We will assign each job classification to a salary range in the City's current or selected new salary structure on the basis of a combination of factors, including:

- the prevailing rates for the benchmark job classes
- its current relationship to similar or occupationally related job classes
- the 15% guideline for salary range separation between sequential job classes
- the 25% guideline for salary separation of a department head job class
- its quantitative evaluated internal job worth value (job evaluation points)

### **8. Implementation Plan Development**

We will consult with the Human Resources and Project Team on a plan for transition to the recommended plan, including a timetable for the principal activities, employee communication, impact on bargaining processes, and estimates of required financial resources.

## **F. FINAL REPORTS AND PRESENTATIONS**

### **1. Draft and Final Report Preparation**

We will provide the City's project leader(s) with a draft of our report for review and critique, including the classification plan, FLSA designations, compensation market data, salary comparison tables, fiscal estimates, salary range listings, and implementation procedures. We will incorporate their critique into the development of a final report summarizing the project's findings, recommendations, and detailed description of the City's updated position classification and compensation plans.

### **2. Final Report Presentations**

We will conduct a workshop or formal presentation of our final report and recommendations to the Human Resources staff, City Officials, and employees.

### **3. EZ COMP™ Program Installation**

We will install our **EZ COMP™** program and project files on one of the Human Resources Department's computers and provide training to key staff in the maintenance and update of the classification and compensation plan.

### **4. Implementation Warranty**

To ensure effective implementation of the new plan, we will analyze, evaluate, and provide a salary range recommendation for any new or changed job class, **at no cost to the City** for one year.

## **G. ENSURING THE CITY'S SELF-SUFFICIENCY**

The City will be self-sufficient in all aspects of maintenance of the updated position classification and compensation plan through these services.

### **1. Procedure Manuals**

- *PSPC Position Classification Procedure Guide*
- *PSPC Salary Administration Procedure Guide*
- *City of Bedford **EZ COMP™** Procedure Guide*

### **2. Training Workshop** – for City staff in position classification, job evaluation, compensation surveys, and compensation plan design and administration.

### **3. Electronic Job Description Library** – we can provide the City with all updated job descriptions in hard copy and electronic library format for internal maintenance.

### **4. EZ COMP™** – program and project files on one of the City's computers, a custom user's manual, and system training for key City and Human Resources staff.

### **5. Initial Year's Implementation Warranty Support** – we will analyze, evaluate, classify, and provide a salary range recommendation for any new or changed position or entire job classification, **at no cost to the City** for one year.

**H. EXTENSIVE EMPLOYEE INCLUSION AND COMMUNICATION**

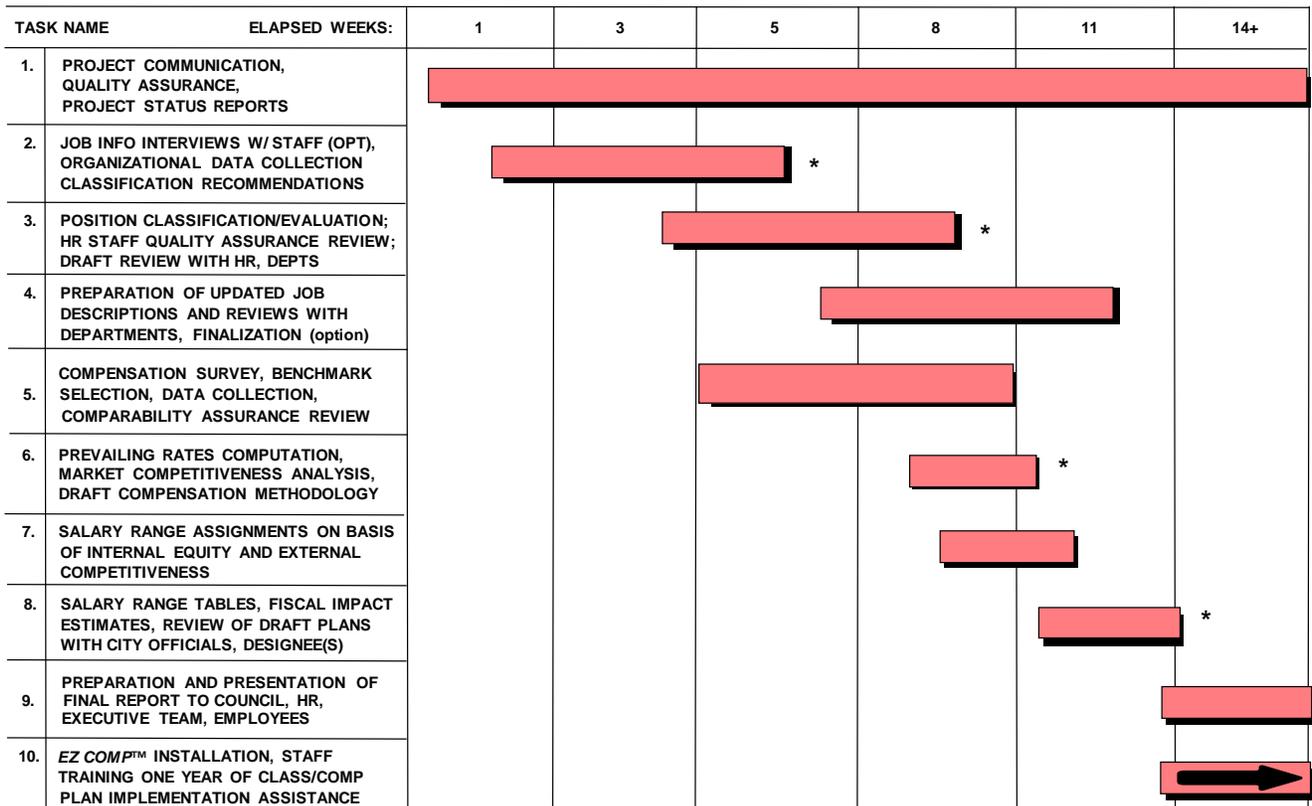
Very important factors for successful implementation of new or updated classification and compensation plans are **1)** extensive employee inclusion, and **2)** extensive employee communication. City officials and employees will participate in one or more of the following activities:

- Attending pre-project briefings and question and answer sessions
- Completing a Position Analysis Questionnaire (PAQ) describing their position
- Elaborating on their jobs in individual or group job information interviews (option)
- Requesting a second review of their position’s occupational job classification
- Receiving information pamphlet/booklet describing the updated salary plan

**I. MINIMAL CITY SUPPORT REQUIRED**

We are completely self-sufficient in projects of this nature and do not require any substantive staff support from the City other than payroll data, and arrangements for group and individual meetings and interviews. We appreciate, but do not require, any office space, telephone, clerical assistance, computers, or office equipment. We will provide all data entry, data processing, duplicating, and related report preparation functions.

**ESTIMATED PROJECT ELAPSED TIME CHART**



\* Progress reviews with the City

Classification and Compensation Study RFP - Weighted Scores								
FIRM	Paypoint	Evergreen Solutions	Paradox	Condrey and Associates	Public Sector Personnel Consultants	Springsted	Segal Waters Consulting	CPS HR Consulting
RFP Compliance	✓	✓	✓	✓	✓	✓	✓	✓
Qualifications and Experience (personnel)	1.55	1.75	1.60	1.35	<b>1.80</b>	1.70	1.85	1.60
Work in Public Sector	0.68	1.20	1.09	0.94	<b>1.43</b>	0.98	1.28	0.98
Methodology and Project Timeframe	1.88	2.13	1.25	1.69	<b>2.31</b>	2.19	1.69	1.75
Firm Location	0.25	0.28	0.48	0.30	<b>0.46</b>	0.43	0.46	0.33
Economic Evaluation	2.36	3.24	3.06	2.80	<b>2.71</b>	2.19	2.01	0.79
Total	6.71	8.59	7.48	7.08	<b>8.71</b>	7.48	7.29	5.44
Rank	7	2	3	6	<b>1</b>	3	5	8



# Council Agenda Background

**PRESENTER:** Meg Jakubik, Strategic Services Manager

**DATE:** 02/27/18

Staff Report

**ITEM:**

First Quarter Financial Report.

City Attorney Review: N/A

**DISCUSSION:**

The FY 17-18 started on October 1, 2017, with the first quarter ending on December 31, 2017. While reports are reviewed monthly, the quarter point is commonly used to assess the financial status of the organization. Staff will present an update on the revenues and expenditures from the first quarter.

