A G E N D A

Regular Meeting of the Bedford City Council
Tuesday, August 27, 2019
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

WORK SESSION

- **Update on Boys Ranch Park – Phase Next: 15% Design and Business Plan.**

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:

- **Section 551.076. Deliberations Regarding Security Devices or Security Audits – BluesFest Security Plan.**

REGULAR SESSION

CALL TO ORDER/GENERAL COMMENTS

INVOCATION (Tom Russell, Forest Ridge Church of Christ)

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 Any member of the City Council may request that an item be withdrawn from the Consent Agenda and placed before the City Council for full discussion.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) **August 8, 2019 work session**
   b) **August 13, 2019 regular meeting**

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

3. **Consider a resolution authorizing the City Manager to amend the agreement with Texas Health Resources for the City's employee health clinic benefits effective September 1, 2019.**

PERSONS TO BE HEARD

4. **The following individual has requested to speak to the Council tonight under Persons to be Heard:**

   a) **Stephen Thornton, 13187 Thornton Drive, Westlake, Texas 76262 – Requests to speak to Council regarding the use of the Old Bedford School and a couple of churches in Bedford equipped to house the displaced citizens from the Bedford Boys Ranch.**

COUNCIL RECOGNITION

5. **Employee Service Recognition**

NEW BUSINESS

6. **Public hearing on the annual budget for the City of Bedford, Texas for the fiscal period of October 1, 2019 through September 30, 2020; levying taxes for 2019 tax year.**

7. **Public hearing to consider the proposed 2019 tax rate.**

8. **Discussion and consideration of all matters incident and related to the issuance and sale of "City of Bedford, Texas, General Obligation Refunding and Improvement Bonds, Series 2019," including the adoption of an ordinance authorizing the issuance of such bonds and providing for the redemption of the obligations being refunded.**

9. **Discussion and consideration of all matters incident and related to the issuance and sale of "City of Bedford, Texas, General Obligation Bonds, Taxable Series 2019," including the adoption of an ordinance authorizing the issuance of such bonds.**

10. **Consider a resolution authorizing the City Manager to enter into a contract for City-wide mowing services with Vidascapes in the amount of $220,824.**

11. **Discussion and possible action regarding instructing staff to formally review all City codes and ordinances, the Master Plan, Comprehensive Plan and all other related matters as determined by Council. **This item requested by Councilmember Boyter.**

12. **Mayor/Council Member Reports**

13. **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**

14. **City Manager/Staff Reports**

EXECUTIVE SESSION

To convene in the conference room in compliance with Section 551.001 et. Seq. Texas Government Code, to discuss the following:

- **Section 551.076. Deliberations Regarding Security Devices or Security Audits – BluesFest Security Plan.**

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

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

ADJOURNMENT

CERTIFICATION

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted on the outside window in a display cabinet at the City Hall of the City of Bedford, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted by the following date and time: **Friday, August 23, 2019 at 5:00 p.m.**, and remained so posted at least 72 hours before said meeting convened.

_____ _____

Michael Wells, City Secretary **Date Notice Removed**

(Auxiliary aids and services are available to a person when necessary to afford an equal opportunity to participate in City functions and activities. Auxiliary aids and services or accommodations 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. Some requests may take longer due to the nature, extent and/or availability of such auxiliary aids, services or accommodations.)

AGENDA

Council Agenda Background

PRESENTER: Cissy Sylo, Capital Projects Director **DATE:** 08/27/19

Work Session

ITEM:

Update on Boys Ranch Park – Phase Next: 15% Design and Business Plan

City Attorney Review: N/A

DISCUSSION:

Based on the additional budget, City Council direction, community input, and the Boys Ranch Development Review Committee (DRC) technical remarks received, the consultant team continues to refine the 15% design for site plan (Option C.2) and multigenerational recreation facility floor plans for Phase Next. These will continue to evolve through the design process until final construction plans are completed and the Guaranteed Maximum Price is established. Below is the summary of the proposed elements within the project, which will be further refined with each level of design.

15% DESIGN UPDATE
The design team has incorporated the top choices from the survey into the master site plan and multigenerational recreation facility plans.

SITE PLAN:
The attached site plan (Option C.2) is a "schematic" level or 15% level of project design, and not "construction level" drawings. These drawings are based on the input received from the design charrette, public, and City Council meetings. The design team has incorporated the top choices from the survey, which included: walking trails, restroom buildings, outdoor aquatic center, special events areas, outdoor basketball courts, multipurpose fields, baseball fields, and concession stands at the athletic fields. Other items such as benches, picnic tables, landscaping, etc. will be incorporated as the designs progress.

The proposed Phase Next - Site Plan includes the following elements:

- **New entrance off Forest Ridge to the park to align with the existing traffic signal, which will also be designed to meet Fire Department requirements;**
- **Three (3) new 275 ft. baseball fields with a concession stand and restroom with area reserved for two future playgrounds should the budget allow now or in the future;**
- **New special event area, approximately 100,000 square feet in size, with proposed covered stages for performances and open seating;**
- **Restroom proposed south of the special events area;**
- **New multi-purpose field south of the special events field;**
- **New parking area for the existing pavilion/restrooms at the southern end of the park to increase customer service and rentals; and,**
- **Future playground adjacent to existing pavilion/restroom at southern end of park to increase potential rentals and customer service.**

MULTIGENERATIONAL RECREATION FACILITIY
The design team has incorporated the top choices from the survey, which included: indoor walking/jogging track, group exercise studios, indoor swimming facilities, indoor cardio/weight training area, gymnasium, and multi-purpose pool. Other amenities include lap swimming, kiddie pool area, meeting room/multi-purpose rooms, game room area, child watch, ability for a banquet hall, and lounge areas.

The proposed multigenerational recreation facility is a combination one and two-story building, with the primary entrance from the one-story portion of the building. The "two story portions" of the building are rectangular in shape and contain the gym to the south and the indoor aquatics area to the north and the locker rooms in between. This will provide the height necessary for the indoor track in the building surrounding the gym and also above the fitness room, the Bedford Flyers to continue to utilize the gym if desired, and aquatics to contain the indoor (outdoor) flume slides/towers.

Level one (ground level) of the Multigenerational Recreation Facility will consist of the following elements:

- **Primary entrance with covered drop off area;**
- **Screened secondary entrance for special events and/or evenings with courtyard off the Senior Lounge;**
- **Large Foyer;**
- **Lobby;**
- **Large reception area for customer service attendants to greet and assist customers;**
- **Small restroom immediately off front door for customer service prior to reception area;**
- **Child watch/Indoor play area with dedicated restrooms for child watch;**
- **Senior Lounge with ability to house existing pool table;**
- **Multipurpose room with seating for approximately 200 with ability to divide the room for flexible programming and/or rentals;**
- **Kitchen;**
- **Two multi-purpose rooms with flexibility to subdivide into two rooms or arrange into one large room;**
- **Restrooms for pre-function/senior area;**
- **Pre-function area;**
- **Outdoor Courtyard/Patio for special events/rentals/community off Senior Lounge;**
- **Bathrooms off multi-purpose room;**
- **Large outdoor patio off multi-purpose rooms for gatherings/events;**
- **Games/Lounge area;**
- **Gymnasium (consisting of 2 full-sized basketball courts or 2 volleyball courts or 6 pickleball courts or some combination thereof.) The gymnasium can be divided for programming and/or rentals;**
- **One outdoor basketball court (fenced), which also can be programmed for 1 volleyball court, 3 pickleball courts and/or handball court is planned to be built adjacent to the gymnasium;**
- **Fitness Studios – can be subdivided;**
- **Locker Rooms with family changing rooms; and**
- **Fitness Porch.**

The *Mezzanine Level* of the Multigenerational Recreation Facility will contain the following:

- **Fitness Room with view into the Indoor Aquatics below and Lobby below as well as the Outdoor Aquatics and Park; and,**
- **Track with open view into the fitness room/gym below and the Park/Lake to the south.**

The *Upper Track Level* of the Multigenerational Recreation Facility will contain the following:

- **Upper Track with view into the Indoor Aquatics and open view into the fitness room, gymnasium and the lobby below.**

AQUATICS

The *Indoor Aquatics* is planned at approximately 18,000 sf and will consist of the following:

- **Lap Lane/Program/Activity Area 3.5 ft deep to 9 ft deep;**
- **Current Channel – vortex/jets for resistance walking;**
- **Leisure/Program/Activity Area – zero depth entry, 2' – 4.5', fitness/exercise classes, play;**
- **Indoor (Outdoor) Flume Slides – 2 flumes 20.5' tall terminate in runouts;**
- **Whirlpool/Spa – elevated spa/whirlpool; and,**
- **Party rooms – 4 can be combined into 1, 2, 3 or 4. Can be accessed indoor or outdoor.**

The *Outdoor Aquatics* is planned to consist of the following:

- **Entrance & Bather Prep Facilities;**
- **Concessions with outdoor seating area;**

- **Leisure/Activity Pool – beach edge, play structure, max 5 ft., wet deck area: 3-6 inches deep;**
- **Lazy River/Activity Pool – 3.5 ft. deep in lazy river, splashdown pool 246 ft. long inner tube flume slide and 188 ft second flume slide;**
- **Cabanas (12x12) for rent;**
- **Toddler Wading Pool & Splashpad; and,**
- **Parent porches.**

PROS BEDFORD BOYS RANCH PARK BUSINESS PLAN

PROS Consulting prepared a draft business plan considering the entire 68-acre park to determine the current and new total cost recovery. The attached draft business plan is comprehensive. It is anticipated that costs to manage and maintain the renovated Boys Ranch Park – Phase Next will increase as a result of the new facilities; however, it is anticipated that the annual fund subsidy for the overall park and its facilities will DECREASE by $137,222 as compared to the current operations as noted in the Business Plan (page 4) in the draft report.

The projected annual total operational cost recovery of the new multigenerational recreation facility including the indoor and outdoor aquatics is anticipated to be 77% increasing to 78% by year 6 according to the draft report (page 79) with a DECREASE of $259,040 annual subsidy for the operations of the multigenerational center and SPLASH compared to today.

The projected total operational cost recovery of the total park including park maintenance of the existing 68 acres with baseball fields, special events areas, playgrounds, trails, pavilions, and other park amenities, including the new multigenerational recreation facility and outdoor aquatic facility is anticipated to be 65% increasing to 66% by year 6 (Page 89).

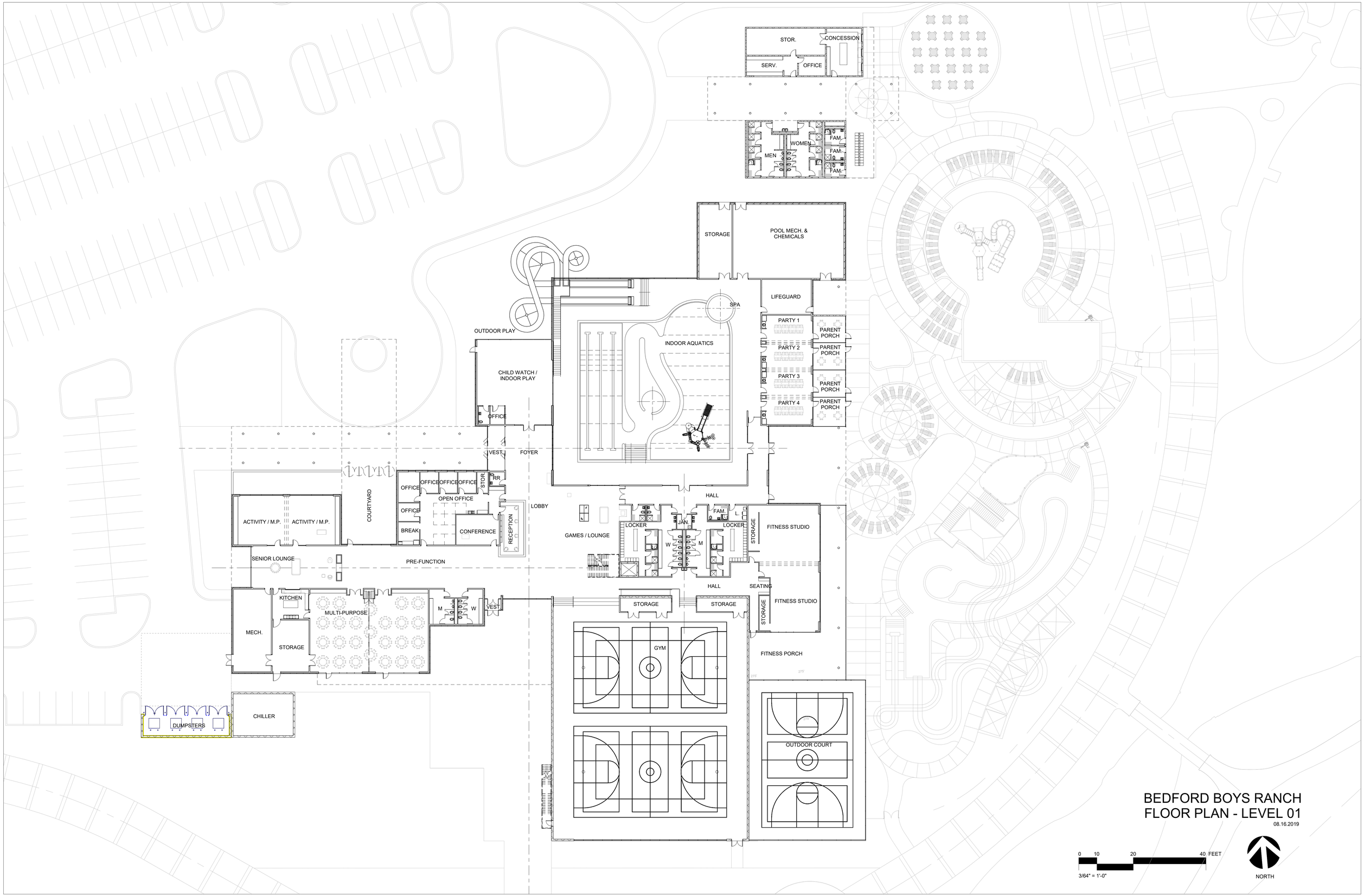
PROS Consulting will present the draft business plan in detail during the work session.

ATTACHMENTS:

Phase Next Park Site Plan: "*Test Site Fit – Option C.2*"
Phase Next Multigenerational Building: "*Bedford Boys Ranch Floor Plan*"
Phase Next Business Plan – Draft Report: "*Bedford Boys Ranch Business Plan | DRAFT Report*"

275'
275'
275'
BEDFORD BOYS RANCH
TEST SITE FIT - OPTION C.2
08.14.2019
0
100
200
300
400 feet
1" = 100'
NORTH

AGENDA



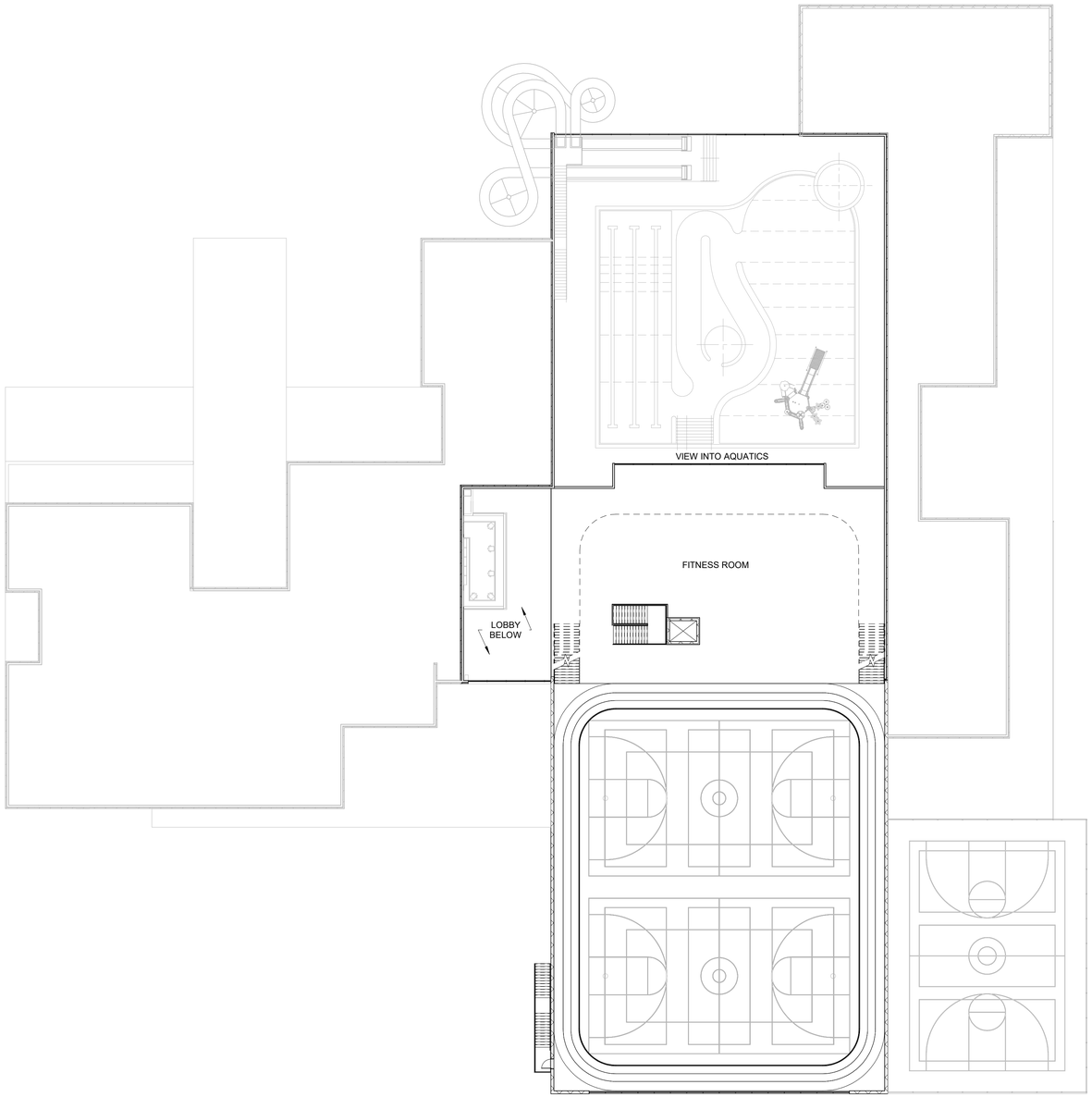
BEDFORD BOYS RANCH
FLOOR PLAN - LEVEL 01

08.16.2019

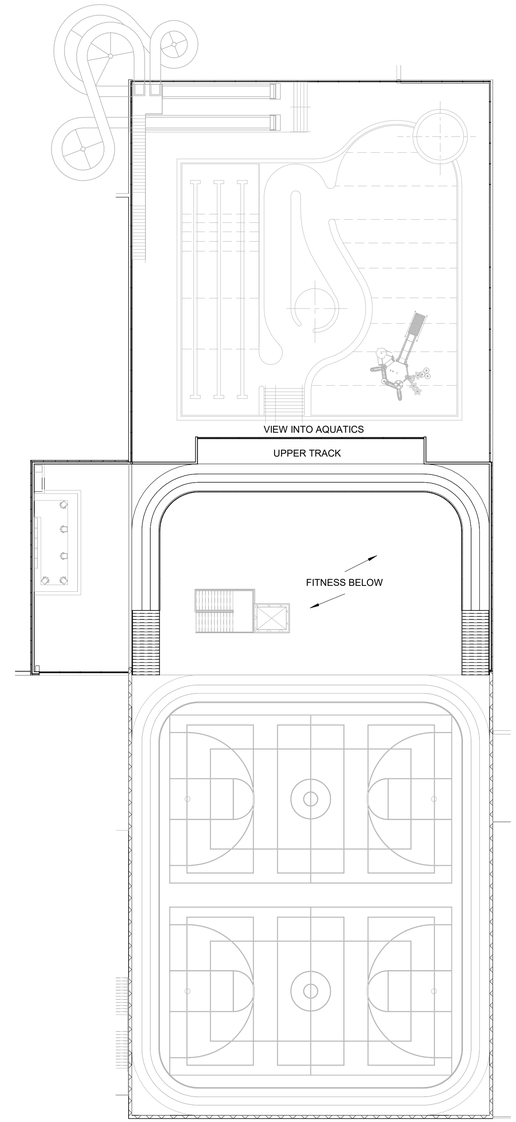
0 10 20 40 FEET

3/64" = 1'-0"

NORTH



LEVEL 02



UPPER TRACK

BEDFORD BOYS RANCH
FLOOR PLAN - LEVEL 02 & UPPER TRACK

08.16.2019

0 10 20 40 FEET

3/64" = 1'-0"

NORTH

AGENDA

Bedford Boys Ranch Park Business Plan

DRAFT REPORT

August 2019

CITY OF BEDFORD

Discover the Center

Acknowledgements

City Council

Parks & Recreation Department

City Manager's Office

Parks and Recreation Board

Cultural Commission

Community Affairs Commission

City of Bedford Residents

City of Bedford Staff

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CHAPTER ONE - EXECUTIVE SUMMARY

1.1 INTRODUCTION

The City of Bedford Parks and Recreation Department provides ample opportunities for delivery of parks, recreation facilities, and program services to the citizens of Bedford that greatly contributes to the quality of life for City residents. For the Department to continue to be an integral asset to residents, it must have a solid plan to guide the City's parks and recreation efforts at Bedford Boys Ranch Park, which is outlined in this Business Plan.

The plan process began in early 2014 to develop an update to the 2007 Parks and Recreation Needs Assessment, which included an extensive and robust community input process, as well as evaluate the Boys Ranch Activity Center (BRAC) and Senior Center buildings and site to allow for greater efficiencies and new development. The plan provides a framework to respond to citizens' needs and expectations, as well as identifies priorities for the staff to work toward successful implementation.

1.2 PURPOSE OF THE PLAN

The purpose of the Bedford Boys Ranch Park Business Plan will help guide the final re-development, re-use and management of the Bedford Boys Ranch Park as well as create new financial strategies to guide the operations and maintenance for the next five years. Outcomes of the plan include community input, needs assessment survey, market analysis, establishing design principles, development of implementation strategies, as well as a concept for the park site and facility and a business plan that will enhance the efficiency, revenue capacity and long-term financial sustainability for the new Multigenerational recreational facility (*recreational center, senior center, banquet hall, and indoor & outdoor aquatics facilities*).

The process provides information for the staff to determine the improvements needed at the Bedford Boys Ranch Park with the greatest opportunity to gain self-supporting operations through effective design, programming and services provided to the community.

1.2.1 ELEMENTS OF THE PLAN

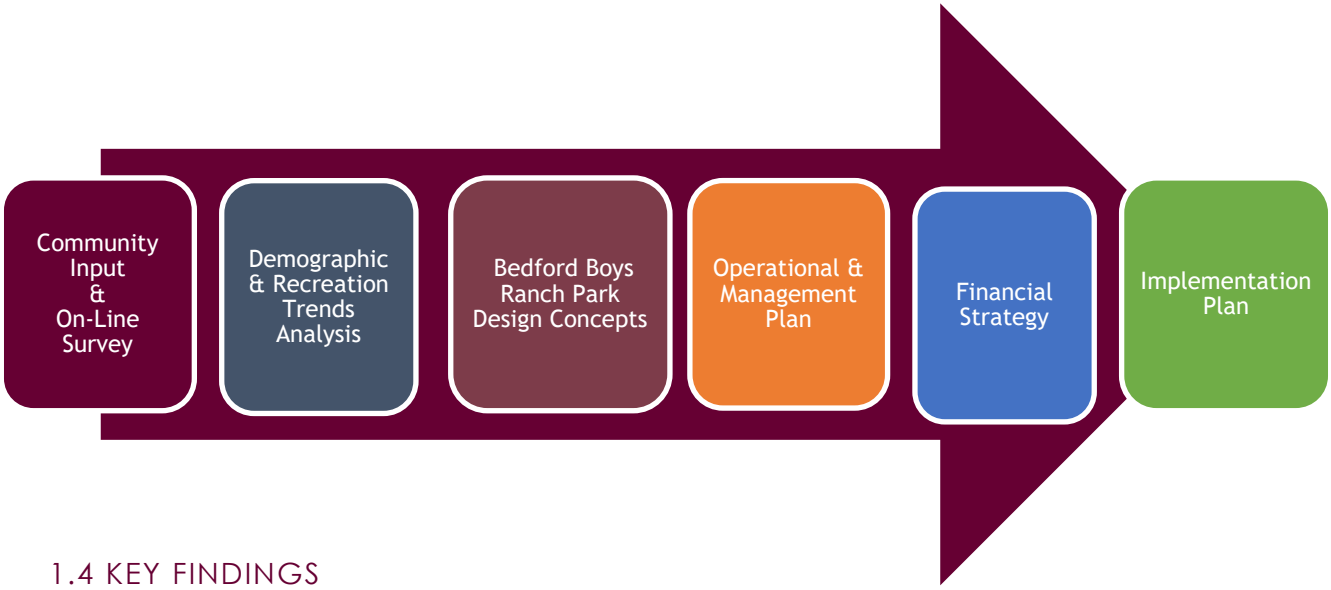
The plan consists of the following sections:

- Executive Summary
- Community Needs Assessment
- Demographic and Trends
- Market Analysis
- Bedford Boys Ranch Park Concept Designs

- Bedford Boys Ranch Park Operational and Financial Plan
- Recommendations and Implementation Plan

1.3 PROJECT PROCESS

The foundation of the Business Plan was the use of a creative and comprehensive public participation process. It was important to engage community members who enjoy participating in the planning process and encourage participation among those members that typically do not contribute. The public input process engaged residents through a variety of community input processes that included stakeholder interviews, focus group meetings, public forums, and a city-wide citizen survey. The information received from these community input processes was applied to the overall planning process. This is critical when articulating accurately the true unmet needs, addressing key issues, providing recommendations for change, and strategizing to move the Department and city forward for optimum results. The process of developing the ***Bedford Boys Ranch Park Business Plan*** followed a logical planning path as described below:



1.4 KEY FINDINGS

The key findings from the public input process and survey demonstrate strong support for parks and recreation facilities and program services at Bedford Boys Ranch Park. Overall highlights are as follows:

- The community values park maintenance, safety and security, trails, aquatics, special events and art and culture.
- Program services for the community, and senior citizens, are viewed as a positive and people appreciate the efforts the City has made in providing these services.
- Consistency of park and facility maintenance consistency can be enhanced.
- The community generally appreciates the current Bedford (BRAC) and the current Senior Center but recognizes that these facilities lack the capacity to provide the programs, services and experiences that are most desired.

- The community would like to see younger families and teen groups have more parks and recreation opportunities while transitioning senior activities include more active adult programming.
- There is a lack of publicly accessible indoor space in the City.

1.5 KEY RECOMMENDATIONS

- Update the current athletic field sites at Bedford Boys Ranch Park by through the development of three lighted, baseball fields with ample parking and a plaza.
- Develop a new multigenerational recreational facility (*recreational center, senior center, banquet hall, and indoor & outdoor aquatics facilities*).
- Multigenerational facility to include a gymnasium, indoor walking track, fitness and group fitness space, enlarged staffing spaces and multi-purpose spaces that can be utilized for senior services as well as the community.
- Develop a special event area with outdoor grass seating and parking.
- Allow the lake area of the park to remain passive in nature for walking, fishing and birdwatching.
- Enhance maintenance of the Bedford Boys Ranch Park including the new multigenerational facility in order to increase membership and maintain cost recovery.
- Expand programming for youth, young adults, and seniors by broadening the types of programs to become more multigenerational.
- Continue to invite partners to help deliver services in the City.

1.6 FINANCIAL SUMMARY

The complete operations and maintenance budget including park maintenance, multigenerational recreation facility operations and outdoor aquatic facility management is presented below.

Pro Forma Revenues & Expenditures

BEDFORD BOYS RANCH - FULL OPERATIONS AND MAINTENANCE BUDGET

BASELINE: REVENUES AND EXPENDITURES

Revenues	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Passes	$995,850.00	$1,025,725.50	$1,056,497.27	$1,088,192.18	$1,120,837.95	$1,154,463.09
Administration	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Building Maintenance	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Fitness	$11,250.00	$11,587.50	$11,935.13	$12,293.18	$12,661.97	$13,041.83
Indoor Aquatics	$168,125.00	$173,168.75	$178,363.81	$183,714.73	$189,226.17	$194,902.95
Recreation	$112,600.00	$115,978.00	$119,457.34	$123,041.06	$126,732.29	$130,534.26
Parties	$150,000.00	$154,500.00	$159,135.00	$163,909.05	$168,826.32	$173,891.11
Rentals	$61,050.00	$62,881.50	$64,767.95	$66,710.98	$68,712.31	$70,773.68
OUTDOOR Programs and Rentals	$148,850.00	$154,804.00	$160,996.16	$167,436.01	$174,133.45	$181,098.78
Child Care	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Concessions	$135,000.00	$139,050.00	$143,221.50	$147,518.15	$151,943.69	$156,502.00
Outdoor Aquatics	$186,250.00	$191,837.50	$197,592.63	$203,520.40	$209,626.02	$215,914.80
Total	$1,968,975.00	$2,029,532.75	$2,091,966.77	$2,156,335.74	$2,222,700.17	$2,291,122.51

Expenditures	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Passes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Administration	$757,352.60	$777,648.48	$798,504.74	$819,937.22	$841,962.23	$864,596.52
Building Maintenance	$385,235.00	$396,407.55	$407,907.59	$419,744.78	$431,929.09	$444,470.77
Park Maintenance	$622,162.96	$634,606.22	$647,298.34	$660,244.31	$673,449.20	$686,918.18
Fitness	$203,386.10	$208,882.68	$214,532.06	$220,338.58	$226,306.71	$232,441.04
Indoor Aquatics	$401,975.03	$413,486.79	$425,332.94	$437,523.31	$450,068.00	$462,977.40
Recreation	$178,710.00	$183,771.30	$188,978.44	$194,335.67	$199,847.38	$205,518.07
Parties	$13,959.68	$14,373.47	$14,799.57	$15,238.36	$15,690.20	$16,155.50
Rentals	$17,392.50	$17,794.28	$18,205.70	$18,627.03	$19,058.49	$19,500.36
Child Care	$22,570.00	$23,237.10	$23,924.01	$24,631.33	$25,359.66	$26,109.62
Concessions	$67,500.00	$68,850.00	$70,227.00	$71,631.54	$73,064.17	$74,525.45
Outdoor Aquatics	$353,352.75	$362,700.83	$372,304.31	$382,170.34	$392,306.28	$402,719.72
Total	$3,023,596.62	$3,101,758.69	$3,182,014.71	$3,264,422.47	$3,349,041.41	$3,435,932.64
Total Cost Recovery	65%	65%	66%	66%	66%	67%

*It is anticipated that the total annual operating and maintenance cost to manage and maintain the new Bedford Boys Ranch Park will be approximately **$1,125,991 greater** than current annual expenditures, however, **it is anticipated that the annual general fund subsidy will decrease by $172,111**.*

CHAPTER TWO - ECONOMIC IMPACT OF PARKS AND RECREATION

The following summarizes the research findings from 2015 when the National Recreation and Parks Association (NRPA) joined forces with the Center for Regional Analysis at George Mason University to estimate the impact of spending by local park and recreation agencies on the U.S. economy. The research adds to the growing body of evidence that the benefits of parks extend well beyond their role as a public amenity and an enhancement to quality of life in their communities.

The analyses covered three areas: a national-level study, state-level assessments, and economic impacts of selected case study parks. Key characteristics of the research include the following:

- The study is focused exclusively on the direct, indirect (business transactions of park agency vendors) and induced (employees spending their earnings) effects local and regional park agencies' spending have on economic activity. The research does not measure the effects of visitor spending or the benefits local and regional park agencies generate for the environment, health and wellness, and property values.
- Data for this analysis comes from the U.S. Census Bureau survey of local government employment and spending data from 1,169 local and regional park agencies accessed from NRPA's PRORAGIS database and/or park system budget data posted online. Data for the case study park analyses were supplied by the relevant park agencies.
- The analyses provide estimates of economic activity (output or the value of transactions), value added (equivalent to gross domestic product), labor income (salaries, wages and benefits) and employment (headcount jobs).

2.1 KEY FINDINGS FROM THE NATIONAL STUDY

The U.S. Census Bureau reports that local park and recreation agencies had nearly 371,000 people on their payrolls in 2015. That translates into nearly $31 billion of operations spending by these agencies. That $31 billion ripples through the U.S. economy as park and recreation employees spend their paychecks, and park and recreation agency vendors hire workers and purchase products and services to serve their clients.

As a result, $31 billion of local park and recreation agency operations spending expanded to nearly $91 billion in total economic activity during 2015. That activity boosted real gross domestic product (GDP) by $48.7 billion and supported more than 732,000 jobs that accounted for nearly $34 billion in salaries, wages and benefits across the nation.

Further, local park and recreation agencies also invested an estimated $23.2 billion on capital programs in 2015. The capital spending led to an additional $63.6 billion in economic activity, a contribution of $32.3 billion to GDP, $21.3 billion in labor-related income and nearly 378,000 jobs.

Combining the impact of operations and capital spending finds the nation's local park and recreation agencies generated $154.4 billion in economic activity in 2015, nearly $81.1 billion in value added and more than 1.1 million jobs that boosted labor income by $55.1 billion. Operations and capital spending by local and regional public park agencies generated over $154 billion in economic activity and supported almost 1.1 million jobs in 2015.

2.2 WHAT THE RESULTS MEAN

These estimates of the economic impact generated from park and recreation agency spending come from an input-output model that estimates direct, indirect and induced effects of those expenditures.

- **Direct Effects** are the spending by local park and recreation agencies, whether for operations or capital programs, and include spending for equipment, utilities, goods, services and personnel.
- **Indirect Effects** capture the spending associated with local park and recreation agencies' vendors. An example is an agency contracting with a local company to spray for mosquitoes. The pest control company will need to hire employees, purchase pesticides and contract with a bookkeeping service. The bookkeeping service rents office space, hires workers, and purchases office supplies, etc.
- **Induced Effects** reflect the impact of consumer spending (from wages) by park and recreation agency employees and employees working for an agency's vendors.

The model estimates the total effects on output, labor income, value added and employment. Output is essentially a measure of the value of transactions. Labor income includes salaries, wages and benefits. Value added is the measure most equivalent to GDP and includes property income, dividends, corporate profits and other measures. Employment is the number of headcount jobs. The databases used to build the economic input-output model account for fulltime versus part-time employment in the relevant sectors of the economy.

2.3 ADDITIONAL ECONOMIC BENEFITS

Bedford's Parks and Recreation Department generates additional economic benefits. While the figures presented in this report are significant, they represent only one aspect of the economic benefits of public parks, and consequently are conservative estimates of the full economic benefits of local parks and recreation.

Beyond the impact of local park and recreation agency spending, other critical economic contributions from public parks include:

- **Economic Development**: Parks and recreation improves the quality of life in communities and benefits the local economic development of a region. A recent survey notes that three-quarters of corporate executives' rate quality-of-life features as important factors when choosing a location for a headquarters, factory or other company facility.
- **Visitor Spending**: Many local park and recreation agency amenities spur tourism to their respective locales, generating significant economic activity, including (but not limited to) increased sales at local restaurants/bars and hotels. The August 2017 NRPA Park Pulse poll found that park and recreation amenities—such as beaches, parks, trails and secluded and relaxing places—are important to people when choosing a vacation destination.
- **Health and Wellness:** Parks and recreation promotes improved physical and mental health. This not only helps people feel better but can also help lower medical and insurance costs for those people taking advantage of those facilities and activities. Three in five respondents to the November 2017 NRPA Park Pulse poll indicate they would take up walking or jogging in local parks, trails or around their neighborhoods if advised by their doctors to be more physically active.
- **Conservation and Resiliency:** Park and recreation agencies' protection of land, water, trees, open spaces and wildlife improves air and water quality in communities. Through effective land management methods and green infrastructure investments, parks and recreation services make communities more resilient to natural disasters, reducing disaster recovery and insurance costs, Eighty-seven percent of respondents to the 2017 NRPA Americans' Engagement with Parks Survey agree that their local government and local park and recreation agency should make the needed investments to ensure their communities are more resilient to natural disasters.
- **Property Values**: Economic research has demonstrated consistently that homes and properties located near parklands have higher values than those farther away. Higher home values not only benefit the owners of these properties but also add to the tax base of local governments. Eighty-five percent of respondents to the 2017 NRPA Americans' Engagement with Parks Survey seek high-quality park and recreation amenities when they are choosing a place to live.

2.4 SUMMARY

Park and recreation agencies advance our nation's communities in many ways. Not only are parks leading the way in terms of conservation, health and wellness and social equity, they are also engines of significant economic activity.

The powerful impact parks and recreation has on economic activity, when combined with the ability to deliver healthier and happier communities, highlights the fact that these offerings are not merely a "nice-to-have," luxury government service. Rather, parks and recreation facilities, programs and services are a critical aspect of what makes a City, town or county a vibrant and prosperous community.

CHAPTER THREE - COMMUNITY PROFILE

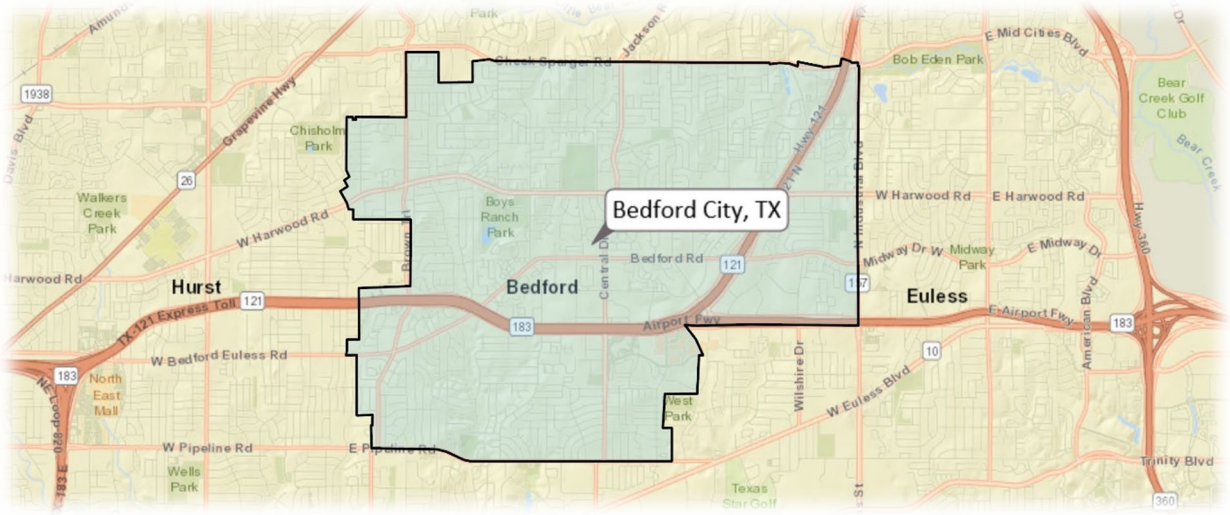
3.1 DEMOGRAPHIC ANALYSIS

The Demographic Analysis provides an understanding of the population of Bedford, Texas. This analysis is reflective of the total population, and its key characteristics such as age segments, income levels, race, and ethnicity.

It is important to note that future projections are all based on historical patterns and unforeseen circumstances during or after the time of the projections could have a significant bearing on the validity of the final projections.

3.1.1 METHODOLOGY

Demographic data used for the analysis was obtained from U.S. Census Bureau and from ESRI, the largest research and development organization dedicated to Geographical Information Systems (GIS) and specializing in population projections and market trends. All data was acquired in January 2019 and reflects actual numbers as reported in the 2010 Censuses and estimates for 2018 and 2023 as obtained by ESRI. Straight line linear regression was utilized for projected 2028 and 2033 demographics. The City was utilized as the geographical boundaries for this analysis.



3.1.2 RACE AND ETHNICITY DEFINITIONS

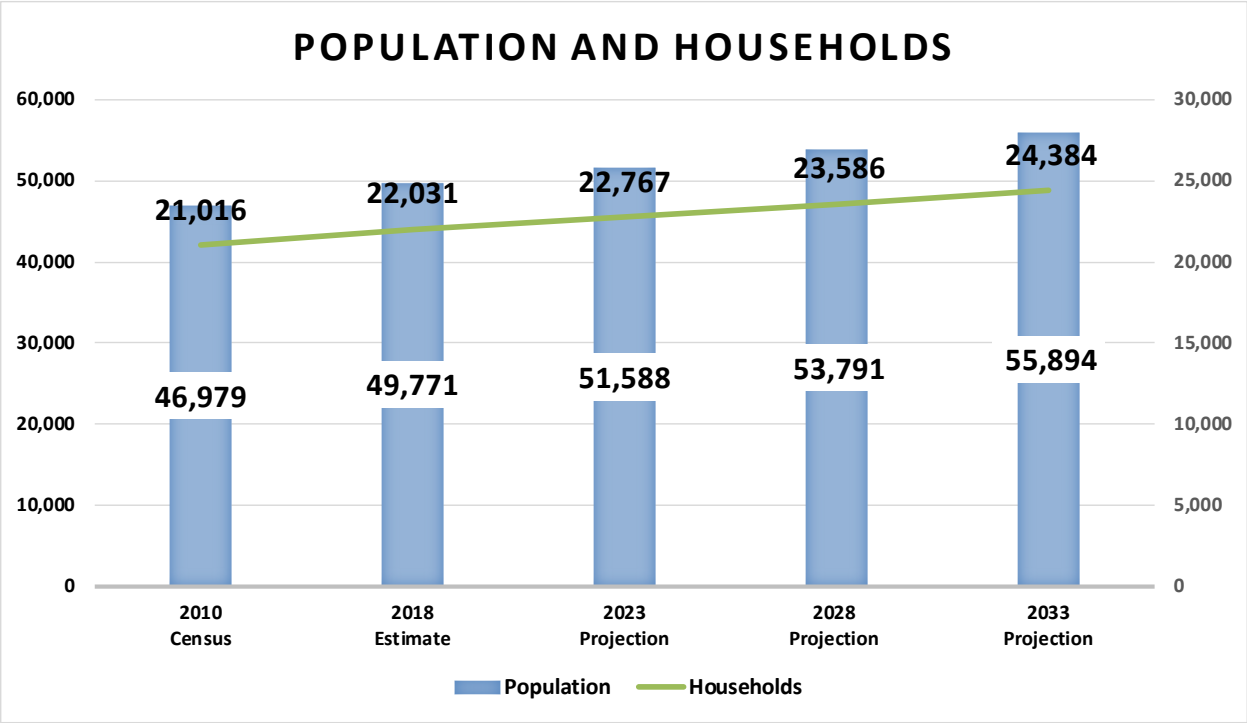
The minimum categories for data on race and ethnicity for Federal statistics, program administrative reporting, and civil rights compliance reporting are defined as below. The Census 2010 data on race are not directly comparable with data from the 2000 Census and earlier censuses; caution must be used when interpreting changes in the racial composition of the US population over time. The latest (Census 2010) definitions and nomenclature are used within this analysis.