**ATTACHMENTS:**

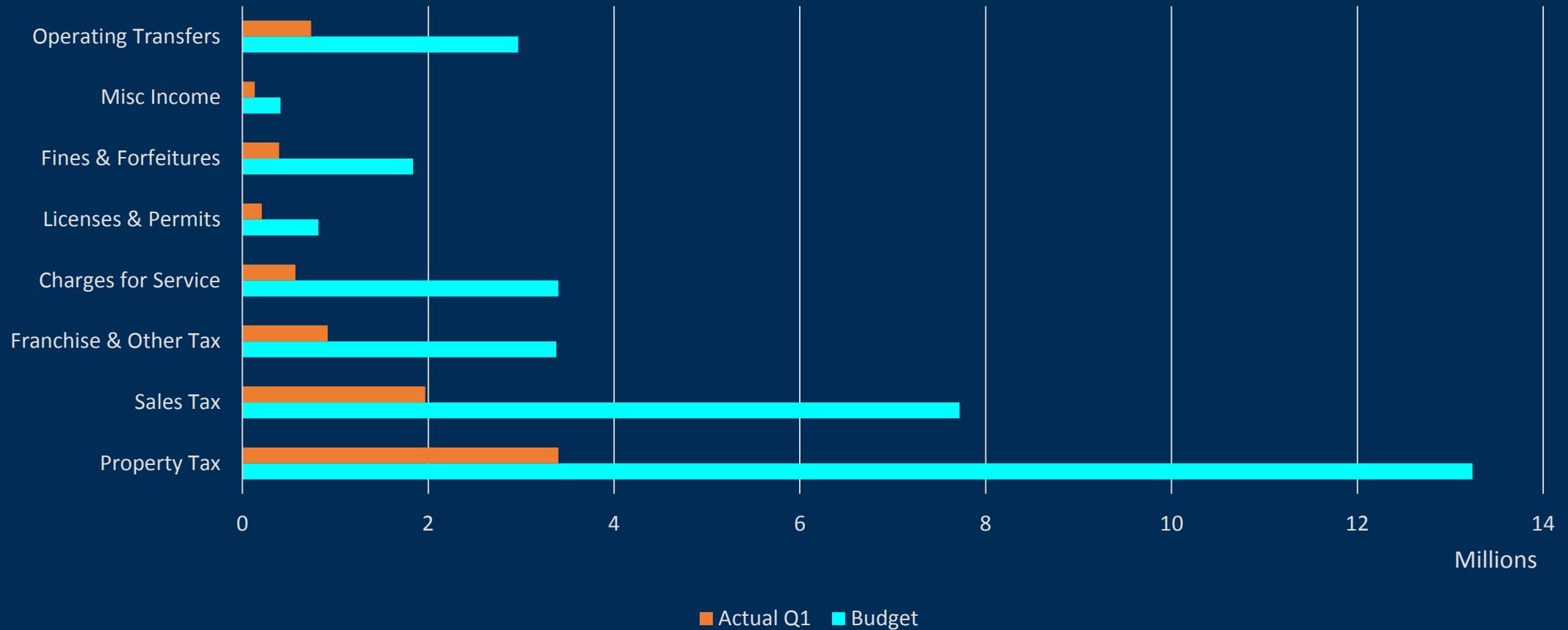
PowerPoint  
Quarterly Financial Report

# Quarterly Financial Report

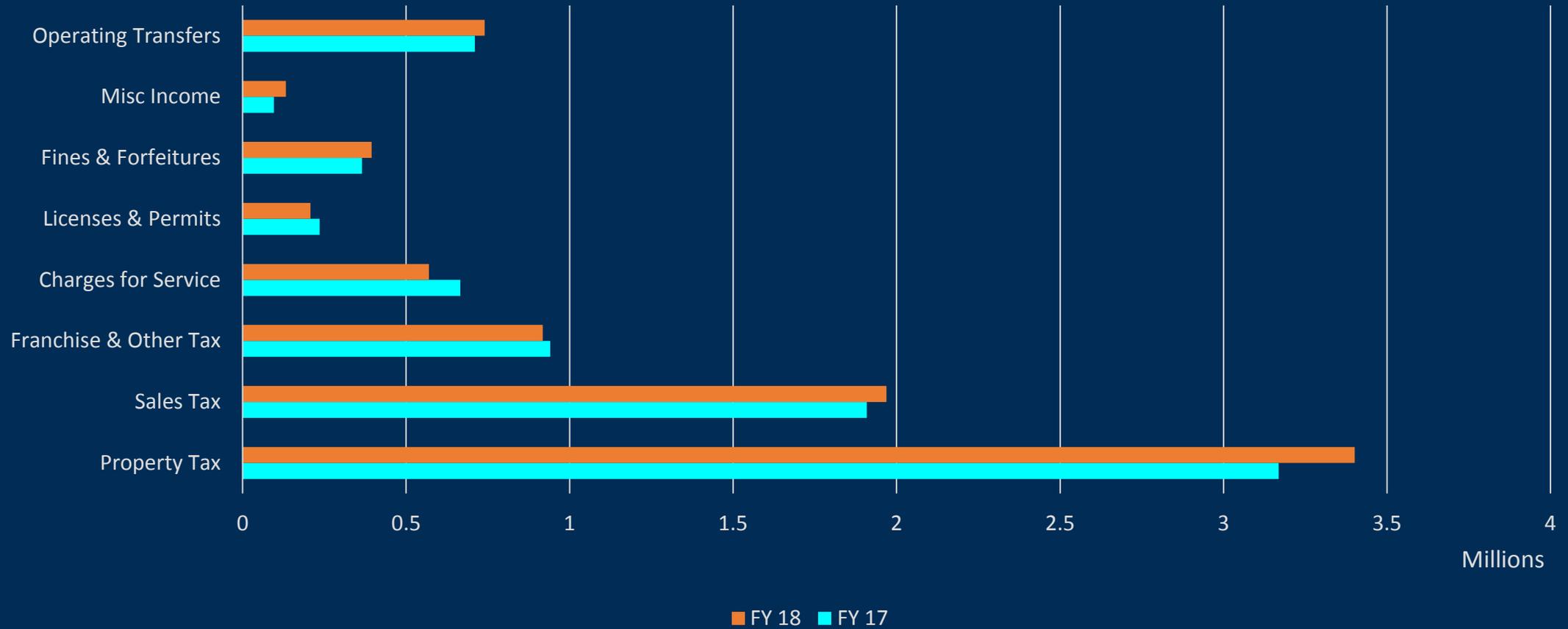
October – December 2017

General Fund

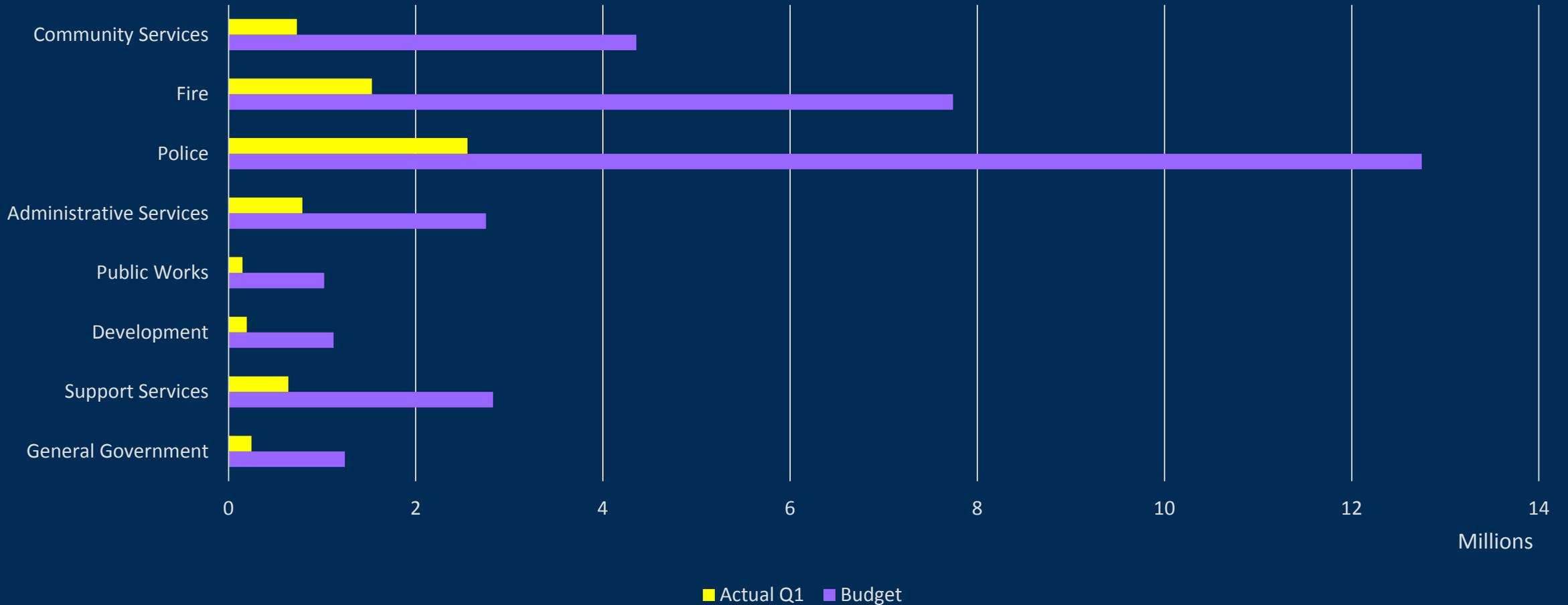
# Revenue – Actual vs. Budget



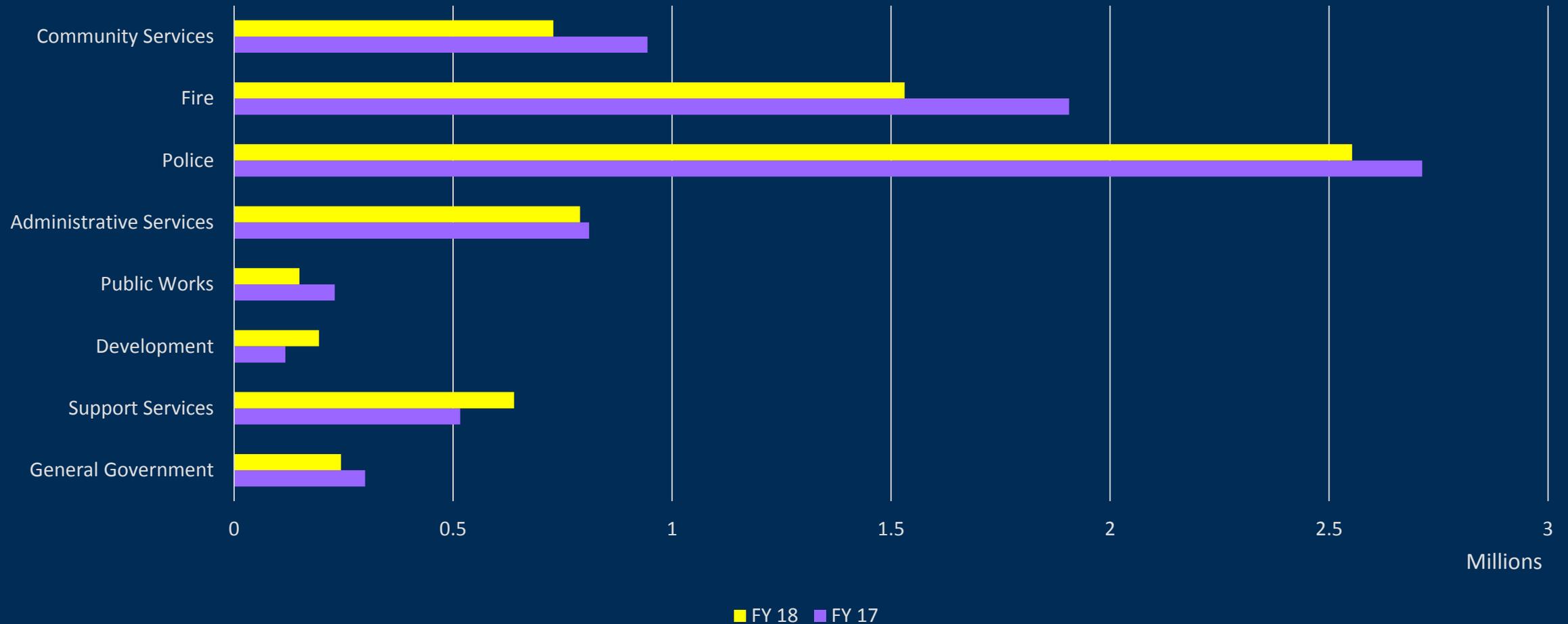
# Revenue – FY 17 vs FY 18



# Expenditures – Actual vs. Budget

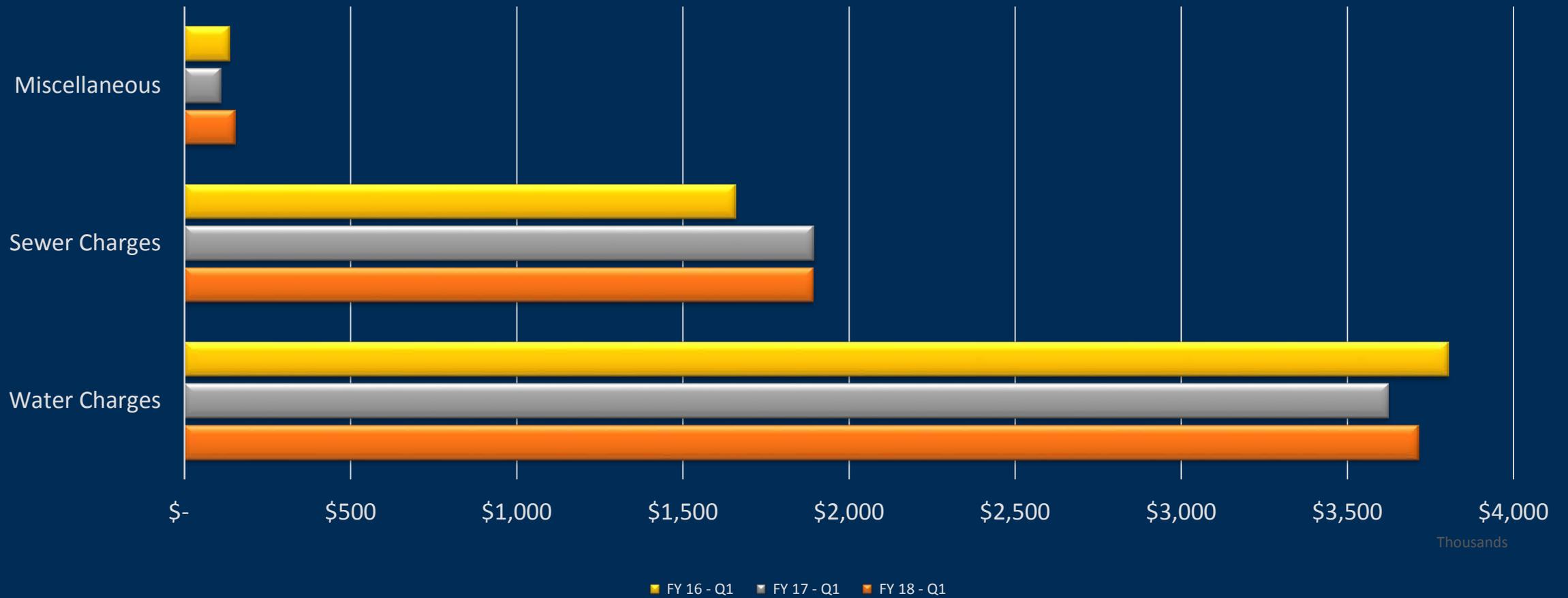


# Expenditures – FY 17 vs FY 18

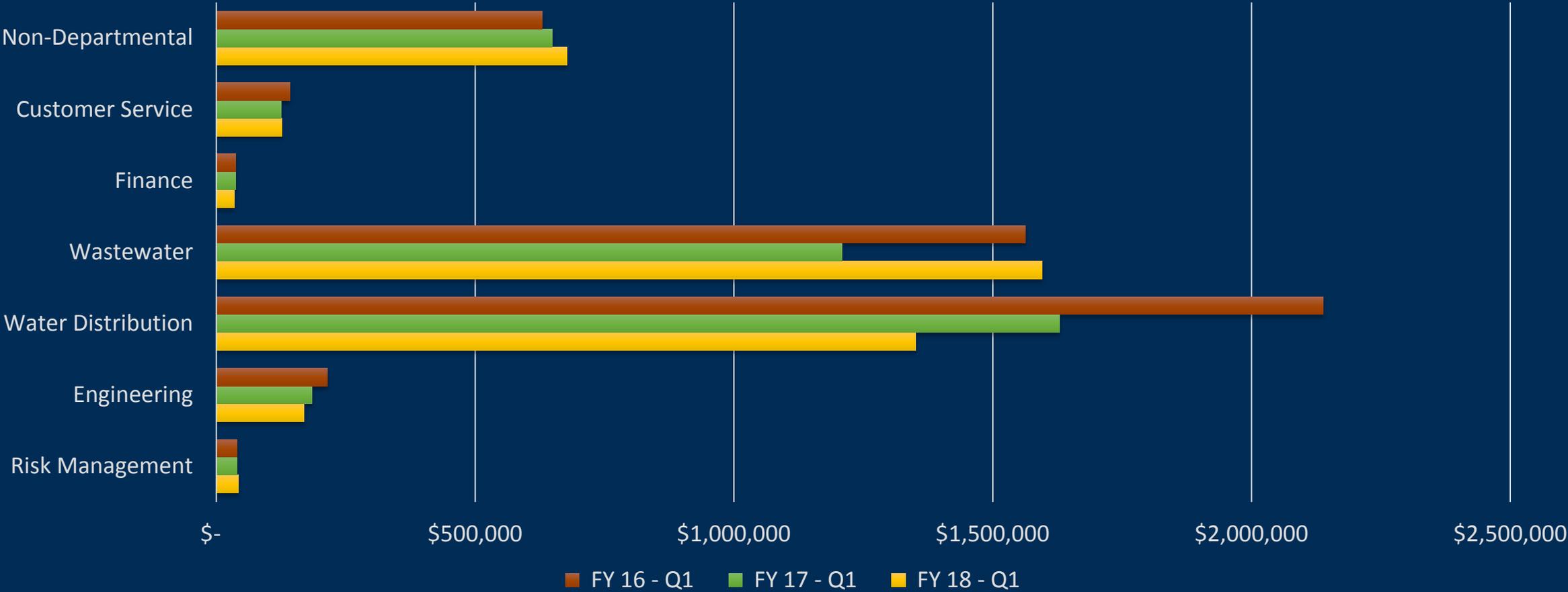


# Water & Sewer Fund

# Revenue – 3 Year History

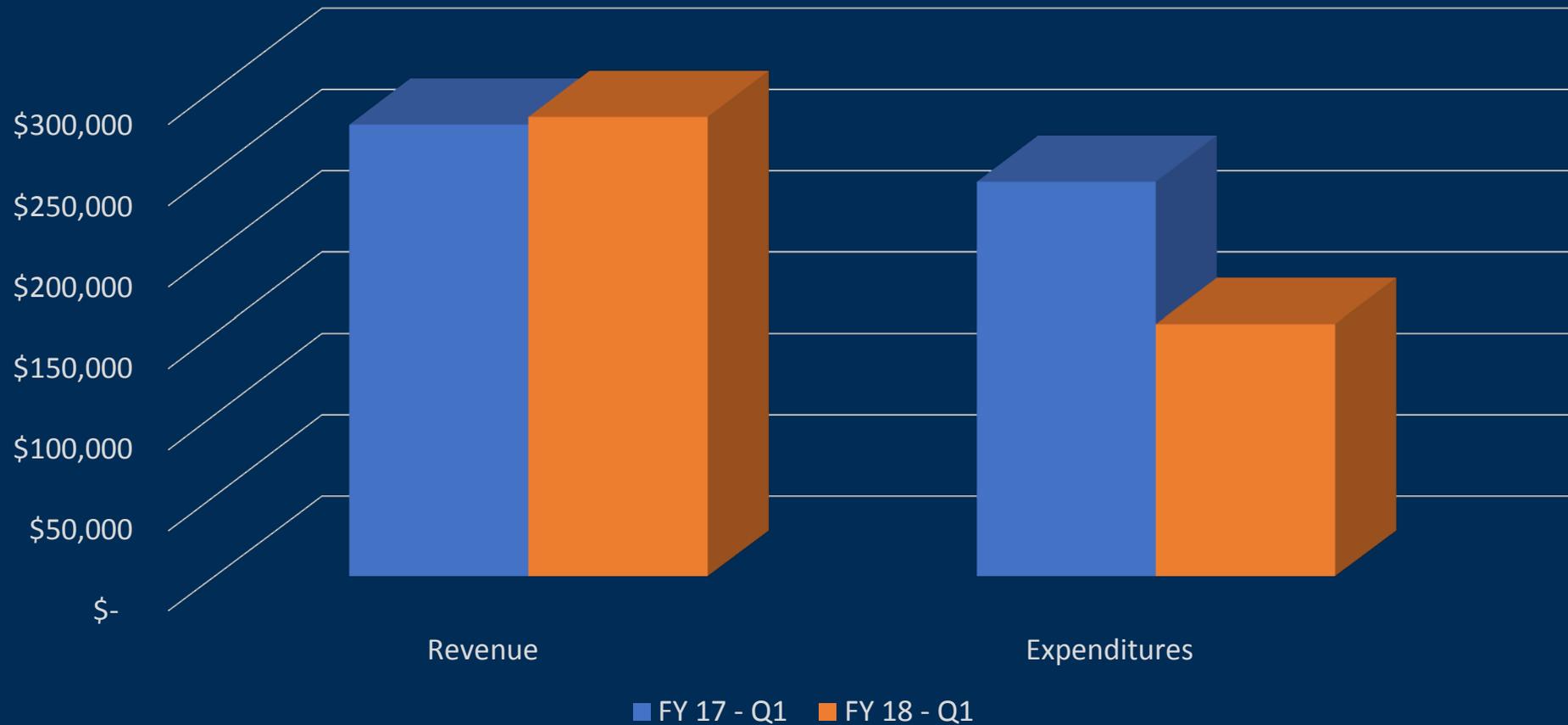


# Expenditures – 3 Year History

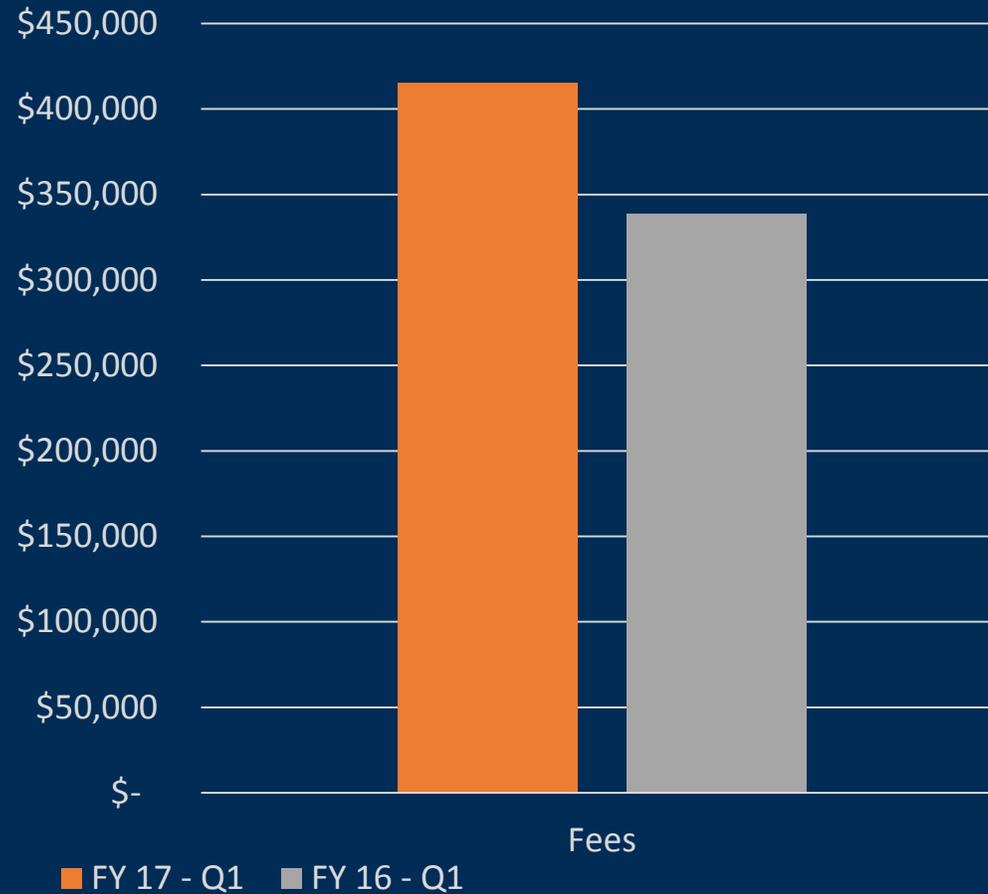


Other Funds

# Tourism Fund

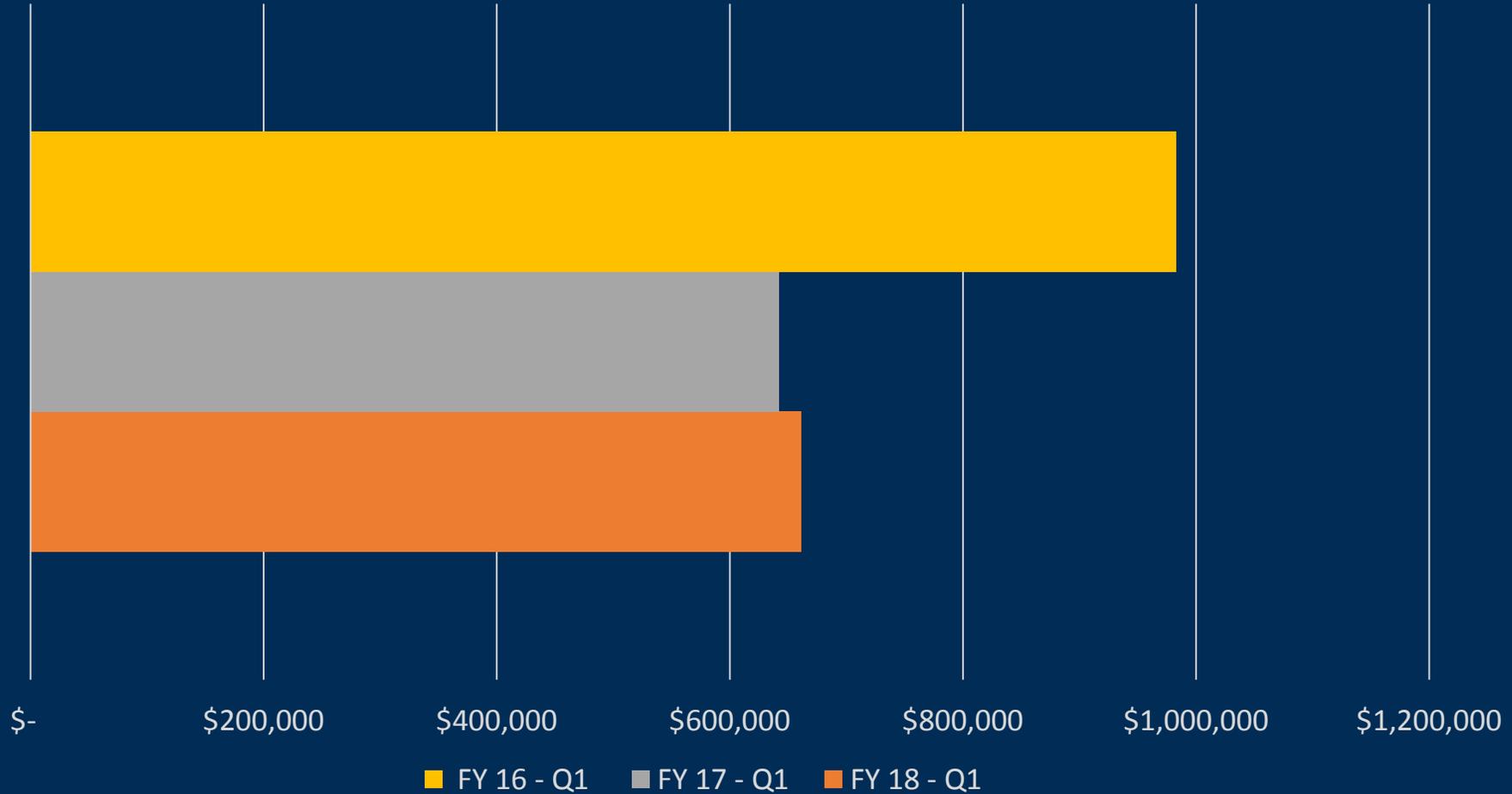


# Stormwater Fund



# SIEDC Fund

Sales Tax



# FY 2017-2018 FINANCIAL REPORT – QUARTER 1

## October – December Financial Summary

### Total All Funds

Revenue	\$	17,610,834
Expenditures	\$	11,256,279
Difference	\$	6,354,555

### General Fund

Revenue	\$	8,332,666
Expenditures	\$	6,828,489
Difference	\$	1,504,176

### Tourism Fund

Revenue	\$	283,074
Expenditures	\$	155,712
Difference	\$	127,362

### Water & Sewer Fund

Revenue	\$	5,755,689
Expenditures	\$	3,995,150
Difference	\$	1,760,540

### Stormwater Fund

Revenue	\$	417,068
Expenditures	\$	196,741
Difference	\$	220,327

### Debt Service Fund

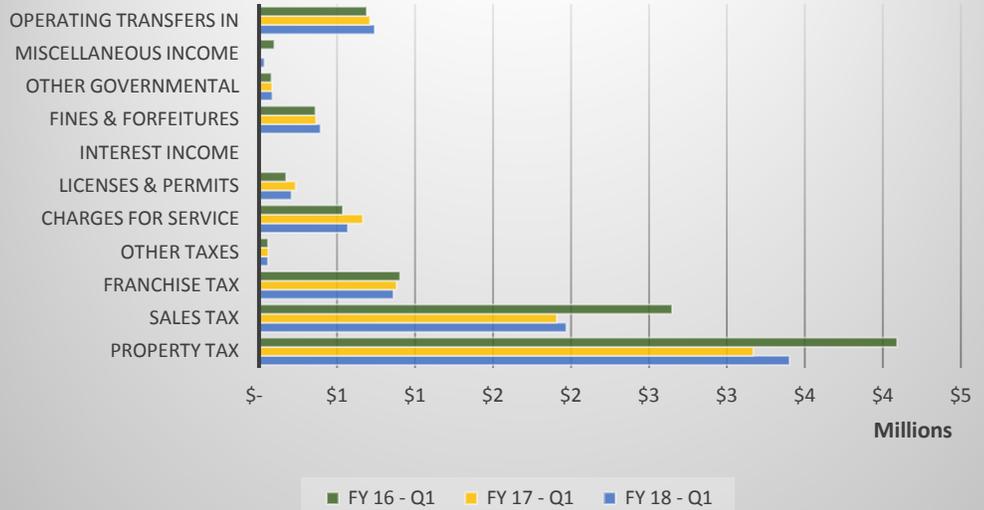
Revenue	\$	1,796,966
Expenditures	\$	2,500
Difference	\$	1,794,466

### 4B SIEDC Fund

Revenue	\$	671,623
Expenditures	\$	22,980
Difference	\$	648,643

## General Fund

### Revenues



### Expenditures

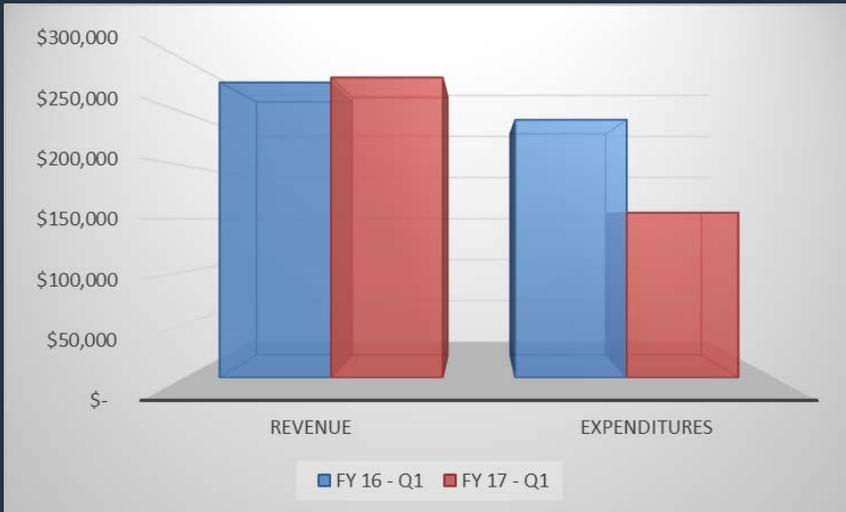


Overall General Fund revenues are performing at expected levels. Sales tax continues to increase over the prior year, maintaining the trend that began in the middle of last fiscal year. Property tax deposits are trending ahead of last year, with the bulk of deposits expected in the second quarter of the fiscal year. While some categories of revenue are down compared to last year, overall revenue has increased by 3% over the prior fiscal year.