- American Indian – This includes a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment
- Asian – This includes a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam
- Black – This includes a person having origins in any of the black racial groups of Africa
- Native Hawaiian or Other Pacific Islander – This includes a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands
- White – This includes a person having origins in any of the original peoples of Europe, the Middle East, or North Africa
- Hispanic or Latino – This is an ethnic distinction, a subset of a race as defined by the Federal Government; this includes a person of Mexican, Puerto Rican, Cuban, South or Central American, or other Spanish culture or origin, regardless of race

3.1.3 BEDFORD POPULACE

POPULATION

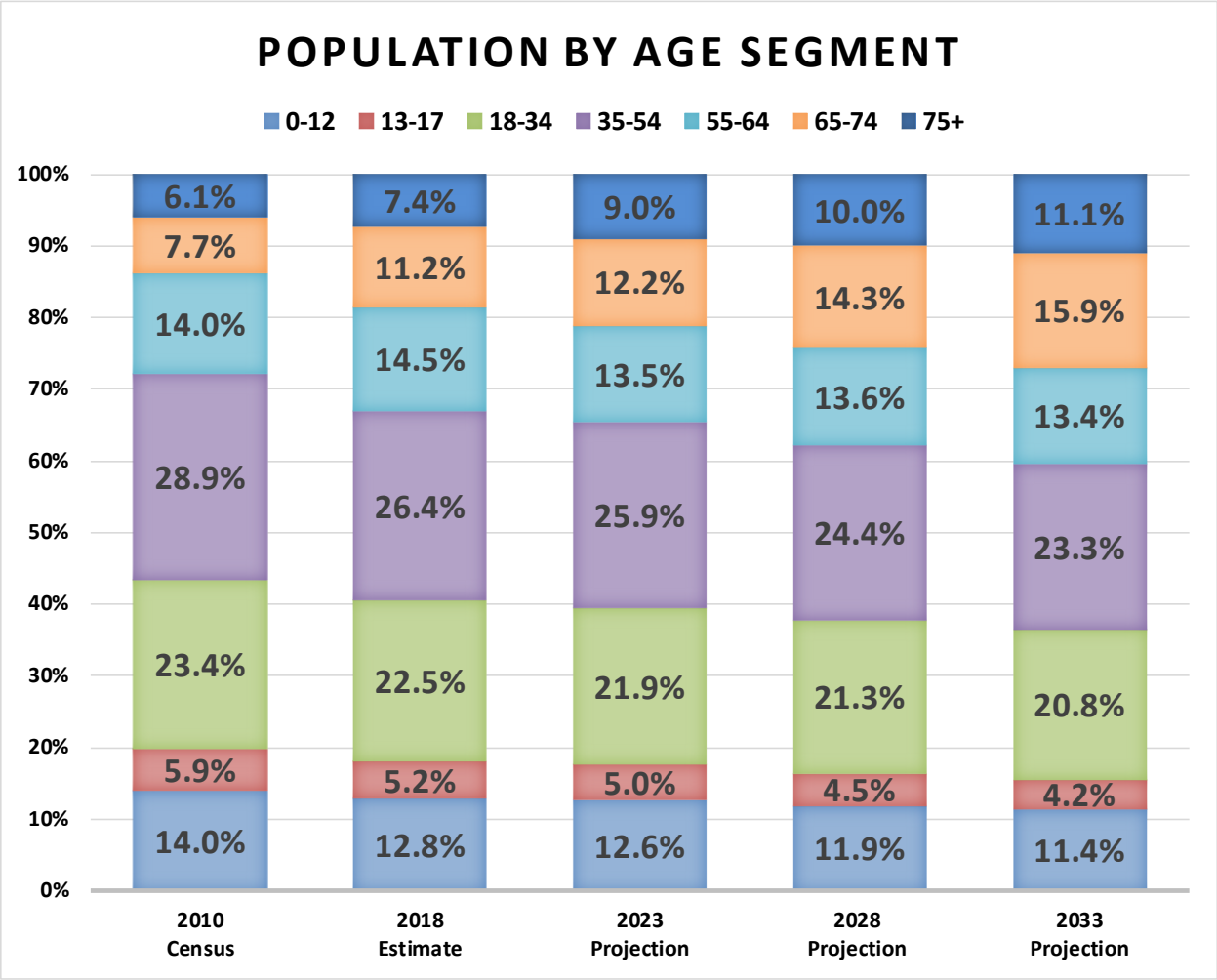
The City's population has experienced a slight growing trend in recent years and is currently estimated at 49,771 individuals. Projecting ahead, the total population is expected to continue to grow at rate comparable to the U.S. annual growth rate (0.8%) over the next 15 years. Based on predictions through 2033, the service area is expected to have 55,894 residents living within 24,384 households.



AGE SEGMENT

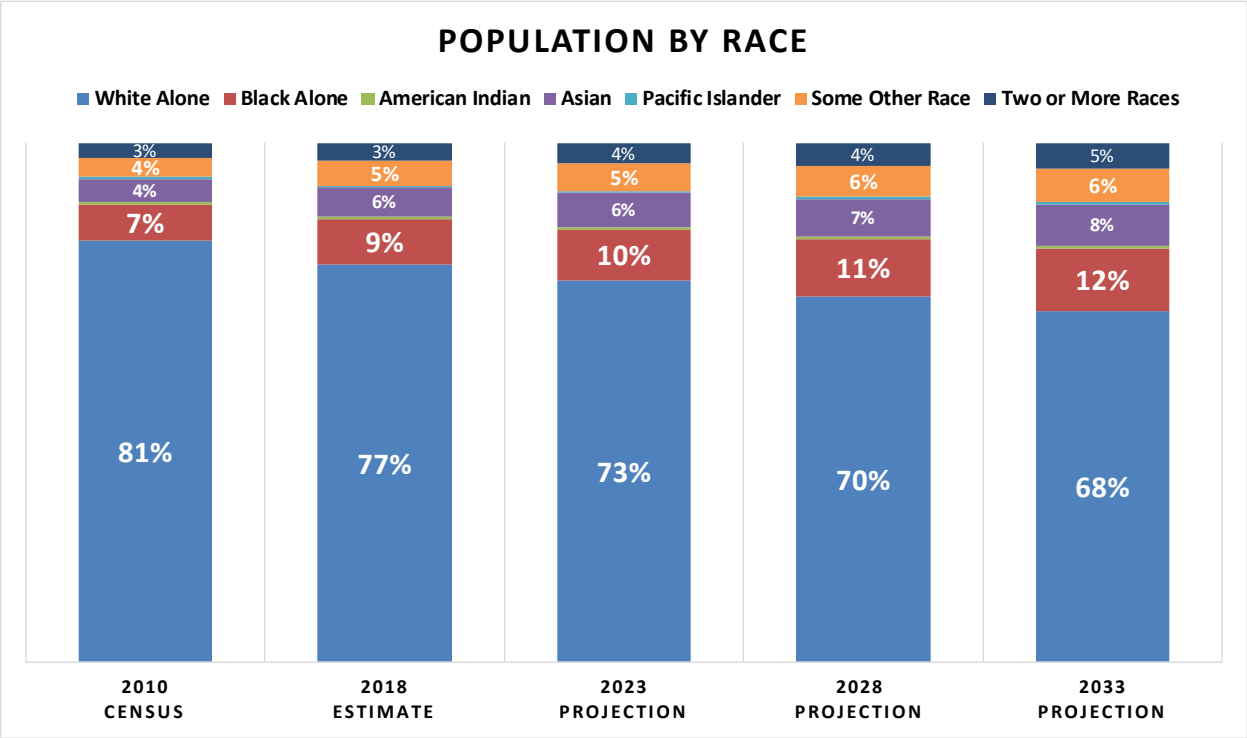
Evaluating the population by age segments, the City exhibits an unbalanced distribution among the major age segments. Currently, the largest age segment is the 55+ segment, making up 33.1% of the population. One significant and unique finding of this analysis is that the total population of the 0-17 age segment is only 50% of the 55+ age segment.

The overall age composition of the population within the City is projected to continue to age over the next 15 years as the 55+ age segment will make up 40.4% of the City's population.

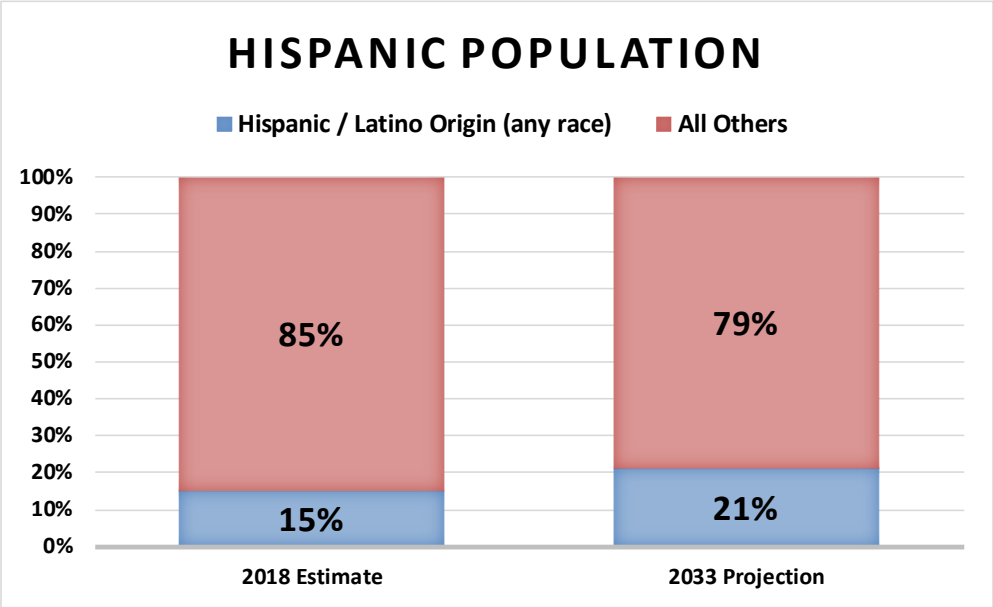


RACE AND ETHNICTY

In analyzing race, the City's current populations are predominately White Alone. The 2018 estimates show that 77% of the service area's population falls into the White Alone category, while the Black Alone category (9%) represents the largest minority. The predictions for 2033 expect that the service area's population by race will diversify with a decrease in the White Alone population by approximately 9% and slight increases in most every other category.

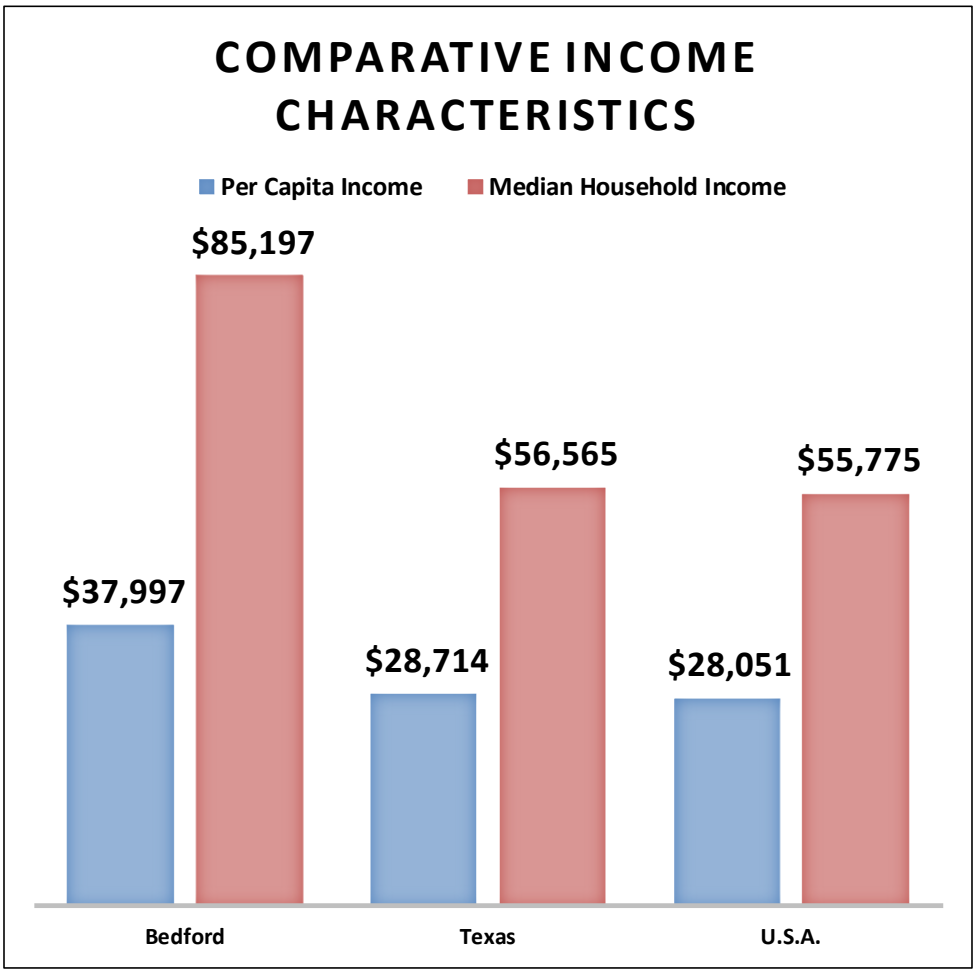


Based on the 2010 census, those of Hispanic/Latino origin represented 15% of the service area's total population. The Hispanic/Latino population is expected to experience a slight increase to 21% by 2033.



HOUSEHOLDS AND INCOME

As seen in chart below, the City's per capita and median household income levels are above both the state's and national averages.



3.1.4 BEDFORD DEMOGRAPHIC IMPLICATIONS

The following implications are derived from the analyses provided. Each implication is organized by the outlined demographic information sections.

POPULATION

The population is increasing and is projected to experience a 12% population growth over the next 15 years. This is in line with the national average over the same time period. With a growing population, park and recreation services will need to strategically invest, develop, and maintain facilities in relation to current and future residential growth.

AGE SEGMENTATION

Bedford has an unbalanced age segmentation with the largest group being 55+ with the second largest group being 35-54. Over the next 15 years, the service area is projected to continue to age as the 55+ segment will be 40% in 2033. The City's aging trend is significant because programs and facilities focused on an active adult (55+ population) will assume an even greater importance as the population changes in the years to come. Age segments have different likings towards activities. For example, older adults (70+) may enjoy passive recreation activities while adults (35-69) are more likely to enjoy more active recreation activities.

RACE AND ETHNICITY

A slightly diversifying population will likely focus the City on providing traditional and non-traditional programming and service offerings while always seeking to identify emerging activities and sports that in some cases will be defined by cultural influences.

HOUSEHOLDS AND INCOME

With median and per capita household income averages above state and national averages, it would be important for the City to prioritize providing offerings that are first class with exceptional customer service while seeking opportunities to create revenue generation.

3.2 RECREATIONAL TRENDS ANALYSIS

The trends analysis provides an understanding of national, regional, and local recreational trends as well as generational participation trends. Trends data used for this analysis was obtained from Sports & Fitness Industry Association's (SFIA), National Recreation and Park Association (NRPA), and Environmental Systems Research Institute, Inc. (ESRI). All trends data is based on current and/or historical participation rates, statistically valid survey results, or NRPA Park Metrics.

3.2.1 NATIONAL TRENDS IN RECREATION

METHODOLOGY

The Sports & Fitness Industry Association's (SFIA*) Sports, Fitness & Recreational Activities Topline Participation Report 2019* was utilized in evaluating the following trends:

- National Sport and Fitness Participatory Trends
- Core vs. Casual Participation Trends
- Participation by Generation
- Non-Participant Interest by Age Segment

The study is based on findings from surveys carried out in 2018 by the Physical Activity Council (PAC), resulting in a total of 20,069 online interviews. Surveys were administered to all genders, ages, income levels, regions, and ethnicities to allow for statistical accuracy of the national population. A sample size of 20,069 completed interviews is considered by SFIA to result in a high degree of statistical accuracy. A sport with a participation rate of five percent has a confidence interval of plus or minus 0.31 percentage points at a 95 percent confidence interval. Using a weighting technique, survey results are applied to the total U.S. population figure of 300,652,039 people (ages six and older). The purpose of the report is to establish levels of activity and identify key participatory trends in recreation across the U.S.

CORE VS. CASUAL PARTICIPATION

In addition to overall participation rates, SFIA further categorizes active participants as either core or casual participants based on frequency. Core participants have higher participatory frequency than casual participants. The thresholds that define casual versus core participation may vary based on the nature of each individual activity. For instance, core participants engage in most fitness and recreational activities more than 50 times per year, while for sports, the threshold for core participation is typically 13 times per year.

In each activity, core participants are more committed and tend to be less likely to switch to other activities or become inactive (engage in no physical activity) than causal participants. This may also explain why activities with more core participants tend to experience less pattern shifts in participation rates than those with larger groups of casual participants.

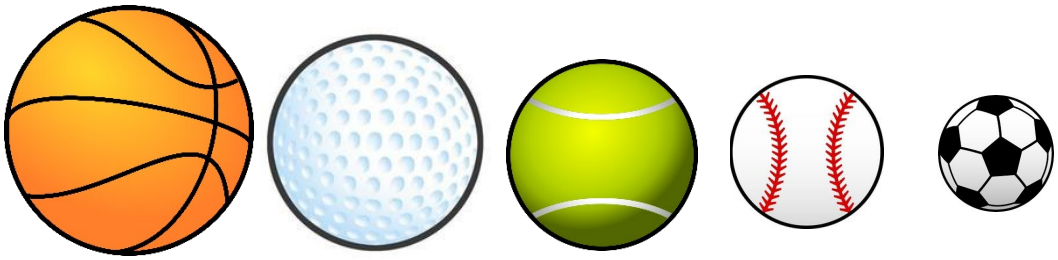
3.2.2 NATIONAL SPORT AND FITNESS PARTICIPATORY TRENDS

NATIONAL TRENDS IN GENERAL SPORTS

PARTICIPATION LEVELS

The sports most heavily participated in the United States were Basketball (24.2 million) and Golf (23.8 million in 2017), which have participation figures well in excess of the other activities within the general sports category. Followed by Tennis (17.8 million), Baseball (15.9 million), and Soccer (11.4 million).

The popularity of Basketball Golf, and Tennis can be attributed to the ability to compete with relatively small number of participants. Even though Golf has experienced a recent decrease in participation, it continues to benefit from its wide age segment appeal and is considered a life-long sport. Basketball's success can be attributed to the limited amount of equipment needed to participate and the limited space requirements necessary, which make basketball the only traditional sport that can be played at most American dwellings as a drive-way pickup game.



Basketball	Golf*	Tennis	Baseball	Soccer
24.2 Million	23.8 Million	17.8 Million	15.9 Million	11.4 Million

FIVE-YEAR TREND

Since 2013, Roller Hockey (33.6%) and Rugby (31.9%) have emerged as the overall fastest growing sports. During the last five-years, Baseball (19.5%), Cheerleading (18.7%), and Flag Football (17.1%) have also experienced significant growth. Based on the five-year trend, the sports that are most rapidly declining include Ultimate Frisbee (-46.6%), Touch Football (-22.7%), Tackle Football (-16.4%), Badminton (-11.4%), and Outdoor Soccer (-10.4%).

ONE-YEAR TREND

In general, the most recent year shares a similar pattern with the five-year trends; with Pickleball (5.4%), Basketball (3.5%), and Baseball (1.5%) experiencing the greatest increases in participation this past year. However, some sports that increased rapidly over the past five years have experienced recent decreases in participation, such as Roller Hockey (-5.5%). Other sports including Squash (-13.9%) and Ultimate Frisbee (-13.3%) have also seen a significant decrease in participate over the last year.

CORE VS. CASUAL TRENDS IN GENERAL SPORTS

Highly participated in sports, such as Basketball, Baseball, and Slow Pitch Softball, have a larger core participant base (participate 13+ times per year) than casual participant base (participate 1-12 times per year). While less mainstream sports, such as Ultimate Frisbee, Roller Hockey, Squash, and Boxing for Competition have larger casual participation base. These participants may be more inclined to switch to other sports or fitness activities, which is likely why they have all experienced a decline in participation this past year.

National Participatory Trends - General Sports					
Activity	**Participation Levels**			**% Change**	
	2013	**2017**	**2018**	**5-Year Trend**	**1-Year Trend**
Golf (9 or 18-Hole Course)	24,720	23,829	N/A	N/A	N/A
Basketball	23,669	23,401	24,225	2.3%	3.5%
Tennis	17,678	17,683	17,841	0.9%	0.9%
Baseball	13,284	15,642	15,877	19.5%	1.5%
Soccer (Outdoor)	12,726	11,924	11,405	-10.4%	-4.4%
Softball (Slow Pitch)	6,868	7,283	7,386	7.5%	1.4%
Football, Flag	5,610	6,551	6,572	17.1%	0.3%
Badminton	7,150	6,430	6,337	-11.4%	-1.4%
Volleyball (Court)	6,433	6,317	6,317	-1.8%	0.0%
Football, Touch	7,140	5,629	5,517	-22.7%	-2.0%
Soccer (Indoor)	4,803	5,399	5,233	9.0%	-3.1%
Football, Tackle	6,165	5,224	5,157	-16.4%	-1.3%
Volleyball (Sand/Beach)	4,769	4,947	4,770	0.0%	-3.6%
Gymnastics	4,972	4,805	4,770	-4.1%	-0.7%
Track and Field	4,071	4,161	4,143	1.8%	-0.4%
Cheerleading	3,235	3,816	3,841	18.7%	0.7%
Racquetball	3,824	3,526	3,480	-9.0%	-1.3%
Pickleball	N/A	3,132	3,301	N/A	5.4%
Ultimate Frisbee	5,077	3,126	2,710	-46.6%	-13.3%
Ice Hockey	2,393	2,544	2,447	2.3%	-3.8%
Softball (Fast Pitch)	2,498	2,309	2,303	-7.8%	-0.3%
Lacrosse	1,813	2,171	2,098	15.7%	-3.4%
Wrestling	1,829	1,896	1,908	4.3%	0.6%
Roller Hockey	1,298	1,834	1,734	33.6%	-5.5%
Rugby	1,183	1,621	1,560	31.9%	-3.8%
Squash	1,414	1,492	1,285	-9.1%	-13.9%
Boxing for Competition	1,134	1,368	1,310	15.5%	-4.2%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
Legend:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

NATIONAL TRENDS IN GENERAL FITNESS

PARTICIPATION LEVELS

Overall, national participatory trends in fitness have experienced strong growth in recent years. Many of these activities have become popular due to an increased interest among Americans to improve their health and enhance quality of life by engaging in an active lifestyle. These activities also have very few barriers to entry, which provides a variety of options that are relatively inexpensive to participate in and can be performed by most individuals. The most popular general fitness activities amongst the U.S. population include: Fitness Walking (111.1 million), Treadmill (53.7 million), Free Weights (51.3 million), Running/Jogging (49.5 million), and Stationary Cycling (36.7 million).

Fitness Walking 111.1 Million | **Treadmill 53.7 Million** | **Dumbbell Free Weights 51.3 Million** | **Running/ Jogging 49.5 Million** | **Stationary Cycling 36.7 Million**

FIVE-YEAR TREND

Over the last five years (2013-2018), the activities growing most rapidly are Trail Running (47.4%), Aerobics (24.8%), Barre (21.8%), Stair Climbing Machine (18.8%), and Yoga (18.2%). Over the same time frame, the activities that have undergone the biggest decline include: Dumbbell Free Weights (-12.0%), Running/Jogging (-8.7%), Fitness Walking (-5.3%), Traditional Triathlon (-4.2%), and Boot Camps Style Cross Training (-3.1%).

ONE-YEAR TREND

In the last year, activities with the largest gains in participation were Trail Running (9.4%), Yoga (5.1%), and Elliptical Motion Trainer (3.0%). From 2017-2018, the activities that had the largest decline in participation were Non-Traditional Triathlon (-15.5%), Running/Jogging (-2.6%), and Cross-Training Style Workout (-2.1%).

CORE VS. CASUAL TRENDS IN GENERAL FITNESS

It should be noted that many of the activities that are rapidly growing have a relatively low user base, which allows for more drastic shifts in terms of percentage, especially for five-year trends. Increasing casual participants may also explain the rapid growth in some activities. All the top trending fitness activities, for the one-year and five-year trend, consist primarily of casual users. This is significant, as casual users are much more likely to switch to alternative activities compared to a core user.

National Participatory Trends - General Fitness					
Activity	**Participation Levels**			**% Change**	
	2013	**2017**	**2018**	**5-Year Trend**	**1-Year Trend**
Fitness Walking	117,351	110,805	111,101	-5.3%	0.3%
Treadmill	48,166	52,966	53,737	11.6%	1.5%
Free Weights (Dumbbells/Hand Weights)	58,267	52,217	51,291	-12.0%	-1.8%
Running/Jogging	54,188	50,770	49,459	-8.7%	-2.6%
Stationary Cycling (Recumbent/Upright)	35,247	36,035	36,668	4.0%	1.8%
Weight/Resistant Machines	36,267	36,291	36,372	0.3%	0.2%
Elliptical Motion Trainer	30,410	32,283	33,238	9.3%	3.0%
Yoga	24,310	27,354	28,745	18.2%	5.1%
Free Weights (Barbells)	25,641	27,444	27,834	8.6%	1.4%
Bodyweight Exercise	N/A	24,454	24,183	N/A	-1.1%
Dance, Step, & Choreographed Exercise	N/A	22,616	22,391	N/A	-1.0%
Aerobics (High Impact)	17,323	21,476	21,611	24.8%	0.6%
Stair Climbing Machine	12,642	14,948	15,025	18.8%	0.5%
Cross-Training Style Workout	N/A	13,622	13,338	N/A	-2.1%
Trail Running	6,792	9,149	10,010	47.4%	9.4%
Stationary Cycling (Group)	8,309	9,409	9,434	13.5%	0.3%
Pilates Training	8,069	9,047	9,084	12.6%	0.4%
Cardio Kickboxing	6,311	6,693	6,838	8.4%	2.2%
Boot Camp Style Cross-Training	6,911	6,651	6,695	-3.1%	0.7%
Martial Arts	5,314	5,838	5,821	9.5%	-0.3%
Boxing for Fitness	5,251	5,157	5,166	-1.6%	0.2%
Tai Chi	3,469	3,787	3,761	8.4%	-0.7%
Barre	2,901	3,436	3,532	21.8%	2.8%
Triathlon (Traditional/Road)	2,262	2,162	2,168	-4.2%	0.3%
Triathlon (Non-Traditional/Off Road)	1,390	1,878	1,589	14.3%	-15.4%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
Legend:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

NATIONAL TRENDS IN OUTDOOR RECREATION

PARTICIPATION LEVELS

Results from the SFIA report demonstrate a contrast of growth and decline in participation regarding outdoor/adventure recreation activities. Much like the general fitness activities, these activities encourage an active lifestyle, can be performed individually or within a group, and are not as limited by time constraints. In 2018, the most popular activities, in terms of total participants, from the outdoor/adventure recreation category include: Day Hiking (47.9 million), Road Bicycling (39.0 million), Freshwater Fishing (39.0 million), and Camping within ¼ mile of Vehicle/Home (27.4 million), and Recreational Vehicle Camping (16.0 million).

Hiking
(Day)
47.9 Million

Bicycling
(Road)
39.0 Million

Fishing
(Freshwater)
39.0 Million

Camping
(<¼mi. of Car/Home)
27.4 Million

Camping
(Recreational Vehicle)
16.0 Million

FIVE-YEAR TREND

From 2013-2018, BMX Bicycling (58.6%), Day Hiking (39.2%), Fly Fishing (18.1%), Backpacking Overnight (16.2%), and Recreational Vehicle Camping (9.8%) have undergone the largest increases in participation.

The five-year trend also shows activities such as In-Line Roller Skating (-17.8%), Birdwatching (-12.8%), Camping within ¼ mile of Home/Vehicle (-6.3%), and Road Bicycling (-4.5%) experiencing the largest decreases in participation.

ONE-YEAR TREND

The one-year trend shows activities growing most rapidly being Day Hiking (6.6%), Camping within ¼ mile of Home/Vehicle (-16.5%), and Fly Fishing (18.1%). Over the last year, activities that underwent the largest decreases in participation include: Adventure Racing (-12.4%), In-Line Roller Skating (-4.3%), and Overnight Backpacking (-4.0).

CORE VS. CASUAL TRENDS IN OUTDOOR RECREATION

A large majority of outdoor activities have experienced participation growth in the last five-years, with In-Line Roller Skating, Birdwatching, Camping within ¼ mile of Home/Vehicle, and Road Bicycling being the only activities decreasing in participation. Although this a positive trend for outdoor activities, it should be noted that a large majority of participation growth came from an increase in casual users. This is likely why we see a lot more activities experiencing decreases in participation when assessing the one-year trend, as the casual users likely found alternative activities to participate in.

National Participatory Trends - Outdoor / Adventure Recreation					
Activity	**Participation Levels**			**% Change**	
	2013	**2017**	**2018**	**5-Year Trend**	**1-Year Trend**
Hiking (Day)	34,378	44,900	47,860	39.2%	6.6%
Bicycling (Road)	40,888	38,866	39,041	-4.5%	0.5%
Fishing (Freshwater)	37,796	38,346	38,998	3.2%	1.7%
Camping (< 1/4 Mile of Vehicle/Home)	29,269	26,262	27,416	-6.3%	4.4%
Camping (Recreational Vehicle)	14,556	16,159	15,980	9.8%	-1.1%
Fishing (Saltwater)	11,790	13,062	12,830	8.8%	-1.8%
Birdwatching (>1/4 mile of Vehicle/Home)	14,152	12,296	12,344	-12.8%	0.4%
Backpacking Overnight	9,069	10,975	10,540	16.2%	-4.0%
Bicycling (Mountain)	8,542	8,609	8,690	1.7%	0.9%
Archery	7,647	7,769	7,654	0.1%	-1.5%
Fishing (Fly)	5,878	6,791	6,939	18.1%	2.2%
Skateboarding	6,350	6,382	6,500	2.4%	1.8%
Roller Skating, In-Line	6,129	5,268	5,040	-17.8%	-4.3%
Bicycling (BMX)	2,168	3,413	3,439	58.6%	0.8%
Climbing (Traditional/Ice/Mountaineering)	2,319	2,527	2,541	9.6%	0.6%
Adventure Racing	2,095	2,529	2,215	5.7%	-12.4%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
Legend:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

NATIONAL TRENDS IN AQUATICS

PARTICIPATION LEVELS

Swimming is deemed as a lifetime activity, which is most likely why it continues to have such strong participation. In 2018, Fitness Swimming was the absolute leader in overall participation (27.6 million) amongst aquatic activities, largely due to its broad, multigenerational appeal.

Swimming (Fitness) 27.6 Million | **Aquatic Exercise 10.5 Million** | **Swimming (Competition) 3.0 Million**

FIVE-YEAR TREND

Assessing the five-year trend, all aquatic activities have experienced growth. Aquatic Exercise stands out having increased 24.0% from 2013-2018, most likely due to the ongoing research that demonstrates the activity's great therapeutic benefit, followed by Competitive Swimming (15.4%) and Fitness Swimming (4.6%).

ONE-YEAR TREND

Like the five-year trend, all aquatic activities also experienced growth regarding the one-year trend. Fitness Swimming (1.6%) had the largest increase in 2018, with Competitive Swimming (1.3%) and Aquatic Exercise (0.6%) not far behind.

CORE VS. CASUAL TRENDS IN AQUATICS

All aquatic activities have undergone increases in participation over the last five years, primarily due to large increases in casual participation (1-49 times per year). From 2013 to 2018, casual participants of Competition Swimming increased by 45.5%, Aquatic Exercise by 40.0%, and Fitness Swimming by 10.7%. However, all core participation (50+ times per year) for aquatic activities have decreased over the last five-years.

National Participatory Trends - Aquatics					
Activity	Participation Levels			% Change	
	2013	2017	2018	5-Year Trend	1-Year Trend
Swimming (Fitness)	26,354	27,135	27,575	4.6%	1.6%
Aquatic Exercise	8,483	10,459	10,518	24.0%	0.6%
Swimming (Competition)	2,638	3,007	3,045	15.4%	1.3%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
Legend:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

NATIONAL TRENDS IN WATER SPORTS / ACTIVITIES

PARTICIPATION LEVELS

The most popular water sports / activities based on total participants in 2018 were Recreational Kayaking (11.0 million), Canoeing (9.1 million), and Snorkeling (7.8 million). It should be noted that water activity participation tends to vary based on regional, seasonal, and environmental factors. A region with more water access and a warmer climate is more likely to have a higher participation rate in water activities than a region that has long winter seasons or limited water access. Therefore, when assessing trends in water sports and activities, it is important to understand that fluctuations may be the result of environmental barriers which can greatly influence water activity participation.

Kayaking
11.0 Million

Canoeing
9.1 Million

Snorkeling
7.8 Million

Jet Skiing
5.3 Million

Sailing
3.8 Million

FIVE-YEAR TREND

Over the last five years, Stand-Up Paddling (73.3%) was by far the fastest growing water activity, followed by Recreational Kayaking (26.4%), White Water Kayaking (19.4%), Boardsailing/Windsurfing (17.5%), and Sea/Tour Kayaking (4.1%). From 2013-2018, activities declining in participation most rapidly were Surfing (-21.4%), Water Skiing (-20.0%), Jet Skiing (-17.0%), Wakeboarding (-15.7%), and Rafting (-11.3%).

ONE-YEAR TREND

Contradicting the five-year trend, Surfing was the fasting growing of all water sports/activities increasing 7.2% in 2018. Recreational Kayaking (4.6%) and Stand-Up Paddling (3.8%) also had a spike in participation this past year. Activities which experienced the largest decreases in participation in the most recent year include: Wakeboarding (-7.0%), Snorkeling (-6.8), and Water Skiing (-5.9%)

CORE VS. CASUAL TRENDS IN WATER SPORTS/ACTIVITIES

As mentioned previously, regional, seasonal, and environmental limiting factors may influence the participation rate of water sport and activities. These factors may also explain why all water-based activities have drastically more casual participants than core participants, since frequencies of activities may be constrained by uncontrollable factors. These high causal user numbers are likely why most water sports/activities have experienced decreases in participation in recent years.

National Participatory Trends - Water Sports / Activities					
Activity	Participation Levels			% Change	
	2013	2017	2018	5-Year Trend	1-Year Trend
Kayaking (Recreational)	8,716	10,533	11,017	26.4%	4.6%
Canoeing	10,153	9,220	9,129	-10.1%	-1.0%
Snorkeling	8,700	8,384	7,815	-10.2%	-6.8%
Jet Skiing	6,413	5,418	5,324	-17.0%	-1.7%
Sailing	3,915	3,974	3,754	-4.1%	-5.5%
Stand-Up Paddling	1,993	3,325	3,453	73.3%	3.8%
Rafting	3,836	3,479	3,404	-11.3%	-2.2%
Water Skiing	4,202	3,572	3,363	-20.0%	-5.9%
Surfing	3,658	2,680	2,874	-21.4%	7.2%
Scuba Diving	3,174	2,874	2,849	-10.2%	-0.9%
Kayaking (Sea/Touring)	2,694	2,955	2,805	4.1%	-5.1%
Wakeboarding	3,316	3,005	2,796	-15.7%	-7.0%
Kayaking (White Water)	2,146	2,500	2,562	19.4%	2.5%
Boardsailing/Windsurfing	1,324	1,573	1,556	17.5%	-1.1%
NOTE: Participation figures are in 000's for the US population ages 6 and over					
Legend:	Large Increase (greater than 25%)	Moderate Increase (0% to 25%)	Moderate Decrease (0% to -25%)	Large Decrease (less than -25%)	

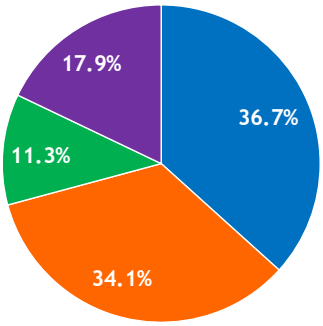
3.2.3 PARTICIPATION BY GENERATION

Analyzing participation by age for recreational activities reveals that fitness and outdoor sports were the most common activities across all generations. Breaking down activity level by generation shows a converse correlation between age and healthy activity rates.

2018 PARTICIPATION RATES BY GENERATION

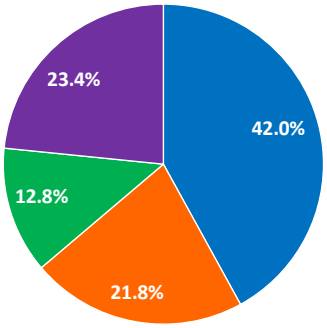
U.S. population, Ages 6+

Active High Calorie | Casual High Calorie | Low/Med Calorie | Inactive



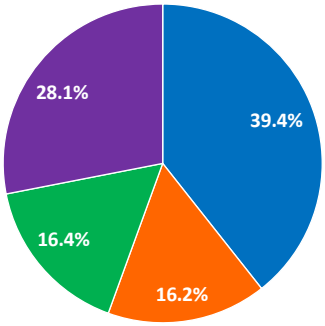
Generation Z (born 2000+)

Generation Z were the most active, with only 17.9% of the population identifying as inactive. Approximately 81% of individuals within this generation were deemed high calorie burning in 2018; with 36.7% being active high calorie and 34.1% being casual high calorie.



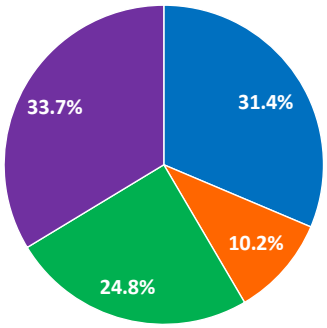
Millennials (born 1980-1999)

Almost half (42.0%) of millennials were active high calorie (35.4%) or active & high calorie (11.3%), while 24.0% claimed they were inactive. Even though this inactive rate is much higher than Generation Z's (17.6%), it is still below the national inactive rate (28%).



Generation X (born 1965-1979)

Generation X has the second highest active to a healthy level rate (35.0%) among all generations, only being 0.4% less than Millennials. At the same time, they also have the second highest inactive rate, with 28.1% not active at all.



The Boomers (born 1945-1964)

The Boomers were the least active generation, with an inactive rate of 33.3%. This age group tends to participate in less intensive activities. Approximately 34% claimed to engage in casual & low/med calorie (4.3%) or low/med calorie (29.6%) burning activities.

Definitions: Active (3+ times per week), Casual (1-2 times per week), High Calorie (20+ minutes of elevated heart rate), Low/Med Calorie (>20 minutes of elevated heart rate), Inactive (no physical activity in 2018)

NON-PARTICIPANT INTEREST BY AGE SEGMENT

In addition to participation rates by generation, SFIA also tracks non-participant interest. These are activities that the U.S. population currently does not participate in due to physical or monetary barriers, but is interested in participating in. Below are the top five activities that each age segment would be most likely to partake in, if they were readily available.

Overall, the activities most age segments are interested in include: Camping, Bicycling, Fishing, and Swimming for Fitness. All of which are deemed as low-impact activities, making them obtainable for any age segment to enjoy.

6-12 Year-Olds

Soccer
Fishing
Swimming on a Team
Camping
Martial Arts

13-17 Year-Olds

Camping
Fishing
Basketball
Working out w/ Weights
Running/Jogging

18-24 Year-Olds

Camping
Martial Arts
Backpacking
Snowboarding
Climbing

25-34 Year-Olds

Stand-up Paddling
Swimming for Fitness
Camping
Bicycling
Surfing

35-44 Year-Olds

Stand-up Paddling
Swimming for Fitness
Camping
Bicycling
Working out w/ Weights

45-54 Year-Olds

Camping
Working out w/ Weights
Stand-up Paddling
Bicycling
Swimming for Fitness

55-64 Year-Olds

Bicycling
Birdwatching/Wildlife Viewing
Working out w/ Machines
Camping
Fishing

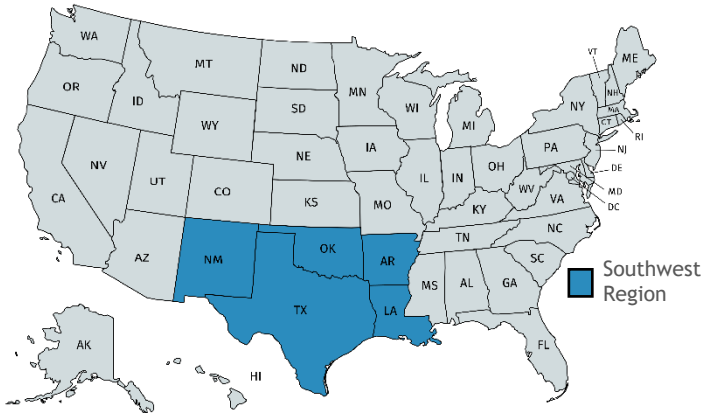
65+ Year-Olds

Birdwatching/Wildlife Viewing
Fishing
Working out w/ Machines
Swimming for Fitness
Hiking

3.2.4 NATIONAL AND REGIONAL PROGRAMMING TRENDS

PROGRAMS OFFERED BY PARK AND RECREATION AGENCIES (SOUTHWEST REGION)

NRPA's *Agency Performance Review 2018* summarize key findings from NRPA Park Metrics, which is a benchmark tool that compares the management and planning of operating resources and capital facilities of park and recreation agencies. The report contains data from 1,069 park and recreation agencies across the U.S. as reported between 2015 and 2017.