Expenditures are within seasonally anticipated levels. Overall, expenditures are down from the prior fiscal year. This is primarily due to the payroll cycle in relation to the quarter's calendar. In the prior fiscal year, there were seven payroll cycles in the first quarter, compared to six cycles in this year.

The information contained within this report represents financial transactions through the 1<sup>st</sup> Quarter (October – December) of the fiscal year ending September 30, 2018. All of the current year financial figures are un-audited and may be subject to change or adjustment.

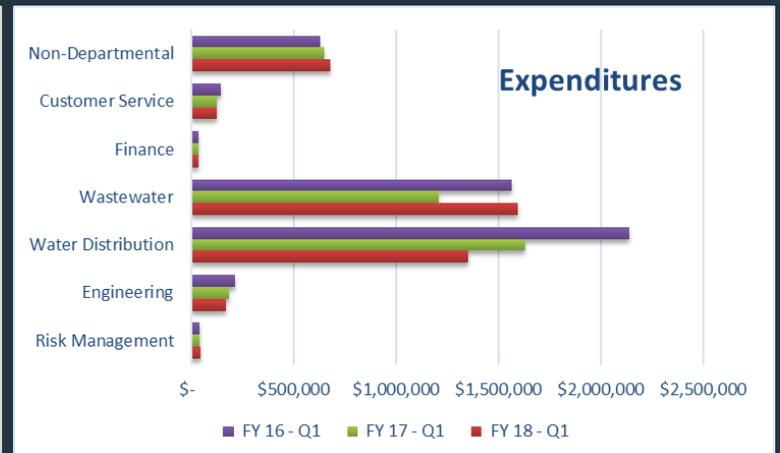
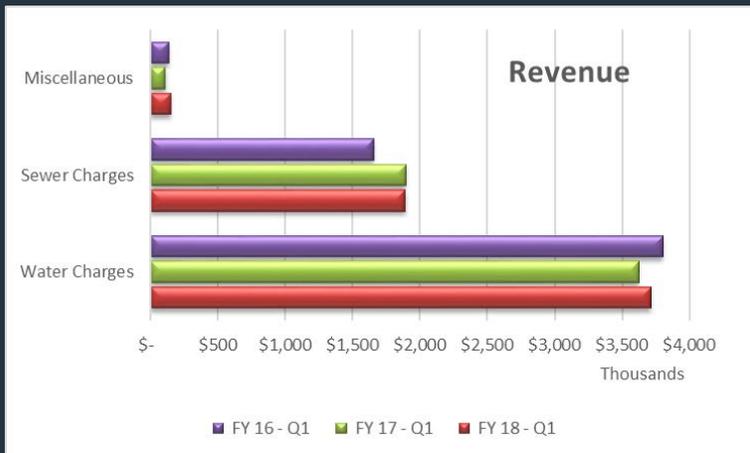
## Tourism Fund



The primary revenue source for the Tourism Fund is the hotel/motel tax. This revenue amount is static compared to last year, but is expected to begin increasing again with the opening of three new hotels in the City in the coming year. Revenue and expenditures were budgeted for the Old Bedford School, with the lack of revenue being offset by reduced expenditures.