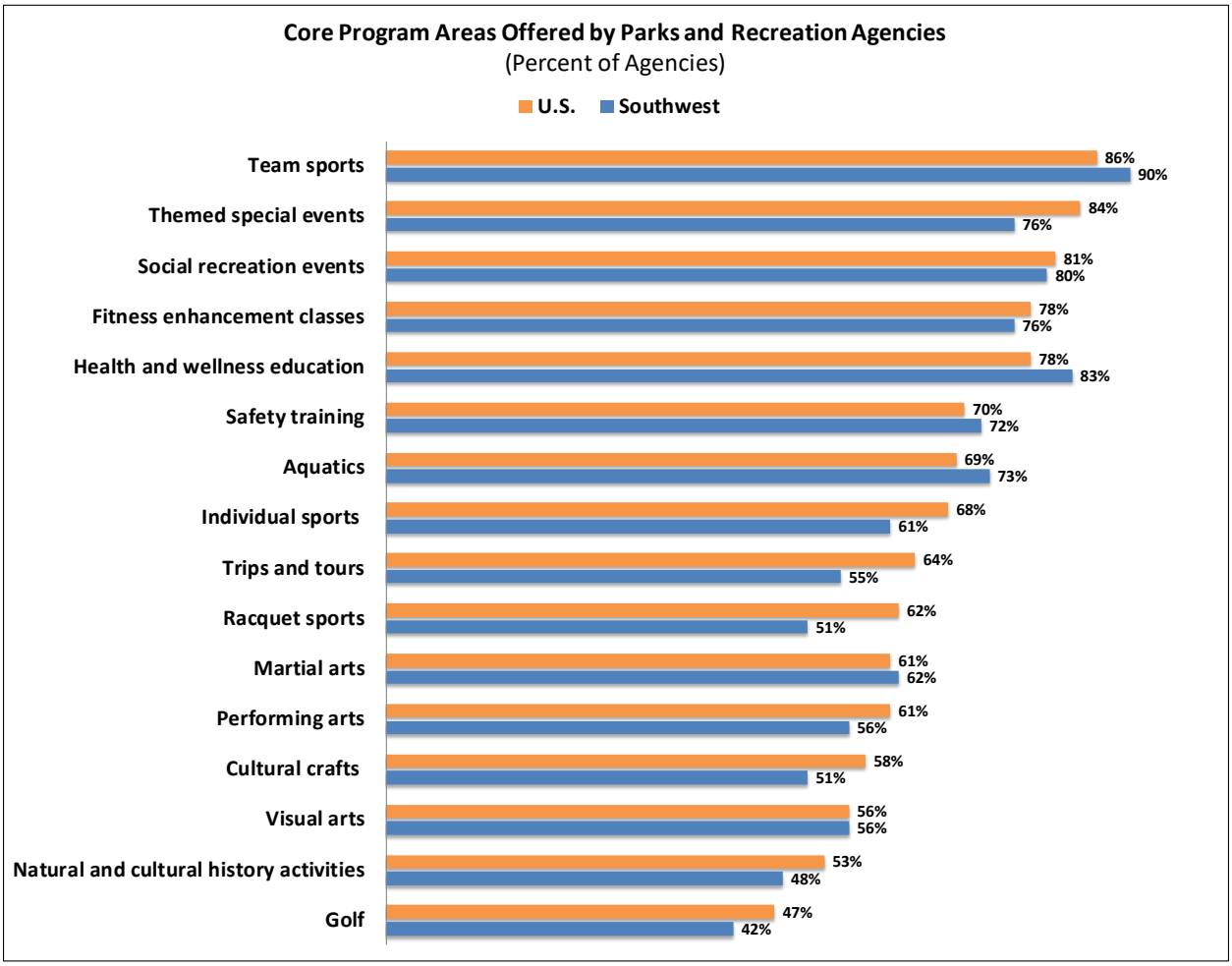
The report shows that the typical agencies (i.e., those at the median values) offer 161 programs annually, with roughly 60% of those programs being fee-based activities/events.

According to the information reported to the NRPA, the top five programming activities most frequently offered by park and recreation agencies, both in the U.S. and regionally, are described in the table below.

When comparing Southwest agencies to the U.S. average, team sports, themed special events, social recreation events, fitness enhancement classes, and health and wellness education were all identified as top five most commonly provided program areas offered regionally and nationally.

Top 5 Most Offered Core Program Areas (Offered by Parks and Recreation Agencies)	
U.S. (% of agencies offering)	**Southwest Region (% of agencies offering)**
• Team sports (86%)	• Team sports (90%)
• Themed special events (84%)	• Health and wellness education (83%)
• Social recreation events (81%)	• Social recreation events (80%)
• Fitness enhancement classes (78%)	• Themed special events (76%)
• Health and wellness education (78%)	• Fitness enhancement classes (76%)

In general, Southwest park and recreation agencies offered programs at a significantly lower rate than the national average. Based on a discrepancy threshold of 5% or more, Southwest agencies are offering themed special events, individual sports, trips and tours, racquet sports, cultural crafts, natural and cultural history activities, and golf at a lower rate than the national average. A complete comparison of regional and national programs offered by agencies can be found in the table below.



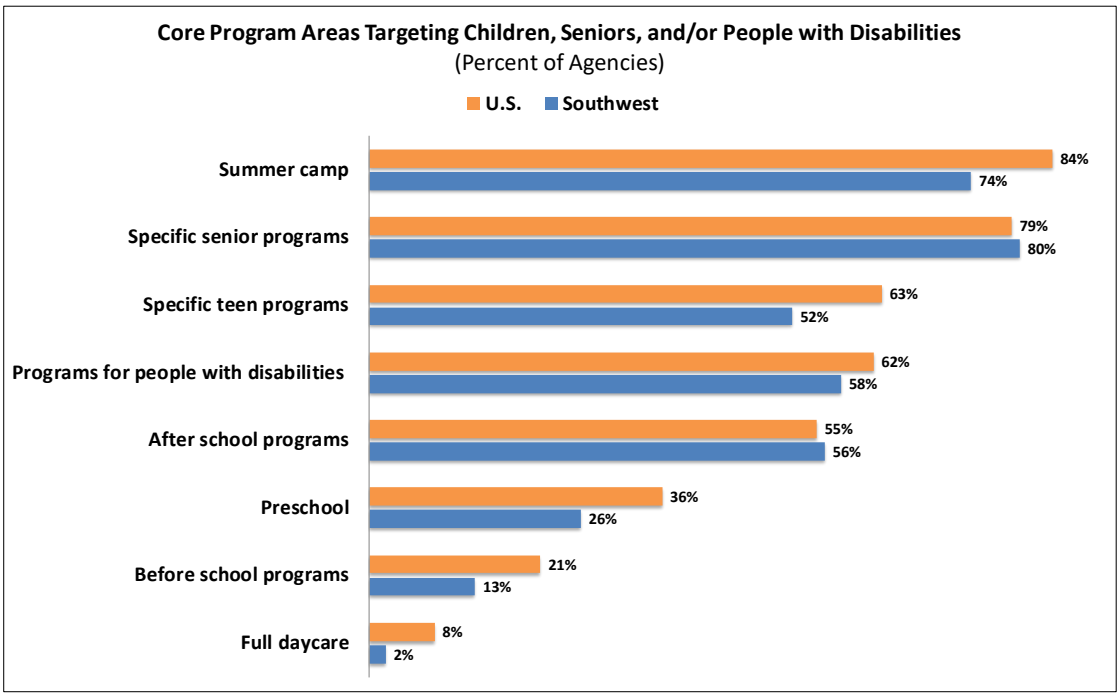
TARGETED PROGRAMS FOR CHILDREN, SENIORS, AND PEOPLE WITH DISABILITIES

For better understanding of targeted programs by age segment, the NRPA also tracks program offerings that cater specifically to children, seniors, and people with disabilities, on a national and regional basis. This allows for further analysis of these commonly targeted populations. According to the 2018 NRPA Agency Performance Review, approximately 79% of agencies offer dedicated senior programming, while 62% of park and recreation agencies provide adaptive programming for individuals with disabilities.

Based on information reported to the NRPA, the top three activities that target children, seniors, and/or people with disabilities most frequently offered by park and recreation agencies are described in the table below.

Top 3 Most Offered Core Program Areas (Targeting Children, Seniors, and/or People with Disabilities)	
U.S. (% of agencies offering)	**Southwest Region (% of agencies offering)**
• Summer camp (84%)	• Specific senior programs (80%)
• Senior programs (79%)	• **Summer camp** (74%)
• Teen programs (63%)	• Disabilities programs (58%)

Agencies in the Southwest tend to offer targeted programs at a significantly lower rate than the national average. This is especially evident when looking at summer camps, specific teen programs, preschool programs, before school programs, and full daycare programs. A complete comparison of regional and national programs offered by agencies can be found in the table below.



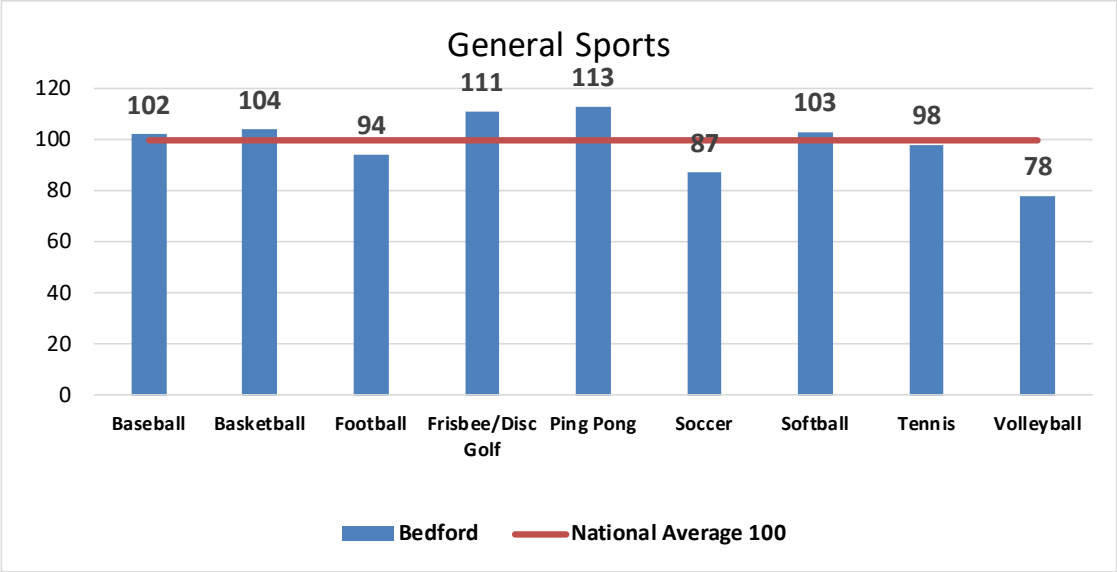
3.2.5 LOCAL SPORT AND MARKET POTENTIAL

The following charts show sport and leisure market potential data from ESRI. A Market Potential Data (MPI) measures the probable demand for a product or service within the City and its surrounding service area. The MPI shows the likelihood that an adult resident of the target area will participate in certain activities when compared to the US National average. The national average is 100, therefore numbers below 100 would represent a lower than average participation rate, and numbers above 100 would represent higher than average participation rate. The service area is compared to the national average in two (2) categories – general sports and fitness.

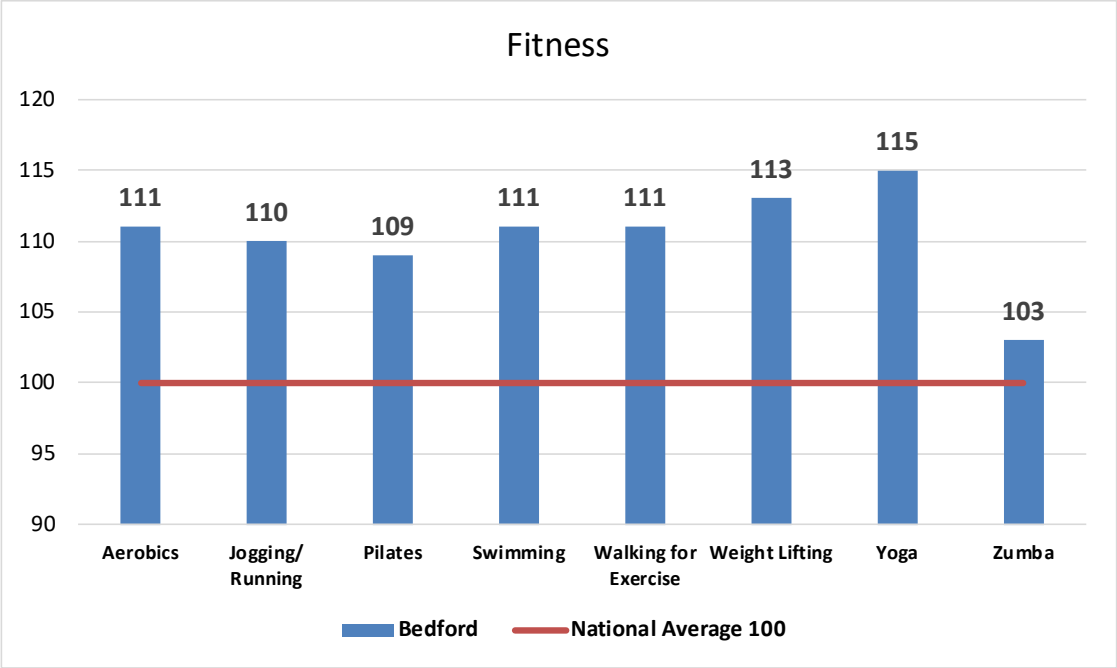
Overall, Bedford demonstrates above average market potential index (MPI) numbers. Looking at the two categories (general sports and fitness), most of the activities MPI scores fall above 100. These overall MPI scores show that Bedford has above average participation rates when it comes to most recreational activities. This becomes significant for when the City considers building new facilities or starting up new programs; giving them a strong tool to estimate resident attendance.

High index numbers (100+) are significant because they demonstrate that there is a greater potential that residents of the service area will actively participate in offerings provided by the City.

GENERAL SPORTS MPI



GENERAL FITNESS MPI



3.2.6 SUMMARY

It is critically important for the Bedford Parks and Recreation Department to understand the local and national participation trends in recreation activities. In doing so, the department can gain general insight into the lifecycle stage of recreation programs and activities (emerging, stable and declining) and thereby anticipate potential changes in need and demand for the programs and activities that it provides to the residents of Bedford. Here are some major takeaways for local and national recreation trends:

Overall,

- All listed aquatic activities have experienced strong participation growth, both locally and nationally.
- Fitness walking remained the most popular fitness activity nationally and will likely grow in popularity in Bedford as a new multigenerational recreation facility is developed.
- Based on national measurements, income level has a negative impact on inactivity rate. Lower income households tend to have higher inactivity rate. Age is also a significant factor to inactivity level. Generation Z (age 6-17) had the lowest inactivity rate while the boomers (age 55+) had the highest inactivity rate.
- Besides income and age factors, non-participants are more likely to join sports or fitness activities if a friend accompanies them.
- Ownership of health and fitness tracking devices has increased in recent years.

3.3 COMPETITOR ASSESSMENT

As a part of the Business Plan for the Boys Ranch Park, PROS Consulting conducted a similar provider analysis within the Hurst-Euless-Bedford Independent School District (HEBISD) boundaries. Search criteria targeted indoor recreation centers and fitness centers, as well as aquatic centers. The search yielded a total of fifteen (15) recreation and/or fitness centers and four (4) aquatic centers, and each facility's amenities, programming and pricing were evaluated.

	Provider	Address	City	Hours of Operation
Aquatic Centers	Aquatic Park	300 W Midway Drive	Euless	M-Sa:11-8p. Su: Noon-7p. Total Weekly Hours: 61
	Central Aquatics Center	715 Mary Drive	Hurst	June-July M-F: 12-5 Sa-Sun: 10-6pm Total Weekly Hours: 41
	Chisolm Aquatics Center	2200 Norwood Drive	Hurst	M-F: 10-6pm Sa-Su 12-8pm Total Weekly Hours: 56
	Natatorium	300 W Midway Drive	Euless	M/W: 10:30a-8:30p, Tu/Th: 1030-8:30p, Fr: 10:30-5pm, Sa: 1030-330p, Su: 12-3:30p Total Weekly Hours: 55
Community Recreation and Fitness Centers	24 Hour Fitness	6601 NE Loop 820	North Richland Hills	24 hours
	24 Hour Fitness	2100 Plaza Parkway	Bedford	24 hours
	9 Round Fitness	725 Airport Freeway Suite H	Hurst	M: 5:30a-11a/330-8p, T: 8a-1p/3:30-8p; W; 5:30a-11a/3:30-8p,Th; 8a-1p/3:30-8p; F; 5:30a-11a/3:30-7p, S: 8a-12p Total Weekly Hours: 52
	Airport Area YMCA	3524 Central Drive	Bedford	M-F: 5a-9pm, Sa: 8a-6p, Sun: 12p-5p Total Weekly Hours: 95
	Anytime Fitness	1856 Precinct Line Road	Hurst	24 hours
	Anytime Fitness	8300 Precinct Line Road	Colleyville	24 hours
	BHC Fitness	2828 Brown Trail Suite A	Bedford	M-F: 5a-9p, Sa: 8a-4p Total Weekly Hours: 88
	Elite Sports Training	5109 Commercial Drive	Hurst	M-Sa: Class times vary by day/week
	Euless Family Life Center	300 W Midway Drive	Euless	M-Th: 5:30-9pm, F: 5:30a-8p Sa: 8a-6p Su: 12p-6p Total Weekly Hours: 92.5
	Fitness Nation	1805 Hwy 121	Bedford	24 Hours
	Hurst Rec Center	700 Mary Drive	Hurst	M-Th: 6:30a-10p, F: 6:30a-6p, Sa: 9a-6p, Su: 1p-6p Total Weekly Hours: 88.5
	LA Fitness	701 NE Loop 820	Hurst	M-Th: 5a-11p, F: 5a-10p, Sa-Su: 8am-5pm Total Weekly Hours: 98
	Planet Fitness	372 E Pipeline Rd	Hurst	24 hours
	Stroud's Fitness	416 W Bedford Euless Rd	Hurst	M-Th: 5am-10p, F: 5a-7p, Sa: 9a-4p, Su: 12:30p-4p Total Weekly Hours: 92.5
	Texas Family Fitness	1320 Aiport Freeway	Bedford	M-F: 5am-11pm, Sa: 7a-8p Su: 8a-8p Total Weekly Hours:115

3.3.1 RECREATION CENTER/FITNESS CENTER AMENITIES

The following chart is a comparative of amenities available for recreation and fitness centers within Bedford. This form of analysis is useful for assessing the available amenities by cross-referencing multiple facilities in order to identify opportunities for the Bedford Boys Ranch Park Multigenerational Recreational Facility.

Recreation & Fitness Center Amenities Provided	Gymnasium	Running/Walking Track	Racquet Court	Fitness Center	Group Exercise Studio	Locker Rooms	Teen Center/ Programs	Class / Meeting Spaces	Child Care	Rentals	Senior Center/ Programs	Concessions / Juice Bar	Swimming Pool	Personal Training	Sauna/Steam Room
24 Hour Fitness				X	X	X			X		X		X	X	
24 Hour Fitness				X	X	X			X		X		X	X	
9 Round Fitness					X			X					X		
Airport Area YMCA				X	X	X	X	X	X		X		X	X	
Anytime Fitness				X	X	X		X			X			X	
Anytime Fitness				X	X	X		X			X			X	
BHC Fitness				X	X										
Elite Sports Training								X							
Euless Family Life Center				X	X			X	X	X	X		X	X	
Fitness Nation				X	X				X					X	
Hurst Rec Center	X	X	X	X	X									X	
LA Fitness	X		X	X	X	X	X	X	X		X		X	X	X
Planet Fitness				X	X				X					X	
Stroud's Fitness	X			X	X			X	X		X	X		X	
Texas Family Fitness				X	X	X			X					X	

3.3.2 AQUATIC CENTER AMENITIES

The following chart is a comparative of amenities available for recreation and fitness centers within Bedford. This form of analysis is useful for assessing the available amenities by cross-referencing multiple facilities in order to identify opportunities for the Bedford Boys Ranch Park Multigenerational Recreational Facility.

Aquatic Center Amenities Provided	Zero Depth Entry	Lap Swim Lanes	Diving Boards	Water Play Features	Outdoor Pool	Indoor Pool	Camps/Clinics	Child Care	Swim Lessons/Aerobics	Swim Clubs/ Teams	Concessions / Juice Bar
Aquatic Park	X	X		X	X						
Central Aquatics Center	X			X	X				X		X
Chisolm Aquatics Center				X	X				X		X
Natatorium		X		X		X					

3.3.3 RECREATION AND FITNESS CENTER PRICING

The table below provides an understanding of the pricing levels and strategies found at each recreation and fitness center of the competitor analysis.

	Membership Pricing Breakdown					
	Youth	Young Adult	Adult	Senior	Family/Household	Daily Admission
24 Hour Fitness	x	x	$29.99/month; $49.99/Initiation fee	x	x	x
24 Hour Fitness	x	x	$29.99/month; $49.99/Initiation fee	x	x	x
9 Round Fitness	x	x		x	x	
Airport Area YMCA	$15/month	$29/month $25 enrollment fee	$39/month $25 enrollment fee		$64/month $50 enrollment fee	x
Anytime Fitness	x	x	$29.99/month + Initiation fee	x	x	x
Anytime Fitness	x	x	$29.99/month + Initiation fee	x	x	x
BHC Fitness	x	x	$25/month + $25 initiation fee	x	x	x
Elite Sports Training	x	x	Unlimited Rate Individual $135/monthly Unlimited Family - $250/family Unlimted Couple - $200 Military, First Responders & Teachers - $100	x	x	x
Euless Family Life Center	**Youth Annual Mem.** $10/R; $25/NR	x	**Individual Annual Mem.** $80-$130/R; $225-$275/NR **Individual 3-Month Mem.** $35-$60/R; $95-$110/NR	**Senior Annual Mem.** $7/R; $35/NR	**Family Annual Mem.** $125-$190/R; $485-$585/NR **Family 3-Month Mem.** $55-$85/R; $200-$240/NR	$5/R; $10/NR
Fitness Nation	x	x	$10/month	x	x	x
Hurst Rec Center	**Youth Annual Pass (6-15 yrs)** $20/R; $80 NR **Youth Fitness Annual Pass (12-15 yrs)** $50/R; $200/NR		**Adult Annual Pass** $50/R; $200/NR (16-64 yrs)	**Senior Annual Pass** $20/R; $80/NR (65+ yrs)	$125/annual	**Daily Pass** $2/R; $10/NR
LA Fitness	x	x	**Adult Mem.** $29.99/month; $75/Initiation fee $19.99/month; $175/Initiation fee	x	x	x
Planet Fitness	x	x	**Adult Mem** $10/month; $39/Initiation fee $15/month; $49/Initiation fee $21.99/month; $1/initiation fee *$39/annual fee	x	x	x
Stroud's Fitness	x	x		x	x	x
Texas Family Fitness	x	x	Standard - $9.99/month; $79 enrollment fee Premium - $19.99/month; $29 enrollment fee Studio - $34.99/month; $0 enrollment fee	x	x	x

3.3.4 AQUATIC CENTER PRICING

The table below provides an understanding of the pricing levels and strategies found at each aquatic center of the competitor analysis.

Aquatic Facilities	Programs/Leagues/Clubs	Program Fees/Tuition	Membership Fees/ Passes	Daily Admission
Aquatic Park	Lazy river, interactive water playground with zero depth entry, fountains, water slides, water features, pool basketball, lily pads, concessions, cabana rentals, outdoor pool.	x	**Family Pass** $150/R; $300/NR **Individual Pass** $45/R; $90/NR	M-F: $3/R; $6/NR Sa-Su: $4/R; $8/NR *Children 2 & under are free with a paying adult
Central Aquatics Center	Activity Pool with Zero depth entry, interactive water features, water slides, splash pad, concessions, pavillion rentals, adult water aerobics, swim lessons, outdoor pool.	**Group Lessons** $30/R; $40/NR **Parent Tot Lessons** $15/R;$20/NR **Private Lessons (Residents only)** $50 Resident only	**Season Pass** $25.00/individual; $100/family $75.00/individual; $300/family	$4/R; $10/NR *Children 12 months and under, plus Seniors over 65, receive FREE admission
Chisolm Aquatics Center	Tot pool, activity pool, lazy river, slide towers, pavillion rentals, swim lessons (Learn to swim program), outdoor pool.	**Group Lessons** $30/R; $40/NR **Parent Tot Lessons** $15/R;$20/NR **Private Lessons (Residents only)** $50 Resident only	**Season Pass** $25.00/individual; $100/family $75.00/individual; $300/family	$4/R; $10/NR *Children 12 months and under, plus Seniors over 65, receive FREE admission
Natatorium	Resitance river, lap lanes, slide, year-round, splash play area, private rentals, indoor pool.	**Group Lessons** $60/R; $65/NR **Parent Tot Lessons** $60/R; $65/NR **Water Aerobics** $30/month Senior; $45/month Non-Senior	**Annual Membership** Youth - $50/R; $100/NR Family - $125-$250/R; $310-$720/NR Senior (60+) - $30/R; $145/NR **3-Month membership** $55-$115/R; $130-$305/NR **Open Swim Party Rental - up to 12 swimmers** $100/R; $250/NR **Private Party Swim Rental - up to 40 swimmers** $175/R; $425/NR	$10/R; $15/NR Water Aerobics Daily Drop In - $10

3.3.5 CONCLUSION/ FINDINGS

Based on findings from the competitor analysis, there are limited options for aquatic centers within the service area. On the other hand, looking at recreation and fitness facilities, there are numerous choices for Bedford residents, however, most of them are geared only towards fitness for adults. As it relates to the business plan for Boys Ranch Park Multigenerational Recreational Facility, the emphasis at the center should be on fitness, aquatic, and recreational amenities and programming for the community, including families and seniors.

The scope of available amenities for the area may also correlate to the local trends previously identified in the report. Based on the local market potential index scores, we determined that residents were more inclined to participate in fitness activities than the national average, but participation in general sports was average. This is likely due in large part to the prevalence of facilities and programming that are primarily centered on recreational activities and aquatics. A new facility that satisfies the recreational and aquatic needs of the community would have a strong competitive advantage and could begin to reverse the recent trends of the local population.

AMENITIES

The amenities available at the existing facilities are heavily centered on fitness and strength training, and lack some key complimentary elements found in a typical community center. This presents a strong opportunity for a community facility with a well-rounded selection of amenities. The most prominent deficiencies to the overall inventory of recreational amenities available within the service area are the lack of an indoor walking/ jogging track, a single gymnasium, and the absence of space for meeting and multi-purpose use.

When analyzing the available aquatic centers, all but one of the facilities has an indoor pool and have similar recreational play areas. One notable characteristic of the service area is that only two of the aquatic centers in the area offers lap swimming and year-round programming. This may be a point of differentiation for an updated community center within the City, as providing an indoor pool with some lap swimming and recreational play areas and year-round programming could give a new facility the ability to draw families away from the competition.

PRICING

Analyzing the pricing for fitness and aquatic centers in the target area, price points and pricing strategies among the competition vary considerably. There is also a lack of drop-in programming available for similar providers, and programs tend to be only offered in combination with a membership. All these factors point to an opportunity to attract casual users that would like to enjoy the amenities of a community center without having to commit to a membership.

CHAPTER FOUR - COMMUNITY NEEDS ASSESSMENT

An integral part of the *Bedford Boys Ranch Park Business Plan* was an extensive community input and participation plan. A total of nineteen (19) leadership interviews and stakeholder focus groups were conducted as the foundation of public participation. In addition to the leadership interviews, focus groups, and community meetings, the public input process included an on-line household survey of residents.

4.1 COMMUNITY INPUT SUMMARY

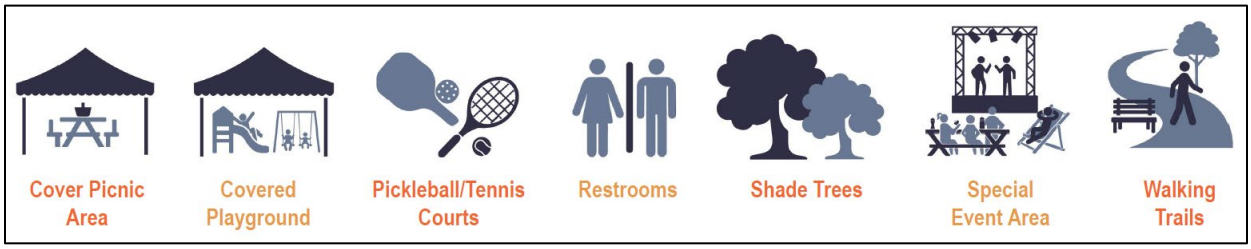
The qualitative data collected included multiple leadership interviews, focus groups, and community meetings. A summary of the public input opportunities to date is provided below:

- Nineteen (19) leadership interviews and focus groups were conducted in January 2019 to be representative, but not exhaustive of interests affecting the re-development of Bedford Boys Ranch Park. These sessions included:
    - Local elected officials
    - Leadership and staff of the City of Bedford
    - Parks and Recreation Commissioners
    - Cultural Commissioners
    - Community Affairs Commissioners
    - Old Bedford School Preservation Society Members
    - Parks and facility users and stakeholder groups
    - School officials
    - Seniors
    - Art and Culture groups
    - Sports groups and leagues
    - Philanthropic organizations
    - Business and community leaders from throughout the City
    - Community as a whole

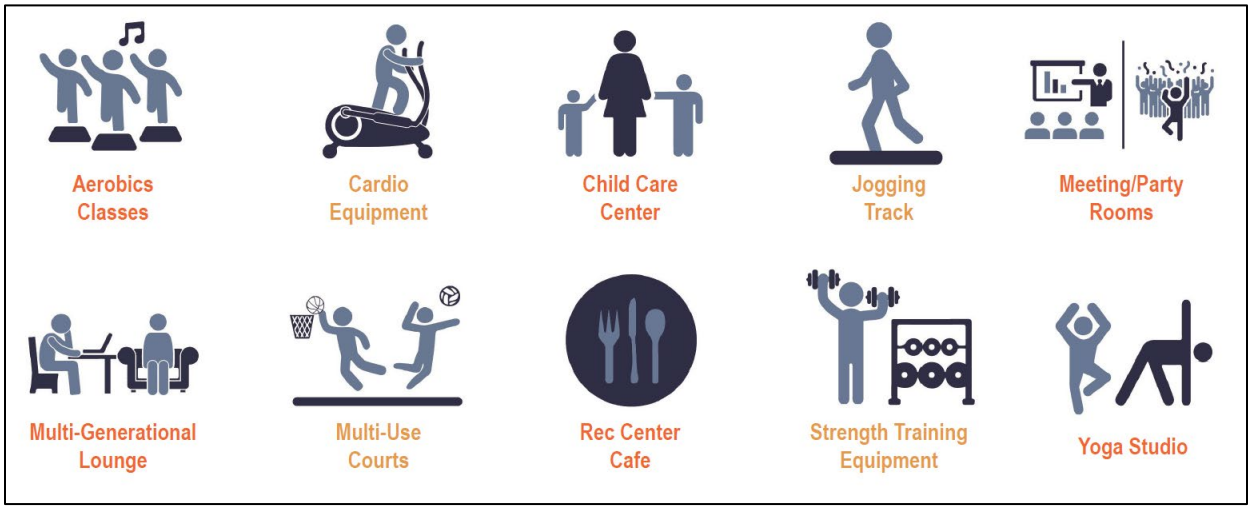
4.1.1 VISION FOR BEDFORD BOYS RANCH PARK

Almost all residents would like to see a “warm” and “inviting” facility at Bedford Boys Ranch Park where residents would want to come and socialize. Some ideas included rebranding Bedford Boys Ranch Park and having a more open floor plan. Residents desire a multigenerational, flexible and vibrant community center with indoor and outdoor aquatics that acts as community hub. The following summarizes the most desired elements and amenities expressed by the community during the leadership and stakeholder meetings.

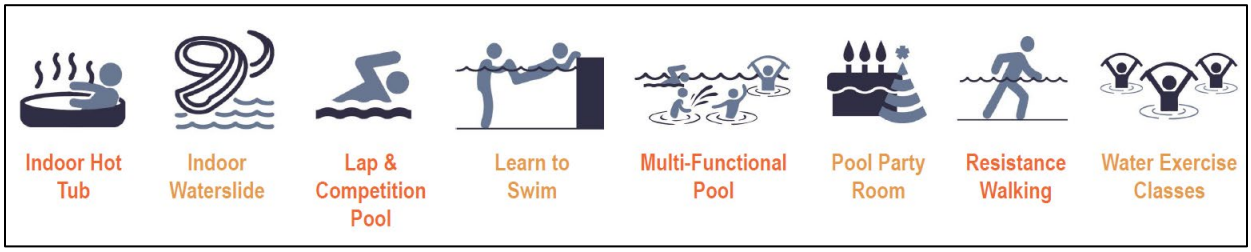
OUTDOOR PARK AMENITIES MOST DESIRED



INDOOR RECREATION CENTER AMENITIES MOST DESIRED



INDOOR AQUATIC ELEMENTS MOST DESIRED



OUTDOOR AQUATIC AMENITIES MOST DESIRED

4.1.2 VALUE OF BRINGING THE SENIOR CITIZEN CENTER INTO A NEW MULTIGENERATIONAL RECREATIONAL FACITILITY

While some of the community would be in favor of creating separate facilities for recreation and senior services, most understood that doing so at the Bedford Boys Ranch Park site is prohibitive. However, many in the community acknowledged that having just one facility made the most financial and operational sense while expressing the desire for a more multigenerational approach to programming, services and overall utilization. Additionally, focus group members recognized that having just one facility would help draw additional seniors to the center, and thus expand recreation offerings for this growing segment of the population in Bedford.

4.2 ON-LINE HOUSEHOLD SURVEY

As part of the community input process, the consulting team conducted an online survey for a better understanding of the needs of Bedford residents in relation to parks, facilities and recreation activities. The survey went live in February 2019 and received a total of 1,155 responses representing 3,600 residents.

4.2.1 SURVEY RESULTS

FROM THE FOLLOWING LIST, PLEASE CHECK ALL OF THE FOLLOWING WAYS YOU LEARN ABOUT RECREATION PROGRAMS AND ACTIVITIES.

Currently, Bedford residents primarily learn about Bedford Parks and Recreation Department offerings through three primary methods.

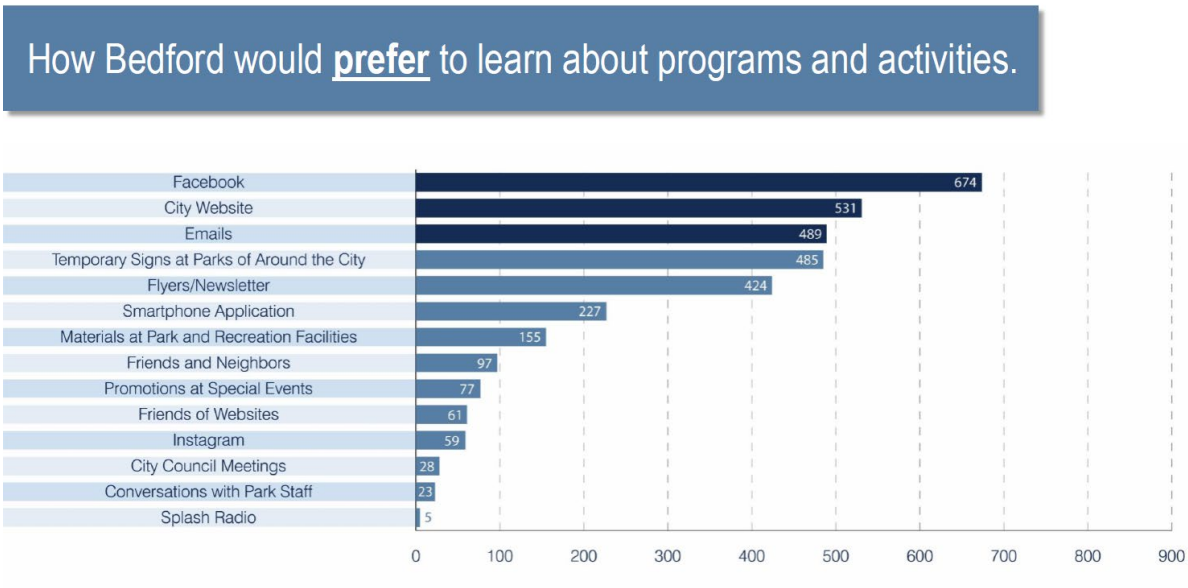
- Facebook
- Temporary Signs
- Friends and Neighbors

*Survey respondents could check all that applied.

WHICH THREE METHODS OF COMMUNICATION WOULD YOU MOST PREFER THE CITY TO USE TO COMMUNICATE WITH YOU ABOUT RECREATION PROGRAMS AND ACTIVITIES?

Bedford residents would prefer to learn about Parks and Recreation offerings through the following means of communication

- Facebook
- City Website
- Emails
- Temporary Signage
- Flyers/Newsletters

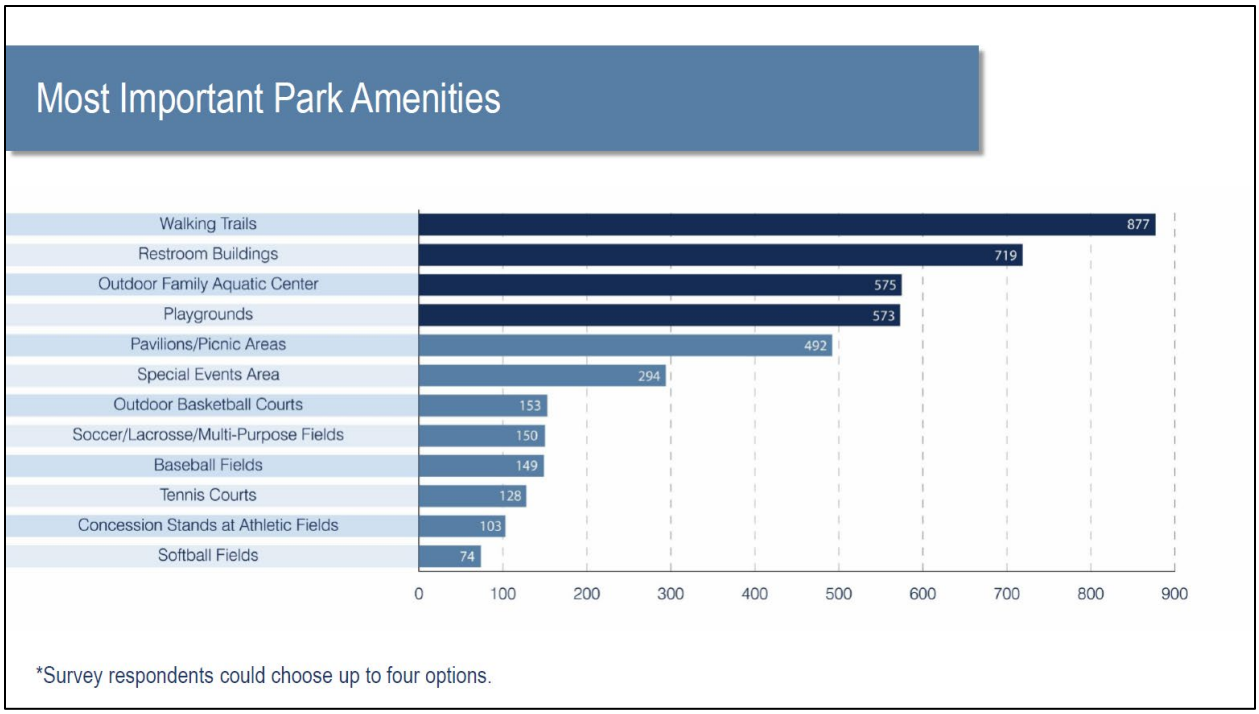


*Survey respondents could choose up to three options.

MOST IMPORTANT **OUTDOOR PARK AMENITIES** THAT SHOULD BE CONSTRUCTED AT BOYS RANCH PARK – PHASE NEXT.

Based on the sum of respondents who selected up to four outdoor park amenities, residents chose Walking Trails as the MOST IMPORTANT amenity. Other top choices included:

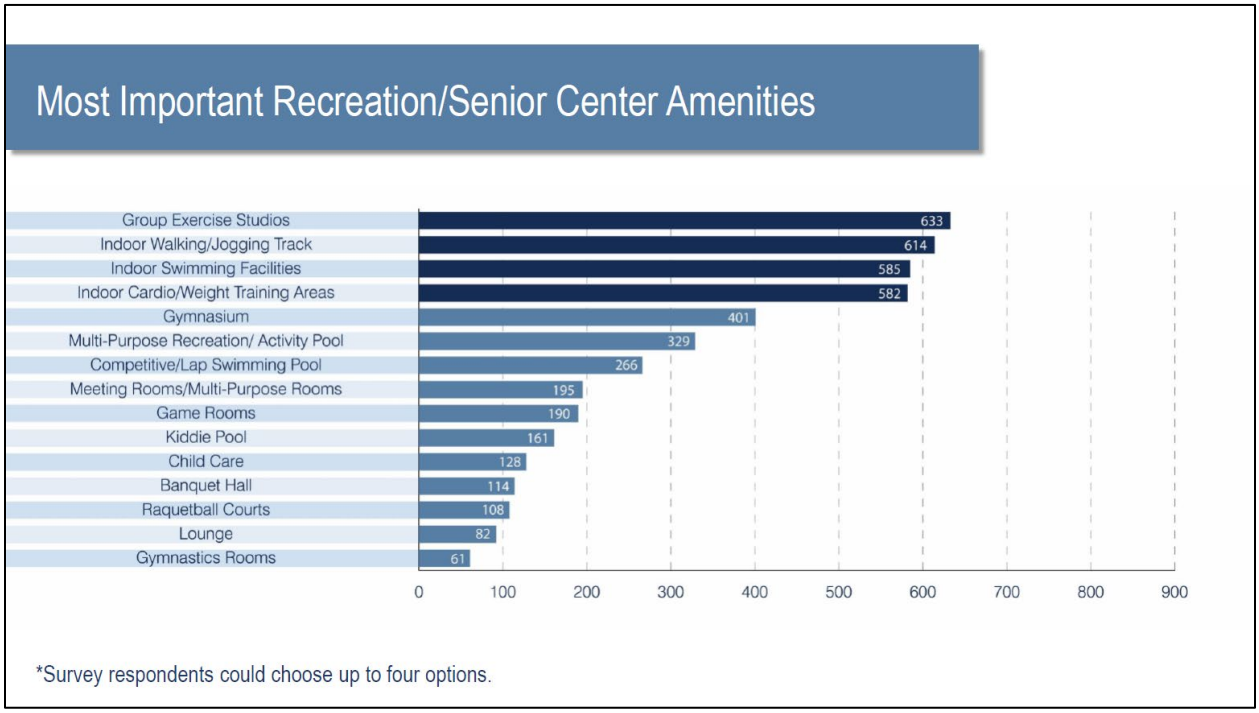
- Restroom Buildings
- Outdoor Family Aquatic Center
- Playgrounds
- Pavilion/Picnic Sites
- Special Events Area



MOST IMPORTANT AMENITIES THAT SHOULD BE INCLUDED IN A NEW RECREATION AND SENIOR CENTER AT BOYS RANCH PARK – PHASE NEXT.