Expenditures have decreased compared to last year. This is due to capital purchases that were one-time items. The fund is performing within seasonally anticipated levels.

## Water & Sewer Fund



Revenue for the Water & Sewer fund has reached 25% of budget. Water and Sewer charges are in line with seasonal expectations. Increased water and sewer volume rates will be in effect starting with the second quarter of the fiscal year.

Expenses for this quarter have reached 17.7% of budget and are slightly higher than the same period last year. One of the primary reasons is the billing cycle for water purchased from the Trinity River Authority. This is one of the largest expenses of the fund as it is the primary source of water utilized in the City's system. Amounts vary by water purchased and number of bills that fall within each quarter. Expenses are within seasonally anticipated levels.

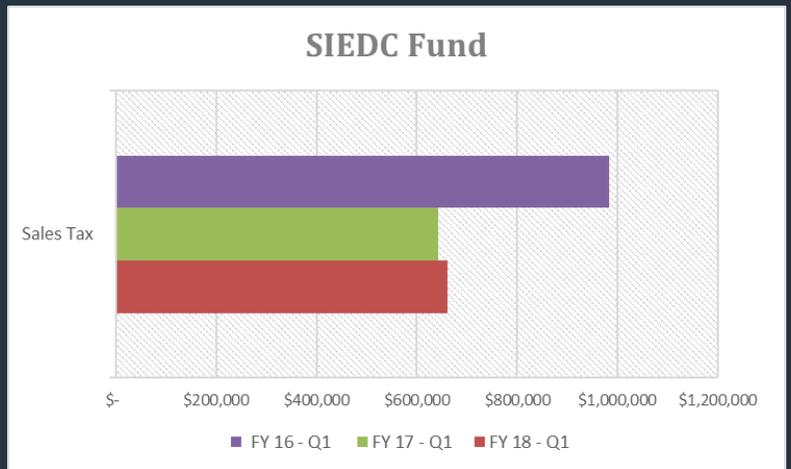
# FY 2017-2018 FINANCIAL REPORT – QUARTER 1



Revenue for the Stormwater Fund is at 25% of budget and trending ahead of the same period last year. This is consistent with the fee increase that did not go into effect until the second quarter of last fiscal year. Expenses for the fund are at 13.4% of budget and within seasonally anticipated levels.

Sales tax is the primary source of revenue for the Street Improvement Economic Development Corporation (SIEDC). Sales taxes are increasing over the prior year in the same period and meeting budgetary expectations.

Expenditures for this fund typically happen in the spring and summer when weather is conducive for road improvements. Expenses are within seasonally appropriate levels.



**CITY OF BEDFORD  
BUDGET TO ACTUAL COMPARISON  
FISCAL YEAR 2018  
For the period ending December 31, 2017 (1st Quarter)**

**GENERAL FUND**

REVENUE:	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 YTD ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 YTD ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>TAXES</b>								
PROPERTY	13,239,006	13,239,006	3,401,346	25.69%	74.31%	3,168,206	233,140	7.36%
SALES TAX	7,717,500	7,717,500	1,969,101	25.51%	74.49%	1,908,581	60,520	3.17%
FRANCHISE	3,147,000	3,147,000	860,951	27.36%	72.64%	881,144	(20,193)	-2.29%
OTHER	230,000	230,000	56,662	24.64%	75.36%	59,706	(3,044)	-5.10%
<b>CHARGES FOR SERVICES</b>	3,440,580	3,440,580	570,052	16.57%	83.43%	666,128	(96,076)	-14.42%
<b>LICENSES &amp; PERMITS</b>	816,750	816,750	207,796	25.44%	74.56%	235,575	(27,779)	-11.79%
<b>INTEREST INCOME</b>	40,000	40,000	11,187	27.97%	72.03%	4,000	7,187	179.68%
<b>FINES &amp; FORFEITURES</b>	1,838,000	1,838,000	394,241	21.45%	78.55%	364,734	29,507	8.09%
<b>OTHER GOVERNMENTAL</b>	280,490	280,490	85,622	30.53%	69.47%	83,378	2,244	2.69%
<b>MISCELLANEOUS INCOME</b>	88,400	88,400	35,374	40.02%	59.98%	8,221	27,153	330.27%
<b>OPERATING TRANSFERS IN</b>	<u>2,968,635</u>	<u>2,968,635</u>	<u>740,334</u>	24.94%	75.06%	<u>710,484</u>	<u>29,850</u>	4.20%
<b>TOTAL REVENUE</b>	<u><b>33,806,361</b></u>	<u><b>33,806,361</b></u>	<u><b>8,332,666</b></u>	<b>24.65%</b>	<b>75.35%</b>	<u><b>8,090,158</b></u>	<u><b>242,508</b></u>	<b>3.00%</b>
<b>TOTAL EXPENDITURES</b>	<u><b>33,808,469</b></u>	<u><b>33,808,469</b></u>	<u><b>6,828,489</b></u>	<b>20.20%</b>	<b>79.80%</b>	<u><b>7,535,775</b></u>	<u><b>(707,285)</b></u>	<b>-9.39%</b>
<b>EXCESS REVENUE OVER(UNDER) EXPENDITURES</b>	<u><u><b>(2,108)</b></u></u>	<u><u><b>(2,108)</b></u></u>	<u><u><b>1,504,176</b></u></u>			<u><u><b>554,383</b></u></u>	<u><u><b>949,793</b></u></u>	<b>171.32%</b>

**CITY OF BEDFORD**  
**BUDGET TO ACTUAL COMPARISON**  
**FISCAL YEAR 2018**  
For the period ending December 31, 2017 (1st Quarter)

**GENERAL FUND**

EXPENDITURES:	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>GENERAL GOVERNMENT</b>								
CITY COUNCIL	259,695	259,695	33,129	12.76%	87.24%	79,017	(45,889)	-58.07%
CITY MANAGER	682,547	682,547	141,415	20.72%	79.28%	164,426	(23,011)	-13.99%
CITY SECRETARY	299,393	299,393	69,544	23.23%	76.77%	55,770	13,774	24.70%
<b>TOTAL</b>	<b>1,241,635</b>	<b>1,241,635</b>	<b>244,089</b>	<b>19.66%</b>	<b>80.34%</b>	<b>299,213</b>	<b>(55,125)</b>	<b>-18.42%</b>
<b>SUPPORT SERVICES</b>								
INFORMATION SYSTEMS	935,889	935,889	345,987	36.97%	63.03%	249,375	96,612	38.74%
HUMAN RESOURCES	501,120	501,120	90,187	18.00%	82.00%	98,247	(8,061)	-8.20%
FLEET MAINTENANCE	625,506	625,506	77,809	12.44%	87.56%	62,277	15,533	24.94%
FACILITY SERVICES	763,684	763,684	125,353	16.41%	83.59%	106,357	18,996	17.86%
<b>TOTAL</b>	<b>2,826,199</b>	<b>2,826,199</b>	<b>639,337</b>	<b>22.62%</b>	<b>77.38%</b>	<b>516,256</b>	<b>123,081</b>	<b>23.84%</b>
<b>DEVELOPMENT</b>								
ECONOMIC DEVELOPMENT	173,428	173,428	13,860	7.99%	92.01%	18,288	(4,427)	-24.21%
INSPECTIONS	562,807	562,807	107,545	19.11%	80.89%	-	107,545	N/A
PLANNING & ZONING	385,141	385,141	72,614	18.85%	81.15%	99,008	(26,394)	-26.66%
<b>TOTAL</b>	<b>1,121,376</b>	<b>1,121,376</b>	<b>194,020</b>	<b>17.30%</b>	<b>82.70%</b>	<b>117,295</b>	<b>76,724</b>	<b>65.41%</b>
<b>PUBLIC WORKS</b>								
STREETS	1,021,262	1,021,262	148,950	14.58%	85.42%	229,703	(80,754)	-35.16%
<b>TOTAL</b>	<b>1,021,262</b>	<b>1,021,262</b>	<b>148,950</b>	<b>14.58%</b>	<b>85.42%</b>	<b>229,703</b>	<b>(80,754)</b>	<b>-35.16%</b>
<b>ADMINISTRATIVE SERVICES</b>								
FINANCE	568,449	568,449	103,788	18.26%	81.74%	171,507	(67,720)	-39.49%
NON-DEPARTMENTAL	1,320,524	1,320,524	526,930	39.90%	60.10%	462,891	64,040	13.83%
MUNICIPAL COURT	682,560	682,560	131,864	19.32%	80.68%	147,278	(15,414)	-10.47%
TEEN COURT	179,235	179,235	27,306	15.23%	84.77%	28,937	(1,631)	-5.64%
<b>TOTAL</b>	<b>2,750,768</b>	<b>2,750,768</b>	<b>789,888</b>	<b>28.72%</b>	<b>71.28%</b>	<b>810,613</b>	<b>(20,726)</b>	<b>-2.56%</b>

**CITY OF BEDFORD**  
**BUDGET TO ACTUAL COMPARISON**  
**FISCAL YEAR 2018**  
For the period ending December 31, 2017 (1st Quarter)