Based on the sum of respondents who selected up to four indoor recreation amenities, residents chose Group Exercise Studios as the MOST IMPORTANT amenity. Other top choices included:

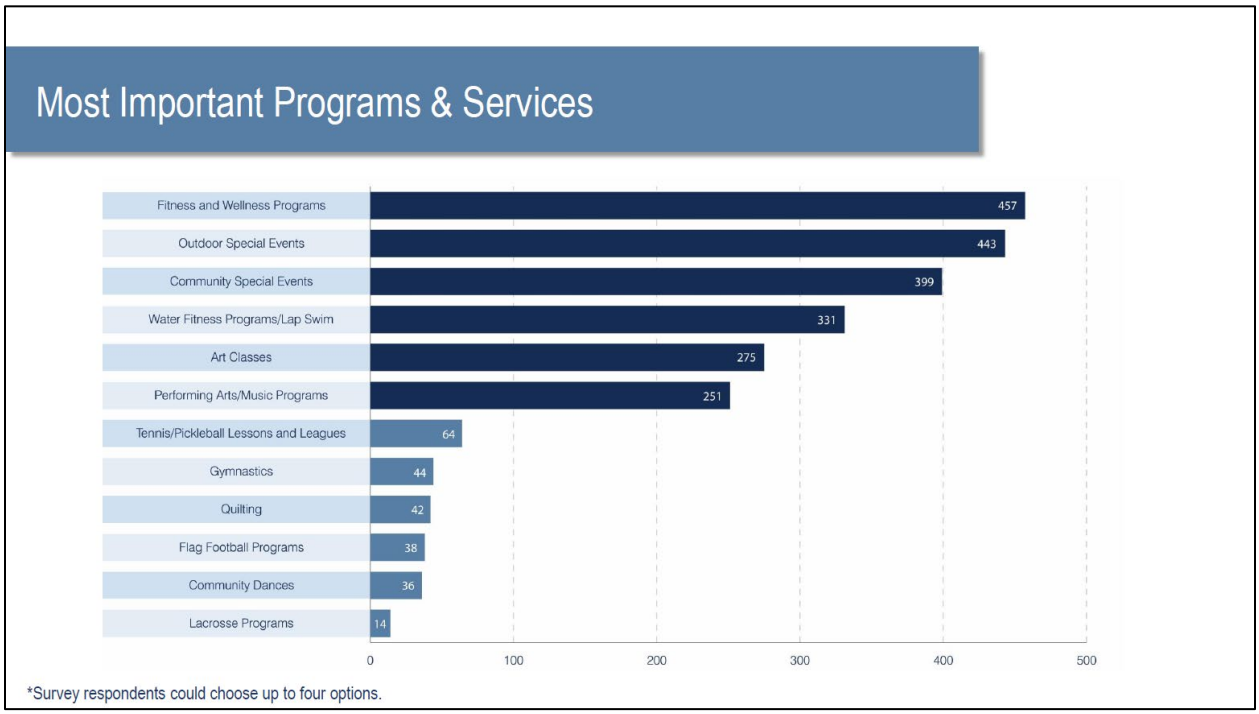
- Indoor Walking/Jogging Track
- Indoor Swimming Facilities
- Indoor Cardio/Weight Training Area
- Gymnasium
- Multi-Purpose/Recreation Activity Pool



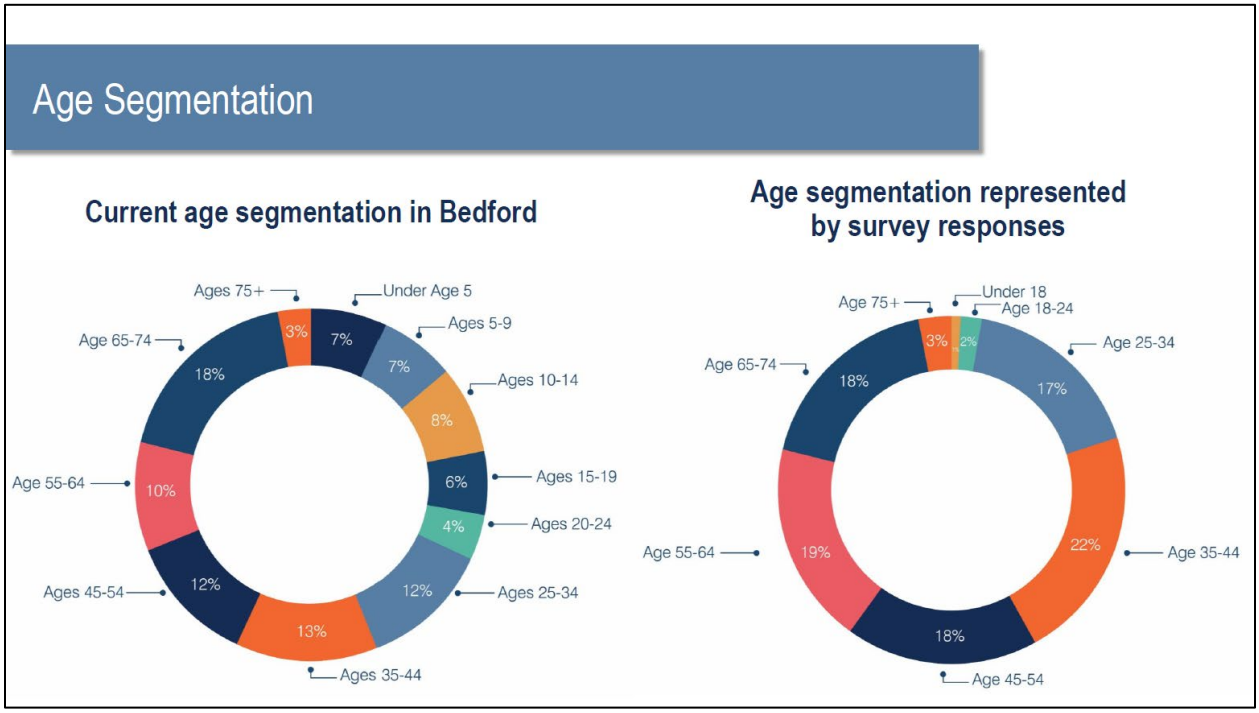
MOST IMPORTANT PROGRAMS AND SERVICES THAT SHOULD BE OFFERED AT BOYS RANCH PARK – PHASE NEXT.

Based on the sum of respondents who selected up to four programs and services to be offered, residents chose Fitness and Wellness Programs as the MOST IMPORTANT program. Other top choices included:

- Outdoor Special Events
- Community Special Events
- Water Fitness Programs/Lap Swimming
- Art Classes



DEMOGRAPHICS OF SURVEY RESPONDENTS (AGE SEGMENTATION)



4.3 PRIORITY RANKINGS

The purpose of the Facility and Program Priority Rankings is to provide a prioritized list of facility/ amenity and recreation program preferences for the community served by the City of Bedford's Parks and Recreation Department at Bedford Boys Ranch Park.

This rankings model evaluated qualitative input from stakeholder and focus group meetings and the quantitative data received from the Community Survey, which asked residents to rank their importance for select facilities/amenities and programming. This information determined the importance allocated to a facility or program by the community.

These scores were then summed to provide an overall score and priority ranking for Bedford Boys Ranch Park.

4.3.1 OVERALL PARK AMENITY PRIORITY RANKINGS

Park Facility/Amenity	Priority
Restroom Buildings	High
Walking Trails	
Playgrounds	
Pavilions/Picnic Sites	
Outdoor Family Aquatic Center	
Special Events Area	
Baseball Fields	Medium
Soccer/Lacrosse/Multi-purpose fields	
Concession Stands at Athletic Fields	
Outdoor Basketball Courts	
Tennis Courts	
Softball Fields	

4.3.2 OVERALL INDOOR FACILITY PRIORITY RANKINGS

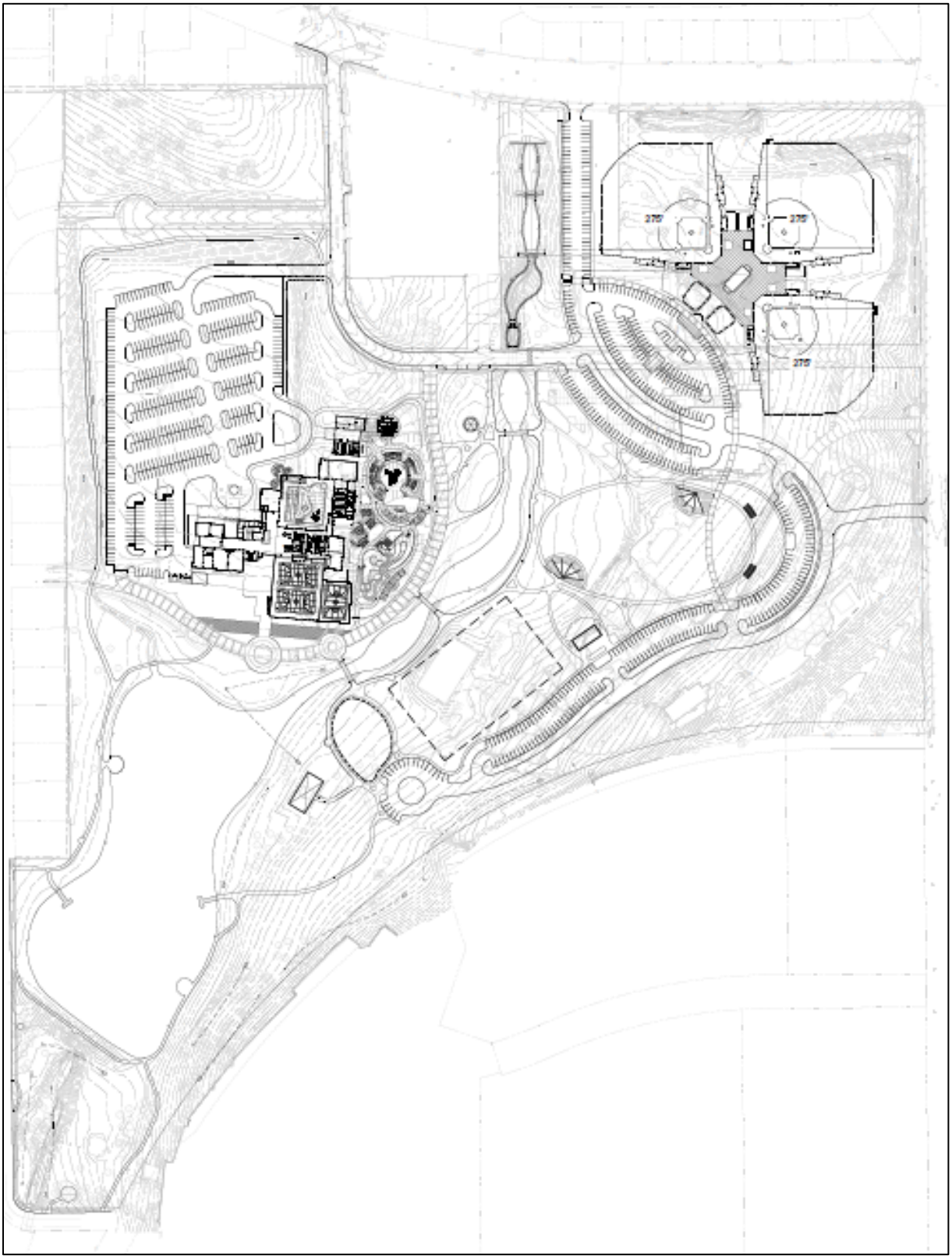
Recreation & Senior Center Facility/Amenity	Priority
Indoor Cardio/Weight Training Areas	High
Group Exercise Studios (Yoga, Spinning, Pilates, Aerobics, Dance, etc.)	
Indoor Swimming Facilities	
Indoor Walking/Jogging Tracks	
Gymnasium (Indoor Basketball, Volleyball, Pickleball Courts)	
Multi-Purpose Recreation/Activity Pool	
Competitive/Lap Swimming Pool	Medium
Kiddie Pool	
Meeting Rooms/Multi-Purpose Rooms	
Game rooms (i.e. Pool/Billiards, Foosball, etc.)	
Childcare (babysitting)	
Gymnastics Rooms	Low
Lounge	
Banquet Hall	
Racquetball Courts	

4.3.3 OVERALL PROGRAM PRIORITY RANKINGS

Recreation Program/Service	Priority
Community Special Events (Concerts, Festivals, etc.)	High
Fitness and Wellness Programs (Yoga, Tai Chi, etc.)	
Outdoor Special Events (4thFest, etc.)	
Swim Lessons	
Water Fitness Programs/Lap Swimming	
Programs for People with Special Needs	
Open Gym Time	
Indoor Special Events	
After School Programs/Out-of-School Camps	
Performing Arts/Music Programs	
Art Classes (Pottery, Painting, Ceramics, etc.)	
Basketball/Volleyball/Pickleball Leagues	Medium
Baseball/Softball Programs	
Rentals (Weddings, Birthday parties, Baby Showers, Special Occasions, etc.)	
Personal Training	
Soccer Programs	
Running Events (5K, 10K, Marathons)	
Games (Bridge, Dominos, Mahjong, Pinochle)	
Recreation/Competitive Swim Team	
Tennis/Pickleball Lessons and Leagues	
Community Dances	
Gymnastics	Low
Flag Football Programs	
Quilting	
Lacrosse Programs	

CHAPTER FIVE - SITE & FACILITY SPACE PROGRAM

5.1 SITE CONCEPT

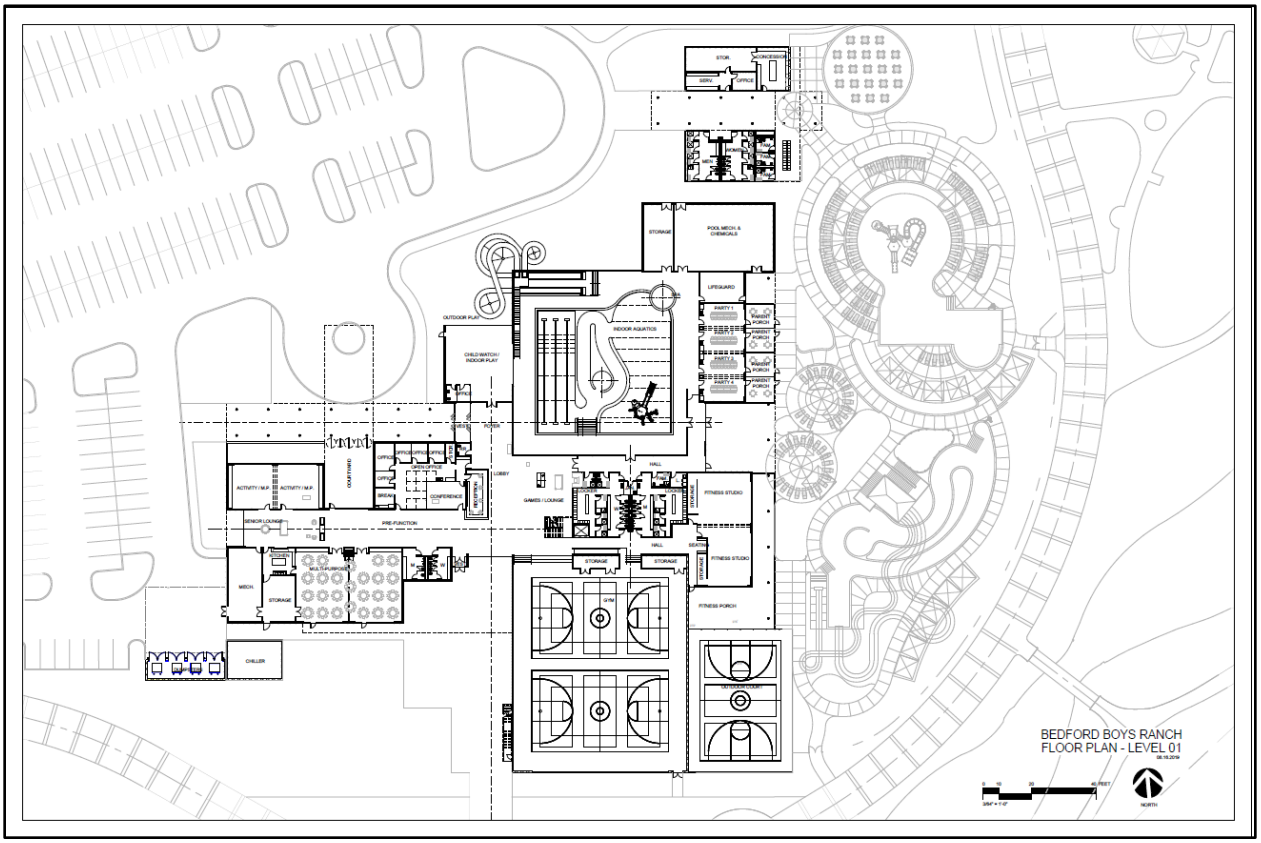


5.2 BEDFORD BOYS RANCH PARK – AMENITY MATRIX

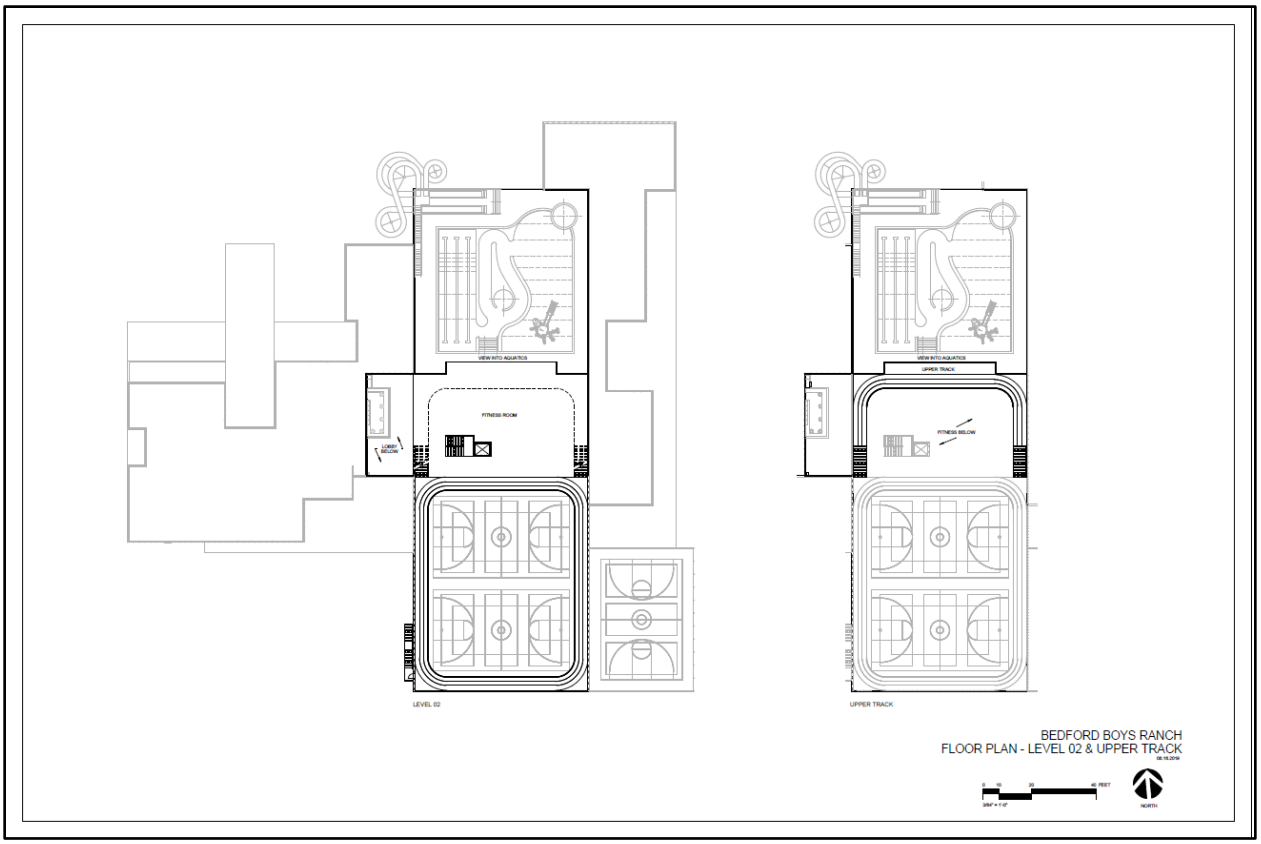
Boys Ranch Park Phase Next Concept Quantities			
	Facility/Amenity	**Unit**	**Qty**
Fields, Courts and Amenities	Restroom Building	*EA*	2
	Shaded Event Area	*EA*	2
	Parking (Total Parking Spaces)	*EA*	900
	Baseball Field (Lighted)	*EA*	3
	Basketball Court (Lighted)	*EA*	1
	Disc Golf Hole	*EA*	9
	Multi-Purpose Field (Lighted)	*SF*	64,350
	Pickleball Court	*EA*	3
	Playground (Iconic)	*EA*	1
	Signage (Monument-Park Name)	*EA*	1
	Open Space/Greenspace	*AC*	37
	Sidewalk	*LF*	12,300
	Walkway Promenade/Firelane	*LF*	1,275
	Event Lawn	*SF*	84,150

5.3 MULTIGENERATIONAL RECREATION FACILITY

5.3.1 LOWER LEVEL DESIGN FLOOR PLAN



5.3.2 MEZZANINE LEVEL AND UPPER LEVEL TRACK LEVEL DESIGN FLOOR PLAN



5.3.3 MULTIGENERATIONAL RECREATION FACILITY SPACE PROGRAM

The breakdown of the 73,528 square feet for the Multigenerational Recreation Facility is as follows:

PROGRAM SPACES - BEDFORD RECREATION AND SENIOR CENTER

ADMIN.		TOTAL S.F.
109	ADMIN ENTRY	109
111	FINANCE	116
112	ASST. MGR.	116
113	MANAGER	116
114	COPY / WORK	114
115	BREAK	97
116	ADMIN. RR	53
117	RR VEST.	41
118	ADMIN. RR	53
120	OPEN OFFICE	845
108	CONFERENCE	393
107	RECEPTION	440
	TOTAL ADMIN AREA	**2493**
SENIOR AREA & LARGE MULTIPURPOSE		
133	ACTIVITY / M.P.	711
132	ACTIVITY / M.P.	843
125	VEST	48
126	SENIOR LOUNGE	1122
133	PRE-FUNCTION	1991
132	MULTI-PURPOSE	2884
131	KITCHEN	328
129	STOR.	522
130	PANTRY	45
128	MECH.	649
123	MECH. STOR.	145
121	WOMEN	257
122	MEN	257
119	JANITOR	58
	TOTAL SENIOR AREA	**9860**
PUBLIC SPACE & CHILD WATCH		
104	VESTIBULE	214
105	FOYER	628
106	LOBBY	1569
110	PUBLIC RR	61
134	VESTIBULE	132
153	GAMES / LOUNGE	2426
101	CHILD WATCH / INDOOR PLAY	1734
102	CHILD RR	61
103	CHILD WATCH OFFICE	79
	TOTAL PUBLIC SPACE	**6904**

LOCKER ROOMS & MAIN RESTROOMS		
135	HALL	711
152	WOMEN LOCKER	357
151	ACC. SHOWER	59
150	SHOWER	44
149	SHOWER	44
148	WOMEN	410
156	JANITOR	64
147	MEN	410
146	ACC. SHOWER	59
145	SHOWER	44
144	SHOWER	44
143	MEN LOCKER	343
158	LAUNDRY	88
157	ACC. FAMILY RR	86
155	FAMILY RR	63
154	FAMILY RR	63
159	HALL	1312
	TOTAL LOCKER ROOMS AND RESTROOMS	**4201**
GYM AND FITNESS ROOMS		
137	GYM	13241
136	STORAGE	577
139	VESTIBULE	157
138	STORAGE	75
140	STORAGE	74
142	FITNESS STUDIO	1395
141	FITNESS STUDIO	878
	TOTAL GYM & FITNESS	**16397**
INDOOR AQUATICS AND PARTY ROOMS		
168	INDOOR AQUATICS	12739
163	PARTY 1	389
162	PARTY 2	386
161	PARTY 3	386
160	PARTY 4	388
164	LIFEGUARD	522
167	SPA	389
166	STORAGE	738
165	POOL MECH. & CHEMICALS	2477
	TOTAL INDOOR AQUATICS	**18414**
201	LEVEL 2 TRACK	3678
200	LEVEL 2 FITNESS	6893
	UPPER TRACK	1774
	TOTAL UPPER LEVELS	**12345**

5.3.4 INDOOR AQUATICS SPACE PROGRAM

The breakdown of the 18,414 square foot indoor aquatic center is as follows:

The indoor pool will be one interconnected body of water but subdivided to provide a variety of functions. The perimeter of the pool will be contained with a "Deck Level" gutter system. The interior functions will be subdivided using "Common Walls", some of which will have barriers where the water depth from one side to the other is greater than an 18" differential. The interconnections will all occur where the water depth is a common 3'-6" in adjacent activity areas.

POOL SECTION A – LAP LANE/PROGRAM/ACTIVITY AREA

This portion of the pool will be rectangular in shape, approximately 23' wide and 75' long. One long side and both ends will have the perimeter deck level gutter and the fourth side will be shared, via a common wall, with the Current Channel. Depth at the shallow end will be 3'-6" and slope longitudinally toward the deeper end for 50 feet where the depth will be 5'-0". The floor will then slope at a 3 to 1 pitch to a depth of 9"-0" and then be essentially flat to the far end. The deeper water is a teaching requirement for Lifeguard training and will also offer other recreational and teaching opportunities. The shallower end will be a 23' x 50' area, sloping from 3'-6" to 5'-0" that can be used for exercise and fitness programs, water volleyball, water basketball and other recreational activities when the lap lanes are not in use. The total area dedicated to this portion of the pool is 1725 sf.

Adjacent to the shallow end will be a stairway entry that will permit ADA secondary access to the lap lanes as well as the current channel. This shared access adds an additional 64 sf to the total pool area. An ADA Pool Lift will provide the Primary Handicapped Accessibility for the entire pool but will be located at the opposite end of the pool in the Leisure/Program/Activity portion of the pool.

POOL SECTION B - CURRENT CHANNEL

The Current Channel will be positioned in the central portion of the pool between the lap lanes and the leisure/program/activity pool. The channel will be 125 linear feet in length, measured along the center line of the eight-foot-wide channel, making the surface area 1000 square feet (sf.) in size. A twelve-foot diameter "Vortex" feature will be in the island portion of the channel and connected to the mainstream at a singular exit/entry point. The vortex has propulsion jets that create a circular flow within this area. The combined current channel and vortex add an additional 1113 sf. to the total pool area.

The current channel also has propulsion jets located along its perimeter that create the current effect. These propulsion jets are powered by a pump that is separate from the filtration recirculation system and can be turned off when the pool is not being used. The pump also has a variable frequency drive control, much like a dimmer switch, that allows control of the speed of the pump, and hence the speed of the current to be adjusted when desired for different activities.

Flotation devices are generally not used in current channels. Resistance walking against the current is one of the greatest uses for the fitness aspects. Assisted walking, with the current, is also possible for those requiring the therapeutic value of the activity. The recreational value of the current channel can be enhanced with the addition of jets and sprays that add additional play value when walking the channel in the recreational mode. The sprays and jets are powered using the shared Activity Pump for the Water Play Feature in the Leisure/Activity Pool.

POOL SECTION C – LEISURE/PROGRAM/ACTIVITY AREA

The Leisure/Program/Activity Area is the third element of the combined pool. Like the lap lane/program/activity area, the deck level perimeter gutter surrounds the long axis of the pool on one side and the far (deeper) end of the pool. The division between this area and the current channel would be a common wall. The shallow side of the pool would have a deck level, zero depth, beach entry. This would be approximately forty-four (44') feet wide extending to the stairway entry described in the first section. The pool floor will then slope at a gradient of one foot in sixteen feet, for fifty-six (56') feet, to a depth of 3'-6", where the entry to the current channel will occur. The floor then slopes, more gradually, to a maximum depth of 4'-6".

The initial thirty (30') to thirty-two (32') feet, from the zero-depth entry into the pool will be primarily dedicated to the Interactive Water Play Feature. The feature selected is a "Vortex" Model L2-450C which has a small straight slide and multiple interactive features. This feature would be augmented by some bubbler jets located in the zero to six-inch water depth. In addition, the activity pump that provides the water flow to the main water play feature, would also supply the jets and sprays in the current channel island.

The water from the two-foot (2') depth to the four-foot six-inch (4'-6") maximum depth, will be available for leisure activities during non-programmed periods, and for fitness and exercise classes. This area is approximately 1560 sf. in size compared to the 1150 sf. of 3'-6" to 5'-0" depth, providing two program spaces of slightly different depths. Both areas can accommodate 25-30 participants @ 45 sf/person. An In-pool bench along the wall from the 3'-6" depth on the perimeter wall around to the entry to the current channel can be used for leisure and lounging or instruction for classes. The bench will be interrupted only for the ADA Pool Lift installation.

INDOOR (OUTDOOR) FLUME SLIDES

The Flume Slide Complex proposed for the Indoor Aquatic Program consists of two flumes of 154 lf. in length and starting from a platform height of 20.5 feet. The proposed location puts them in the northwest corner of the Natatorium with the flumes exiting the inside space immediately after starting and returning, around the corner to re-enter the building and terminate in two deceleration runouts running parallel to the side wall of the Natatorium. This location puts the slides in view from the parking lot and flanking the entry to the Multigenerational Recreational Facility. The free advertising should pique the interest in what is happening in the Natatorium.

The deceleration runouts will be elevated on a pad one foot above the normal floor elevation of the natatorium. This is required to enable the return of the water into the surge tank and recirculation system. The elevated pad also helps in controlling the pedestrian flow on the pool deck.

WHIRLPOOL/SPA

The final Aquatic Feature for the natatorium is a Whirlpool/Spa for twelve persons. The spa will be elevated above the natatorium floor level by eighteen inches so the wall can function as a transfer wall access to the water. The water surface area will be approximately 120 sf, but the stairs and walls will require a footprint area of close to 250 sf. The spa will be recessed into the pool mechanical space or the storage room to keep the pedestrian flow of the deck unencumbered.

- Temperature:
  - The Temperature set point for the whirlpool/spa will dictate who the users may be. While 103 degrees Fahrenheit is desired by adult patrons who use a whirlpool, studies have indicated that such extreme temperatures may have ill effects on younger patron.
  - Typical practice is for the water temperature to be set at 95 degrees when the focused user group is families and people using the pool for recreation.
  - The 103-degree temperature is preferred by older patrons who have been using the main pool for aerobics and lap swimmers looking to relax after working out.

5.4 OUTDOOR AQUATIC CENTER

5.4.1 SITE PLAN

5.4.2 OUTDOOR AQUATIC CENTER SPACE PROGRAM

ENTRANCE & BATHER PREP FACILITIES (UPPER LEVEL)

The uppermost level of the Outdoor Aquatic Facility will be the entrance building where patrons are admitted to the facility, restrooms lockers and showers are available for the bather's use and fees are taken. Season passes and other means of express entry will be developed by the staff but admission to the Water Park will be controlled at this Point of Entry. Bathers then proceed thru the Men's or Women's locker rooms or utilize the Family Change Facilities as preferred, in route to the Park Facilities.

Other spaces in the building will house the pool manager's office, staff changing and break room, first aid office and storage. The Pool Manager's Office will have a prominent overview of the Outdoor Aquatic

Venue. Lockers will be available both inside the men's and women's changing areas and outside the building mounted to the wall or in free standing Kiosk structures.

LEISURE/ACTIVITY POOL (INTERMEDIATE LEVEL)

The intermediate level will contain the first of three water bodies for the Outdoor Aquatic Facilities. This location is closest to the entrance and Bather Prep Building. The Outdoor Leisure/Activity Pool will be the initial pool encountered upon entry to the complex. The northernmost end of the pool will have an eight-foot, ramped entry down to the water level at the zero-depth entry or "Beach" edge of the pool. The Beach entry will be approximately forty-four (44) feet in width to permit an uncongested entry to the water. The central portion of the shallow end of the pool will contain a large, multi-level, multi feature interactive water play structure with two small slides, various interactive elements and a proposed large Tipping Bucket. The proposed feature is a "Vortex" play structure model # L4-1150C. The activity area will be flanked on the east and west sides by "Wet Deck Areas" which will be three to six inches deep and have chaise lounges positioned, in the shallow water, to focus on the play activity. Jets, Sprays and smaller individual play pieces will complete the central activity area.

As the water depth increases from one foot of depth, in the activity area, at a gradual slope, there will be areas for water volleyball, water basketball, general water play, lounging and bench seating in the pool. The maximum depth will be five feet and will occur at the southernmost portion of the pool. At approximately the mid-point of the pool there will be stairs into the pool and an ADA Handicapped Lift for additional access to the pool. Pool ladders will augment the ADA features as well as the zero-depth entry. This pool will be approximately 5690 sf in surface area, which includes the wet deck areas. This surface area will generate a bather capacity of 380 bathers.

LAZY RIVER/ACTIVITY POOL (LOWER LEVEL AND FF ELEVATION OF THE RECREATION CENTER)

On the lower terrace level there will be a Lazy River Activity Pool of approximately 265 feet in length with a twelve-foot-wide channel. The depth of the river will be a constant 3'-6". The island, created by the Lazy River Loop, will not permit bathers to use the deck area in the center because it does not have ADA accessibility, However, the perimeter of the river will have jets and sprays that operate in a random sequence adding to the excitement of the journey thru the water park.

On the west end of the river loop there will be an activity area within the island. This will be a circular pool area with underwater jets known as a Vortex where the current the swirls the water in a circular motion seeming to capture the bathers momentarily. On the east end will be a stair entry to the river and a small lagoon where an ADA pool lift will provide accessibility. A large tube corral will house single and double inner tubes that will be readily available to users either entering the river or climbing up to the top of the inner tube flume slide.

The last element of the proposed Lazy River Complex is a Splashdown Pool on the south west corner. This water body will decelerate riders using the 246-foot-long inner tube flume slide where they will have the opportunity to join the travelers on the River or exit and either re-ride the flume slide or move on to other adventures. A second flume slide, 188.6 feet in length and starting from the same tower as the inner tube flume, will be a body slide that will terminate in a deceleration runout trough just west of the splashdown pool. The flumes will crisscross the sky above the lazy river in route to their respective terminations adding another element of excitement to the park.

The combined areas of these water elements will be 4200 sf. of water, which will generate an additional 280 bathers to the water park's total capacity.

TODDLER WADING POOL & SPLASHPAD

A special area, designed for the Toddlers and parents, will be developed at the lower level and at the same elevation as the adjacent Multigenerational Recreational Facility. Access to this area will be restricted to a limited number of locations to ensure the safety of the toddlers and to control the use by older children and youth.

The Wading Pool will be 500 sf in size and range from zero to eighteen inches deep. A small play unit from "Vortex" called a Cascades No 1 and a small 800 sf. splashpad with primarily jets, sprays and moving water features will complement the wading pool. These features will be surrounded by deck areas for chaise lounges for the adults and shade elements to provide protection for the very young clientele. This complex will provide a transition between the Outdoor Aquatics Facilities and the Multigenerational Recreational Facility. These facilities will generate an additional 86 bathers bringing the total bather capacity of the new Outdoor Aquatic Facilities to 746 bathers.

CHAPTER SIX - STRATEGIC REVENUE ENHANCEMENT

Building creative and stronger revenue generating options is the most productive strategy for improving operational and financial sustainability of Boys Ranch Park Multigenerational Recreational Facility and the park and recreation system. Operational sustainability is a blend of controlling costs and increasing revenues, and not just an exercise in expense reduction. Increasing revenues across the system requires:

1. Understanding the characteristics, constraints, and opportunities of markets served by each park or recreation facility site.
2. Classifying and prioritizing services, programs, and functions.
3. Setting appropriate performance standards for each revenue generating service/function.
4. Monitoring performance regularly.
5. Being flexible and adjusting types and levels of services and pricing as needed.

Most importantly, staff must accept and understand that "Expected Public Services" and "Enhanced Visitor Services" are expected to produce revenue that partially or wholly support the costs of providing that service, experience, or amenity as being developed for the Boys Ranch Park Multigenerational Recreational Facility. The failure to produce targeted revenues must result in adjustments that can include, but not be limited to: 1) refinement of the service, 2) termination of the service, 3) reduction in staff, or 4) other operational changes to ultimately reduce the financial investment of the facility.

The Revenue Generation section of this business plan summarizes the revenue goals and recommended strategies for the Boys Ranch Park Multigenerational Recreational Facility. These recommendations must be taken into context with the overall expectations for improved performance of the facility.

6.1 DEVELOPING MARKETING AND PROMOTIONAL STRATEGIES

For the Boys Ranch Park Multigenerational Recreational Facility, the goals of marketing and sales are:

1. To increase visitation and use of the facility to support program revenues to offset facility costs.
2. To generate more revenue from rental facilities, recreation services, programs, special events, and private events in the facility.
3. To produce more participation in large signature events and programs at Bedford Boys Ranch Park that will also generate operation revenue for the site.

Monthly, quarterly, and annual goals for each of these areas must be identified, tracked, and evaluated over time. All marketing and promotional efforts must be monitored through sales goals for the facility; marketing without sales is just an awareness campaign that has little or no consequence on the financial performance of the facility.

6.1.1 MARKET POSITIONING AND MESSAGING

A critical component of marketing efforts is to hone the "right" messages to the right target markets in order to inspire and motivate purchasing behavior. The five-step process for developing strong messages is outlined on the next page:

1. **Identify the target market**

   Bedford Parks and Recreation must identify the different target markets that can be served by the Boys Ranch Park Multigenerational Recreational Facility and the benefits that should appeal to each, and the messaging that will help to communicate the benefits.

2. **Identify the needs of the target market segments**

   Each market segment to be targeted has unique needs. Appealing to those needs will help to make the facility a local or regional service provider of choice. Messages should not only address these needs, but also imply easy solutions to any constraints the targeted customers may have pursuing experiences at the Boys Ranch Park Multigenerational Recreational Facility.

3. **Present the solution to the target market needs**

   Focus on selling benefits and experiences and not just features and amenities. Communicating experiences is much more compelling than selling specific services and programs.

4. **Present the results you have delivered**

   One of the more powerful ways to motivate customers to visit or purchase program services is by demonstrating how people just like them have had wonderful, meaningful, and unique experiences at the site.

5. **Explain the points of difference**

   There are many recreation, cultural, and education alternatives for the target markets and customers. Explaining the unique elements of the facility experience that cannot be gained anywhere else is important.

6.1.2 MARKETING AND PROMOTIONS STRATEGIES

PUBLICITY AND SOCIAL MEDIA

Publicity and social media are typically the least expensive and most effective forms of marketing for public park and recreation agencies. The challenge of great publicity that effectively produces results by motivating target markets is that it requires careful advance planning, constant monitoring, establishing meaningful relationships with media representatives and online customers, and strategic timing. It often takes much advance planning and many months to properly execute a publicity or social media campaign so that the timing of the campaign is aligned with the marketing season of specific programs, services, or opportunities that the agency is promoting. The Boys Ranch Park Multigenerational Recreational Facility needs to approach marketing planning using the following guidelines and themes described below when the re-development and re-use of the facility is completed:

1. **Event Publicity at the Park or Multigenerational Recreation Facility**

   Major events benefit from short stories in local, and regional newspapers and online social media hooks planted that run three to four weeks in advance of the event and up to the date of the event. Stories and media need to be cultivated with contacts and online sales channels several weeks in advance of the time the stories need to run. Special interest interviews on morning, noon, and evening television news programs, radio interviews on popular rush-hour programs, and blogs on known affinity online sites need to be included.

2. **Program Publicity**

   Special and unique programs should have feature stories in local magazines, local and regional weekly newspapers, that are aimed at placements as front-page or sectional front-page stories. These stories are most effective if they run shortly before the season that the featured program begins. This will likely require several weeks of advanced planning with media contacts. Similar coverage on television and radio should also be considered. If pre-publicity cannot be generated, post-publicity can help promote future programs.

3. **Site Publicity**

   Site publicity, focusing on a single site, requires more intense planning efforts to attract multiple writers and editors from target publications. The Boys Ranch Park Multigenerational Recreational Facility site could host several seasonal media familiarization tours to familiarize them with the site and its benefits and amenities when improvements are begging to be made. Stories and features resulting from such tours typically take between two and six months to materialize so the tours need to focus on experiences, benefits, and programs that would be available when the stories are expected to run.

In order to produce consistent and recurring publicity for Bedford Parks and Recreation Department and their programs, staff must understand and appreciate the benefits derived from publicity and actively plan programs, events, and experiences that are publicity worthy. A strategic approach to how programs are planned and developed, media contacts made, and publicity sought will help Bedford Parks and Recreation Department avoid "saturating the press" with ideas and requests that eventually may turn off the media, which the facility depends upon to create the publicity needed to keep it financially viable. PROS recognizes that the staff is very limited in their time to make marketing a priority. It would be a good strategy to see if a local marketing company would donate their services as part of a partnership with the city on the project.

6.2 PARTNERSHIP DEVELOPMENT

These recommendations are an overview of existing partnership opportunities available to Bedford Parks and Recreation, as well as a suggested approach to organizing partnership pursuits. This is not an exhaustive list of all potential partnerships that can be developed but can be used as a reference for the site to identify priorities for partnership development.

The following five classifications of partners are recommended for the site:

1. **Operational Partners**. Partners who help maintain facilities and assets, promote amenities and site usage, support site needs, provide programs and events, and/or maintain the integrity of the facility through labor, equipment, or materials. This could include school partners, contracted partners who provide recreation services in the building or a health-related partner who provides services within the facility.

2. **Vendor Partners.** Service providers and/or contractors who can gain brand association and notoriety as a preferred vendor or supporter in exchange for reduced rates, services, or some other agreed upon benefit. This could include a local recreation supplier of goods to the site.

3. **Service Partners.** Nonprofit organizations and/or friends' groups that support efforts to provide programs and events, advocacy and education, and/or collaboratively serve specific constituents in the community. This could include the senior assisted living groups, the library, a hospital or a sports club.

4. **Co-branding Partners.** Private organizations that can gain brand association and notoriety as a supporter in exchange for sponsorship or co-branded programs, events, marketing and promotional campaigns, and/or advertising opportunities. This could include a hospital, local winery who supports environmental education, or a health and wellness agency who supports active lifestyles.
5. **Fund Development Partners.** Private nonprofit organizations with the primary purpose to leverage private sector resources, grants, land and/or other public funding opportunities, and resources from individuals and groups within the community to support site goals and objectives for mutually agreed strategic initiatives. This could include a financial partner that can help with a maintenance endowment to help raise money for capital or operational costs.

The key to any partnership will be for the partner to bring value to the site in the form of either operational revenue or capital revenue to help build the site or improve the site or bring a good number of paying users to the site. The key to effective partnering is not to create an entitled partner dependent on the parks and recreation department to support their users' needs but contributes to the value of the Boys Ranch Park Multigenerational Recreational Facility and park.

6.3 MARKETING AND COMMUNICATION STANDARDS

It is important for the facility to have a strong marketing approach to operate in a sustainable manner. To accomplish this, Bedford Parks and Recreation Department must have a marketing plan and standards to go by in supporting the facility and park from the beginning. Marketing and communication standards need to be in place and include the following:

- Core programs, non-core programs, and facility related services to be evaluated yearly based on their lifecycle, position in the marketplace, and trend data with a strategy to make changes (keep the same or eliminate) that are provided in the community center or park.
- Core program priorities will receive the appropriate time and space in the community center and park to keep the service strong and viable.
- Cost-benefit criteria will be incorporated within the core services mini-business plan annually. PROS recommends updated the business plan pro-forma yearly.
- Program guides will dedicate space to core services as their primary target. Non-core services, which could become a core service, will have a marketing strategy created and tested annually.
- A marketing plan will be created and updated yearly for promotion of services held at the community center and park, pricing of services, communication and feedback from users, age segment management, lifecycle management, partnerships and sponsorships, competition assessment, facility and program positioning, and tracking the accessibility to gain access to the system. Pricing strategies for revenue alternatives will be developed when needed to keep funding options viable.
- A cost of service assessment will be completed for each core service area within the community center and park and the results of participant impacts and cost recovery goals that were met or not met should be presented yearly by staff.
- Bedford Parks and Recreation Department will develop a customer survey (mail, email, or phone) every three years to gauge how well the system is meeting the needs of residents and what program areas need stronger support.

CHAPTER SEVEN - OPERATIONAL STANDARDS

As part of the Business Plan, discussion with Bedford Parks and Recreation Department staff was completed to decide on an operational plan for the park and facility and how to illustrate the relationship and requirements for management of the facility.

- **Organizational Assessment:** PROS analyzed the management practices desired by the Department and their understanding of the operations for the proposed facilities and park. The existing staff is stressed to achieve the duties assigned to the facility and the park. Additional staffing will be required based on what elements are renovated or added new to the community center and park. Ideally the staff salaries and benefits can be covered by program revenues or membership fees to cover the time needed to operate the building.
- **Operational Standards:** PROS established the following operational standards and costs for the Boys Ranch Park, Recreation and Senior Center and Outdoor Aquatic Center. This includes hours of operation, staffing levels needed, technology and customer service requirements based on established and agreed upon outcomes.

7.1 PARK MAINTENANCE STANDARDS

The following standards should be implemented for managing and maintaining the renovated Bedford Boys Ranch Park:

- Turf Maintenance – high profile areas (small areas, entire area visible to foot traffic)
  - Mowing will occur 1 time/week
  - Mowing heights
  - 3"during warm season (daytime highs consistently above 75 degrees)
  - Edging of all turf perimeters will occur 1 time/week
  - 95% turf coverage
  - 3% weed infestation for existing areas (all efforts should be made to keep new areas 100% weed free)
  - 2% bare area
  - Aerate 1 time/year (additionally if needed)
  - Inspect thatch layer regularly and remove as needed
  - Inspect daily for insects, disease, and stress and respond to outbreaks within 24 hours-Contracted
- Tree and Shrub Maintenance
  - Prune/trim trees and shrubs as dictated by species once annually during spring and fall
  - Remove sucker growth annually
  - Test soil annually to ensure application of appropriate nutrients as needed
  - Inspect regularly for insects and diseases. Respond to outbreaks within 48 hours
  - Place 2" of organic mulch around each tree annually within a minimum 18" ring

- Place 2” of organic mulch around shrub beds annually to minimize weed growth
- Remove hazardous limbs and plants immediately upon discovery
- Remove dead trees and plant material immediately unless located within an environmental area
- Remove or treat invasive plants within 5 days of discovery
- Fertilize once a year
- Invasive plant removal annually

- Storm Cleanup
  - Inspect drain covers at least twice monthly, before rain and immediately after flooding
  - Remove debris and organic materials from drain covers immediately
  - Maintain water inlet height at 100% of design standard
- Irrigation Systems
  - Inspect irrigation systems at least once per month or computer monitors as necessary
  - Initiate repairs to non-functioning systems within 24 hours of discovery
  - Back flow testing done annually - contracted
- Litter Control
  - Pick up litter and empty containers at least once daily or as needed
  - Remove leaves and organic debris once a week or as necessary
- Hard Surface Maintenance
  - Remove debris and glass immediately upon discovery
  - Remove sand, dirt, and organic debris from walks and hard-court surfaces weekly
  - Remove trip hazards from pedestrian areas immediately upon discovery
  - Paint fading or indistinct instructional / directional signs annually
  - Blow grass clippings after mowing around hard surfaces
  - Remove grass growing in cracks as needed
- Pathway Maintenance
  - Inspect hard surface trails at least once monthly
  - Remove dirt, sand, and organic debris from hard surfaces at least once weekly
  - Remove organic debris from soft surfaces at least once weekly
  - Graffiti removed weekly
  - Remove overhanging branches within 84” of the trail surface at least twice annually
  - Mechanically or chemically control growth 24” on either side of the trails

  - Inspect signs, benches, and other site amenities at least once weekly. Complete repairs within 10 days of discovery
  - Inspect and make necessary repairs to lighting systems at least once monthly
  - Always repair/replace bulbs to maintain lighting levels
- Site Amenity Maintenance
  - Inspect benches, trash containers, picnic tables and grills, bicycle racks, flag poles, drinking fountains, and other site amenities at least weekly. Complete repairs within 24 hours of discovery
  - Cleaning/power wash of amenities once a week
- Athletic Field Maintenance
  - Use mower capable of "striping" the turf
  - Mowing will occur twice weekly
  - Mowing heights
  - 3 1/2" during cool season (daytime highs consistently below 75 degrees)
  - Edging of field perimeters will occur twice monthly
  - 95% turf coverage at the start of every season
  - 80-85% turf coverage after play begins
  - 5% weed infestation
  - 0% bare area at the start of every season
  - 15% bare and weak areas will be acceptable after play begins
  - Apply pre-germinated seed to heavily worn areas after every tournament
  - Remove grass clippings if visible
  - Aerate 3 times annually
  - Spot aerate high use areas as needed
  - Inspect thatch layer regularly and remove as needed
  - Test soil and water annually
  - Fertilize monthly
  - Aerate and over seed two times a year
- Pond Maintenance
  - Pond water quality will be tested at least twice a year
  - Bank clean-up will be done on a weekly basis
  - Algae will be managed by chemicals on an annual basis
  - Cleaning/power wash of amenities once a week

- Concession Standards (outdoor) when developed in the future
  - Concession facilities cleaned, wiped down, and sanitized before opening
  - Electrical appliances checked for compliance and repaired if damaged
  - Lights checked and repaired as needed
  - Concession operating permits secured before opening
  - Appliances cleaned thoroughly before opening
  - Prices for concessions will be posted
  - Cash registers tested to ensure they work properly
  - Circuit breakers tested prior to opening
  - Cleaning and sanitization supplies on hand before opening
  - Pick up debris daily
- Closing Concession Standards (outdoor)
  - Equipment cleaned thoroughly
  - Supplies removed and discarded
  - Electricity should be turned off
  - Refrigerators and cables turned off and sealed
  - Facility floors, sinks, and counters cleaned thoroughly
  - Hoses cleaned and drained
  - Kitchen cleaned thoroughly
  - Inspections of standards will occur monthly
- Restrooms
  - Restrooms cleaned twice per day unless contracted
  - Restrooms inspected hourly
  - Restrooms locked/unlocked daily
  - Replace waterless urinal cartridges monthly
  - Leaks dealt with immediately and repaired within 24 hours of discovery
- Fence and Gate Maintenance
  - Inspect fences, gates, and bollards at least twice annually. Complete safety-related repairs immediately. Complete other repairs within 48 hours of discovery
  - Annually free fence of debris
- Sign Maintenance
  - Inspect sign lettering, surfaces, and posts at least once monthly
  - Repair / replace signs to maintain design and safety standards within 24 hours of discovery

  - Clean signs twice a year
- Pest Control
  - In accordance with the Integrated Pest Management Program (IPM), problem areas are inspected monthly and remedied immediately upon discovery
- Vandalism and Graffiti Removal
  - Initiate repairs immediately upon discovery. Document and photograph damage as necessary
- Picnic Shelters
  - Reserved units cleaned and litter removed prior to and after each reservation
  - Minor repairs are made immediately upon discovery
  - Non-reserved units are cleaned weekly, or as necessary
- Lighting Security/Area
  - Foot-candle levels will be maintained to preserve original design at 5-foot candles within parking lots
  - Inspect once monthly
  - Repairs/bulb replacement will be completed within 24 hours of discovery
- Broken Equipment Standard
  - Broken equipment shall be repaired immediately, as staff is capable, and parts are available when noticed or reported
  - If staff is not able to repair, the broken equipment will be signed and roped off with emergency tape indicating that the amenity is broken, not to be used, and if and when it will be repaired
- Lifecycle Replacement
  - A lifecycle replacement program must be in place that must be built into the Capital Improvement Program based on contractor and product specifications

7.2 RECREATION AND SENIOR CENTER FACILITY STANDARDS

7.2.1 CORE RECREATION FACILITY CRITERIA

- Community Center facilities are created to support core recreation programs (i.e., preschool programs, after school program, senior services, life-skill programs, aquatics, camps, fitness, sports, and other activities). The facility is planned to be open 100+ hours a week.
- The facility is designed to offset at a minimum 75% of the operational costs of the Boys Ranch Multigenerational Recreation Facility and Park for the Bedford Parks and Recreation Department via program and membership fees.
- Partnerships can be created to maximize the experience for the users and control operational costs.
- The Boys Ranch Multigenerational Recreation Facility and Park will be customer friendly based on the design to create a strong relationship and trust with users and families.

- Demand for the facility will match availability based on community input and the facility is expected to be operated in a typical, traditional community center facility manner.
- The Bedford Parks and Recreation will need to respond to the future demographic needs of the community as it applies to recreation program needs for the service area.

7.2.2 RECREATION PROGRAM STANDARDS

Recreation program standards are to be developed to support a high quality, efficient recreation program for the Bedford Parks and Recreation Department and for any partners working in the Boys Ranch Recreation and Senior Center building. The program standards are developed to support the core recreation services in the building. The standards focus on establishing what constitutes a quality experience; operational and cost recovery goals; marketing and communication standards for users to access the program or service; and performance measures to track desired outcomes of the programs that hold the staff, any partners, and program contractors accountable to those standards.

The existing core recreation services that are to be provided at the facility need to include child watch services (available while parents work out, some before and after school care, and summer day camps), youth and teen services, special events that bring the Bedford community together, senior services, cultural education, art services, community wellness and fitness, services to people with disabilities, and programs for youth and adult sports such as leagues, clinics, tournaments, and workshops.

7.2.3 STANDARDS OF A HIGH-QUALITY EXPERIENCE

From these core services, the following standards should be in place to promote a high-quality experience:

- Instructor or program coordinators' qualifications are consistent with "in-the-field" experience of the specialty program they are responsible for at the facility.
- The instructor-to-participant ratios are appropriate for the participant to feel safe and attended to in each class.
- The program is provided in the appropriate recreation space it was designed for, and that program space is safe and clean.
- Minimum and maximum numbers of participants are set for the program or class that will allow for a high-quality experience.
- Recreation equipment or supplies that are used by the participant are high quality, safe, and appropriate for the participants to use or consume.
- The length of the program will commensurate with the attention capability of the participants to respond effectively and enjoy themselves in the activity.
- Appropriate support staff or volunteers are in place to help guide participants and support teachers or program supervisors.
- The staff is trained in first-aid and CPR. Volunteers are also trained in first-aid and CPR when appropriate.
- A first-aid kit is readily available and accessible in less than a minute.

- The staff and volunteers are trained in customer service and diversity training to make all participants feel welcome and appreciated.
- Customer feedback methods are in place to seek input from participants about their expectations of the program and the results of their experience. This includes the completion of pre- and/or post-evaluations, focus groups, or phone calls.
- Pricing of services is explained to participants and/or parents on the level of investment they are making in the program as well as the level that Bedford Parks and Recreation is investing in their experience or any other partner involved in the delivery of services in the building.
- Each instructor or program supervisor will be provided a "tool box" that includes their class or program roster with phone numbers or email addresses, name tags for participants, customer evaluations for users, registration forms, a program guide, pertinent recreation information, emergency phone numbers, thank you cards for participants at the end of the class, and an introduction sheet of what will occur in the program or class, how it will be conducted, and what outcomes and goals that Bedford Parks and Recreation or the partners hope to achieve from each program delivered.
- All class or program policies are available to the instructor or program supervisor to adequately explain policies to the user.
- Appropriate recognition and awards are given at the end of the program to participants based on outcomes achieved or skills learned.
- New staff, volunteers, and contract employees working with children will have background checks and fingerprint ID verification by the Bedford Police Department.
- Any disciplinary actions taken by an instructor or program supervisor with a program participant will be written and documented.
- The instructor and program supervisor will prepare class, program curriculum, or work plans before the class or program begins and signed off by the appropriate program staff within the recreation division providing services in the building.
- The staff and partners will be dressed in the appropriate uniforms that include nametags.
- Drivers that transport participants must have the appropriate license, certifications, and authorizations to only do so in agency vehicles only and never personal vehicles.
- Equipment or program space will be inspected prior to the class or program, the condition noted by the instructor or program supervisor, and recorded daily, weekly, and monthly.
- Performance measures are tracked and shared with instructors or program staff at the end of each session.
- Exit interviews will be conducted with part-time staff before they leave each season and noted in their file as to rehire or not to rehire.
- A class or program budget will be prepared for each activity and shared with the instructor or supervisor on how class monies will be spent. Final budget results will be documented at the end of the program area and shared with the supervisor or manager.
- All regulatory requirements for programs are completed on time and filed according to guidelines.

- Appropriate required licenses and certifications set by law will be reviewed and filed before programs begin if necessary.

7.2.4 OPERATIONAL AND COST RECOVERY GOAL STANDARDS

- A pricing policy will be in place and the staff and any partners understand the philosophy behind it and how to communicate prices to users effectively.
- A full cost of accounting is created for each class or program that accurately calculates direct and indirect costs. Cost recovery goals are established once these numbers are in place. Contract staff will be trained on this process.
- Pricing of services will be established based on cost-of-services and overlaid into programs or classes based on primetime and non-primetime rates, location, time, age segment, group, and level of exclusivity that users receive over and above use by general taxpayers. The contract staff will be trained on how prices for services are set.
- Quarterly results of programs will be posted and shared with the staff on those services that are underperforming, meeting, or exceeding the cost recovery goals.
- Mini-business plans will be created for each core program service on a yearly basis that evaluates the program. The plans will be based on meeting the outcomes desired for participants, cost recovery, percentage of the market and business controls, cost of service, pricing strategy for the next year, and marketing strategies to be implemented. Cash collection standards and refund process standards should be incorporated. This will be the basis for budget development.
- Yearly competitor and other service providers will be benchmarked, shopped, and evaluated for changes they are making and how they compare with the Bedford Parks and Recreation efforts in the core services provided.
- Partnerships with core program services will be updated yearly, their level of contribution will be documented, and tracking performance measures will be shared with each partner.
- Non-core services will be evaluated yearly and reduced, eliminated, or transferred to other service providers, thus reducing the impact on staff time.
- Any partnership groups will be informed of the cost and services provided by the Bedford Parks and written partnership agreements will be established with measurable outcomes tracked annually.
- The maintenance and recreation staff will discuss standards for programs taking place at the Boys Ranch Recreation and Senior Center annually.

7.2.5 PERFORMANCE MEASURES

Bedford Parks and Recreation Department should develop the following performance measures to track desired outcomes and to demonstrate to key leadership and partners the value of the investment being made in recreation programs and the facility:

- Program capacity levels met based on total availability and enrollment numbers with a target goal of 85%.
- Programs offered versus programs held with a target goal of 80%.

- Retention of participants, monthly pass holders are targeted at 75% then tracked by the registration point of sale system.
- Cost recovery goals met at 95% for core recreation services.
- Customer satisfaction levels are met at 90% or greater in all services.
- Earned income goals are met at 95% for programs.
- Cost recovery goals for the facility are met at 95% of targeted levels.

7.2.6 RECREATION AND SENIOR CENTER MAINTENANCE STANDARDS

OFFICES

- Windows - Exterior cleaned (2) a year
- Inside as needed
- Carpets vacuumed Daily
- Trash emptied Daily
- Desks wiped down
- Lights cleaned monthly
- Tables and Chairs cleaned daily or on a as needed basis
- Storage closets cleaned one time a year
- Phones cleaned daily
- HVAC cleaned quarterly
- Doors Cleaned weekly
- Offices painted every (7) years

OFFICE WORK ROOM

- Light switches cleaned daily
- Trash emptied daily
- Recycling emptied daily
- Counter wiped down daily
- Lights cleaned monthly
- Phone wiped down daily
- Floor swept daily and mopped weekly
- All equipment wiped down daily
- Annually cleaning of cabinets

OFFICE BREAK ROOM

- Cleaned daily
- Counter cleaned daily

- Refrigerator cleaned out quarterly

STORAGE AREA

- Annually Clean
- Sweep Monthly

ENTRY AREAS

- Cleaned daily
- Tile cleaned daily
- Pressure wash concrete monthly
- Handrails cleaned daily
- Glass cleaned daily

JANITORS CLOSET

- Janitors Closet cleaned out quarterly
- Loading dock corridor painted yearly
- Carpets cleaned daily
- Lights cleaned quarterly

RESTROOMS

- Floors and toilets cleaned every shift
- Mirrors cleaned every shift
- Check levels of toilet paper and hand towels every shift and replenish as needed

MULTIPURPOSE AND GROUP EXERCISE STUDIOS ROOM

- Floors cleaned daily
- Doors and windows cleaned daily
- Mirrors cleaned daily
- Room painted every three years
- Bars wiped down daily
- Lights wiped down every week

PROGRAM ROOMS

- Floors cleaned daily
- Tables and counter cleaned daily
- Air wall replaced and repaired as needed
- Windows cleaned (2) times a year
- Blinds cleaned every month
- Clean lights and air vents every month
- Wall repainted every year

GYM

- Floors refinished annually
- Floors stripped and refurbished every (5) years
- Backboards cleaned monthly and wall mounts
- Dust mop the floors during the day and scrub the floors at night
- Curtains wiped down quarterly
- Storage room cleaned out annually
- Scoreboards and sound system inspected quarterly
- Emergency door inspected weekly
- Bleachers cleaned weekly
- Every (2) years deep clean
- Internal windows cleaned weekly
- Electrical room inspected weekly and cleaned quarterly

LOCKER ROOMS

- Floor and restroom areas cleaned every shift
- Floors scrubber used weekly
- Painting done every seven years

FITNESS CENTER

- Wipe down equipment after every shift
- Clean restrooms on every shift including showers, restrooms and removal of trash
- Clean carpets on every shift and deep clean nightly
- Clean glass inside once a week
- Remove trash daily
- Inspect all equipment that they are working daily
- Inspect all TV's are working daily

AQUATIC CENTER MAINTENANCE

Aquatic centers should be maintained according to the all manufacturer specifications (pumps, filtration systems, lighting, furniture/fixtures/equipment, etc.

7.3 AQUATIC CENTER STANDARDS

7.3.1 DEVELOP AQUATIC FACILITY SAFETY CHECK LIST

Many factors need constant attention in aquatic facilities. The most commonly overlooked and inaccurately assessed critical items are listed below. Attention to detail is the key to operating a safe facility. If any unsafe area of a pool is left unnoticed, there are apparent risks of personal injury to guests. Recommended regular documented checks must be completed to ensure all areas of the pool are

within industry standards. Detailed information regarding the facility safety checklist can be found in the Appendix of the report.

7.3.2 ENFORCE AND REINFORCE LIFEGUARD RESPONSIBILITIES

It is critical that the aquatic safety rules be constantly and consistently reviewed with staff. This needs to be done in addition to in-service trainings. These basic safety rules must be incorporated at all locations. Detailed lifeguard responsibilities can be found in the Appendix of the study.

7.3.3 MANAGE LIFEGUARD VIGILANCE

Historically, the focus of lifeguarding has been all about rescue. However, in more recent years, aquatic understanding considers recognition more important than rescue. While rescue is vitally important, it goes together with recognition and vigilance. Best practices for managing lifeguard vigilance can be found in the Appendix of the study.

7.3.4 DEVELOP AND IMPLEMENT A LIFEGUARD IN-SERVICE PROGRAM

All of lifeguard staff receives initial training that provides the basic information and skills required for them to perform their work assignments. In-service training is necessary to retain, improve, and allow them to employ their skills and knowledge under supervised conditions so that their performance is maximized. Best practices for developing and implementing a lifeguard in-service program can be found in the Appendix of the study.

7.3.5 IMPLEMENT AQUATIC PERSONAL PROTECTIVE EQUIPMENT STANDARDS

Lifesaving is a trainable technique that has been refined for maximum effectiveness. Rescue techniques are employed using specific personal protective equipment (PPE). This equipment is essential to protect the user and the victim. The following equipment is not optional. It is used to ensure proper rescuer performance and provide appropriate rescuer safety. Best practice detail for implementing PPE can be found in the Appendix of the study.

7.3.6 DEVELOP AND IMPLEMENT A NON-SWIMMER PROTECTION POLICY

Many aquatic facilities do not test the swimming capabilities of unknown swimmers. Frequently, tragic stories demonstrate the need to develop and implement swim test protocols. An increasing number of aquatic facilities have implemented a non-swimmer protection policy and are now successfully testing swimmers of unknown ability, especially participants of special use groups like day camps, rental groups, and birthday parties. A recommended non-swimmer protection policy can be found in the Appendix of the study.

7.3.7 SAFETY GUIDELINES FOR PATRONS WITH SPECIAL NEEDS

Under the Americans with Disabilities Act (ADA) persons with disabilities must be provided equal access and opportunity to use all the City of Bedford's aquatic facilities. In addition to providing the necessary physical accommodations like ramps and hydro-lifts, aquatic staff must also be prepared to assist people with disabilities in normal activities and to respond appropriately in case of an emergency. Detailed guidelines for managing the safety of people with special needs can be found in the Appendix of the study.

CHAPTER EIGHT - FINANCIAL AND STAFFING PLAN

8.1 BEDFORD BOYS RANCH PARK MAINTENANCE

8.1.1 CURRENT ANNUAL PARK MAINTENANCE OPERATING BUDGET

Personnel Services	**$279,284.83**
Other Services	**$101,560.80**
TOTAL EXPENSES	**$380,845.63**

8.1.2 STAFFING MODEL

To manage and maintain the 68-acre Boys Ranch Park in alignment with the maintenance standards as recommended, the four primary goals will be to:

1. Implement a standards-based maintenance program. This effort will ensure a high quality and consistent experience for visitors to Bedford Boys Ranch Park.
2. Deliver a high level of customer service that is necessary to facilitate the reservation and utilization of athletic fields, picnic shelters, special event areas, amphitheater, etc.
3. Develop recreation opportunities for visitors to Boys Ranch Park.

To meet these goals, the Consulting Team recommends the following maintenance staffing levels:

- Three Full-time Grounds Maintenance Worker
- 3,000 labor hours for Part-time Seasonal Grounds Maintenance Workers

8.1.3 FINANCIAL MODEL

The Consultant Team utilized the following set of assumptions to create a financial model for the re-development of the 68-acre Boys Ranch Park:

- Primary programs and services of phase one will be:
  - Reservations/Permits
  - Programs
  - Special Events
- Three full-time employees will be required for the operation of the park.
- 3,000 man-hours of part-time staffing will supplement full-time staff.
- A third-party contractor will be responsible for the routine landscape bed and mowing maintenance in the park at an annual cost of $1.50 per ft^2 for landscape beds and $3,000/acre for mowing.
- Operational partnerships were not considered as part of the pro forma development.

From these assumptions, the Consultant Team projects that Bedford Boys Ranch Park will operate at a 41% cost recovery and require a first-year subsidy from the general fund to offset the operating loss ($417,321).

8.1.4 PARK SIX YEAR PRO FORMA

The following is a summary of the revenues and expenditures for the park over a six-year period. The breakdown of the summary is listed in the tables that follow this summary report. The tables breakdown the revenues by category and the expenses by category. Overall the Boys Ranch Park will be able to achieve an average annual cost recovery rate of 26% if managed as outlined in this business plan.

Pro Forma Revenues & Expenditures

Boys Ranch Park

BASELINE: REVENUES AND EXPENDITURES

Revenues	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Programs and Rentals	$148,850.00	$154,804.00	$160,996.16	$167,436.01	$174,133.45	$181,098.78
Total	$148,850.00	$154,804.00	$160,996.16	$167,436.01	$174,133.45	$181,098.78
Expenditures	**1st Year**	**2nd Year**	**3rd Year**	**4th Year**	**5th Year**	**6th Year**
Operations & Maintenance	$622,162.96	$634,606.22	$647,298.34	$660,244.31	$673,449.20	$686,918.18
Total	$622,162.96	$634,606.22	$647,298.34	$660,244.31	$673,449.20	$686,918.18
Annual Net Gain/Loss	($473,312.96)	($479,802.22)	($486,302.18)	($492,808.30)	($499,315.75)	($505,819.40)
Total Cost Recovery	24%	24%	25%	25%	26%	26%

8.1.5 PARK REVENUE MODEL AND PROGRAM PLAN

Pro Forma Revenue Model

Boys Ranch Park

ACTIVITY	PROGRAM	PRICE	OFFERINGS	PARTICIPATION	REVENUES	EXPLANATION
Shaded Event Area	Rentals	$250.00	4	12	$12,000.00	
Shaded Event Area	Community Special Events (Free)	$0.00	12	500	$0.00	2 per month; community concerts, movies in the park, festivals, fishing derby, etc)
Park	Specialty Special Events (Registration Fee)	$5.00	6	300	$9,000.00	1 mile fun runsl 5k races etc City to receive $5 for every registrant
Park	Permitted Festivals and Events	$500.00	8	100	$4,000.00	Permiting from Festivals
Special Events	Winterpalooza	$5.00	1	500	$2,500.00	
Special Events	Pumpkin Launch	$5.00	1	700	$3,500.00	
Special Events	Holiday Market	$0.00	1	12000	$0.00	
Special Events	Junk in the Trunk	$0.00	1	1,050	$0.00	
Special Events	Craft Beer Fest	$1,000.00	1	2,000	$1,000.00	
Special Events	Food Truck Friday	$850.00	12	5000	$10,200.00	
Special Events	Winter Market	$800.00	16	5,000	$12,800.00	
Special Events	Music Festival	$550.00	2		$1,100.00	
Special Events	Home Show	$500.00	2		$1,000.00	
Special Events	Arts/Crafts Festival	$500.00	4		$2,000.00	
Special Events	Concert/Movie/Summer Sampler Series	$0.00	5	500	$0.00	
Special Events	Kite Flying	$0.00	5	25	$0.00	
Special Events	Inflatable Race	$50.00	1	300	$15,000.00	
Special Events	Big Wheel Race	$125.00	1	30	$3,750.00	
Special Events	Pet Expo	$5.00	1	300	$1,500.00	
Special Events	Dog Shows	$10.00	1	200	$2,000.00	
Shelter	Summer Shelter Reservations	$200.00	1	100	$20,000.00	
Shelter	Fall Winter Spring Shelter Reservations	$150.00	1	150	$22,500.00	
Sponsorships	Earned Income, Sponsorships, Donations				$25,000.00	
	TOTAL REVENUES				**$148,850.00**	

8.1.6 PARK MAINTENANCE EXPENDITURE MODEL

Pro Forma Expenditures
Bedford Boys Ranch Park Park
Park Maintenance Expenditures

ACCOUNT TITLE		BUDGET	EXPLANATION
PERSONNEL SERVICES			
Full-Time Grounds Maintenance Worker		$150,000.00	3 FT
Part-time Grounds Maintenance Workers		$36,000.00	3 staff; 20 hours per week; 50 weeks per year x $12
Overtime		$2,500.00	
Employer's Share of FICA		$2,198.02	6.36% of PT Salaries and Wages
Employer's Share of Medicare		$514.94	1.49% of PT Salaries and Wages
Full-Time Benefits		$60,000.00	
Total	**Personnel Services**	**$251,212.96**	
NON-PERSONNEL SERVICES & CHARGES			
Contracted Services - Mowing		$66,000.00	22 acres x $3000/acre
Contracted Services - Landscape beds		$1,500.00	1000 sq. ft. x $1.50 per sq, ft.
Athletic Field Maintenance		$50,000.00	3 Ball Diamonds and Multi-purpose field
Pathway Maintenance		$18,450.00	12300 linear feet x $1.5 per LF
Urban Forest/Tree Maintenance		$10,000.00	lump sum
Amphitheater Maintenance		$15,000.00	lump sum
Play Environment Maintenance		$7,500.00	
Restroom Custodial Operations		$21,000.00	
Cellular Phone Fees		$1,000.00	
Fuel		$22,000.00	
Electricity		$40,000.00	
Water & Sewer		$15,000.00	
Professional Development and Training		$7,500.00	
Equipment Repairs & Maint.		$2,500.00	
Trash Collection		$3,000.00	$250 / Mon Dumpster
Staff Clothing		$1,500.00	
Irrigation Materials		$10,000.00	
Repair Parts		$10,000.00	Plumbing, Hardware, Electrical, Lighting, etc…
Small Tools & Minor Equip.		$5,000.00	Misc. and Specialty Tools
Other Maint. Supplies		$12,000.00	Lubricants, light bulbs, etc.
Program and Special Event Supplies		$50,000.00	
Participant Clothing		$500.00	
Safety Supplies		$1,500.00	Safety Glasses, Gloves, Harness, etc…
Total	**Other Services**	**$370,950.00**	
TOTAL EXPENSES		**$622,162.96**	

It is anticipated that the cost to manage and maintain the renovated park and grounds of Boys Ranch Park will be approximately $241,000 greater than current annual expenditures as noted below.

Pro Forma Revenues & Expenditures
Bedford Boys Ranch Park Financial Summary
REVENUES AND EXPENDITURES

Expenditures	**CURRENT**	**NEW**
Park Maintenance	$380,845.63	$622,162.96
General Fund Subsidy	**$380,845.63**	**$622,162.96**

8.2 RECREATION AND SENIOR CENTER AND OUTDOOR AQUATICS OPERATIONS

8.2.1 CURRENT ANNUAL OEPRATING BUDGET

TOTAL REVENUES	**$19,053.00**
Personnel Services	**$207,853.81**
Other Services	**$87,763.00**
TOTAL EXPENSES	**$295,616.81**
NET REVENUE/(LOSS)	**($276,563.81)**

SENIOR CENTER

TOTAL REVENUES	**$286,308.18**
Personnel Services	**$499,364.45**
Other Services	$280,352.00
TOTAL EXPENSES	**$779,716.45**
NET REVENUE/(LOSS)	**($493,408.27)**

BRAC

TOTAL REVENUES	**$365,511.78**
Personnel Services	$255,558.98
Other Services	$185,867.51
TOTAL EXPENSES	**$441,426.49**
NET REVENUE/(LOSS)	**($75,914.71)**

SPLASH

8.2.2 MULTIGENERATIONAL RECREATION FACILITY AND AQUATICS OPERATING HOURS ASSUMPTIONS

- The Multigenerational Recreation Facility operating hours are 103.5 hours per week and are assumed to be:
  - Monday - Friday – 5:30AM to 10:00PM
  - Saturday – 7:00AM to 8:00PM
  - Sunday – 9:00AM to 5:00PM

PLEASE NOTE: Gymnasiums and Indoor Aquatic Center will be utilized for both programming and open use. Schedules for Gymnasium and Indoor Aquatic Center will be posted and vary based on time of year.

- Senior Center operating hours are 45 hours per week and are assumed to be:
  - Monday – Friday – 8:00AM to 5:00PM
- Outdoor Aquatic Center operating hours are expected to be
  - Monday – Saturday - 12:00PM – 7:00PM
  - Sunday - 12:00PM – 6:00PM
- Holidays during which the Multigenerational Recreation Facility including Indoor Aquatics will be closed are:
  - New Year's Day

- Easter Sunday
- Thanksgiving Day
- Christmas Eve Day
- Christmas Day

8.2.3FACILITY STAFFING ASSUMPTIONS

Staffing the facility with revenue from yearly and monthly passes requires a delicate balancing act of resource allocation to the core areas and the bottom line. This will necessitate that the facility staff have a keen understanding of all the operations and understands the value of programming the site versus maintaining the site. Staffing assumptions include:

- Facility staffing is a direct result of the requirement of the operating hours to be approximately net revenue neutral
- Facility staffing is based on "lean management" practices where all positions/human resources expended for any goal other than the creation of value for the customer base are nonessential
- As the Multigenerational Recreation Facility reaches operational and programmatic maturity, additional staff persons will most likely be required
- Staffing salary/wages based on current salaries and national averages found in the fitness and aquatic industry and in-line with current wages
- Inclusive benefits, charges required for most employees regardless of employment status (including payroll taxes and fees) are factored at a percentage of total seasonal staff salary and full-time staff overtime, excluding any general benefits

Many large-scale multigenerational recreation facility operations operate with staffing levels at 60% of the direct cost or more of the operational budget. The facility will require a total of at least 16 full-time positions. These position categories and/or titles are subject to change as operations are further refined in the final business planning phase. These include a fulltime staff of the following:

- Parks and Recreation Director – (1) - NEW
- Recreation Center Facility Manager – (1) - EXISTING
- Recreation Program Supervisor – (1) - EXISTING
- Senior Center Supervisor (1) - EXISTING
- Senior Center Program Coordinator (1) - EXISTING
- Recreation Center Customer Service Supervisor – (1) - NEW
- Recreation Administrative Coordinator (1) - EXISTING
- Aquatics Supervisor – (1) - EXISTING
- Aquatics Coordinator – (1) - NEW
- Fitness Supervisor – (1) - NEW
- Facility Maintenance Supervisor – (1) - NEW
- Custodians – (5) – 4 NEW; 1 EXISTING (*Senior Center Facilities Assistant*)

A bevy of part-time staff including lifeguards, water safety and recreation program instructors, fitness personnel and front desk staff are included in the staffing projections. It is projected that the facility employees – both full and part-time – will consume approximately two-thirds of the annual operational budget during the six-year study period.

Depending on facility's success, the most important addition to the staff composition may be in the management of the front-line staff – the part-time and seasonal employees that are the face of the organization. As such, it is imperative to utilize the Recreation Center Customer Service Supervisor position to manage the staff that deals first with the public effectively for representing the city's Multigenerational Recreation Facility well. Dedicated and enthusiastic full-time employees will successfully adapt to the ebbs and flow of a customer-centric operation daily. However, this could pose a problem for part-time and seasonal staff, many of whom are projected to work limited hours for the greatest operational flexibility. Accordingly, this balance of resources and customer service will make it critical that systems are in place to ensure that front line employees share a common and enthusiastic vision for service delivery.

Utilization of full-time, part-time and independent contractors is typically chosen by management for the flexibility they provide – a benefit that allows market factors to determine the need of instructor utilization consequently boosting the goal of fiscal sustainability. Benefits of part-time and contract instructors are:

- Ability to offer quality, diverse and affordable programs with no startup costs to the facility.
- Specialized skill set or training at no cost to the facility.
- Typically, continuity and retention exists for instructors who like to teach.
- Work on demand – hiring an independent contractor or part-time staff person offers flexibility to programming which keeps programs "fresh" and increases the ability to take on added opportunities as they arise, and during slow periods have greater cost control.
    - Classes are discontinued when minimum participation levels are not met without incurring the cost of the instructor.
- Contractors do not require employers to withhold and pay federal, state and Social Security (FICA) taxes as they are required for employees.
- The Manager obtains the right to terminate Independent Contractor Agreements at any time by giving written notice.
- Contractors are not eligible for unemployment insurance benefits

Another reason for this recommendation is the large amount of programming planned for the facility.

8.2.4 MEMBERSHIPS AND ADMISSIONS

Memberships and admissions generally account for 50% or more of all revenue generation in a multigenerational recreation center of this type with the hope to recover at least 75% of operational revenues. Due to the operational impact of memberships on sustainability, membership structure is vital. Based on the pro-forma, the membership fee is covering approximately 55% of the total revenue from memberships. This is primarily due a monthly pass rate for individuals that are at the mid-point of other recreation facilities in the region. This requires the building to be programmed at 40-50% to

achieve the cost recovery goal desired. **Please Note: This can limit the amount of open non-programmed activity to the gymnasium and indoor aquatic center.**

RECREATION CENTER

It is recommended that the Recreation Center membership configuration consist of the following categories, each providing access to all areas of the facility.

- Resident and Non-Resident Rates
  - Family Household Membership (up to 4 individuals; up to age of 23)
  - Senior Individual Membership (ages 65+)
  - Adult Individual Membership (13-64 years of age)
  - Youth Individual Membership (3-12 years of age)
  - Punch Passes (20 Visits)
  - Daily Pass

Recreation Center Membership will include:

- Unlimited use of the Facility during all open recreation times
- Access to Group Exercise programs
- Reduced rates on programs and facility rentals
- Priority registration on most programs/classes
- Child Watch for children ages 2-12 will be FREE for members of the Recreation Facility
  - Child Watch is defined as up to 2 hours of babysitting while adult is utilizing the facility
  - Hours for Child Watch will be posted separately – morning and evening hours will be available.

OUTDOOR AQUATIC CENTER – SEASONAL PASS

Resident and Non-Resident Rates

- Family (up to 4 individuals; up to age of 23)
- Adult Individual (13-64 years of age)
- Youth Individual Membership (3-12 years of age)

8.2.5 FINANCIAL ASSUMPTIONS

GENERAL ASSUMPTIONS

The assumptions in this study assist in understanding how the financial plan was developed and the strategies with which the Recreation and Senior Center will ultimately be operated. This allows for the revision of assumptions in the future while still maintaining the integrity of the plan by understanding the impact that the changes will have on the operational budget or market capture. The assumptions for the site used for the development of the financial plan are as follows:

PRICING ASSUMPTIONS

- Pricing is outlined for each individual program within the electronic Excel model and summarized within this report document.
- Pricing is value based, meaning that pricing was determined based on typical market rates based on the assumed level of service received.
- Pricing comparisons to other fitness related facilities were used for guidelines for developing the pricing schedule, however, the goal of value provided was utilized for developing the pro forma.

GENERAL EXPENSE AND REVENUE ASSUMPTIONS

- Expenses are projected to be 100% of projected costs beginning in the modeled year "Operating Year 1"; annual increases of a set percent per year each year thereafter as based on Expenditure and Revenue Growth Inputs.
- Revenues are projected to be 100% of projected revenue capacity beginning in the modeled year "Operating Year 1"; annual increases of a set percent per year each year thereafter as based on Expenditure and Revenue Growth Inputs.
- Percentage of cost recovery is based on the assumed market participation and value/market-based pricing.
- Operating and growth inputs are based on average increases per expenditure and revenue category; due to the volatility of the health care (employee health insurance) and energy (utility) sectors, higher growth rates were utilized for employee benefits and utilities.
- If a higher percentage of cost recovery is needed, operating expenses and pricing will be analyzed for potential adjustments.
- All projections are based on assumptions and estimates made within the electronic Excel model.
- Pro forma assumptions beginning in "Operating Year 1" are based on management and staff performing extensive lead-in/pre-opening marketing, promotions, and programming tailored to the customer base.
- Pro forma program is based on a very aggressive program offering (50% of total available space) that will require detailed scheduling to allow for successive usages on a regular basis.

STAFFING ASSUMPTIONS

- Recreation Facility staffing is a direct result of the requirement of the operating hours to achieve a 75%+ cost recovery rate. It is anticipated the recreation Facility's operating hours will remain the same.
- As the Recreation Facility reaches operational and programmatic maturity, additional staff persons may be required.

- Staffing salary/wages based on current salaries and national averages found in the fitness and aquatic industry.
- Inclusive benefits, charges required for most employees regardless of employment status (including payroll taxes and fees) are determined by current benefit plan offered by the City.