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>POLICE</b>								
ADMINISTRATION	912,426	912,426	190,296	20.86%	79.14%	209,411	(19,115)	-9.13%
ANIMAL CONTROL	407,404	407,404	78,146	19.18%	80.82%	89,590	(11,444)	-12.77%
COMMUNITY SERVICES	938,073	938,073	195,779	20.87%	79.13%	215,807	(20,028)	-9.28%
C.I.D.	1,756,718	1,756,718	346,555	19.73%	80.27%	355,302	(8,747)	-2.46%
S.W.A.T.	16,040	16,040	18,126	113.01%	-13.01%	2,284	15,842	693.70%
CODE COMPLIANCE	494,226	494,226	96,747	19.58%	80.42%	110,527	(13,780)	-12.47%
PATROL	4,791,628	4,791,628	999,820	20.87%	79.13%	1,028,759	(28,939)	-2.81%
TRAFFIC	923,471	923,471	179,395	19.43%	80.57%	182,170	(2,775)	-1.52%
DISPATCH	852,247	852,247	149,023	17.49%	82.51%	182,335	(33,311)	-18.27%
DETENTION SERVICES	879,927	879,927	145,397	16.52%	83.48%	176,880	(31,483)	-17.80%
RECORDS	452,580	452,580	90,709	20.04%	79.96%	95,055	(4,346)	-4.57%
REPEAT VICTIMIZATION UNIT	323,320	323,320	62,454	19.32%	80.68%	64,183	(1,729)	-2.69%
<b>TOTAL</b>	<b>12,748,060</b>	<b>12,748,060</b>	<b>2,552,446</b>	<b>20.02%</b>	<b>79.98%</b>	<b>2,712,303</b>	<b>(159,857)</b>	<b>-5.89%</b>
<b>FIRE</b>								
ADMINISTRATION	701,199	701,199	134,910	19.24%	80.76%	263,884	(128,974)	-48.88%
OPERATIONS	7,040,077	7,040,077	1,395,086	19.82%	80.18%	1,519,702	(124,616)	-8.20%
INSPECTIONS	-	-	1,038	N/A	N/A	123,039	(122,001)	-99.16%
<b>TOTAL</b>	<b>7,741,276</b>	<b>7,741,276</b>	<b>1,531,034</b>	<b>19.78%</b>	<b>80.22%</b>	<b>1,906,625</b>	<b>(375,591)</b>	<b>-19.70%</b>
<b>COMMUNITY SERVICES</b>								
LIBRARY	1,575,674	1,575,674	301,312	19.12%	80.88%	340,848	(39,535)	-11.60%
PARKS	1,449,609	1,449,609	281,490	19.42%	80.58%	416,090	(134,600)	-32.35%
RECREATION	630,922	630,922	84,427	13.38%	86.62%	116,237	(31,810)	-27.37%
AQUATICS	417,630	417,630	7,220	1.73%	98.27%	12,026	(4,806)	-39.96%
SENIOR CENTER	284,058	284,058	54,278	19.11%	80.89%	58,564	(4,286)	-7.32%
<b>TOTAL</b>	<b>4,357,893</b>	<b>4,357,893</b>	<b>728,727</b>	<b>16.72%</b>	<b>83.28%</b>	<b>943,766</b>	<b>(215,039)</b>	<b>-22.79%</b>
<b>TOTAL EXPENDITURES</b>	<b>33,808,469</b>	<b>33,808,469</b>	<b>6,828,489</b>	<b>20.20%</b>	<b>79.80%</b>	<b>7,535,775</b>	<b>(707,285)</b>	<b>-9.39%</b>

**CITY OF BEDFORD**  
**BUDGET TO ACTUAL COMPARISON**  
**FISCAL YEAR 2018**  
For the period ending December 31, 2017 (1st Quarter)

**ECONOMIC DEVELOPMENT FUND**

REVENUE:	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
OPERATING TRANSFERS	-	-	-	N/A	N/A	25,030	(25,030)	-100.00%
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
INTEREST	500	500	898	179.56%	-79.56%	536	362	67.51%
<b>TOTAL</b>	<b>500</b>	<b>500</b>	<b>898</b>	<b>179.56%</b>	<b>-79.56%</b>	<b>25,566</b>	<b>(24,668)</b>	<b>-96.49%</b>
<b>EXPENDITURES:</b>								
CONTRACTUAL SERVICES	-	-	-	N/A	N/A	-	-	N/A
REIMBURSEMENTS	-	-	-	N/A	N/A	-	-	N/A
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>500</b>	<b>500</b>	<b>898</b>			<b>25,566</b>	<b>(24,668)</b>	<b>-96.49%</b>

**PUBLIC EDUCATIONAL GOVERNMENT (PEG) FUND**

REVENUE:	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
CABLE FRANCHISE	125,000	125,000	30,107	24.09%	75.91%	34,515	(4,408)	-12.77%
INTEREST	1,000	1,000	1,364	136.38%	-36.38%	724	640	88.39%
<b>TOTAL</b>	<b>126,000</b>	<b>126,000</b>	<b>31,471</b>	<b>24.98%</b>	<b>75.02%</b>	<b>35,239</b>	<b>(3,768)</b>	<b>-10.69%</b>
<b>EXPENDITURES:</b>								
CAPITAL	18,400	18,400	165	0.90%	99.10%	10,174	(10,008)	-98.37%
<b>TOTAL</b>	<b>18,400</b>	<b>18,400</b>	<b>165</b>	<b>0.90%</b>	<b>99.10%</b>	<b>10,174</b>	<b>(10,008)</b>	<b>-98.37%</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>107,600</b>	<b>107,600</b>	<b>31,306</b>			<b>25,065</b>	<b>6,241</b>	<b>24.90%</b>

**CITY OF BEDFORD**  
**BUDGET TO ACTUAL COMPARISON**  
**FISCAL YEAR 2018**  
For the period ending December 31, 2017 (1st Quarter)

**COMMERCIAL VEHICLE ENFORCEMENT**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUE:</b>								
INTEREST	-	-	65	N/A	N/A	-	65	N/A
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
FINES	-	-	1,178	N/A	N/A	2,282	(1,104)	-48.37%
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>1,243</b>	<b>N/A</b>	<b>N/A</b>	<b>2,282</b>	<b>(1,039)</b>	<b>-45.53%</b>
<b>EXPENDITURES:</b>								
OPERATIONS	1,000	1,000	-	0.00%	100.00%	-	-	N/A
<b>TOTAL</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>	<b>0.00%</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>1,243</b>			<b>2,282</b>	<b>(1,039)</b>	<b>-45.53%</b>

**MEDICAL SCREENING FUND**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUE:</b>								
INTEREST	-	-	60	N/A	N/A	-	60	N/A
OPER TRANSFERS	-	-	-	N/A	N/A	-	-	N/A
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>60</b>	<b>N/A</b>
<b>EXPENDITURES:</b>								
CONTRACTUAL SERVICES	-	-	-	N/A	N/A	-	-	N/A
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>60</b>			<b>-</b>	<b>60</b>	<b>N/A</b>

**CITY OF BEDFORD  
BUDGET TO ACTUAL COMPARISON  
FISCAL YEAR 2018  
For the period ending December 31, 2017 (1st Quarter)**

**PARK MAINTENANCE FUND**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUE:</b>								
INTEREST	100	100	302	301.74%	-201.74%	107	195	182.63%
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
OPER TRANSFERS	50,000	50,000	12,560	25.12%	74.88%	12,560	-	0.00%
<b>TOTAL</b>	<b>50,100</b>	<b>50,100</b>	<b>12,862</b>	<b>25.67%</b>	<b>74.33%</b>	<b>12,667</b>	<b>195</b>	<b>1.54%</b>
<b>EXPENDITURES:</b>								
CAPITAL OUTLAY	-	-	-	N/A	N/A	-	-	N/A
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>50,100</b>	<b>50,100</b>	<b>12,862</b>			<b>12,667</b>	<b>195</b>	<b>1.54%</b>

**COMPUTER REPLACEMENT FUND**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUE:</b>								
INTEREST	200	200	150	75.21%	24.80%	166	(15)	-9.18%
OPER TRANSFERS	60,000	60,000	15,000	25.00%	75.00%	15,000	-	0.00%
<b>TOTAL</b>	<b>60,200</b>	<b>60,200</b>	<b>15,150</b>	<b>25.17%</b>	<b>74.83%</b>	<b>15,166</b>	<b>(15)</b>	<b>-0.10%</b>
<b>EXPENDITURES:</b>								
CAPITAL OUTLAY	-	-	1,000	N/A	N/A	10,234	(9,234)	-90.23%
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>N/A</b>	<b>N/A</b>	<b>10,234</b>	<b>(9,234)</b>	<b>-90.23%</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>60,200</b>	<b>60,200</b>	<b>14,150</b>			<b>4,931</b>	<b>9,219</b>	<b>186.95%</b>

**CITY OF BEDFORD  
BUDGET TO ACTUAL COMPARISON  
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**AQUATIC MAINTENANCE FUND**

REVENUE:	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
INTEREST	150	150	24	16.02%	83.98%	42	(18)	-43.08%
OPER TRANSFERS	<u>25,000</u>	<u>25,000</u>	<u>6,280</u>	25.12%	74.88%	<u>6,280</u>	-	0.00%
<b>TOTAL</b>	<u><b>25,150</b></u>	<u><b>25,150</b></u>	<u><b>6,304</b></u>	<b>25.07%</b>	<b>74.93%</b>	<u><b>6,322</b></u>	<u><b>(18)</b></u>	<b>-0.29%</b>
<b>EXPENDITURES:</b>								
MAINTENANCE	7,000	7,000	-	0.00%	100.00%	-	-	N/A
CAPITAL OUTLAY	<u>-</u>	<u>-</u>	<u>-</u>	N/A	N/A	<u>-</u>	<u>-</u>	N/A
<b>TOTAL</b>	<u><b>7,000</b></u>	<u><b>7,000</b></u>	<u><b>-</b></u>	<b>0.00%</b>	<b>100.00%</b>	<u><b>-</b></u>	<u><b>-</b></u>	<b>N/A</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<u><b>18,150</b></u>	<u><b>18,150</b></u>	<u><b>6,304</b></u>			<u><b>6,322</b></u>	<u><b>(18)</b></u>	<b>-0.29%</b>

**LIBRARY MAINTENANCE FUND**

REVENUE:	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
INTEREST	150	150	141	94.13%	5.87%	105	36	33.89%
OPER TRANSFERS	<u>25,000</u>	<u>25,000</u>	<u>6,280</u>	25.12%	74.88%	<u>6,280</u>	-	0.00%
<b>TOTAL</b>	<u><b>25,150</b></u>	<u><b>25,150</b></u>	<u><b>6,421</b></u>	<b>25.53%</b>	<b>74.47%</b>	<u><b>6,385</b></u>	<u><b>36</b></u>	<b>0.56%</b>
<b>EXPENDITURES:</b>								
CAPITAL OUTLAY	45,000	45,000	-	0.00%	100.00%	10,541	(10,541)	-100.00%
<b>TOTAL</b>	<u><b>45,000</b></u>	<u><b>45,000</b></u>	<u><b>-</b></u>	<b>0.00%</b>	<b>100.00%</b>	<u><b>10,541</b></u>	<u><b>(10,541)</b></u>	<b>-100.00%</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<u><b>(19,850)</b></u>	<u><b>(19,850)</b></u>	<u><b>6,421</b></u>			<u><b>(4,156)</b></u>	<u><b>10,577</b></u>	<b>-254.52%</b>

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BUDGET TO ACTUAL COMPARISON  
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For the period ending December 31, 2017 (1st Quarter)**

**FACILITY MAINTENANCE FUND**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUE:</b>								
INTEREST	500	500	367	73.34%	26.66%	275	92	33.30%
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
OPER TRANSFERS	45,000	45,000	11,250	25.00%	75.00%	11,250	-	0.00%
<b>TOTAL</b>	<b>45,500</b>	<b>45,500</b>	<b>11,617</b>	<b>25.53%</b>	<b>74.47%</b>	<b>11,525</b>	<b>92</b>	<b>0.79%</b>
<b>EXPENDITURES:</b>								
CAPITAL OUTLAY	-	-	-	N/A	N/A	-	-	N/A
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>45,500</b>	<b>45,500</b>	<b>11,617</b>			<b>11,525</b>	<b>92</b>	<b>0.79%</b>