OPERATING/GROWTH ASSUMPTIONS

- Operating and growth assumptions are based on average increases per expenditure and revenue category as noted below:
    - Revenues are projected to increase annually by 3.0% through growth in users and fee adjustments.
    - The salary and benefit growth rates are calculated at 3.0% annual growth due to the potential volatility of the insurance/pension fund requirements.
    - Supply growth rate is calculated at 3% annual growth due to inflation.
    - Service growth rate is calculated at an average of 4.0% annual growth due to inflation and the potential volatility of the energy sector.
    - Capital expenditure and revenue categories average a growth rate of 2%.
    - Transfers vary with increases in revenues.
- Percentage growth rate by budget category is presented on the “Inputs” tab of the electronic Excel model

8.2.6 SIX (6) YEAR PRO FORMA

Based on all operating assumptions set forth within this report, and excluding any unforeseen circumstances, the Bedford Boys Ranch Recreation Facility **is projected to have an average annual total operational cost recovery of 77%.** A summary of the six-year pro forma is presented below. The Bedford Boys Ranch Recreation Facility should be able to increase its direct cost recovery to 78% by Year Six.

Pro Forma Revenues & Expenditures

BEDFORD RECREATION AND SENIOR CENTER WITH INDOOR AND OUTDOOR AQUATICS SUMMARY

BASELINE: REVENUES AND EXPENDITURES

Revenues	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Passes	$1,021,850.00	$1,052,505.50	$1,084,080.67	$1,116,603.08	$1,150,101.18	$1,184,604.21
Administration	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Building Maintenance	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Fitness	$11,250.00	$11,587.50	$11,935.13	$12,293.18	$12,661.97	$13,041.83
Indoor Aquatics	$168,125.00	$173,168.75	$178,363.81	$183,714.73	$189,226.17	$194,902.95
Recreation	$112,600.00	$115,978.00	$119,457.34	$123,041.06	$126,732.29	$130,534.26
Parties	$150,000.00	$154,500.00	$159,135.00	$163,909.05	$168,826.32	$173,891.11
Rentals	$61,050.00	$62,881.50	$64,767.95	$66,710.98	$68,712.31	$70,773.68
Child Care	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Concessions	$135,000.00	$139,050.00	$143,221.50	$147,518.15	$151,943.69	$156,502.00
Outdoor Aquatics	$186,250.00	$191,837.50	$197,592.63	$203,520.40	$209,626.02	$215,914.80
Total	$1,846,125.00	$1,901,508.75	$1,958,554.01	$2,017,310.63	$2,077,829.95	$2,140,164.85

Expenditures	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Passes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Administration	$757,352.60	$777,648.48	$798,504.74	$819,937.22	$841,962.23	$864,596.52
Building Maintenance	$385,235.00	$396,407.55	$407,907.59	$419,744.78	$431,929.09	$444,470.77
Fitness	$203,386.10	$208,882.68	$214,532.06	$220,338.58	$226,306.71	$232,441.04
Indoor Aquatics	$401,975.03	$413,486.79	$425,332.94	$437,523.31	$450,068.00	$462,977.40
Recreation	$178,710.00	$183,771.30	$188,978.44	$194,335.67	$199,847.38	$205,518.07
Parties	$13,959.68	$14,373.47	$14,799.57	$15,238.36	$15,690.20	$16,155.50
Rentals	$17,392.50	$17,794.28	$18,205.70	$18,627.03	$19,058.49	$19,500.36
Child Care	$22,570.00	$23,237.10	$23,924.01	$24,631.33	$25,359.66	$26,109.62
Concessions	$67,500.00	$68,850.00	$70,227.00	$71,631.54	$73,064.17	$74,525.45
Outdoor Aquatics	$353,352.75	$362,700.83	$372,304.31	$382,170.34	$392,306.28	$402,719.72
Total	$2,401,433.66	$2,467,152.47	$2,534,716.36	$2,604,178.16	$2,675,592.21	$2,749,014.46
GENERAL FUND SUBSIDY	($555,308.66)	($565,643.72)	($576,162.35)	($586,867.52)	($597,762.26)	($608,849.61)
Total Cost Recovery	77%	77%	77%	77%	78%	78%

As noted in the table to the right, It is anticipated that the general fund subsidy for the operations of the Multigenerational Center when compared to the current operations of the BRAC, Senior Center and SPLASH ***will decrease by $290,078 annually.***

Pro Forma Revenues & Expenditures

Bedford Boys Ranch Facility Operations Financial Summary

REVENUES AND EXPENDITURES

	CURRENT	NEW
Revenues		
Fees and Charges	$677,622.96	$1,846,125.00
Total Revenues	$677,622.96	$1,846,125.00
Expenditures		
All Facility and Pool Operations	$1,516,759.75	$2,401,433.66
Total Expenditures	$1,516,759.75	$2,401,433.66
Net Subsidy	($839,136.79)	($555,308.66)
Total Cost Recovery	45%	77%

8.2.7 REVENUE MODEL

BEDFORD BOYS RANCH RECREATION FACILITY REVENUE MODEL – 1 OF 2

Pro Forma Revenues & Expenditures

BEDFORD RECREATION AND SENIOR CENTER WITH INDOOR AND OUTDOOR AQUATICS SUMMARY

REVENUE MODEL

DIVISION	ACCOUNT TITLE	PRICE		UNITS	REVENUES
	REVENUES		Months	Passes	
Multigenerational Center Memberships	Monthly Passes - Resident Family	$45.00	12	1,000	$540,000.00
Multigenerational Center Memberships	Monthly Passes - Resident Adult Individual	$25.00	12	250	$75,000.00
Multigenerational Center Memberships	Monthly Passes - Resident Youth Individual	$20.00	12	250	$60,000.00
Multigenerational Center Memberships	Monthly Passes - Resident Senior Individual	$20.00	12	500	$120,000.00
Multigenerational Center Memberships	Monthly Passes - Non-Resident Family	$90.00	12	100	$108,000.00
Multigenerational Center Memberships	Monthly Passes - Non-Resident Adult Individual	$50.00	12	25	$15,000.00
Multigenerational Center Memberships	Monthly Passes - Non-Resident Youth Individual	$40.00	12	50	$24,000.00
Multigenerational Center Memberships	Monthly Passes - Non-Resident Senior Individual	$40.00	12	100	$48,000.00
Multigenerational Center Memberships	Punch Passes - 20 visits - Residents	$100.00		100	$10,000.00
Multigenerational Center Memberships	Punch Passes - 20 visits - Non-Residents	$200.00		25	$5,000.00
Daily Admission	Daily Resident - Youth Individual	$8.00	1	1,000	$8,000.00
Daily Admission	Daily Resident - Adult Individual	$10.00	1	500	$5,000.00
Daily Admission	Daily Resident - Senior Individual	$8.00	1	200	$1,600.00
Daily Admission	Daily Non-Resident- Youth Individual	$12.00	1	100	$1,200.00
Daily Admission	Daily Non-Resident - Adult Individual	$15.00	1	50	$750.00
Daily Admission	Daily Non-Resident - Senior Individual	$12.00	1	25	$300.00
	TOTAL PASS REVENUES				**$1,021,850.00**

DIVISION	ACCOUNT TITLE	PRICE		UNITS	REVENUES
	REVENUES		Classes	Participants	
Fitness	Personal Training	$75.00		150	$11,250.00
	TOTAL FITNESS REVENUES				**$11,250.00**

DIVISION	ACCOUNT TITLE	PRICE		UNITS	REVENUES
	REVENUES		Classes	Participants	
Indoor Aquatics	Facility Rentals - Party Room	$75.00		75	$5,625.00
Indoor Aquatics	Pool Rental - Full	$1,000.00		10	$10,000.00
Indoor Aquatics	Learn to Swim	$65.00	200	8	$104,000.00
Indoor Aquatics	Private Swim Lessons	$200.00	90	2	$36,000.00
Indoor Aquatics	Water Fitness Classes	$50.00	25	10	$12,500.00
	TOTAL AQUATICS REVENUES				**$168,125.00**

DIVISION	ACCOUNT TITLE	PRICE		UNITS	REVENUES
	REVENUES		Sessions	pants/Teams	
Recreation	Gym Rental - 2 hr. minumum	$250.00		50	$12,500.00
Recreation	Tumbling Classes	$27.00	10	15	$4,050.00
Recreation	Martial Arts	$25.00	10	15	$3,750.00
Recreation	Art Classes	$40.00	10	15	$6,000.00
Recreation	Summer Basketball Camps	$145.00	3	50	$7,250.00
Recreation	Summer Volleyball Camps	$145.00	3	50	$7,250.00
Recreation	Instructional Basketball	$50.00		48	$2,400.00
Recreation	Adult Contracted Basketball	$650.00	1	8	$5,200.00
Recreation	Youth Contracted Basketball	$500.00	1	64	$32,000.00
Recreation	Adult Contracted Coed Volleyball	$650.00	1	8	$5,200.00
Recreation	Pickleball Leagues	$20.00	4	25	$2,000.00
Recreation	Youth Contracted Volleyball	$500.00	1	8	$4,000.00
Seniors	Ceramic class				$1,000.00
Seniors	Dances				$15,000.00
Seniors	Quilting class				$0.00
Seniors	Needlework class				$0.00
Seniors	Billiards and Domino				$0.00
Seniors	Mahjong				$0.00
Seniors	Bridge				$0.00
Seniors	Pinochle				$0.00
Seniors	Art Classes				$0.00
Seniors	Line Dance Classes				$0.00
Seniors	Exercise Classes				$0.00
Seniors	Tai Chi Classes				$0.00
Seniors	Guitar				$0.00
Seniors	Donations to Senior Center				$5,000.00
	TOTAL RECREATION REVENUES				**$112,600.00**

BEDFORD BOYS RANCH RECREATION FACILITY REVENUE MODEL – 2 OF 2

Pro Forma Revenues & Expenditures

BEDFORD RECREATION AND SENIOR CENTER WITH INDOOR AND OUTDOOR AQUATICS SUMMARY

REVENUE MODEL

DIVISION	ACCOUNT TITLE	PRICE	UNITS	REVENUES
	REVENUES			
Parties	Pool Parties	$300.00	500	$150,000.00
Parties	Miscellaneous Revenues	$0.00	-	$0.00
	TOTAL PARTY REVENUES			**$150,000.00**

DIVISION	ACCOUNT TITLE	PRICE	UNITS	REVENUES
	REVENUES			
Rentals	Activity Room Rentals	$70.00	100	$7,000.00
Rentals	Large Multi-Purpose Room Rentals	$675.00	26	$17,550.00
Rentals	Caterer Commissions (use of kitchen)	$500.00	13	$6,500.00
Rentals	School Lock-In (Whole Facility)	$3,000.00	10	$30,000.00
	TOTAL RENTAL REVENUES			**$61,050.00**

DIVISION	ACCOUNT TITLE	PRICE	UNITS	REVENUES
	REVENUES			
Resale of Goods	Retail Goods	$3.00	45,000	$135,000.00
	TOTAL CONCESSIONS REVENUES			**$135,000.00**

DIVISION	ACCOUNT TITLE	PRICE	UNITS		REVENUES
	REVENUES		Season Participation		
Outdoor Pool Passes	Season Pass - Family	$175.00	1	350	$61,250.00
Outdoor Pool Passes	Season Pass - Youth Individual	$50.00	1	100	$5,000.00
Outdoor Pool Passes	Season Pass - Adult Individual	$75.00	1	100	$7,500.00
Outdoor Pool Passes	Season Pass - Senior Individual	$50.00	1	50	$2,500.00
Outdoor Pool Passes	Season Pass - Family - NR	$350.00	1	100	$35,000.00
Outdoor Pool Passes	Season Pass - Youth Individual - NR	$100.00	1	50	$5,000.00
Outdoor Pool Passes	Season Pass - Adult Individual - NR	$150.00	1	50	$7,500.00
Outdoor Pool Passes	Season Pass - Senior Individual - NR	$100.00	1	25	$2,500.00
Outdoor Pool Rentals	Pool Rental (After Hours)	$500.00		5	$2,500.00
Outdoor Pool Special Events	Memorial Day Weekend Celebration	$5.00	1	500	$2,500.00
Outdoor Pool Special Events	4th of July Celebration - Pool Specific	$5.00	1	500	$2,500.00
Outdoor Pool Special Events	End of the Summer Beach Party	$5.00	1	500	$2,500.00
Concessions and Retail Sales	Concessions and Sales				$50,000.00
	TOTAL OUTDOOR AQUATIC REVENUES				**$186,250.00**

8.2.8 EXPENDITURE MODELS

ADMINISTRATION AND MEMBERSHIP

Pro Forma Revenues & Expenditures ADMINISTRATION and MEMBERSHIP BUDGET			
PERSONAL SERVICES			
Parks and Recreation Director		$120,000.00	
Recreation Center Manager		$80,000.00	
Senior Center Supervisor		$60,000.00	
Customer Service Supervisor		$60,000.00	
Recreation Administrative Coordinator		$45,000.00	
Rec Center Customer Service Associates - Part Time		$123,600.00	
Overtime		$0.00	
Employer's Share of FICA		$23,442.96	6.36% of Salaries and Wages
Employer's Share of Medicare		$5,492.14	1.49% of Salaries and Wages
Additional Full-Time Benefits		$117,347.50	32.15% of Full Time Regular
Total	**Personnel Services**	**$514,882.60**	
SUPPLIES			
Stationary & Printed Materials		$1,000.00	Business cards, stationary, envelopes, cards
Office Supplies		$10,000.00	
Safety Supplies		$3,000.00	First aid supplies for center
Other Miscellaneous		$500.00	
Total	**Supplies**	**$14,500.00**	
OTHER SERVICES & CHARGES			
Medical Fees (Drug Tests)		$300.00	
Registration System Maintenance Contract		$2,500.00	
Criminal Background Checks		$200.00	
Marketing & Promotions		$7,500.00	
Security Services		$1,000.00	Alarm monitoring
Postage		$2,500.00	
Telephone Line Charges		$2,000.00	
Cellular Phone Fees		$1,000.00	Overage charges for use of personal cell phones
Utilities		$175,000.00	
Cable/Satellite TV Service		$2,000.00	
Copier		$5,000.00	
Other Rental & Leases		$360.00	Water cooler
Subscriptions		$1,000.00	
Organization & Membership Dues		$5,000.00	
Staff Clothing		$380.00	
Professional Development and Training		$15,000.00	All Facility Staff
Internal Instruction Fees		$2,500.00	Customer service training, CPR/First Aid/AED training
External Instructional Fees		$1,000.00	
Other Fees & Licenses		$2,730.00	ASCAP license for music ($730), CPR/First Aid/AED certifications ($8x250)
Refunds, Awards & Indemnities		$0.00	
Special Projects		$1,000.00	Staff morale/incentives
Sales Tax Paid		$0.00	
Total	**Other Services**	**$227,970.00**	
TOTAL EXPENSES		**$757,352.60**	

BUILDING MAINTENANCE

Pro Forma Revenues & Expenditures BUILDING MAINTENANCE BUDGET			
PERSONNEL SERVICES			
Facility Maintenance Supervisor		$60,000.00	1 FT @ $60K
Custodians		$175,000.00	5 FT @ $35K
Part Time		$10,000.00	1000 HOURS @ $10 PER HOUR
Overtime		$5,000.00	
Employer's Share of FICA		$15,900.00	6.36% of Salaries and Wages
Employer's Share of Medicare		$3,725.00	1.49% of Salaries and Wages
Additional Full-Time Benefits		$77,160.00	32.15% of Full Time Regular
Total	**Personnel Services**	**$346,785.00**	
SUPPLIES			
Building Materials		$6,500.00	Paint, Lumber, Nails, Screws, Glues, etc…
Repair Parts		$6,500.00	Plumbing, Hardware, Electrical, Lighting, etc…
Small Tools & Minor Equip.		$1,500.00	Misc. and Specialty Tools
Other Maint. Supplies		$4,500.00	Lubricants, light bulbs, etc.
Safety Supplies		$1,000.00	Safety Glasses, Gloves, Harness, etc…
Other Miscellaneous		$500.00	
Total	**Supplies**	**$20,500.00**	
OTHER SERVICES & CHARGES			
Contracted Services (Maintenance & Custodial)		$0.00	Consultants for building management systems
Equipment Repairs & Maint.			
Building Repairs & Maint.		$7,500.00	Repairs for HVAC systems, elevator, floor refinishing, etc.
Radio Maintenance		$500.00	Portable radio repairs (dropped in pool, etc.)
Other Cont. Services		$0.00	
Equipment Maint. Contract		$7,500.00	Fire, HVAC, Elevators, Kitchen Equipment
Other Rental & Leases		$500.00	Tool and cleaning equipment rentals
Organization & Membership Dues		$0.00	
Staff Clothing		$1,200.00	
Internal Instruction Fees		$750.00	
External Instructional Fees		$0.00	
Total	**Other Services**	**$17,950.00**	
TOTAL EXPENSES		**$385,235.00**	

FITNESS

Pro Forma Revenues & Expenditures			
FITNESS BUDGET			
PERSONNEL SERVICES			
Fitness Supervisor		$60,000.00	
Fitness Attendants		$54,600.00	Fitness Floor Attendants (not instructors)
Overtime		$0.00	
Employer's Share of FICA		$7,288.56	6.36% of Salaries and Wages
Employer's Share of Medicare		$1,707.54	1.49% of Salaries and Wages
Additional Full-Time Benefits		$19,290.00	32.15% of Full Time Regular
Total	**Personnel Services**	**$142,886.10**	
SUPPLIES			
Linens & Towels		$2,500.00	
Safety Supplies		$1,000.00	
General Program Supplies		$2,500.00	
Other Miscellaneous		$0.00	
Total	**Supplies**	**$6,000.00**	
OTHER SERVICES & CHARGES			
Program Contractors		$35,000.00	instructors, personal trainers, etc.
Printing (Not Office Supplies)		$2,500.00	
Equipment Maint. Contract		$15,000.00	
Staff Clothing		$2,000.00	
Total	**Other Services**	**$54,500.00**	
TOTAL EXPENSES		**$203,386.10**	

INDOOR AQUATICS

Pro Forma Revenues & Expenditures			
INDOOR AQUATICS BUDGET			
PERSONNEL SERVICES			
Aquatics Supervisor		$60,000.00	
Aquatics Coordinator		$45,000.00	
Part Time		$199,060.20	
Overtime		$0.00	
Employer's Share of FICA		$19,338.23	6.36% of Salaries and Wages
Employer's Share of Medicare		$4,530.50	1.49% of Salaries and Wages
Additional Full-Time Benefits		$19,296.11	32.15% of Full Time Regular
Total	**Personnel Services**	**$347,225.03**	
SUPPLIES			
Building Materials		$1,500.00	
Repair Parts		$2,500.00	
Small Tools & Minor Equip.		$1,500.00	
Chemicals		$22,000.00	
Other Maint. Supplies		$3,000.00	
Safety Supplies		$4,250.00	
General Program Supplies		$3,000.00	
Total	**Supplies**	**$37,750.00**	
OTHER SERVICES & CHARGES			
Criminal Background Checks		$0.00	
Marketing & Promotions		$2,500.00	
Printing (Not Office Supplies)		$1,500.00	
Equipment Repairs & Maint.		$12,000.00	
Radio Maintenance		$1,000.00	
Total	**Other Services**	**$17,000.00**	
TOTAL EXPENSES		**$401,975.03**	

OUTDOOR AQUATICS

Pro Forma Revenues & Expenditures

OUTDOOR AQUATICS BUDGET

ACCOUNT TITLE		BUDGET	EXPLANATION
PERSONNEL SERVICES			
Part-time Head Lifeguard		$8,500.00	16 weeks x 40 hours/week x $12/hour
Part Time lifeguards		$200,000.00	
Part-time Event Staff		$1,000.00	100 manhours for three events
Overtime		$2,000.00	
Employer's Share of FICA		$13,451.40	6.36% of Salaries and Wages
Employer's Share of Medicare		$3,151.35	1.49% of Salaries and Wages
Total	**Personnel Services**	**$228,102.75**	
SUPPLIES			
Building Materials		$1,000.00	
Small Tools & Minor Equip.		$1,500.00	
Chemicals		$15,000.00	
Other Maint. Supplies		$3,000.00	
Safety Supplies		$2,500.00	
General Program Supplies		$11,500.00	Innertubes, other supplies
Splashpad Maintenance		$20,000.00	
Total	**Supplies**	**$54,500.00**	
OTHER SERVICES & CHARGES			
Opening and Closing Contracted Costs		$10,000.00	Spring Opening and Winterization
Marketing & Promotions		$2,500.00	
Printing (Not Office Supplies)		$2,500.00	
Equipment Repairs & Maint.		$10,000.00	
Telephone Line Charges		$150.00	
Cellular Phone Fees		$100.00	
Staff Clothing		$2,500.00	
Utilities		$40,000.00	
Refunds, Awards & Indemnities		$3,000.00	
Total	**Other Services**	**$70,750.00**	
TOTAL EXPENSES		**$353,352.75**	

RECREATION AND SENIOR PROGRAMS

Pro Forma Revenues & Expenditures RECREATION and SENIOR PROGRAMS BUDGET			
PERSONNEL SERVICES			
Program Supervisor		$60,000.00	
Senior Center Program Coordinator		$45,000.00	
Part Time		$15,000.00	
Overtime		$0.00	
Employer's Share of FICA		$7,632.00	6.36% of Salaries and Wages
Employer's Share of Medicare		$1,788.00	1.49% of Salaries and Wages
Additional Full-Time Benefits		$19,290.00	32.15% of Full Time Regular
Total	**Personnel Services**	**$148,710.00**	
SUPPLIES			
General Program Supplies - Recreation		$12,000.00	
General Program Supplies - Seniors		$12,000.00	
Total	**Supplies**	**$24,000.00**	
OTHER SERVICES & CHARGES			
Marketing & Promotions		$2,500.00	
Printing (Not Office Supplies)		$2,000.00	
Other Rental & Leases			
Staff Clothing		$1,500.00	
Refunds, Awards & Indemnities		$0.00	
Total	**Other Services**	**$6,000.00**	
TOTAL EXPENSES		**$178,710.00**	

PARTIES

Pro Forma Revenues & Expenditures PARTIES BUDGET			
PERSONNEL SERVICES			
Full Time Regular		$0.00	
Part Time		$12,480.00	Party attendants 20 hours per week; 52 weeks per year x $12 per hour
Overtime		$0.00	
Employer's Share of FICA		$793.73	6.36% of Salaries and Wages
Employer's Share of Medicare		$185.95	1.49% of Salaries and Wages
Additional Full-Time Benefits		$0.00	32.15% of Full Time Regular
Total	**Personnel Services**	**$13,459.68**	
OTHER SERVICES & CHARGES			
Marketing & Promotions		$500.00	Print ads (kids publications)
Total	**Other Services**	**$500.00**	
TOTAL EXPENSES		**$13,959.68**	

FACILITY RENTALS

Pro Forma Revenues & Expenditures			
RECREATION CENTER FACILITY RENTALS BUDGET			
PERSONNEL SERVICES			
Full Time Regular		$0.00	
Part Time		$5,000.00	P-T Buildng Rental Staff (setup/takedown)
Overtime		$0.00	
Employer's Share of FICA		$318.00	6.36% of Salaries and Wages
Employer's Share of Medicare		$74.50	1.49% of Salaries and Wages
Additional Full-Time Benefits		$0.00	32.15% of Full Time Regular
Total	**Personnel Services**	**$5,392.50**	
SUPPLIES			
Linens & Laundry		$4,000.00	
Other Miscellaneous		$1,000.00	
Total	**Supplies**	**$5,000.00**	
OTHER SERVICES & CHARGES			
Marketing & Promotions		$3,500.00	
Printing (Not Office Supplies)		$3,500.00	
Total	**Other Services**	**$7,000.00**	
TOTAL EXPENSES		**$17,392.50**	

CHILD CARE

Pro Forma Revenues & Expenditures			
CHILD CARE BUDGET			
PERSONNEL SERVICES			
Full Time Regular		$0.00	
Part Time		$20,000.00	
Overtime		$0.00	
Employer's Share of FICA		$1,272.00	6.36% of Salaries and Wages
Employer's Share of Medicare		$298.00	1.49% of Salaries and Wages
Additional Full-Time Benefits		$0.00	32.15% of Full Time Regular
Total	**Personnel Services**	**$21,570.00**	
SUPPLIES			
General Program Supplies		$1,000.00	Books, games, entertainment, etc.
Other Miscellaneous		$0.00	
Total	**Supplies**	**$1,000.00**	
TOTAL EXPENSES		**$22,570.00**	

CHAPTER NINE – FULL FINANCIAL SUMMARY AND CONCLUSION

This Business Plan demonstrates what Bedford Boys Ranch Park is capable of in programming and in revenue generation. The key is to match City Council's expectations with community values / needs and to operate the facility within the philosophy of the City Council.

The complete operations and maintenance budget including park maintenance, multigenerational center and outdoor aquatic facility operations is presented below.

Pro Forma Revenues & Expenditures
BEDFORD BOYS RANCH - FULL OPERATIONS AND MAINTENANCE BUDGET
BASELINE: REVENUES AND EXPENDITURES

Revenues	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Passes	$1,021,850.00	$1,052,505.50	$1,084,080.67	$1,116,603.08	$1,150,101.18	$1,184,604.21
Administration	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Building Maintenance	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Fitness	$11,250.00	$11,587.50	$11,935.13	$12,293.18	$12,661.97	$13,041.83
Indoor Aquatics	$168,125.00	$173,168.75	$178,363.81	$183,714.73	$189,226.17	$194,902.95
Recreation	$112,600.00	$115,978.00	$119,457.34	$123,041.06	$126,732.29	$130,534.26
Parties	$150,000.00	$154,500.00	$159,135.00	$163,909.05	$168,826.32	$173,891.11
Rentals	$61,050.00	$62,881.50	$64,767.95	$66,710.98	$68,712.31	$70,773.68
OUTDOOR Programs and Rentals	$155,850.00	$162,084.00	$168,567.36	$175,310.05	$182,322.46	$189,615.35
Child Care	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Concessions	$135,000.00	$139,050.00	$143,221.50	$147,518.15	$151,943.69	$156,502.00
Outdoor Aquatics	$186,250.00	$191,837.50	$197,592.63	$203,520.40	$209,626.02	$215,914.80
Total	$2,001,975.00	$2,063,592.75	$2,127,121.37	$2,192,620.69	$2,260,152.41	$2,329,780.21

Expenditures	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Passes	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Administration	$757,352.60	$777,648.48	$798,504.74	$819,937.22	$841,962.23	$864,596.52
Building Maintenance	$385,235.00	$396,407.55	$407,907.59	$419,744.78	$431,929.09	$444,470.77
Park Maintenance	$622,162.96	$634,606.22	$647,298.34	$660,244.31	$673,449.20	$686,918.18
Fitness	$203,386.10	$208,882.68	$214,532.06	$220,338.58	$226,306.71	$232,441.04
Indoor Aquatics	$401,975.03	$413,486.79	$425,332.94	$437,523.31	$450,068.00	$462,977.40
Recreation	$178,710.00	$183,771.30	$188,978.44	$194,335.67	$199,847.38	$205,518.07
Parties	$13,959.68	$14,373.47	$14,799.57	$15,238.36	$15,690.20	$16,155.50
Rentals	$17,392.50	$17,794.28	$18,205.70	$18,627.03	$19,058.49	$19,500.36
Child Care	$22,570.00	$23,237.10	$23,924.01	$24,631.33	$25,359.66	$26,109.62
Concessions	$67,500.00	$68,850.00	$70,227.00	$71,631.54	$73,064.17	$74,525.45
Outdoor Aquatics	$353,352.75	$362,700.83	$372,304.31	$382,170.34	$392,306.28	$402,719.72
Total	$3,023,596.62	$3,101,758.69	$3,182,014.71	$3,264,422.47	$3,349,041.41	$3,435,932.64
GENERAL FUND SUBSIDY	($1,021,621.62)	($1,038,165.94)	($1,054,893.34)	($1,071,801.78)	($1,088,889.00)	($1,106,152.43)
Total Cost Recovery	66%	67%	67%	67%	67%	68%

It is anticipated that the annual general fund subsidy for NEW Bedford Boys Ranch will decrease by $198,360 as compared to the current operations of the park and facilities as noted below.

Pro Forma Revenues & Expenditures
Bedford Boys Ranch Park and Facility - FULL Financial Summary
REVENUES AND EXPENDITURES

Revenues	**CURRENT**	**NEW**
Fees and Charges	$677,622.96	$2,001,975.00
Total Revenues	$677,622.96	$2,001,975.00
Expenditures		
Park Maintenance	$380,845.63	$622,162.96
All Facility and Pool Operations	$1,516,759.75	$2,401,433.66
Total Expenditures	$1,897,605.38	$3,023,596.62
Net Subsidy	($1,219,982.42)	($1,021,621.62)
Total Cost Recovery	36%	66%

APPENDIX A - LIFEGUARD MANAGEMENT BEST PRACTICES

DEVELOP AQUATIC FACILITY SAFETY CHECK LIST

RECOMMENDED GUARD STANDARDS:

- Position guard staff in an area where there is the least amount of glare; staff must respond to the day's changing weather conditions and position of the sun.
- Guards need to be positioned in an elevated chair or stand by the pool's edge; mobility is okay, but limit walking as it hinders scanning.
- Never guard from any standard height chair; this furniture needs to be banned on the deck as they impair proper guarding.
- Swimming lessons must have lifeguard(s) guarding the pool in addition to lesson instructor(s).

LIFE SAVING EQUIPMENT:

- Tube buoys straps worn and gathered need to always be with the guard. Keep them in hand when actively guarding.
- Blood-borne pathogen equipment such as a mask and gloves need to always be with the guard (not elsewhere).
- Spinal management equipment must be readily accessible; head pad must be secured to board.
- Statutory equipment - shepherd's pole, ring buoy, emergency summons – must accompany the lifeguard.

SWIMMING POOL:

- Slope change line needs to be on the bottom of the pool to alert swimmers and guards. They also need to be at the beginning of areas with dramatic depth changes.
- Rope and float safety line must be on the surface. The shallow side of slope change line is to be 5 feet maximum depth.
- Check pool drain covers regularly for a secure fit; both pull and push to ensure connection.

DECK AREA:

- Standing water is the number one cause of pool injuries. Squeegee as needed, resurface as necessary.
- Depth markers must be visible from in the water (on the pool or building wall) and from on the deck, sides, and ends; there must be a maximum of 2' depth differential and 25' linear distance between markers.
- Proper anchoring of pool ladders is critical; if loose, they contribute to slip and fall incidents and can cause entrapment between the ladder and the pool wall, above or below water.
- There must be GFCI protection for all electrical circuits on deck and in-service areas.
- Use off-deck storage as much as possible; any on-deck storage cannot impede movement around the pool or create potential danger for pool patrons.

OPERATIONAL PROTOCOLS:

- Emergency Action Plan must be posted where accessible to staff. Staff needs to commit these plans to memory.
- In service training is to be regular and documented (names, date, length, topics, leaders, etc.)
- Lifeguard credentials are to be on file and current; list of those expiring within the next month must be kept and noted to staff.

- Observation reports of guards must be documented by staff and/or patrons.

ENFORCE AND REINFORCE LIFEGUARD RESPONSIBILITIES

It is critical that the aquatic safety rules be constantly and consistently reviewed with staff. This needs to be done in addition to in-service trainings. These basic safety rules must be incorporated at all locations:

1. Each lifeguard is always to have a rescue tube (buoy) with them.
2. If the swimming facility has deep water of more than 5 feet in depth, a rope and float line must cross the pool. It is to be placed on the shallow side of the change in slope between the shallow and deep portions of the pool. If there is a natural or constant slope, it needs to be placed where the water becomes 5 feet deep. The distinction of separate areas must exist in both pools and open water areas.
3. If deep water (over 5 feet) exists, the lifeguard is to perform deep-water testing of all swimmers, with no exceptions. The swimmer must demonstrate at least 50 feet of acceptable crawl stroke followed immediately by 60 seconds of treading water. This test is to be competed in deep water. Qualified swimmers for deep water are to be designated using wristbands, swimming caps, marking of the shoulder with waterproof marker, or some other form of identification.
4. Each lifeguard station or position needs to be assigned a specific area or zone of responsibility. In a pool or open-water area with multiple zones, it is critical that every part of every zone, and especially the seams between the zones, be both highly visible and readily accessible to lifeguards.
    - A chart depicting each lifeguard's zone needs to be posted where they can regularly review their area of responsibility.
    - A lifeguard must employ the practice of completely and thoroughly scanning their entire area of responsibility every 10 seconds; eye movement is to be maintained to provide that coverage frequency.
    - Lifeguards are assigned the responsibility to be diligent and to pay close attention to their duties; conversing with others, reading, or performing other tasks while in rotation is not acceptable.
    - Lifeguards are to be placed around the pool so that there is no more than 20 seconds of separation from one guard to another in any given zone.
    - Lifeguard duty cycles are to be designed to ensure alert and attentive personnel, and shift changes will not cause a disturbance in the quality of protection offered to the swimmers.
5. Lifeguard staffing needs to increase to allow the guarding zones to decrease in size if water becomes turbulent.
6. If water turbulence becomes dangerous or distorts vision, or if visibility is otherwise diminished, it is advised that swimming be halted until conditions return to normal.

MANAGE LIFEGUARD VIGILANCE

Historically, the focus of lifeguarding has been all about rescue. However, in more recent years, aquatic understanding considers recognition more important than rescue. While rescue is vitally important, it goes together with recognition.

Recognition can be defined as **constant vigilance.** The practice of recognition through constant vigilance is the guarding skill that improves lifeguard effectiveness. Unfortunately, the greatest dedication and most thorough training cannot eliminate the natural human limitations that challenge every lifeguard's ability to be vigilant. About 500 to 700 children will likely drown in guarded pools each year because of the difficulty for motivated and well-trained guards to remain vigilant.

Several studies have been conducted to illustrate that human concentration on a specific activity declines over time. Measurable decreases in attention were regularly demonstrated after thirty minutes of directed behavior with some decrement noted in only fifteen minutes. Research has also shown that while alertness increases with the frequency of critical signs, it decreases with a preponderance of noncritical signals. This may explain why a larger number of aquatic tragedies occur in small flat-water pools than in crowded wave pools or on water attractions.

Other factors also adversely affect a guard's ability to be watchful such as:

- Elevated temperatures and increased humidity dull the senses and have been shown to reduce vigilance from optimal by as much as 45%.
- Sharp or loud noises can divert a guard's attention from scanning by evoking involuntary eye movement in the direction of the source of the sound. Attention grabbing noise may be beneficial for spotting a vocal swimmer in distress but is very distracting in a noisy pool or if the sound originates outside the pool area.
- Time of day is another factor to be considered. The results of a recent study showed that it took three times longer for a lifeguard to spot a submerged mannequin in the evening than it did before noon. The cause, visibility, fatigue or natural circadian rhythms is immaterial. The adverse effect must be countered.

Natural human limitations cannot be significantly altered and cannot be disregarded. However, efforts toward quality lifeguard management and training can minimize the deleterious effects of the above limitations.

KEEP ROTATIONS SHORT:

Lifeguards are not to exceed 30 minutes of active surveillance duty without assigned short concentration break. At worst, a guard requires a 10-minute break every hour. Any tasks the guard performs while not scanning need to be varied.

PRACTICE SCANNING SKILLS:

Emphasize proactive scanning with lifeguards. Use techniques like 10/10 and "The Five-Minute Scanning Strategy" to ensure attentive guarding. Accept no performance that is below desired standards. Be sure to give guards the tools they need and then require the use of those tools.

KEEP LIFEGUARDS ALERT:

Managers need to develop a practice where their presence on the pool deck can be observed. Guards need to be monitored. Monitoring takes place visually and by using observation reports. Monitoring and unannounced drills need to be used to help keep guards alert. Be diligent to catch them doing it right, and then recognize positive behavior and correct areas that need improvement. Watch for signs of fatigue and make changes as necessary. Expect exceptional performance from lifeguards. The only job while

actively lifeguarding is to keep the patrons safe. Do everything possible to keep them alert, vigilant, and well prepared for any occurrence that may arise.

DEVELOP AND IMPLEMENT A LIFEGUARD IN-SERVICE PROGRAM

All of lifeguard staff receives initial training that provides the basic information and skills required for them to perform their work assignments. In-service training is necessary to retain, improve, and allow them to employ their skills and knowledge under supervised conditions so that their performance is maximized.

It is critical that the lifeguard staff employ skills and judgment that are immediate and precise. Action or inaction may be critical to the safety of the patrons. This requires regular practice and review of both normal (i.e., scanning, rule enforcement, conflict recognition/resolution, conditioning, and other responsibilities) and emergency (i.e., CPR, first aid, water rescue, spinal injury management, etc.) skills. Proper aquatic in-service training program need to address the following principles:

1. An in-service training program is to be developed and implemented. Use well researched procedures specific to your needs. It is best to rely on tools such as **In-Service Training for Aquatic Professionals.** This system is endorsed by the National Safety Council and the American Camping Association.
2. Scheduling of in-service training needs to be frequent. Maximum recurrence of training typically takes place during the summer busy season or after an influx of new staff. Regular and consistent times need to be established so that staff can plan accordingly. It is recommended that 4 hours of in-service training be provided to each lifeguard each month. Timing and frequency will be scheduled to best fit program and curricula. In general, daily or weekly training is best, biweekly is good, and monthly is minimal.
3. Attendance must be mandatory. Lack of in-service participation needs to result in disciplinary action toward the employee. Suspension from the work rotation can be one form of discipline. Nonparticipation negatively affects the morale and cohesiveness of your staff and the safety of the patron of the swimming pool.
4. During training, use real life scenarios with human victims. While mannequins are useful for initial training of skills, a reliance on them misleads staff. It is important to become comfortable with performing skills on live subjects. Safety scenarios need to be altered and varied from one exercise to another. All trainees are required to actively participate in all training exercises.
5. Periodically, non-aquatic staff may be included in the sessions. This allows for aquatic staff to experience how non-aquatic staff members may be best utilized in the event of an emergency.
6. All training must be memorialized, and records kept for at least three years. Staff signatures, not just typed or trainer-written names on the form, are to identify attendance.

IMPLEMENT AQUATIC PERSONAL PROTECTIVE EQUIPMENT STANDARDS

Lifesaving is a trainable technique that has been refined for maximum effectiveness. Rescue techniques are employed using specific equipment. This equipment is essential to protect the user and the victim. The following equipment is not optional. It is used to ensure proper rescuer performance and provide appropriate rescuer safety.

TUBE

The tube provides the rescuer with protection and prevention from sinking. It also provides the victim with buoyancy and prevents the lifeguard from having to fully support the victim's weight.

- The tube must always be in possession of the on-duty lifeguard, no exceptions!
- The strap is to be worn by the lifeguard and gathered to prevent catching on the chair during exit.
- The tube can be used as a barrier for the lifeguard in the event of an emergency (i.e., keeps the guard in control, keeps the victim away from the lifeguard, supports four to five victims' heads above the static water line).

MASK & GLOVES

The mask protects the lifeguard from ingesting vomit or other bodily fluids. Gloves give the rescuer protection from blood borne pathogens and give the victim assurance that their rescuer will not panic and quit before the rescue is complete.

- Mask and gloves will always be with the guard, preferably in a fanny pack.
- Virtually all drowning and near drowning incidents involve bodily fluids, especially vomit, which has the potential to be expelled into the guard's mouth if they do not utilize a mask.
- The guard will not use these protective devices if they are not readily available. The fanny pack must always be worn while at the pool facility. This will ensure they are prepared if they must respond to an emergency off the pool deck.

TRAINING

Every lifeguard is required to be certified; a facility must take extra precautions into consideration.

- Conduct training that will focus specifically on Personal Protective Equipment utilization and practice.
- During training, "create" artificial body fluids using fake blood and Alka-Seltzer. This strategy will help prepare your guards to adapt to encountering this scenario.
- Regularly verify that lifeguards are properly equipped and rescue ready.

Lifeguards train and practice in closed environments, usually free of blood borne pathogens and actual drowning victims. It may be difficult to conceive of such a remote and unfamiliar danger as a blood borne pathogen, but the exposure, once experienced, has the potential to be life changing and irrevocable.

DEVELOP AND IMPLEMENT A NON-SWIMMER PROTECTION POLICY

Many aquatic facilities do not test the swimming capabilities of unknown swimmers. Frequently, tragic stories demonstrate the need to develop and implement swim test protocols. An increasing number of aquatic facilities have implemented a non-swimmer protection policy and are now successfully testing swimmers of unknown ability, especially participants of special use groups like day camps, rental groups, and birthday parties.

Following is a recommended policy for non-swimmer protection, including all children and adults that are part of an outside group (rentals, special events, birthday parties, etc.).

TEST:

Swim test to determine swimming ability. Users who do not take the test, or children under seven years old, may automatically be designated as non-swimmers.

MARK:

Clearly mark all users to identify swimming ability.

PROTECT:

Most aquatic incidents happen in shallow water (3'-5'). Protect non-swimmers, especially younger children, by restricting them to the shallow end and adding additional layers of protection.

1. The non-swimmer is actively engaged in a swim lesson or activity with staff.

2. The non-swimmer is actively supervised, within arms-reach of an adult parent or caregiver; and/or

3. The non-swimmer is wearing a properly fitted US Coast Guard approved Life Jacket.

Any change in policy and procedure may encounter difficulties in administration and implementation. Although modifications and new innovations to a policy are anticipated to overcome implementation challenges, the spirit of a policy needs to be fully implemented. A non-swimmer protection policy must always be enforced without exception. Failure to do so may put the City of Bedford “at risk” in the event of an incident. More importantly, failure to enforce this or a similar policy leaves your swimmers at risk.

SAFETY GUIDELINES FOR PATRONS WITH SPECIAL NEEDS

Under the Americans with Disabilities Act (ADA) persons with disabilities must be provided equal access and opportunity to use all the City of Bedford’s aquatic facilities. In addition to providing the necessary physical accommodations like ramps and hydro-lifts, aquatic staff must also be prepared to assist people with disabilities in normal activities and to respond appropriately in case of an emergency.

Although there are many types of disabilities, it is most important to remember that everyone is a person first. Within the recreation department, there are several scenarios in which lifeguards may be asked to work with or supervise people with disabilities; and your role will vary based on the situation, age of the person and the person’s ability to understand safety and directions.

Drop-In/Free Swim:

For a drop-in, a patron with a disability has paid the entrance fee to the multigenerational recreation facility and is coming to swim either in the lap or leisure pool. As with any other patron, as a lifeguard your role is to supervise them in the pool to make sure they are being safe and following the pool rules. Your role does not include helping patrons dress, use the restroom or transferring people in or out of wheelchairs. People needing additional support with these types of activities can bring an assistant in to the recreation facility free of charge to help them. Our pools all have water wheelchairs, accessible

entries into the pools (lifts, ramps, zero depth entry) and assistive floatation devices (life jackets, water belts, etc.). If a patron would like to use this equipment, please watch to ensure they are using it correctly.

Registered Class/Swim Lesson:

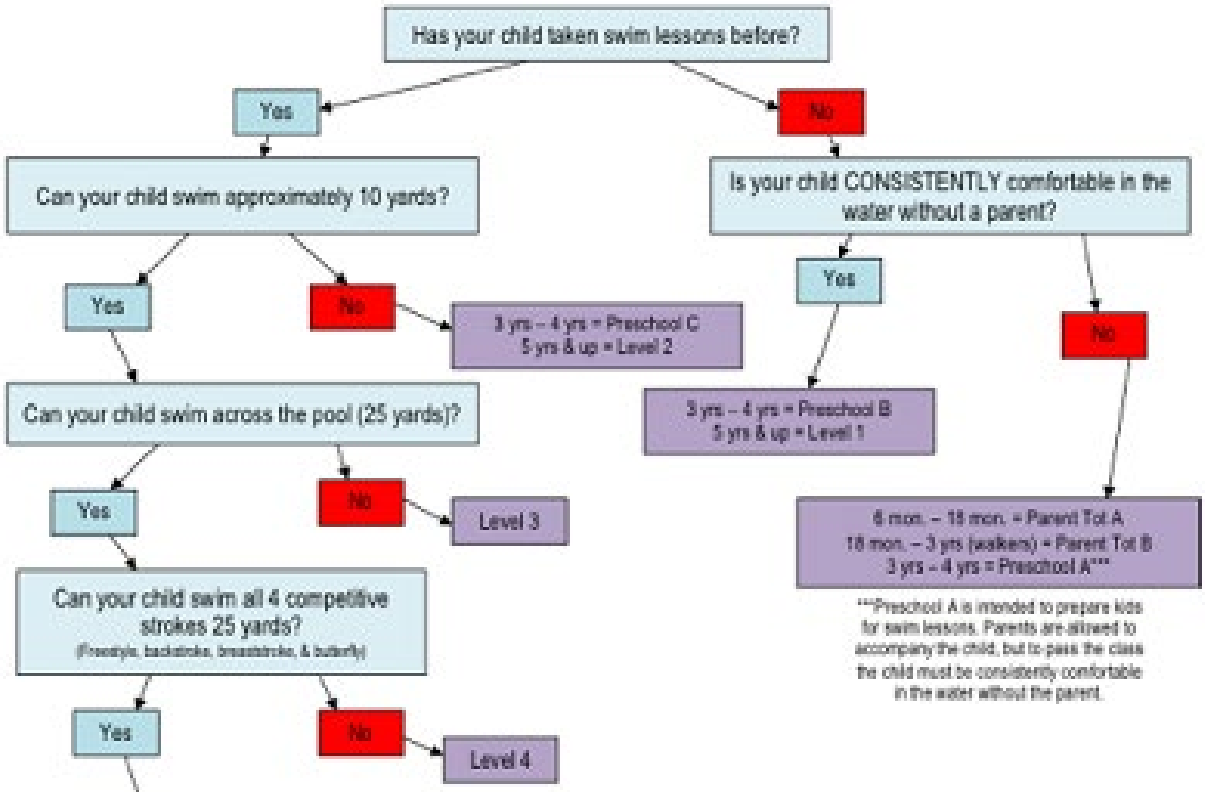
In this situation, a patron has pre-registered for a class and requested an accommodation. At this point, a staff will complete an assessment with the patron and decide upon some accommodations to help make the lesson a positive, successful experience for everyone. Accommodations may include things such as a visual schedule of the lesson plan, helping a patron transfer into or out of the pool and having an extra City of Bedford staff to assist the patron in the water. Swim instructors will be given information about the person in their class and the accommodations being made for them ahead of time. Staff who will oversee physically assisting individuals will be trained in the correct procedures to ensure they do not hurt themselves or the patron. This includes things such as transferring people in and out of wheelchairs, using adaptive aquatics equipment and assisting patrons in the rest room. Please do not attempt to physically assist someone without the proper training – both your and the patron's safety are of upmost importance!

In general, lifeguards need to:

- Recognize individuals with various challenges and communicate effectively with them.
- Be able to safely and efficiently assist each of them in case of need.
- Be proactive to prevent a potentially dangerous situation from becoming an emergency.
- Modify rescue protocols and procedures; regularly practice how to assist these patrons.
- Increase guard-to-swimmer ratios to provide adequate protection in pools that include groups of swimmers with disabilities.
- The aquatic staff must remember individuals with disabilities are people first, people who are to be treated with the same level of respect and dignity that would be afforded to any patron.

APPENDIX B – SWIM LESSON REGISTRATION PROCESS

Swim Lesson Registration



Class Title	Ages	Students : Teacher
Parent Tot A	6 mo. – 18 mo.	12 : 1
Parent Tot B	1 yr – 3 yrs	12 : 1
Preschool A	3 yrs – 5 yrs	5 : 1
Preschool B*	3 yrs – 5 yrs	6 : 1
Preschool C**	3 yrs – 5 yrs	6 : 1
Level 1*	5 & up	6 : 1
Level 2**	5 & up	6 : 1
Level 3	5 & up	8 : 1
Level 4	5 & up	8 : 1
Level 5	5 & up	8 : 1
Diving	5 & up	8 : 1

*Preschool B and Level 1 work on similar skills (age of child is the main difference)
**Preschool C and Level 2 work on similar skills (age of child is the main difference)

AGENDA

Council Agenda Background

PRESENTER: Michael Wells, City Secretary **DATE:** 08/12719

Minutes

ITEM:

Consider approval of the following City Council minutes:

a) August 8, 2019 work session
b) August 13, 2019 regular meeting

DISCUSSION:

N/A

ATTACHMENTS:

August 8, 2019 work session
August 13, 2019 regular meeting

AGENDA

Council Minutes August 8, 2019

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

The City Council of the City of Bedford, Texas, met in work session at 8:30 a.m. in the Former Library Building, 1805 L. Don Dodson, Bedford, on the 8th day of August, 2019, with the following members present:

Jim Griffin	Mayor
Michael Boyter	Council Members
Dan Cogan	
Ruth Culver	
Roger Fisher	
Amy Sabol	
Rusty Sartor	

constituting a quorum.

Staff present included:

Brian Bosshardt	City Manager
Cliff Blackwell	Assistant City Manager
Michael Wells	City Secretary
Stephanie Ayers	Human Resources Director
Chuck Carlisle	Facility Services Manager
Sean Fay	Fire Chief
Wendy Hartnett	Special Events Manager
Don Henderson	Parks Superintendent
Meg Jakubik	Strategic Services Manager
Maria Joyner	Finance Director
Brian Meaders	Deputy Police Chief
Kenny Overstreet	Public Works Director
Maria Redburn	Library Director
Bill Syblon	Development Director
Brian TenEyck	Recreation Manager
David Yancy	Information Technology Manager

CALL TO ORDER/GENERAL COMMENTS

Mayor Griffin called the meeting to order at 8:34 a.m.

WORK SESSION

1. Receive and discuss FY 2019-2020 budget overview.

City Manager Brian Bosshardt showed a video regarding the City's budget put together by the Communications Division. He stated it takes approximately $200,000 a day to operate the organization, which is $25,000 more than five years previously. He discussed the effect of the rise in taxable values and retired debt coming on the proposed budget. Positive factors on the proposed budget include no increases in worker's compensation or the Texas Municipal Retirement System (TMRS), the second year of a rate guarantee with health insurance, and an increase in sales tax. He discussed the effect of Council adopting a budget over the rollback rate two years previously. Highlights of the current budget include upgrades to Police Department

software, the hiring of the Neighborhood Services Manager position, completion of the water meter replacement, the hiring of a third school resource officer for the Buinger Center, the purchase of a new fire truck and ambulance, and roof repairs to the Old Bedford School (OBS). The proposed budget represents a 4.7 increase over the current fiscal year, and includes increased costs for contracts, the third year of the Enterprise vehicle replacement program, the public safety step plan and a three percent pay increase for all other employees; however, it does not fund the second aspect of the compensation study regarding salary compression.

Strategic Services Manager Meg Jakubik stated the budget strategy and assumptions include Council goals and their strategic plan, funding existing levels of services, employee recruitment and retention, conservative sales tax and revenue growth, and utility fee increases related to costs from the Trinity River Authority (TRA). There have been increases of one and a half to two percent in both the Consumer and Municipal Price indexes over the previous five years. She presented information on the City's gross sales tax history and stated the gross sales for the current year is projected to reach approximately $11,900,000. A comparison of taxable values shows a linear growth and double digit increases over the past few years. Based on the certified rolls, there is an 8.4 percent growth in taxable value over the previous year, and an increase in the average net taxable value of a home in Bedford from $203,194 to $220,040. A comparison of area cities shows Bedford to be in the mid-range of employees per 1,000 residents, but lowest when it comes to budget per capita.

Ms. Jakubik presented an overview of the budget. The Water/Sewer and Stormwater Funds will go into working capital, which have sufficient funding, and staff is looking at doing a utility rate study this year to ensure the funds remain self-sufficient. The budget for sewer treatment was brought more in line with where it needed to be. She stated there were increase in the Debt Service Fund based on the schedule, as well as operational transfers as the value of the system increases. The Street Improvement Economic Development (SIEDC) Fund has a planned use of fund balance, approved by the SIEDC board, in lieu of issuing debt.

Ms. Jakubik presented an overview of revenues by fund, which showed the General Fund making up approximately half, followed by the Water/ Sewer Fund. A comparison of revenues from Fiscal Year 2018 and 2019 shows increases in property tax and sales tax. She stated there are decreases in franchise fees due to recent state legislation, and in water revenue because of recent rains, but an increase in sewer revenue due to implementation of automated meters. There is a decrease in recreation fees due to the move of operations for Phase Next, and the ambulance payment program was removed due to changes in the program. There are increases in licenses and permits based on trends. There are decreases in fine revenue due the Police Department's Traffic Division being short-staffed, and the Traffic Safety Fund was removed due to the elimination of red-light cameras. There are increases in revenue from interest as well as operating transfers due to the Enterprise program being moved from the General Fund to the Equipment Replacement Fund. Funds from the SIEDC Fund are being moved to the Utility Repair Maintenance Fund for economic development projects. Ms. Jakubik presented a breakdown of expenditures by department and class across all funds, which shows that 41 percent of the overall budget is personnel, followed by debt/transfers, water purchases, contractual services and sewer treatment. A comparison of expenditures by fund from 2018 to 2019 shows changes related to the move of the Communications Division from the Tourism Fund to the General Fund and increases for parks projects and the SIEDC five-year plan.

Ms. Jakubik presented information on the General Fund. Currently, revenue is outpacing expenditures. Property taxes make up 44 percent of revenue, followed by sales taxes, franchise taxes, operating transfers, charges for services, fines and forfeitures and other miscellaneous taxes and fees. There was discussion on diversifying revenue and operating transfers. Ms. Jakubik stated 77 percent of the General Fund budget goes towards personnel, and the biggest increases in the Fund being attributable to the public safety step-plan and three percent pay increase for the other personnel. Two-thirds of expenditures is for public safety. Changes in the proposed budget

include employee compensation, increases in software maintenance, replacement of rifles and shotguns for the Police Department, an ongoing line item to replace personal protective equipment in the Fire Department, replacement of mobile data computers, the third round of the Enterprise vehicle replacement program, wellness programming and Health Savings Account contributions, trunk radio system maintenance and a frozen position in Teen Court. There was discussion on replacement of shotguns and rifles in the Police Department, including replacement plans; funding for equipment replacement needs; and the Enterprise program.

Ms. Jakubik presented information on the Debt Service Fund, including an overview of the current debt service schedule. She stated staff is proposing to issue the remaining $10,000,000 in bonds from the Phase Next project, split into taxable and tax-exempt bonds. Further, the Series 2010 general obligation bonds are available for refunding and will be included with the Phase Next bond sale, for an overall amount of $13,300,000. She presented an overview of an updated debt service schedule if the new debt issuance is approved, and annual funding requirements, which shows a downward trend.

Ms. Jakubik presented an overview of the City's enterprise funds. In the Water/Sewer Fund, revenue comes from water and sewer charges, billing late fees, other miscellaneous revenue, and interest and inspections. Expenditures come from water purchases from the TRA, sewer treatment from TRA and the City of Hurst, transfers and debt service, personnel, contractual services, supplies, maintenance and utilities. Projections from the TRA for 2020 show a cost of $3.77 per 1,000 gallons for water and $2.994 per 1,000 gallons for wastewater. She presented information on proposed water and sewer rates increases, which are tied directly to the increases from the TRA. The water volume rate would increase from $4.08 to $4.24 per 1,000 gallons, and the sewer volume rate would increase from $3.41 to $3.42 per 1,000 gallons, which would equate to an approximate increase of $2.50 on a summer month bill. Ms. Jakubik presented an overview of Stormwater Fund revenues, expenditures and rates. There was discussion on a proposed utility rate study, utility rates in other cities, past rate adjustments, the Utility Repair Fund and the positive impact of State Water Implementation Fund for Texas (SWIFT) projects on water main breaks.

Ms. Jakubik presented an overview of special revenue funds. She stated the SIEDC Fund is funded through sales tax and interest, while expenditures include contract services, debt, capital, maintenance, debt service, transfers, contingency, design and engineering, and supplies. The SIEDC Board recently recommended using $250,000 in funds for economic development incentives. Supplemental requests in the Fund include field monitoring units, a tandem dump truck, and sander replacements. She presented information on the Tourism Fund and stated due to the timing for compiling the budget and Council's decision on the OBS property, it was decided to keep the budget for the OBS whole. Changes include the Special Events assistants being moved into the tourism administration budget and the Communications Division being moved into the General Fund. There was discussion on operating transfers, a cost allocation study and the OBS budget. There was further discussion on use of the Hotel-Motel Occupancy Tax and Mr. Bosshardt stated he would meet with the City Attorney on the issue. There was discussion on BluesFest, including advertising.

Ms. Jakubik presented an overview of revenue and expenditures in several minor funds. Changes include studies being conducted in Economic Development, and projects being paid out of Beautification and the Parks Donation funds. There was discussion on upgrading the sound system in Council Chamber using the Pubic, Educational and Governmental Access Channel (PEG) Fund and the Parks and Beautification projects.

Assistant City Manager Cliff Blackwell presented information on the calculations behind the tax rate. The effective tax rate is calculated at $0.524732 per $100 valuation. He stated there is a 16.6 percent increase in senior tax ceilings this fiscal year. The rollback rate is calculated at $0.543844 per $100 valuation, and is the figure used to fund the proposed budget. There was discussion on the senior tax ceilings, sales tax for property tax relief, and the impact of the pending 3.5 percent

revenue cap on the tax rates and City operations. A comparison of the proposed tax rate and the current tax rate shows a 2.9 percent increase in the Maintenance and Operations portion of the rate, and a 12.9 percent decrease in the Interest and Sinking portion.

Ms. Jakubik presented overview of the City's tax rate history since 2010 and the overlapping tax rate, showing the City making up 23.1 percent of the rate, and the Hurst-Euless-Bedford Independent School District making up 52.4 percent. The impact of the tax rate on the average home in Bedford is an increase of $95.14 per month to $99.72 per month. If the tax rate were to remain the same, the average home would pay $103.03 per month. Ms. Jakubik presented information on the impact of the tax rates on newly qualified senior exemption properties. She stated approximately half of a resident's tax bill goes towards funding public safety.

Finance Director Maria Joyner presented a five-year forecast of the General Fund. Assumptions built into the forecast include the proposed/rollback tax rate, sales tax increases, increases in property values, no raises or service changes starting in 2021, and expense and revenue additions for Phase Next in 2023. She presented various scenarios showing the impact on revenues, expenditures and reserves based on different tax rates and assumptions. There was discussion on the public safety step plan, the Enterprise program, educating the public on the services tied to the tax rate, and maintaining the current tax rate. There was a consensus of Council to maintain the current tax rate.

Ms. Jakubik presented information on priority supplemental requests, including employee compression adjustments, a director of parks and recreation position, a purchasing coordinator position, three firefighter positions, a sergeant position, a police officer position, a public service officer position, a performance management and onboarding system, and a communications and social media specialist position. The total amount of the supplemental requests is $1,087,000 out of the General Fund. There was discussion on the impact of the addition of firefighters on Fire Department overtime; potential cost savings with the purchasing coordinator position; Police Department positions, including vacancies, the hiring process and lateral programs; the impact of addressing salary compression; and the social media specialist position. Ms. Jakubik presented information on unfunded capital items, including design work for painting and the interior coating of the Cummings elevated storage tank, and painting the Simpson Terrace elevated storage tank. There was discussion on calculating the costs of state and federal mandates, and the design of the Cummings elevated storage tank project.

Ms. Jakubik presented information on unfunded equipment, including a new EMS unit; the first round of automated external defibrillators (AED) replacement at City facilities; the first round of rescue tool replacement, extractors/dryers and a compressor for self-contained breathing apparatuses for the Fire Department; a brake lathe for the Public Works Department; and a backhoe for the Parks and Recreation Department. There was discussion regarding mandates for AED replacement; the backhoe, including its utilization and borrowing from the Public Works Department; and charging for lift assists, including that most occur at private homes as opposed to assisted-living facilities; and the requested EMS unit. Ms. Jakubik presented information on unfunded maintenance items, including HVAC replacement at Fire Station 1; drive improvements at Fire Station 3; bay door replacement, and resurfacing and replacement of flooring in Fleet Division offices at the Public Works Service Center; and roof replacement at the Law Enforcement Center (LEC). There was discussion on the roof at the LEC. Ms. Jakubik presented a timeline of the upcoming events in the budget process.

There was discussion on the costs for the supplemental requests and unfunded capital, maintenance and equipment items; the impact to homeowners of keeping the current tax rate; increasing water rates to pay for capital projects; upcoming capital projects; the amortization schedule for the SWIFT funds; and leases with cell phone companies for the use of the City's water towers.

Councilmember Fisher left the work session at approximately 12:30 p.m.

There was discussion on various scenarios in the five-year forecast, including supplemental requests and unfunded items. There was further discussion on the parks and recreation director position; the sergeant position in the Police Department to oversee their accreditation program; the impact of the new firefighter positions on overtime; the HVAC repairs at Fire Station 1; one-time maintenance and capital items; issuing debt for certain items; exceeding the current tax rate; and phasing in the compression raises.

There was discussion on setting the not-to-exceed tax rate at $0.56900 per $100 valuation and including the following items in the budget: the employee compression adjustments, the parks and recreation director position, the purchasing coordinator position, three firefighters, the Police Department sergeant and officer positions, the AED replacement, the rescue tools replacement, the compressor, flooring at the Public Works Service Center, the HVAC repairs at Fire Station 1 and the drive improvements at Fire Station 3. There was discusson on the bay door of the Public Works being paid out of the Water/Sewer Fund, possible grants for the extractors/dryers, and the drive improvement at Fire Station 3. Ms. Jakubik stated the impact of the $0.56900 tax rate to the average homeowner would be $1.31 per month more than the proposed/rollback rate. The tax bill on the average home at the proposed/rollback rate would be approximately $1,200 annually or $99.72 monthly; at the current tax rate would be approximately $1,236 annually or $103.03 monthly; and at the $0.56900 tax rate would be $1,252 annually, or $ 104.34 monthly.

2. Discuss potential utility rate changes.

This item was discussed during Ms. Jakubik's presentation.

3. Discuss wrap-up of any other budget related items.

There was discussion on rollback elections, issuing debt to pay for capital items the following budget year, and messaging to the citizens.

ADJOURNMENT

Mayor Griffin adjourned the meeting at 2:31 pm

_____
Jim Griffin, Mayor

ATTEST:

_____
Michael Wells, City Secretary

AGENDA

Council Minutes August 13, 2019

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 August, 2019 with the following members present:

Michael Boyter	Mayor Pro Tem
Dan Cogan	Council Members
Ruth Culver	
Roger Fisher	
Amy Sabol	
Rusty Sartor	

constituting a quorum.

Mayor Griffin was absent from the meeting.

Staff present included:

Brian Bosshardt	City Manager
Cliff Blackwell	Assistant City Manager
Michael Wells	City Secretary
Matt Butler	City Attorney
Stephanie Ayers	Human Resources Director
Sean Fay	Fire Chief
Natalie Foster	Public Information Officer
Jeff Gibson	Police Chief
Wendy Hartnett	Special Events Manager
Meg Jakubik	Strategic Services Manager
Maria Joyner	Finance Director
Kenny Overstreet	Public Works Director
David Smyth	Field Operations Manager
Bill Syblon	Development Director
Brian TenEyck	Recreation Manager

WORK SESSION

Mayor Pro Tem Boyter called the Work Session to order at 5:30 p.m. He wished Mayor Griffin a speedy and healthy recovery.

- **Quarterly Financial Status Report**

Strategic Services Manager Meg Jakubik gave a financial report on the third quarter of the City's fiscal year. She presented information on the General Fund, including a comparison of actual, budgeted and projected revenue and expenditures, and a comparison of revenues and expenditures from Fiscal Year 2018 and 2019. She presented information on the Water and Sewer Fund, including three-year histories of revenue and expenditures. She presented information on other funds, including Tourism, Stormwater, and the Street Improvement Economic

Development Corporation (SIEDC). There was discussion on a rebate from the Trinity River Authority and legal proceedings to collect delinquent hotel occupancy taxes. In response to questions from Council, Ms. Jakubik confirmed sales tax is tracking to exceed budget and property tax revenues are in line with projections.

- **Development of an Art and Cultural Grant Program.**

City Manager Brian Bosshardt stated a representative from ONSTAGE requested funding assistance from the City's hotel occupancy tax (HOT) funds at the Council meeting on May 14, 2019. Council was of the consensus to develop a grant program for art and cultural non-profits. Staff researched state law and reviewed other cities' grant programs, and developed the outline of guidelines for such a program. He requested input from Council regarding the entity that would oversee the application process and make recommendations to Council, which could be a City board or commission, a group of Councilmembers and staff, or an outside group. He stated approximately $75,000 was identified in the Tourism Fund for the program, which came from the move of the Communications Division to the General Fund, and funds previously granted to Arts Council Northeast. There was discussion on the criteria for the program; how programs operate in other cities; using a third party to manage the program; the size of the grants; developing a separate public art program; and creating a cultural development plan. There was a consensus of Council to earmark funds for local art and cultural programs. There was discussion on the next steps for developing the program; painting the City's utility boxes; using the funds for multiple purposes; earmarking a percentage of HOT funds instead of a set amount; and the role of the Cultural Commission, including oversight of public art. A majority of Council were in favor of the grant program being managed in-house. There was further discussion on Council representation on the entity overseeing the program.

Mayor Pro Tem Boyter adjourned the Work Session at 6:18 p.m.

REGULAR SESSION

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

CALL TO ORDER/GENERAL COMMENTS

Mayor Pro Tem Boyter called the meeting to order. He stated Item #11 was pulled from the agenda.

INVOCATION (Jim Pack, CityLife Church DFW)

Jim Pack with CityLife Church DFW 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 reported on upcoming events, including the Bedford Blues and BBQ Festival from August 30 through September 1, 2019. She stated City offices will be closed on September 2, 2019 for Labor Day, and September is Library Card Sign-up Month.

OPEN FORUM

Tom Jacobsen, 1632 Bedfordshire Street, Bedford – Mr. Jacobsen, chairperson of the Cultural Commission, signed up to speak on Item # 6. He discussed the arts making people feel good and being an economic engine to benefit communities. He stated the Commission is concerned that if nothing dramatic is done by Council, ONSTAGE and the Trinity Arts Guild (TAG) might disappear or go elsewhere because of the Phase Next construction. He suggested helping the non-profits through economic redevelopment, diverting HOT funds towards the non-profits, developing new art facilities in parallel with Phase Next, and using a citizen task force to look at properties and developing ideas.

Josh Santillan, 3120 Meadow Wood, Bedford – Mr. Santillan signed up to speak on Item #6. He discussed TAG, which is currently located at the Boys Ranch in the Arts Council Northeast Building. He stated they needed to be kept under consideration and he feared they would be overlooked during the Phase Next project.

Patty Jasper, 657 Lakeside, Bedford – Ms. Jasper with TAG stated they are concerned about where they will be placed in the interim and that it is difficult for them to perceive having to pay a full retail rent and storage as a non-profit. She stated they are an integral part of the community and it would be a shame to see them disband or move out of Bedford. She discussed their art programs.

CONSIDER APPROVAL OF ITEMS BY CONSENT

City Manager Brian Bosshardt presented an overview of items on the consent agenda.

Motioned by Councilmember Fisher, seconded by Councilmember Sartor, to approve the following items by consent: 1, 2, 3, 4 and 5.

Motion approved 6-0-0. Mayor Pro Tem Boyter declared the motion carried.

1. **Consider approval of the following City Council minutes:**
   a) July 9, 2019 regular meeting
   b) July 23, 2019 work session
   c) July 23, 2019 joint work session

This item was approved by consent.

2. **Call a public hearing on the proposed FY 2019-2020 budget to be held on August 27, 2019 at 6:30 p.m. in the City Hall Council Chambers.**

This item was approved by consent.

3. **Receive the 2019 Ad Valorem Tax Roll from the Tarrant Appraisal District as certified by the Chief Appraiser Jeff Law.**

This item was approved by consent.

4. **Receive the certified anticipated collection rate from the Tarrant County Tax Assessor Collector for the City of Bedford, Texas.**

This item was approved by consent.

5. **Consider a resolution authorizing the City Manager to enter into a contract with Wendy Burgess, Tarrant County Tax Assessor-Collector and Tarrant County, for the**

assessment and collection services of ad valorem taxes levied by the City of Bedford; and providing an effective date.

This item was approved by consent.

PERSONS TO BE HEARD

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

a) Tom Culbert, 1925 Charleston Drive, Bedford, Texas 76022 - Request to speak to Council regarding the Senior Center.

Mr. Culbert was not in attendance at the meeting.

b) Carol Berry, 2309 Mesquite Court West, Bedford, Texas 76021 - Request to speak to Council regarding senior housing.

Carol Berry, 2309 Mesquite Court West, Bedford, Texas 76021 – Ms. Berry stated on behalf of senior citizens, she would like to see better and more affordable housing in the City, such as a small scale one or two-bedroom townhouse. She has done research and spoken to seniors regarding this matter, who agree with her.

c) Mike Hathaway, 2821 Forest Ridge Drive, Bedford, Texas 76021 - Request to speak to Council regarding the future of ONSTAGE.

Mike Hathaway, 2821 Forest Ridge Drive, Bedford, Texas 76021 – Mr. Hathaway with ONSTAGE stated he was asked what it would take to modify the auditorium at the OBS to produce shows. He presented the results of a survey put on their Facebook page and email newsletter, which showed most of the 86 respondents felt the Old Bedford School (OBS) is a historically valued building but should be repurposed for whatever the City sees fit, followed by those that felt it should continue to remain a historic building. He stated most respondents, including non-Bedford residents, know where the OBS is located. Regarding renovating the OBS for the arts center, most respondents said Council should examine any location that fits within the announced budget. He discussed plans to temporarily house the Senior Center at the OBS during the Phase Next construction and stated it could not be renovated while its being used. He presented an overview of additional comments that were made on the survey.

Mr. Hathaway recommended that during the construction, the Senior Center be moved to the downstairs of the OBS, and the upstairs be renovated and made exclusive for ONSTAGE. After construction, it could then be opened to other arts groups. The arts center could be built behind and connected to the OBS. After the arts center opens, the downstairs could be modified for rehearsal and box office space. He presented an overview of the renovations needed for the OBS for ONSTAGE. He proposed ONSTAGE pay $12,000 a year in rent including utilities, which could be paid from a HOT funds grant, and that they produce a summer musical using HOT funds. He discussed the new Coppell Arts Center as an example of an arts center. He asked Council to make a decision as ONSTAGE is running out of time. He stated they do not have the money to rent their own space and will not survive, and without a major commitment from the City, they will not be able to obtain grant funds from anybody else.

COUNCIL RECOGNITION

7. Employee Service Recognition

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

John Ripley, Police Department - 35 years of service
Clifford Box, Fire Department - 25 years of service
Noel Scott, Police Department - 15 years of service
Jason Richer, Police Department - 15 years of service
Christopher Conner, Fire Department - 15 years of service

8. Consider a resolution authorizing the Beautification Commission to recognize Brown Trail Animal Hospital and Pizza Hut as recipients of the Business Recognition Award and 876 Lee Drive and 61 Coffee Tavern Road as recipients of the Residential Recognition Award, for maintaining, improving, and /or keeping their property visually attractive to the community.

Beautification Commission Chairperson Marty Geer presented information on the awards. The awards will be presented on August 24, 2019 starting at 10:00 a.m.

Motioned by Councilmember Sabol, seconded by Councilmember Cogan, to approve a resolution authorizing the Beautification Commission to recognize Brown Trail Animal Hospital and Pizza Hut as recipients of the Business Recognition Award and 876 Lee Drive and 61 Coffee Tavern Road as recipients of the Residential Recognition Award, for maintaining, improving, and /or keeping their property visually attractive to the community.

Motion approved 6-0-0. Mayor Pro Tem Boyter declared the motion carried.

OLD BUSINESS

9. Public hearing and consider an ordinance to amend the City of Bedford Zoning Ordinance Number 2275, specific to Section 5.13.A., Clothing Donation Containers; declaring that this ordinance be cumulative of all other ordinances; providing for a severability clause; providing for a penalty clause; and declaring an effective date. This item tabled at the July 9, 2019 regular Council meeting. (PZ-ZONING AMEND-2019-50044)

Council convened into Executive Session pursuant to Section 551.071(2), consultation with the City Attorney on matters in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code to discuss this item at 7:31 p.m.

Council reconvened from Executive Session at 8:13 p.m. Any necessary action to be taken as a result of the Executive Session will occur during the Regular Session.

Mayor Pro Tem Boyter opened the public hearing at 8:15 p.m.

Nobody chose to speak during the public hearing.

Mayor Pro Tem Boyter closed the public hearing at 8:15 p.m.

Motioned by Councilmember Culver, seconded by Councilmember Sabol, to table an ordinance to amend the City of Bedford Zoning Ordinance Number 2275, specific to Section 5.13.A., Clothing Donation Containers; declaring that this ordinance be cumulative of all other ordinances;

providing for a severability clause; providing for a penalty clause; and declaring an effective date. (PZ-ZONING AMEND-2019-50044)

Motion approved 6-0-0. Mayor Pro Tem Boyter declared the motion carried.

10. Discussion and possible action regarding median curb painting in the City of Bedford. This item tabled at the July 9, 2019 regular Council meeting. **This item requested by Councilmembers Boyter and Cogan.

Councilmember Cogan stated this item came from discussions with a concerned resident and is not meant as a criticism of what the City is currently doing, but that it is beneficial to look at what is currently being done to see if it can be improved. He presented examples of painted median curbs in Hurst and stated he has seen examples in many other cities in the metroplex, and that it is primarily a safety issue. Public Works Director Kenny Overstreet stated the City does not paint the medians because they would have to be repainted every two years and it is not required in the uniform traffic control manuals. Staff received a quote for approximately $8,000 to paint the medians on Harwood Road to the City limits. He stated another option is to use reflective triangles at a cost of $3,000 to $4,000, which would last ten years. In response to questions from Council, he stated staff does not intend to paint the medians, but there are reflective materials installed at certain intersections in the City. There was discussion on the names of streets being painted on the curbs, different options for reflective materials, opportunities to improve safety, and bringing this item to the Street Improvement Economic Development Corporation board.

NEW BUSINESS

11. Public hearing and consider a resolution approving a site plan for Lot 14, Block 4, Loma Verde Addition located at 2105 El Campo Street, Bedford, Texas, allowing Lynette Baptiste with Sylvan Meadows HCS LLC to operate a community home specific to Section 3.2.C.1.n of the City of Bedford Zoning Ordinance. The property is zoned Planned Unit Development (PUD). The subject property is generally located south of El Campo Street and west of Loma Verde Drive. (PZ-SP-2019-50021)

This item was pulled from the agenda.

12. Consider a proposed tax rate and set two public hearings on the proposed tax rate, if required.

Ms. Jakubik presented information regarding this item, which is to set the maximum tax rate the Council would consider on September 10, 2019. She stated the effective tax rate is $0.524732 per $100 valuation. The rollback rate is $0.543844 per $100 valuation and was used to calculate the revenue in the proposed budget. The current tax rate is $0.561862 per $100 valuation. Two public hearings on the tax rate will be held on August 27 and September 3, 2019 in the Council Chambers.

Mayor Pro Tem Boyter discussed the state of the City's finances and changes in budgetary needs over time; projected budget deficits; increases in costs to hire and retain employees, and conduct business; the increased draw on emergency services and the impact of the senior tax freeze on revenue; the impact of increased traffic and crime on Police services; the impact of the City's history of lowering taxes and limiting City services; the impact of state legislation on the budget; economic cost stability in the budget; new approaches to economic development to create new sources of revenue; and the City's strategic plan.

Motioned by Mayor Pro Tem Boyter, seconded by Councilmember Sabol, to consider a tax rate of $0.569 per $100 assessed valuation to be voted on the September 10, 2019 agenda, and schedule a public hearing to discuss the tax rate on Tuesday, August 27, 2019 at 6:30 p.m. at Bedford City Hall and a second public hearing to discuss the tax rate on Tuesday, September 3, 2019 at 6:30 p.m. at Bedford City Hall.

Motion approved 6-0-0. Mayor Pro Tem Boyter declared the motion carried.

13. Consider a resolution authorizing the City Manager to enter into an agreement with AETNA for the City's employee dental benefits effective October 1, 2019.

Andrew Weegar with HUB, the City's benefits consultant, stated request for proposals were only issued for dental insurance, as the other line of the benefits were in rate guarantees. He presented an overview and strategy for the City's benefits. The City offers three health plans through Cigna, and during the previous year's renewal process, a two-year rate guarantee was secured. Plan design changes were implemented to align benefits with municipal benchmarks and contributions were made to employees' Health Savings Account to drive migration to the less expensive high-deductible health plans. City funding is 82.6 of total healthcare spent, which is line with benchmarks. The City contracted with Texas Health Resources for the employee health clinic. Mr. Weegar presented an overview of the City's medical plans and stated through May, the loss ratio between claims and premiums was 59 percent. The loss ratio for dental was at 100 percent and therefore, an increase in cost was anticipated. Aetna's proposal came in at a four percent increase, along with a two-year rate guarantee and a $17,000 premium credit. The increase from Cigna was seven percent and therefore, staff is recommending contracting with Aetna. He stated Cigna will provide a wellness program at no additional charge, which will be rolled out on October 1, 2019. He presented an overview of other benefits offered by the City. There was discussion on the premium credit offered by Aetna and the trend in medical insurance rates.

Motioned by Councilmember Sartor, seconded by Councilmember Culver, to approve a resolution authorizing the City Manager to enter into an agreement with AETNA for the City's employee dental benefits effective October 1, 2019.

Motion approved 6-0-0. Mayor Pro Tem Boyter declared the motion carried.

14. Consider a resolution authorizing the City Manager to enter into a professional services agreement with Schrickel Rollins/PSC, in the amount of $43,500 for the design of the 45th Year Community Development Block Grant (CDBG) Bedford Court East Paving Improvements (Brown Trail to Hurst City Limits) project.

Public Works Director Kenny Overstreet presented information regarding this item. He stated the City can file for a grant from Tarrant County Community Development every two years. The City's project for Bedford Court East was approved by the Tarrant County Commissioner's Court for up to $155,000. The County had three engineering firms from which the City could select to do the project's design work, and staff is recommending Schrickel Rollins, who has done work for the City previously. The road work will consist of replacing the old asphalt with six inches of concrete, and replacing the curbs and gutters. In response to questions from Council, Mr. Overstreet stated he hoped to have everything submitted to the CDBG board by October.

Motioned by Councilmember Fisher, seconded by Councilmember Culver, to approve a resolution authorizing the City Manager to enter into a professional services agreement with Schrickel Rollins/PSC, in the amount of $43,500 for the design of the 45th Year Community Development Block Grant (CDBG) Bedford Court East Paving Improvements (Brown Trail to Hurst City Limits) project.

Motion approved 6-0-0. Mayor Pro Tem Boyter declared the motion carried.

15. Consider a resolution authorizing the City of Bedford Public Works Department to submit a detailed application for grant funding through the 2019 Transportation Alternatives and Safe Routes to School Program call for projects.

Mr. Overstreet presented information regarding this item. He stated staff was notified in April about the opportunity to seek zero-match funding for safe routes to school. Staff submitted a preliminary application to the Texas Department of Transportation (TxDOT) and received notification that they would like the City to submit a formalized application packet, which requires Council's approval. Several locations in the City were identified to add sidewalks and handicap ramps, as well as to connect sidewalks and trail extensions. Field Operations Manager David Smyth stated the City initially applied for approximately $847,000 in grant funding, which was reduced to approximately $645,000 as the application process was refined. He stated low-to-moderate income areas would get preference. He presented an overview of the locations being recommended by staff for the program. There was discussion on the City's previous application for the program, including why it was not approved; the application process; the reasons the project locations were chosen by staff; and safer crosswalks discussed by the SIEDC board.

Motioned by Councilmember Cogan, seconded by Councilmember Sartor, to approve a resolution authorizing the City of Bedford Public Works Department to submit a detailed application for grant funding through the 2019 Transportation Alternatives and Safe Routes to School Program call for projects.

Motion approved 6-0-0. Mayor Pro Tem Boyter declared the motion carried.

16. Mayor/Council Member Reports

Councilmember Sartor praised the Fire Department's C-Shift at Fire Station 1, with whom he recently spent time, and stated the City is blessed to have their professionalism.

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

✓ **Animal Shelter Advisory Board**

Councilmember Fisher reported the "Clear the Shelter" event will be held during the weekend at the Animal Shelter.

✓ **Beautification Commission**

Mayor Pro Tem Boyter reported the Commission continues to challenge themselves to have a bigger impact in the City.

✓ **Community Affairs Commission**

No report was given.

✓ **Cultural Commission**

No report was given.

✓ **Library Advisory Board**

No report was given.

✓ **Parks and Recreation Board**

No report was given.

✓ **Teen Court Advisory Board**

No report was given.

18. City Manager/Staff Reports

Mr. Bosshardt stated there were issues with a mill and overlay project on Mayfair Hill Courts due to a subgrade failure; however, the contractor completed the work that day. Moving forward, Public Works will perform core sampling before starting any mill and overlay work. In response to questions from Council, Mr. Overstreet stated in the past, the City did not want to pay to haul off old materials, which were instead milled to the middle of the road and then paved over. He discussed core sampling, the Fugro street rating assessment, and upcoming road projects.

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

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

ADJOURNMENT

Mayor Pro Tem Boyter adjourned the meeting at 9:12 p.m.

_____
Jim Griffin, Mayor

ATTEST:

_____
Michael Wells, City Secretary

AGENDA

Council Agenda Background

PRESENTER: Jeff Gibson, Police Chief **DATE:** 08/27/19

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

ITEM:

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

City Attorney Review: Yes

SUMMARY:

The Police Department provides meals to all individuals held at the Bedford Detention Facility, including those detained by Immigration and Customs Enforcement (ICE). This item is to enter into a four-year contract with Scobee Foods, Inc. to provide those meals.

BACKGROUND:

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

Prisoner meals consist of three meals per day (breakfast, lunch and dinner), which combined must meet a minimum of 2,400 calories, per ICE contract guidelines. To simplify the feeding process, all individuals housed at the Bedford Detention Facility are provided the same meals.

The Police Department published a Request for Bid in the Fort Worth Star-Telegram on June 12, 2019 and June 19, 2019, for those interested in contracting with the City to provide prisoner meals. Two bid submissions were received and, based upon prior performance and submitting the lowest bid, staff is recommending the contract be awarded to Scobee Food Services, Inc. The contract would be for a term of four years.

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

A portion of the revenues received through the ICE contract offsets the costs incurred with providing meals to ICE detainees.

RECOMMENDATION:

Staff recommends the following motion:

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

FISCAL IMPACT:

Approximately $35,000 per year paid out of Prisoner Care in the Detention Services budget.

ATTACHMENTS:

Resolution
Contract
Bid Pricing

AGENDA

RESOLUTION NO. 19-

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

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

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

WHEREAS, the Police Department published a Request for Bid in the Fort Worth Star-Telegram on June 12, 2019 and June 19, 2019; and,

WHEREAS, based upon prior performance and submitting the lowest bid, the City Council of Bedford, Texas has determined the contract for providing prisoner meals to those held at the Detention Facility be awarded to Scobee Food Services, Inc.

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 incorporated herein.**

SECTION 2. **That the City Manager is hereby authorized to enter a four-year contract with Scobee Foods, Inc., for the purchase of prisoner meals for the Detention Facility.**

PRESENTED AND PASSED this 27th day of August 2019, 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

STANDARD FORM OF AGREEMENT
BETWEEN THE CITY OF BEDFORD AND CONTRACTOR

THIS AGREEMENT is dated as of the _____ day of _____ in the year 2019 by and between the City of Bedford (hereinafter called OWNER) and

SCOBEE FOODS, INC.

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

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

Article 1. PROJECT SCOPE

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

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

Article 2. CONTRACT TIME.

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

Article 3. CONTRACT PRICE.

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

Article 4. PAYMENT PROCEDURES.

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

Article 5. CONTRACTOR'S REPRESENTATIONS.

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

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

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

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

Article 6. MISCELLANEOUS.

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

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

6.3. TERMS AND TERMINATION: The contract shall be for a 4-year term, expiring on August 31, 2023. OWNER may terminate the Contract by giving CONTRACTOR a **ten-day notice** in writing. Upon delivery of such notice by OWNER to CONTRACTOR, CONTRACTOR shall discontinue all services in connection with the performance of the Contract and shall proceed to cancel promptly all existing orders and contracts insofar as such orders or contracts are chargeable to this Contract. As soon as practicable after receipt of notice of termination, CONTRACTOR shall submit a statement, showing in detail the services performed under this Contract to the date of termination. OWNER shall then pay CONTRACTOR that portion of the prescribed charges which the services performed under this Contract bear to the total services called for under this Contract less such payments on account of the charges as have been previously made.