**EQUIPMENT REPLACEMENT FUND**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUE:</b>								
PROPERTY LOSS	-	-	-	N/A	N/A	1,000	(1,000)	-100.00%
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
AUCTION PROCEEDS	-	-	-	N/A	N/A	-	-	N/A
INTEREST	250	250	132	52.76%	47.24%	186	(54)	-28.98%
OPER TRANSFERS	50,000	50,000	12,560	25.12%	74.88%	12,560	-	0.00%
<b>TOTAL</b>	<b>50,250</b>	<b>50,250</b>	<b>12,692</b>	<b>25.26%</b>	<b>74.74%</b>	<b>13,746</b>	<b>(1,054)</b>	<b>-7.67%</b>
<b>EXPENDITURES:</b>								
CAPITAL OUTLAY	24,000	24,000	-	0.00%	100.00%	-	-	N/A
<b>TOTAL</b>	<b>24,000</b>	<b>24,000</b>	<b>-</b>	<b>0.00%</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>26,250</b>	<b>26,250</b>	<b>12,692</b>			<b>13,746</b>	<b>(1,054)</b>	<b>-7.67%</b>

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**POLICE VEHICLE REPLACEMENT FUND**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUE:</b>								
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
INTEREST	-	-	-	N/A	N/A	-	-	N/A
OPER TRANSFERS	140,000	140,000	35,150	25.11%	74.89%	-	35,150	N/A
<b>TOTAL</b>	<b>140,000</b>	<b>140,000</b>	<b>35,150</b>	<b>25.11%</b>	<b>74.89%</b>	<b>-</b>	<b>35,150</b>	<b>N/A</b>
<b>EXPENDITURES:</b>								
LEASE PAYMENTS	77,630	77,630	-	0.00%	100.00%	-	-	N/A
<b>TOTAL</b>	<b>77,630</b>	<b>77,630</b>	<b>-</b>	<b>0.00%</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>62,370</b>	<b>62,370</b>	<b>35,150</b>			<b>-</b>	<b>35,150</b>	<b>N/A</b>

**TOURISM DEVELOPMENT**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUES:</b>								
HOTEL MOTEL TAX (Current)	1,075,000	1,075,000	273,597	25.45%	74.55%	274,004	(407)	-0.15%
DELINQUENT TAX	-	-	-	N/A	N/A	-	-	N/A
INTEREST	4,000	4,000	1,819	45.48%	54.52%	1,240	579	46.74%
MISCELLANEOUS	-	-	7,659	N/A	N/A	2,808	4,851	172.75%
OLD BEDFORD SCHOOL	107,150	107,150	-	0.00%	100.00%	(1,475)	1,475	-100.00%
BLUES FESTIVAL	245,650	245,650	(101)	-0.04%	100.04%	1,497	(1,598)	-106.76%
JULY 4 FESTIVAL	35,800	35,800	-	0.00%	100.00%	-	-	N/A
ARTSFEST	5,000	5,000	100	2.00%	98.00%	300	(200)	-66.67%
<b>TOTAL</b>	<b>1,472,600</b>	<b>1,472,600</b>	<b>283,074</b>	<b>19.22%</b>	<b>80.78%</b>	<b>278,374</b>	<b>4,700</b>	<b>1.69%</b>
<b>EXPENDITURES:</b>								
TOURISM ADMINISTRATION	413,339	413,339	96,923	23.45%	76.55%	164,356	(67,434)	-41.03%
OLD BEDFORD SCHOOL	289,403	289,403	32,355	11.18%	88.82%	49,598	(17,243)	-34.77%
MARKETING	152,366	152,366	25,879	16.98%	83.02%	28,854	(2,974)	-10.31%
BLUES FESTIVAL	473,100	473,100	500	0.11%	99.89%	255	245	96.35%
JULY 4 FESTIVAL	131,205	131,205	55	0.04%	99.96%	137	(82)	-59.78%
ARTFEST	-	-	-	N/A	N/A	-	-	N/A
<b>TOTAL</b>	<b>1,459,413</b>	<b>1,459,413</b>	<b>155,712</b>	<b>10.67%</b>	<b>89.33%</b>	<b>243,200</b>	<b>(87,488)</b>	<b>-35.97%</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>13,187</b>	<b>13,187</b>	<b>127,362</b>			<b>35,174</b>	<b>92,188</b>	<b>262.09%</b>

**CITY OF BEDFORD  
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**COURT SECURITY FUND**

REVENUE:	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
COURT SECURITY FEES	40,000	40,000	8,651	21.63%	78.37%	8,139	511	6.28%
INTEREST	-	-	11	N/A	N/A	3	8	249.35%
<b>TOTAL</b>	<b><u>40,000</u></b>	<b><u>40,000</u></b>	<b><u>8,661</u></b>	<b><u>21.65%</u></b>	<b><u>78.35%</u></b>	<b><u>8,142</u></b>	<b><u>519</u></b>	<b><u>6.38%</u></b>
<b>EXPENDITURES:</b>								
PERSONNEL EXPENSE	32,000	32,000	8,060	25.19%	74.81%	10,300	(2,240)	-21.75%
<b>TOTAL</b>	<b><u>32,000</u></b>	<b><u>32,000</u></b>	<b><u>8,060</u></b>	<b><u>25.19%</u></b>	<b><u>74.81%</u></b>	<b><u>10,300</u></b>	<b><u>(2,240)</u></b>	<b><u>-21.75%</u></b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b><u>8,000</u></b>	<b><u>8,000</u></b>	<b><u>601</u></b>			<b><u>(2,158)</u></b>	<b><u>2,759</u></b>	<b><u>-127.87%</u></b>

**PARK DONATIONS FUND**

REVENUE:	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
INTEREST	125	125	181	144.79%	-44.79%	96	85	88.28%
PARK DONATIONS	14,000	14,000	3,195	22.82%	77.18%	3,488	(293)	-8.40%
DOG PARK SPONSORSHIP/DONATIONS	-	-	-	N/A	N/A	-	-	N/A
<b>TOTAL</b>	<b><u>14,125</u></b>	<b><u>14,125</u></b>	<b><u>3,376</u></b>	<b><u>23.90%</u></b>	<b><u>76.10%</u></b>	<b><u>3,584</u></b>	<b><u>(208)</u></b>	<b><u>-5.81%</u></b>
<b>EXPENDITURES:</b>								
OPERATIONS	10,000	10,000	-	0.00%	100.00%	-	-	N/A
<b>TOTAL</b>	<b><u>10,000</u></b>	<b><u>10,000</u></b>	<b><u>-</u></b>	<b><u>0.00%</u></b>	<b><u>100.00%</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>N/A</u></b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b><u>4,125</u></b>	<b><u>4,125</u></b>	<b><u>3,376</u></b>			<b><u>3,584</u></b>	<b><u>(208)</u></b>	<b><u>-5.81%</u></b>

**CITY OF BEDFORD  
BUDGET TO ACTUAL COMPARISON  
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**BEAUTIFICATION COMMISSION**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUE:</b>								
INTEREST	150	150	147	97.67%	2.33%	81	66	81.96%
MISCELLANEOUS	10,000	10,000	-	0.00%	100.00%	20	(20)	-100.00%
<b>TOTAL</b>	<b>10,150</b>	<b>10,150</b>	<b>147</b>	<b>1.44%</b>	<b>98.56%</b>	<b>101</b>	<b>46</b>	<b>45.76%</b>
<b>EXPENDITURES:</b>								
BEAUTIFICATION FUND	10,000	10,000	1,849	18.49%	81.51%	77	1,772	2301.49%
<b>TOTAL</b>	<b>10,000</b>	<b>10,000</b>	<b>1,849</b>	<b>18.49%</b>	<b>81.51%</b>	<b>77</b>	<b>1,772</b>	<b>2301.49%</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>150</b>	<b>150</b>	<b>(1,703)</b>			<b>24</b>	<b>(1,726)</b>	<b>-7342.24%</b>

**PUBLIC SAFETY TRAINING FUND**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUE:</b>								
OTHER GOVERNMENTAL	5,900	5,900	-	0.00%	100.00%	-	-	N/A
INTEREST	50	50	63	126.44%	-26.44%	34	29	84.80%
<b>TOTAL</b>	<b>5,950</b>	<b>5,950</b>	<b>63</b>	<b>1.06%</b>	<b>98.94%</b>	<b>34</b>	<b>29</b>	<b>84.80%</b>
<b>EXPENDITURES:</b>								
POLICE	3,150	3,150	4,845	153.82%	-53.82%	3,150	1,695	53.82%
FIRE	-	-	-	N/A	N/A	-	-	N/A
<b>TOTAL</b>	<b>3,150</b>	<b>3,150</b>	<b>4,845</b>	<b>153.82%</b>	<b>-53.82%</b>	<b>3,150</b>	<b>1,695</b>	<b>53.82%</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>2,800</b>	<b>2,800</b>	<b>(4,782)</b>			<b>(3,116)</b>	<b>(1,666)</b>	<b>53.48%</b>

**CITY OF BEDFORD  
BUDGET TO ACTUAL COMPARISON  
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**STREET IMPROVEMENT EDC**

REVENUE:	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
SALES TAX	2,637,500	2,637,500	661,159	25.07%	74.93%	641,935	19,224	2.99%
INTEREST	8,000	8,000	10,464	130.81%	-30.81%	7,258	3,207	44.18%
MISCELLANEOUS INCOME	-	-	-	N/A	N/A	-	-	N/A
OPER TRANSFERS	-	-	-	N/A	N/A	-	-	N/A
<b>TOTAL</b>	<b><u>2,645,500</u></b>	<b><u>2,645,500</u></b>	<b><u>671,623</u></b>	<b>25.39%</b>	<b>74.61%</b>	<b><u>649,193</u></b>	<b><u>22,430</u></b>	<b>3.46%</b>
<b>EXPENDITURES:</b>								
MAINTENANCE	3,795,841	3,795,841	22,980	0.61%	99.39%	12,412	10,568	85.14%
DEBT SERVICE	1,390,475	1,390,475	-	0.00%	100.00%	-	-	N/A
<b>TOTAL</b>	<b><u>5,186,316</u></b>	<b><u>5,186,316</u></b>	<b><u>22,980</u></b>	<b>0.44%</b>	<b>99.56%</b>	<b><u>12,412</u></b>	<b><u>10,568</u></b>	<b>85.14%</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b><u>(2,540,816)</u></b>	<b><u>(2,540,816)</u></b>	<b><u>648,643</u></b>			<b><u>636,780</u></b>	<b><u>11,863</u></b>	<b>1.86%</b>

**COURT TECHNOLOGY FUND**

REVENUE:	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
INTEREST	200	200	87	43.65%	56.35%	128	(40)	-31.67%
FINES	50,000	50,000	11,523	23.05%	76.95%	10,853	670	6.17%
<b>TOTAL</b>	<b><u>50,200</u></b>	<b><u>50,200</u></b>	<b><u>11,610</u></b>	<b>23.13%</b>	<b>76.87%</b>	<b><u>10,980</u></b>	<b><u>630</u></b>	<b>5.73%</b>
<b>EXPENDITURES:</b>								
MISCELLANEOUS	6,430	6,430	735	11.43%	88.57%	392	343	87.46%
CONTRACTS	32,750	32,750	11,839	36.15%	63.85%	11,676	163	1.39%
MACHINERY	-	-	-	N/A	N/A	30,501	(30,501)	-100.00%
<b>TOTAL</b>	<b><u>39,180</u></b>	<b><u>39,180</u></b>	<b><u>12,574</u></b>	<b>32.09%</b>	<b>67.91%</b>	<b><u>42,569</u></b>	<b><u>(29,996)</u></b>	<b>-70.46%</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b><u>11,020</u></b>	<b><u>11,020</u></b>	<b><u>(964)</u></b>			<b><u>(31,589)</u></b>	<b><u>30,625</u></b>	<b>-96.95%</b>

**CITY OF BEDFORD**  
**BUDGET TO ACTUAL COMPARISON**  
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**TRAFFIC SAFETY FUND**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUE:</b>								
INTEREST	-	-	53	N/A	N/A	10	43	452.41%
FINES	100,000	100,000	16,157	16.16%	83.84%	24,040	(7,883)	-32.79%
<b>TOTAL</b>	<b>100,000</b>	<b>100,000</b>	<b>16,210</b>	<b>16.21%</b>	<b>83.79%</b>	<b>24,049</b>	<b>(7,840)</b>	<b>-32.60%</b>
<b>EXPENDITURES:</b>								
CITY PERSONNEL	22,051	22,051	4,951	22.45%	77.55%	5,682	(731)	-12.87%
CONTRACT SERVICES	50,000	50,000	10,720	21.44%	78.56%	15,438	(4,718)	-30.56%
CONTRACT LABOR	500	500	114	22.75%	77.25%	88	26	30.00%
MACHINERY	-	-	-	N/A	N/A	-	-	N/A
<b>TOTAL</b>	<b>72,551</b>	<b>72,551</b>	<b>15,785</b>	<b>21.76%</b>	<b>78.24%</b>	<b>21,208</b>	<b>(5,423)</b>	<b>-25.57%</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>27,449</b>	<b>27,449</b>	<b>425</b>			<b>2,841</b>	<b>(2,416)</b>	<b>-85.04%</b>

**DEBT SERVICE**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUE:</b>								
TAXES	5,988,841	5,988,841	1,792,631	29.93%	70.07%	1,802,075	(9,443)	-0.52%
INTEREST	5,000	5,000	4,335	86.69%	13.31%	2,353	1,982	84.24%
PAYMENT FROM NFDA	-	-	-	N/A	N/A	-	-	N/A
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
OPER TRANSFERS	1,390,475	1,390,475	-	0.00%	100.00%	-	-	N/A
<b>TOTAL</b>	<b>7,384,316</b>	<b>7,384,316</b>	<b>1,796,966</b>	<b>24.33%</b>	<b>75.67%</b>	<b>1,804,427</b>	<b>(7,462)</b>	<b>-0.41%</b>
<b>EXPENDITURES:</b>								
PRINCIPAL	6,709,569	6,709,569	-	0.00%	100.00%	-	-	N/A
INTEREST	668,493	668,493	-	0.00%	100.00%	-	-	N/A
CONTRACT LABOR	18,500	18,500	2,500	13.51%	86.49%	340	2,160	634.56%
AGENT FEES	6,650	6,650	-	0.00%	100.00%	-	-	N/A
<b>TOTAL</b>	<b>7,403,212</b>	<b>7,403,212</b>	<b>2,500</b>	<b>0.03%</b>	<b>99.97%</b>	<b>340</b>	<b>2,160</b>	<b>634.56%</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>(18,896)</b>	<b>(18,896)</b>	<b>1,794,466</b>			<b>1,804,087</b>	<b>(9,621)</b>	<b>-0.53%</b>

**CITY OF BEDFORD**  
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**WATER AND SEWER**

REVENUE:	ADOPTED BUDGET	AMENDED BUDGET	12/31/2017 ACTUAL	%	%	12/31/2016 ACTUAL	\$ CHG 15 VS 14	% CHG 15 VS 14
				USED	REMAINING			
WATER CHARGES	14,130,000	14,130,000	3,713,355	26.28%	73.72%	3,622,770	90,585	2.50%
WATER TAP FEES	6,000	6,000	5,500	91.67%	8.33%	-	5,500	N/A
WATER SERVICE CONNECTION	7,500	7,500	1,900	25.33%	74.67%	1,150	750	65.22%
WATER SERVICE FEE	14,000	14,000	2,995	21.39%	78.61%	3,170	(175)	-5.52%
SEWER CHARGES	7,840,000	7,840,000	1,891,829	24.13%	75.87%	1,893,626	(1,797)	-0.09%
SEWER TAP FEES	3,000	3,000	2,308	76.93%	23.07%	-	2,308	N/A
INSPECTION FEES	23,000	23,000	4,974	21.63%	78.37%	14,554	(9,581)	-65.83%
BILLING CHARGES	90,000	90,000	15,888	17.65%	82.35%	15,374	514	3.34%
WATER MISCELLANEOUS	41,500	41,500	9,664	23.29%	76.71%	7,391	2,274	30.76%
TRANSFER	191,426	191,426	49,561	25.89%	74.11%	48,326	1,235	2.56%
LATE FEES	165,000	165,000	54,169	32.83%	67.17%	14,239	39,930	280.44%
INTEREST	3,000	3,000	3,547	118.22%	-18.22%	3,065	481	15.70%
<b>TOTAL</b>	<b><u>22,514,426</u></b>	<b><u>22,514,426</u></b>	<b><u>5,755,689</u></b>	<b>25.56%</b>	<b>74.44%</b>	<b><u>5,623,665</u></b>	<b><u>132,024</u></b>	<b>2.35%</b>
<b>EXPENSES:</b>								
RISK MANAGEMENT	220,270	220,270	42,601	19.34%	80.66%	40,549	2,052	5.06%
ENGINEERING SERVICES	1,109,113	1,109,113	169,099	15.25%	84.75%	184,666	(15,567)	-8.43%
SUPPLY AND DISTRIBUTION	9,264,471	9,264,471	1,351,023	14.58%	85.42%	1,629,342	(278,319)	-17.08%
WASTE WATER	4,954,958	4,954,958	1,594,796	32.19%	67.81%	1,208,781	386,015	31.93%
FINANCE	184,627	184,627	34,832	18.87%	81.13%	36,740	(1,909)	-5.19%
CUSTOMER SERVICE	705,458	705,458	125,926	17.85%	82.15%	124,723	1,203	0.96%
NON DEPARTMENTAL	6,080,978	6,080,978	676,873	11.13%	88.87%	649,538	27,335	4.21%
<b>TOTAL</b>	<b><u>22,519,875</u></b>	<b><u>22,519,875</u></b>	<b><u>3,995,150</u></b>	<b>17.74%</b>	<b>82.26%</b>	<b><u>3,874,340</u></b>	<b><u>120,810</u></b>	<b>3.12%</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b><u>(5,449)</u></b>	<b><u>(5,449)</u></b>	<b><u>1,760,540</u></b>			<b><u>1,749,326</u></b>	<b><u>11,214</u></b>	<b>0.64%</b>

**CITY OF BEDFORD  
BUDGET TO ACTUAL COMPARISON  
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**STORMWATER**

<b>REVENUES:</b>	<b>ADOPTED BUDGET</b>	<b>AMENDED BUDGET</b>	<b>12/31/2017 ACTUAL</b>	<b>% USED</b>	<b>% REMAINING</b>	<b>12/31/2016 ACTUAL</b>	<b>\$ CHG 15 VS 14</b>	<b>% CHG 15 VS 14</b>
STORMWATER CHARGES	1,600,000	1,600,000	415,146	25.95%	74.05%	338,501	76,645	22.64%
MISCELLANEOUS INCOME	30,000	30,000	-	0.00%	100.00%	-	-	N/A
INTEREST	7,500	7,500	1,921	25.62%	74.38%	721	1,200	166.38%
<b>TOTAL</b>	<b><u>1,637,500</u></b>	<b><u>1,637,500</u></b>	<b><u>417,068</u></b>	<b>25.47%</b>	<b>74.53%</b>	<b><u>339,222</u></b>	<b><u>77,845</u></b>	<b>22.95%</b>
<b>EXPENSES:</b>								
DEBT SERVICE	247,500	247,500	-	0.00%	100.00%	-	-	N/A
OPERATING	1,221,004	1,221,004	196,741	16.11%	83.89%	258,944	(62,203)	-24.02%
<b>TOTAL</b>	<b><u>1,468,504</u></b>	<b><u>1,468,504</u></b>	<b><u>196,741</u></b>	<b>13.40%</b>	<b>86.60%</b>	<b><u>258,944</u></b>	<b><u>(62,203)</u></b>	<b>-24.02%</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b><u>168,996</u></b>	<b><u>168,996</u></b>	<b><u>220,327</u></b>			<b><u>80,279</u></b>	<b><u>140,048</u></b>	<b>174.45%</b>

**CITY OF BEDFORD  
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**UTILITY MAINTENANCE & REPAIR FUND**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUES:</b>								
INTEREST	6,000	6,000	11,279	187.98%	-87.98%	4,360	6,919	158.69%
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
OPER TRANSFERS	750,000	750,000	155,600	20.75%	79.25%	188,400	(32,800)	-17.41%
<b>TOTAL</b>	<b>756,000</b>	<b>756,000</b>	<b>166,879</b>	<b>22.07%</b>	<b>77.93%</b>	<b>192,760</b>	<b>(25,881)</b>	<b>-13.43%</b>
<b>EXPENDITURES:</b>								
CAPITAL OUTLAYS	-	-	10,429	N/A	N/A	21,273	(10,844)	-50.98%
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>10,429</b>	<b>N/A</b>	<b>N/A</b>	<b>21,273</b>	<b>(10,844)</b>	<b>-50.98%</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>756,000</b>	<b>756,000</b>	<b>156,450</b>			<b>171,487</b>	<b>(15,037)</b>	<b>-8.77%</b>

**WATER VEHICLE - EQUIPMENT REPLACEMENT FUND**

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>12/31/2017 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>12/31/2016 ACTUAL</u>	<u>\$ CHG 15 VS 14</u>	<u>% CHG 15 VS 14</u>
<b>REVENUE:</b>								
PROPERTY LOSS	-	-	-	N/A	N/A	-	-	N/A
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
AUCTION PROCEEDS	-	-	-	N/A	N/A	-	-	N/A
INTEREST	150	150	376	250.37%	-150.37%	140	236	168.41%
OPER TRANSFERS	50,000	50,000	12,560	25.12%	74.88%	12,560	-	0.00%
<b>TOTAL</b>	<b>50,150</b>	<b>50,150</b>	<b>12,936</b>	<b>25.79%</b>	<b>74.21%</b>	<b>12,700</b>	<b>236</b>	<b>1.86%</b>
<b>EXPENDITURES:</b>								
CAPITAL OUTLAY	-	-	-	N/A	N/A	-	-	N/A
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>EXCESS REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>50,150</b>	<b>50,150</b>	<b>12,936</b>			<b>12,700</b>	<b>236</b>	<b>1.86%</b>