6.4. SUBCONTRACTING:

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

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

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

Article 7. GOVERNING LAWS, VENUE.

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

Article 8. CONTRACT DOCUMENTS.

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

8.1 CONTRACTOR'S Service Quotation

Article 9. INDEMNIFICATION.

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

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

on the _____ day of _____, 2019.

OWNER:

CITY OF BEDFORD
2000 FOREST RIDGE DRIVE
BEDFORD, TEXAS 76021

_____
By: Brian D. Bosshardt, City Manager

CONTRACTOR:

Scobee Foods, Inc.
1812 Corinth Street
Dallas, Texas 75215

_____
By: Steve Scobee
(214)421-0898

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

Approved as to Form and Legality this _____ day of _____2019.

_____
City Attorney

CONTRACTOR'S Seal (if incorporated)

AGENDA

QUALITY SCOBEE FOODS SINCE 1955 FAST 'N FRESH DELI sandwiches 60th ANNIVERSARY 1955 - 2015

6/28/2019

EXHIBIT A

City of Bedford Quote for Prisoner Meals
Bid # 2019-6

Breakfast			
	Mrs. Bairds Honey Bun	$0.79	
	Breakfast on a Bun, Sausage, Egg & Cheese	$1.48	
Lunch			
	Monster Turkey & Swiss Sandwich	$1.72	
	Frito Lay Potato Chips 104/1oz. Bags	$37.99	$.365/bag
Dinner			
	Charbroil with Cheese	$1.90	
	Grandma's Chocolate Chip Cookies, 2 pack	$0.49	

AGENDA

	BIDDERS			
	Summit Food Service, LLC Sioux Falls, SD		Scobee Foods, Inc. Dallas, TX	
	ITEM DESCRIPTION:	COST:	ITEM DESCRIPTION:	COST:
BREAKFAST	Red Peaks Frozen Breakfast Meal and Associated Cold Pack	$4.99	Sausage/Egg/Cheese Breakfast on a Bun, Mrs. Baird's Honey Bun	$2.27
LUNCH	Red Peaks Frozen Lunch Meal and Associated Cold Pack	$4.99	Monster Turkey & Swiss Sandwich, 1oz Lay's Chips	$2.09
DINNER	Red Peaks Frozen Dinner and Associated Cold Pack	$4.99	Charbroil Hamburger w/Cheese, Grandma's Chocolate Chip Cookie (2pk)	$2.39
			BID WINNER	

AGENDA

Council Agenda Background

PRESENTER: Stephanie Ayers, Human Resource Director **DATE:** 08/27/19

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

ITEM:

Consider a resolution authorizing the City Manager to amend the agreement with Texas Health Resources for the City's employee health clinic benefits effective September 1, 2019.

City Attorney Review: N/A

SUMMARY:

This item is to renew the City's contract with Texas Health Resources for employee health clinic benefits.

BACKGROUND:

During last year's benefit renewal, the City contracted with Texas Health Resources (THR) to replace the Kaner Clinic with four Texas Health Resource clinics. Positive feedback was received from employees on the new clinics and their physicians, and Texas Health Resources has agreed to continue their services at the same rate agreed upon for last year.

Cost for the clinics is:

- Employee only - $20.00 per month
- Spouse - $11.00 per month
- Children - $6.00 per month

The City pays for one child and the cost for additional children is passed on to the employee.

- 2 children @ $3/pay period - 48 employees - $72.00 per year
- 3 children @ $6/pay period - 12 employees - $144 per year
- 4 children @ $9/pay period - 7 employees - $216 per year

Currently, there are four clinic locations:

- Two in Bedford
- One in Keller
- One in Saginaw

Services the clinics provide are:

- 100% coverage for preventative care visits;
- $40 patient co-pay for participants for urgent and primary care services;
- Patient Portal scheduling;
- Monthly de-identified utilization reporting;
- Non-City covered participants billed through their insurance, no balance billing; and,
- Dedicated Service Team.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to amend the agreement with Texas Health Resources for the City's employee health clinic benefits effective September 1, 2019.

FISCAL IMPACT:

The proposed budget for 2019/2020 will include funding for the health clinics.

ATTACHMENTS:

Resolution
Original Agreement
Amendment

AGENDA

RESOLUTION NO. 19-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND THE AGREEMENT WITH TEXAS HEALTH RESOURCES FOR THE CITY'S EMPLOYEE HEALTH CLINIC BENEFITS EFFECTIVE SEPTEMBER 1, 2019.

WHEREAS, the City of Bedford provides four health clinics for all eligible employees; and,

WHEREAS, the current contract for the health clinics with Texas Health Resources will expire on August 31, 2019; and,

WHEREAS, the City Council of Bedford, Texas has determined that Texas Health Resources should provide the City's employee clinic.

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 authorize the City Manager to amend the agreement with Texas Health Resources to provide employee health clinic benefits for the period of September 1, 2019 to August 31, 2020.**

PRESENTED AND PASSED this 27th day of August 2019 by a vote of __ ayes, __ nays and __ abstentions, at a special meeting of the City Council of the City of Bedford, Texas.

_____
Jim Griffin, Mayor

ATTEST:

_____
Michael Wells, City Secretary

AGENDA

Services Agreement
By and Between
Texas Health Physicians Group
And
City of Bedford, Texas

This Services Agreement (the "Agreement") is made and entered into this 31 day of July, 2018, to be effective as of September 1, 2018 ("Effective Date"), by and between the City of Bedford, Texas ("City"), a municipal corporation in Tarrant County, Texas, and Texas Health Physicians Group ("THPG"), a Texas non-profit corporation certified by the Texas Medical Board pursuant to Section 162.001, Texas Occupations Code and wholly owned subsidiary of Texas Health Resources. The parties will collectively be referred to as "Parties".

RECITALS

THPG is a physician organization which employs primary care physicians and mid-level providers licensed in Texas to provide outpatient and primary care to its patients ("Providers"). City is in need of a clinic for its employees, spouses and eligible dependents to be located in the City area.

A. THPG desires to have its providers and affiliates available to perform certain clinical services for the City employees and their eligible dependents as more particularly defined and described herein, at THPG clinics as provided herein.

B. City desires to obtain the professional services of THPG for the performance of certain clinical services for its employees and their families to provide quality care to be accessible in close proximity to the City ("Services") at the THPG Clinic ("Clinic") identified; and to promote efficient delivery of Services to City employees and eligible dependents through referral to THPG clinics, including specialists if needed.

C. The Parties agree that the services provided as of the Effective Date to the City by THPG providers and subcontractors, which shall include City employees and their eligible dependents (the individual City employee or dependents (over age two) are referred to as "Patients" within the Agreement), to be provided by THPG by appointment only at its Clinic. These Services are more specifically described in **Exhibit A**, which is incorporated herein in their entirety, and shall be subject to the terms and conditions contained herein and the Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, mutual covenants and agreements hereinafter contained and other good and valuable consideration the receipt and the sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I
PROVISION OF SERVICES

1.1 <u>THPG Responsibilities:</u>

(a) THPG shall provide the outlined Services as described in **Exhibit A** to this agreement, along with the personnel necessary to perform such Services, for City employees and eligible dependents ("Patients") at the following THPG owned and operated medical clinics ("Clinics") currently located at (1) AIM Midcities, 1924 Forest Ridge, Ste. B, Bedford, TX 76021, (2) Midcities Family Care, 3024 State Highway 121, Bedford, TX 76021 and (3) Cornerstone Family & Sports Medicine, 100 Bourland Road, Ste. 170, Keller, TX 76248, and (4) Texas Health Family Care-Hayden Lewis, M.D., 612 E. Bailey Boswell Rd., Ste. 200, Saginaw, TX 76131, during established normal hours of business operation for each location, except for legal holidays. The operating hours may be revised as mutually agreed to by the parties.

(b) Specifically, THPG shall make available physicians, advanced practice registered nurses, or licensed physician assistants to provide Services to Patients during the Clinic's established business hours of operation. Additionally, Patients requiring follow up with a specialist will be provided access to the THPG Patient Navigator program to facilitate referral of Patients to the specialist as determined necessary by the THPG clinic provider.

(c) THPG shall provide the above qualified providers along with administrative staff to provide the Services contemplated in this Agreement. Such providers will diagnose and treat Patients based on the needs and symptoms of the patients, or provide referrals as necessary to include specialists and lab services not provided by the Clinic.

(d) At the sole, independent discretion of the THPG Provider in their medical opinion, a patient may be referred to an emergency room, specialist, or hospital of their choice for those medical conditions that are more serious or severe than can be treated by the Clinic, or are beyond the abilities of THPG providers. THPG will make every effort to see patients in a timely manner, and will provide scheduling so that patients may call for appointments whenever possible.

(e) THPG shall provide professional and comprehensive general liability insurance covering THPG and its employees in the minimum amount of $1,000,000 per claim and $3,000,000 per aggregate claim for one occurrence. THPG shall be solely responsible for the salaries, benefits, and taxes for its employees, and scheduling of its own employees to staff the Clinic.

1.2 Standards of Provider Performance: THPG and its employees and subcontractors shall be obligated to perform its Services with the following provisions:

(a) The Providers shall determine treatment as determined by their own means and methods of providing Services in connection with and as required in the Agreement. Recommendations/Referrals for additional medical care not covered by this Agreement shall be presented to the Patient and it is the Patient's responsibility to accept or reject this medical advice.

(b) The Providers are to comply with all applicable laws and regulations with respect to the licensing and the regulation of Providers.

(c) The Providers are to provide professional services and render care to patients in accordance with appropriate standards and ethics of the medical profession, the prevailing community standards of care, the policies and procedures of the medical practice established by THPG, and local laws and regulations in the specialty of Family Practice / Internal Medicine.

(d) The Providers will not refuse to see or treat any Patient presenting at the clinics of THPG on the grounds of race, color, national origin, ancestry, religion, sex, sexual preference, marital status, age, or disability; and

(e) THPG will deliver services and maintain accurate and complete medical records as required by law or by any governmental entity; and

(f) THPG shall maintain during the term of the Agreement for all Providers, appropriate credentials including a duly issued and active license to practice medicine in the state of Texas without limitation or restriction.

(g) Notwithstanding anything to the contrary in this Agreement, THPG and its employees reserve the right to refuse to see or treat any Patient at any time for abusive behavior by the patient or by parties accompanying the patient, Patient's failure to comply with directions regarding care, or any other

like circumstance. THPG will report any such refusals to treat Patients to the City health benefits program administrator, as allowed by law.

1.3 Scheduling of Services: Services are provided at the Clinic as described above in Section 1.1. Patients of the City must make an appointment for the receipt of Services. City will encourage and promote employees and their eligible dependents (Patients) to make an appointment to allow THPG adequate time to arrange necessary resources and minimizes waiting time.

1.4 Billing/Collection/Charges for Services of THPG:

(a) THPG will charge City a monthly fee of $20 per employee, $11 per employee spouse, and $6 per employee child. Additionally, Health Savings Account (HSA) Patients only will be charged a co-pay of $40.00 per clinic visit which will be due and payable at the time of service. THPG will not bill the City health plan payer for those Services performed under this Agreement as outlined in **Exhibit A**. Immunizations and Annual Physicals will be billed to City's health insurance payer.

(b) THPG will provide the City with a de-identified summary of patient services provided on a monthly basis, if requested. City will be responsible for providing THPG a monthly list of eligible employees, for verification by THPG at time of services rendered, and is responsible for compensating THPG for THPG provided services as provided in Section 1.9 below for the Services provided under this Agreement. The monthly compensation payments to THPG shall be due and payable on the 5th day of each month, and shall be sent to THPG, Attn: Finance Dept., 9229 LBJ Freeway, Dallas, Texas 75243.

(c) THPG will not provide occupational health, pre-employment health screening, or worker's compensation treatment. THPG will not charge the Patients for the use of its Patient Navigator program, but will charge any reasonable and customary patient fees to the Patients for other providers' patient care that the navigator refers the patient to, as allowed by the Patient's insurance payer.

1.5 Hold Harmless: THPG hereby agrees that in no event, including, but not limited to: (i) non-payment by the City; (ii) or breach of this Agreement, shall THPG or any Provider assigned to the Clinic bill, charge, collect a deposit from, seek compensation, remuneration, or reimbursement from, or have any recourse against Patient for Services provided pursuant to the Agreement.

1.6 Medical Records: THPG will be responsible to provide the Epic electronic medical records system to be used at Clinic during the term of this Agreement. THPG will be responsible as custodian of the Clinic patient records and will maintain all health information as defined in the Health Insurance Portability and Accountability Act (HIPAA) as confidential and shall not disclose such health information to any third party, or use such health information for commercial advantage, or personal gain, or for any reason not permitted by HIPAA. All obligations of THPG to maintain confidentiality of health information shall survive termination of the Agreement indefinitely. THPG shall remain the medical records custodian of any patient records and City will not be provided access to such records except as allowed by law. City understands that the medical records maintained will be held in strictest confidence and that they will not be entitled to have access to these records other than in the form of monthly de-identifiable, aggregate reports used by the City for the purpose of tracking the utilization data usage of services provided.

1.7 Voluntary Participation: It is understood and agreed that participation by Patients shall be on a voluntary basis. Patients shall not be forced, coerced or required to utilize any services under this Agreement.

1.8 Facilities and Equipment: THPG will be solely responsible for providing the necessary medical lease space, facilities and equipment necessary for THPG to provide the professional services covered by this Agreement at the locations provided above only, in accordance with federal, state, and local laws and

standards, to include telephones, and parking.

ARTICLE II
CITY OBLIGATIONS

2.1 Marketing: City is solely responsible for publicizing/informing Patients of the Services provided by the Agreement to the City, to include Clinic hours of operation, clinic visit charges, and the Services provided by THPG.

2.2 Administration: City will provide THPG with a current City employee (including dependents) roster each month to allow for accuracy and verification of Services provided to Patients. Notwithstanding the above, the City may supplement its employment roster at any time during the month.

ARTICLE III
TERM AND TERMINATION

3.1 Term: This Agreement shall be for a term of one (1) year commencing on September 1, 2018 ("Term"). Upon written notice, the commencement date may be revised without further amendment to this Agreement due to construction delays in buildout of the Clinic space.

3.2 Termination: After the first year of the Term, either party may terminate this agreement, with or without cause, at any time upon ninety (90) days' written notice to the other party.

3.3 Effect of Expiration or Termination: The expiration or the termination of the Agreement shall not affect the obligation of the City to pay compensation to THPG for any outstanding invoices that are due and owing for the period prior to such expiration and for the expenses related to the facility lease (rent and utilities) as provided in Section 1.8 if the agreement is terminated by City. THPG will be responsible for any continuing patient care required that extends beyond the termination date.

ARTICLE IV
MISCELLANEOUS

4.1 Notice: Notices provided for in this Agreement shall be in writing, and shall be deemed to have been duly received when delivered in person or sent by facsimile transmission or on the first business day after it is sent by air express courier service, or on the second business day following deposit in the United States registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to THPG:
Texas Health Physicians Group
Attn: President
612 E. Lamar, Suite 500
Arlington, Texas, 76011

With a copy to:
Legal Department
Texas Health Resources
612 E. Lamar Blvd., Suite 900
Arlington, Texas 76011
Attention: General Counsel

If to City:
City of Bedford, Texas
Human Resources Department
2000 Forest Ridge
Bedford, TX 76021

Either party may change its address for purposes of notice by providing notice of such change of address to the other party hereto in writing at the address listed above. Unless and until such written notice is received, the last addresses and addressee stated by written notice or provided herein if no written notice of change has been sent or received, shall be deemed to continue in effect for all purposes hereunder.

4.2 Transferability: Neither the City nor THPG may assign nor otherwise transfer the Agreement to a third party without the prior written consent of the other party, which may be given or withheld by the other party in its sole discretion.

4.3 Severability: The invalidity or unenforceability of any one or more of the particular provisions of the Agreement shall not affect the validity or enforceability of the other provisions hereof, and in the event one or more provisions contained herein shall be invalid as a result of any value, price, period of time, area or scope of activities set forth in any provision hereof, such value, price, period of time, area or scope shall be considered to be adjusted to a value, price, period, area, or scope which would cure such invalidity.

4.4 Headings: Captions and headings are set forth herein for convenience only and shall not be used in construing the Agreement.

4.5 Entire Agreement: The Agreement constitutes the entire understanding of the parties and supersedes all prior negotiations and agreements between the parties, both oral and written.

4.6 No Waiver: No waiver of a breach of any provision of this Agreement shall be construed to be a waiver of another breach of that provision or of any breach of any other provision. No delay in acting with regard to any breach of any provision of the Agreement by either party shall be construed to be a waiver of such breach.

4.7 Mediation: The parties hereby expressly agree that any controversy or claim relating to the Agreement, including the construction, enforcement or application of the terms hereof, shall first be submitted to non-binding mediation in Tarrant County, Texas. The parties to the Agreement shall attempt to select a mutually agreeable mediator within thirty (30) days of filing a notice of controversy or claim. If there is no mutual agreement on the mediator within thirty (30) days of one party notifying the other party of a controversy or claim, then this shall allow the notifying party to proceed with any and all legal remedies which include, but shall not be limited to, the seeking of injunctive relief, filing of any lawsuit(s) or any other legal relief. If, however, the parties mutually agree to the selection of a mediator within said thirty (30) day period, such mediation shall be concluded within sixty (60) days of the initial notice of controversy or claim. The cost of the mediation shall be born equally by the parties. Each party shall be responsible for their own attorneys' fees and cost.

4.8 Governing Law: The Agreement shall be governed by and construed in accordance with the laws of the State of Texas. The parties hereto agree that any dispute over the Agreement shall be litigated in the courts of Tarrant County, Texas.

4.9 Successors: The Agreement shall be binding upon and inure only to the benefit of, and be enforceable against, the parties hereto and their respective successors and assigns.

4.10 Counterparts: The Agreement may be executed in two or more counterparts and in separate counterpart, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.11 Relationship of the Parties/ Professional Judgment: It is expressly acknowledged by the parties that THPG is an independent contractor to City. Nothing in this Agreement is intended nor shall be

construed to create an employer/employee relationship, a joint venture, a lease or landlord/tenant relationship, ostensible agency, or to allow City to exercise control or direction over the manner or method by which THPG or its Providers perform the Services that are the subject of this Agreement; provided always that the Services to be provided hereunder by THPG shall be provided in a manner consistent with the prevailing standards in the community governing such Services and the provisions of this Agreement. In the performance of all services pursuant to this Agreement, THPG is at all times acting as an independent contractor engaged in the profession and group practice of medicine. THPG shall employ Providers who shall exercise their own professional judgment in the performance of Services to a patient, and, except as expressly provided in this Agreement, City shall have no right of control or direction with respect to such means, methods, or judgments, or with respect to the details of Services involving clinical judgment.

4.12 Board Approval: City, being a governmental entity that operates on an annual budget funded by taxpayer dollars, may terminate this agreement if the board of trustees in a majority vote does not appropriate funds for the continuance of services. By signature below, City affirms that the City board of trustees has provided written approval of this Agreement, and that City represents and warrants that this Agreement has been duly authorized by all necessary parties and constitutes a legal and binding obligation of City.

4.13 Governmental Immunity: Nothing in this Agreement expressed or implied is intended, or shall be construed to waive City's governmental immunities.

4.14 Code of Conduct: THPG employees and subcontractor employees shall comply with industry standards of conduct for healthcare providers to include policies for personal conduct. THPG has a policy that its employees will not use alcohol or tobacco at any assigned work location.

4.15 Force Majeure. For purposes of this Agreement, a "Force Majeure" shall mean and include any event or cause beyond either parties' reasonable control (including, but not limited to fire, flood, explosions, weather, damage by third parties, whether negligently or intentionally caused, strikes, work stoppages, picketing, lockouts and/or any other concerted action by any employees or any labor organization, acts of God or other casualties, the laws or actions of any governmental authority, or any other event or cause that is beyond the reasonable control of either party) as a result of which, at any time and from time to time during the Term, prevents either party from performing their respective obligations under this Agreement.

SIGNATURE PAGE TO FOLLOW

AGENDA

IN WITNESS WHEREOF, the City and THPG have executed and delivered this Agreement as of the date first above written.

CITY OF BEDFORD, TEXAS

By: _____

Authorized Representative: Brian D. Bosshardt

Title: City Manager

Attestation: _____

City Secretary for City of Bedford, Texas

TEXAS HEALTH PHYSICIANS GROUP:

By: Shawn Parsley, D.O
EF2A538B83D2483...

Name: Shawn Parsley, D.O., President and

Chief Operating Officer

DS JS DS kB DS JP

EXHIBIT A

LIST OF SERVICES

The following items are representative (but not inclusive) of the Services provided by appointment only (no children under age 2):

Abdominal Pain
Abrasion
Back Pain
Bronchitis
Cold
Constipation
Contusion
Cough
Dermatitis
Diarrhea
Dizziness
Ear Ache
Elevated Blood Pressure
Headache
Hearing Loss
Heartburn
Hives
Influenza
Joint Pain
Minor Laceration
Minor Injury Care (non work-related)
Muscle Spasm
Muscle Strain
Nausea
Neck Pain
Nose Bleed
Painful Urination/UTI
Palpitations
Rash
Sciatica
Shortness of Breath
Sore Throat
Sprain/Strain
Tendinitis
Tonsillitis
Wheezing

Miscellaneous:

- Laboratory will be limited to onsite quick tests including flu test, strep screens, etc.; and other tests specifically performed by the THPG Laboratory. Any additional labs, not performed by THPG Laboratory, will be sent to Quest Labs, as needed, and will be billed to the patient's insurance provider. All Radiology (not included; patients will be referred to Envision Imaging)
- Access to MyChart patient portal (included in professional services provided)
- Online appointment scheduling through MyChart (included in professional services provided)
- Patient Navigator

AGENDA

Amendment Number: 2019-1 Execution Date:

AMENDMENT

TO

SERVICES AGREEMENT

City of Bedford, Texas

This Amendment Number 2019-1 (the "**Amendment**") is made between Texas Health Physicians Group, a Texas nonprofit corporation certified by the Texas Medical Board pursuant to §162.001(b), Texas Occupations Code ("**THPG**") and City of Bedford, Texas ("**City**"). This Amendment shall be effective as of September 1, 2019 (the "**Amendment Effective Date**").

1. Background. City and THPG are parties to that certain Services Agreement dated July 31, 2018, as amended (the "**Agreement**"). The parties have agreed to amend the Agreement as set forth below. In consideration of the mutual execution of this Amendment, the parties agree as follows. Capitalized terms used in this Amendment and not otherwise defined have the meaning set forth in the Agreement.

2. Term Amendment. As of the Amendment Effective Date, Section 3.1 shall be amended to extend the Term an additional twelve (12) months for a total of two (2) years commencing on September 1, 2018.

3. Effect of Amendment. To the extent the terms of this Amendment in any way conflict with or are otherwise inconsistent with the terms of the Agreement or any previously-executed amendment(s), the terms of this Amendment shall govern and control. All remaining provisions of the Agreement shall remain in full force and effect.

4. Term of Amendment. This Amendment shall remain in effect as long as the Agreement is in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Agreement on the Execution Date (identified above).

CITY OF BEDFORD, TEXAS:	TEXAS HEALTH PHYSICIANS GROUP
_____	By:_____
Brian D. Bosshardt, City Manager	Shawn Parsley, D.O., President

AGENDA

Council Agenda Background

PRESENTER: See below **DATE:** 08/27/19

Persons to be Heard

ITEM:

a) Stephen Thornton, 13187 Thornton Drive, Westlake, Texas 76262 – Requests to speak to Council regarding the use of the Old Bedford School and a couple of churches in Bedford equipped to house the displaced citizens from the Bedford Boys Ranch.

DISCUSSION:

N/A

ATTACHMENTS:

Letter of Request

AGENDA

Jacobs, Amanda

From: Wells, Michael
Sent: Wednesday, August 21, 2019 10:34 AM
To: Jacobs, Amanda
Subject: FW: Request to speak at August 27th meeting

--
Michael Wells
Office: 817-952-2104

From: Stephen Thornton [redacted]
Sent: Wednesday, August 21, 2019 10:30 AM
To: Wells, Michael <Michael.Wells@bedfordtx.gov>
Subject: Request to speak at August 27th meeting

EXTERNAL SENDER

Dear Mr. Wells,

I would like to request to speak at the next Bedford City Council meeting on August 27, 2019. I will be discussing possibilities for use of the Old Bedford School and a couple of churches in Bedford equipt to house the displaced citizens from the Bedford Boys Ranch.

If you need to contact me soon, please text or call my phone number. Thank you.

Sincerely, Stephen

Stephen Thornton
13187 Thornton Drive
Westlake TX 76262
[redacted]
(817) 995-9647

--

Regards,
Stephen Thornton
[redacted]

AGENDA

Council Agenda Background

PRESENTER: Jeff Gibson, Police Chief
Bill Syblon, Development Director

DATE: 08/27/19

Council Recognition

ITEM:

Employee Service Recognition

DISCUSSION:

The following employees have completed a service period and are eligible for recognition:

Melissa Briggs	Community Development	20 years
Deidre Spears	Police Department	10 years
Leslie Preuss	Police Department	10 years

ATTACHMENTS:

N/A

AGENDA

Council Agenda Background

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

DATE: 08/27/19

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

ITEM:

Public hearing on the annual budget for the City of Bedford, Texas for the fiscal period of October 1, 2019 through September 30, 2020; levying taxes for 2019 tax year.

City Attorney Review: N/A

SUMMARY:

As part of the budget process, the City Charter requires a public hearing to be held prior to adoption. The public hearing was called at the August 13, 2019 City Council meeting and a notice published in the newspaper.

BACKGROUND:

Article IV, Section 4.06 of the City Charter states that "At the time advertised or at any time to which such a public hearing shall be adjourned, the council shall hold a public hearing on the budget as submitted, at which time all interested persons shall be given an opportunity to be heard for or against the estimates or any item therein. After the conclusion of the public hearing, the council may make such changes, if any, in the budget as in their judgment the law warrants and the best interests of the taxpayers of the city demand. The budget, as amended, shall then be adopted by ordinance which shall also fix the property tax rate per one hundred dollars ($100.00) assessed value, which shall apply to the current tax year."

In accordance with the requirements in the City Charter, the budget for the City of Bedford, as compiled by the City Manager, has been submitted. On August 13, 2019, the City Council called for a public hearing to be held on August 27, 2017 to receive public comments on the budget.

Exhibit A to this agenda item reflects a summary of the budget as presented. The 2019-2020 Proposed Budget included an ad valorem tax of $0.543844 per $100 valuation. The maximum rate being considered by the City Council is $0.569000 per $100 valuation.

Upon conclusion of the public hearing, staff will be prepared to answer questions and provide additional information as needed.

RECOMMENDATION:

Staff recommends the following motion:

Hold a public hearing to receive citizen comments on the proposed budget for FY2019-2020.

FISCAL IMPACT:

N/A

ATTACHMENTS:

PowerPoint Presentation
Exhibit A: Summary of Revenue and Expenditures by Fund

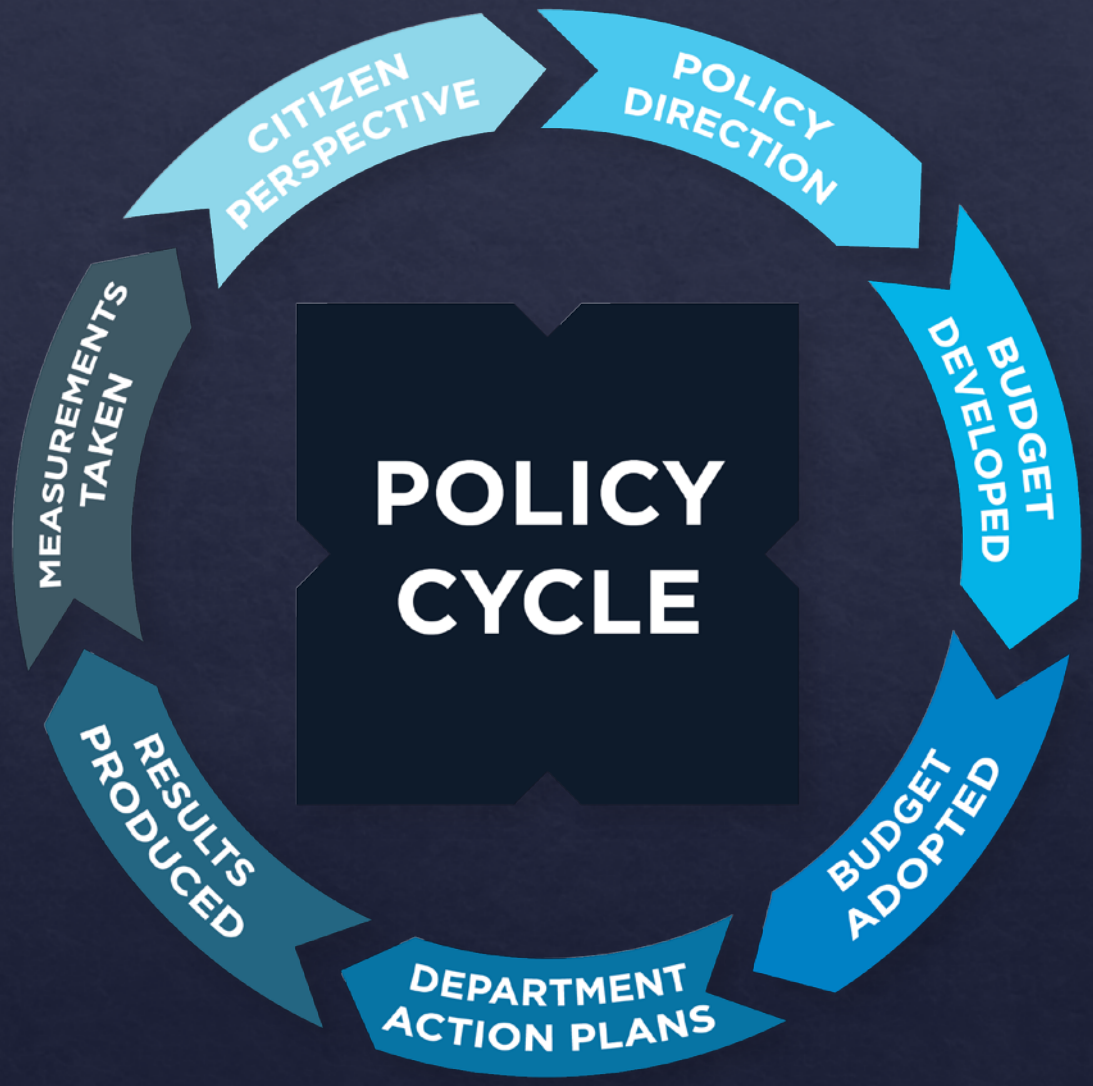
AGENDA

FY 2019-20
Budget Public Hearing

August 27, 2019

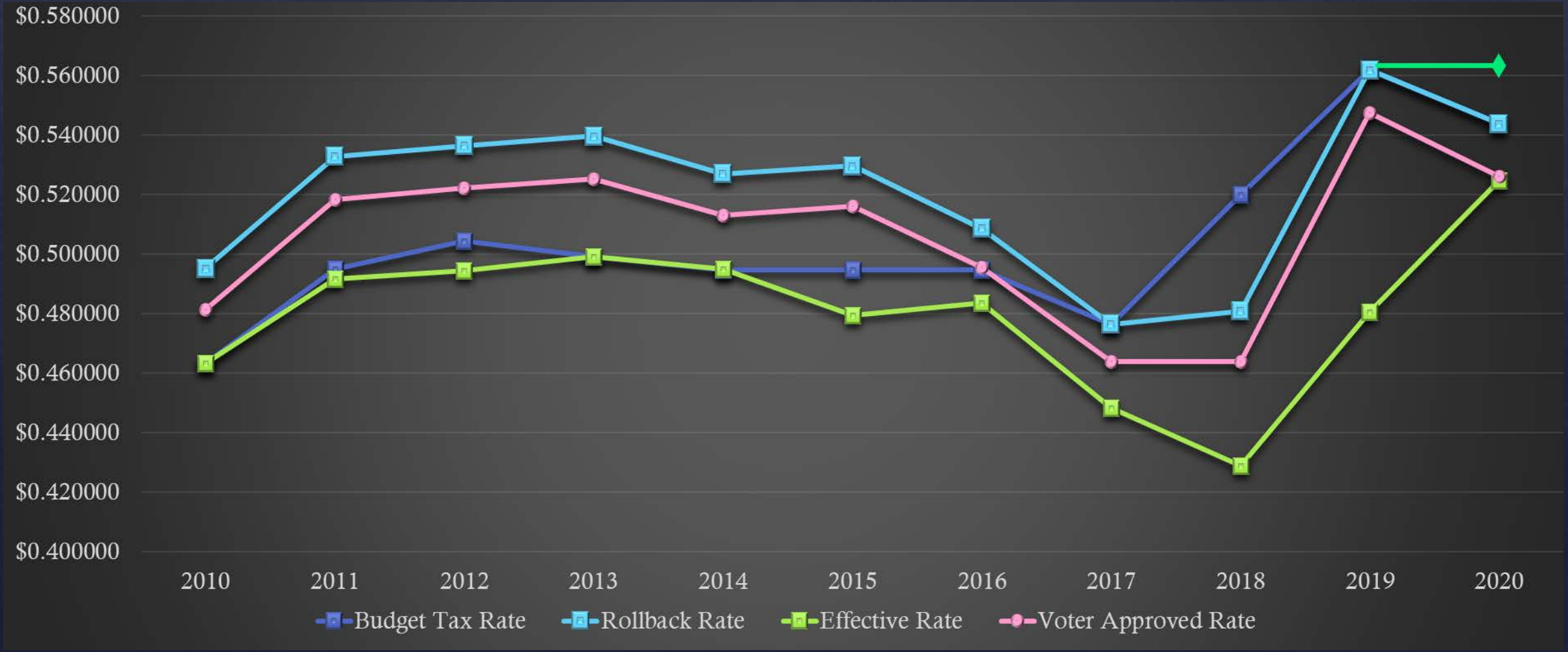
AGENDA

ANNUAL BUDGET PROCESS



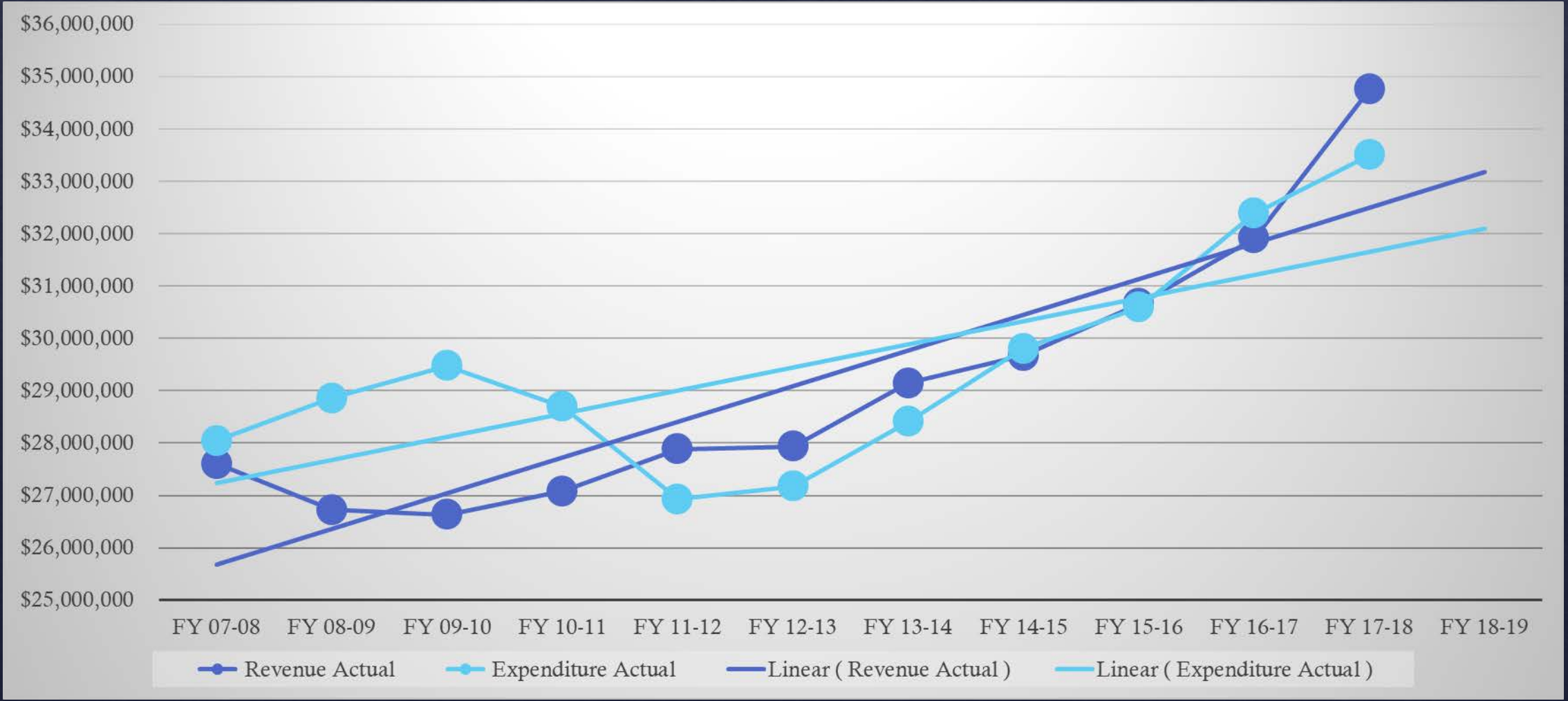
AGENDA

TAX RATE HISTORY



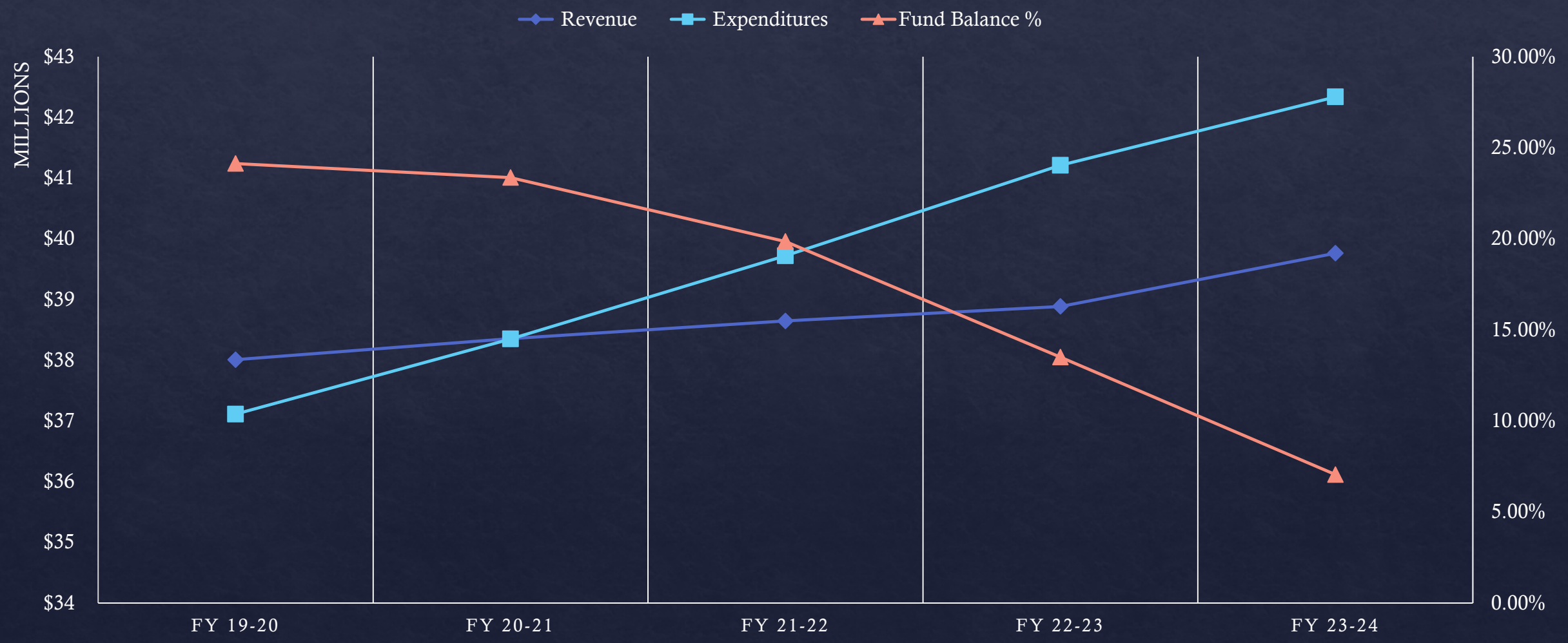
AGENDA

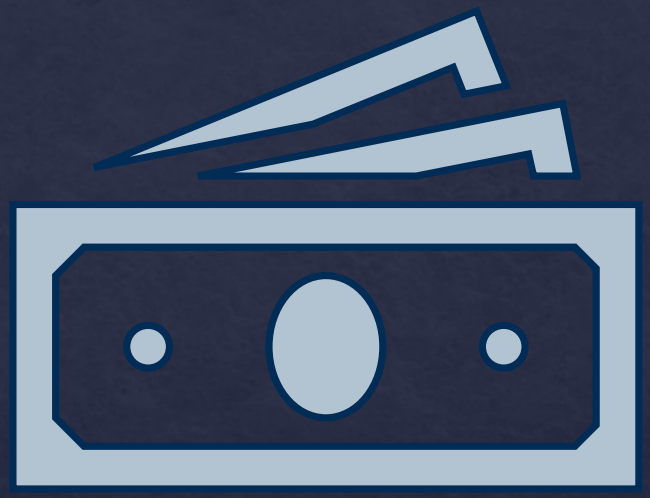
GENERAL FUND
REVENUE & EXPENSE TREND



AGENDA

FIVE YEAR FORECAST





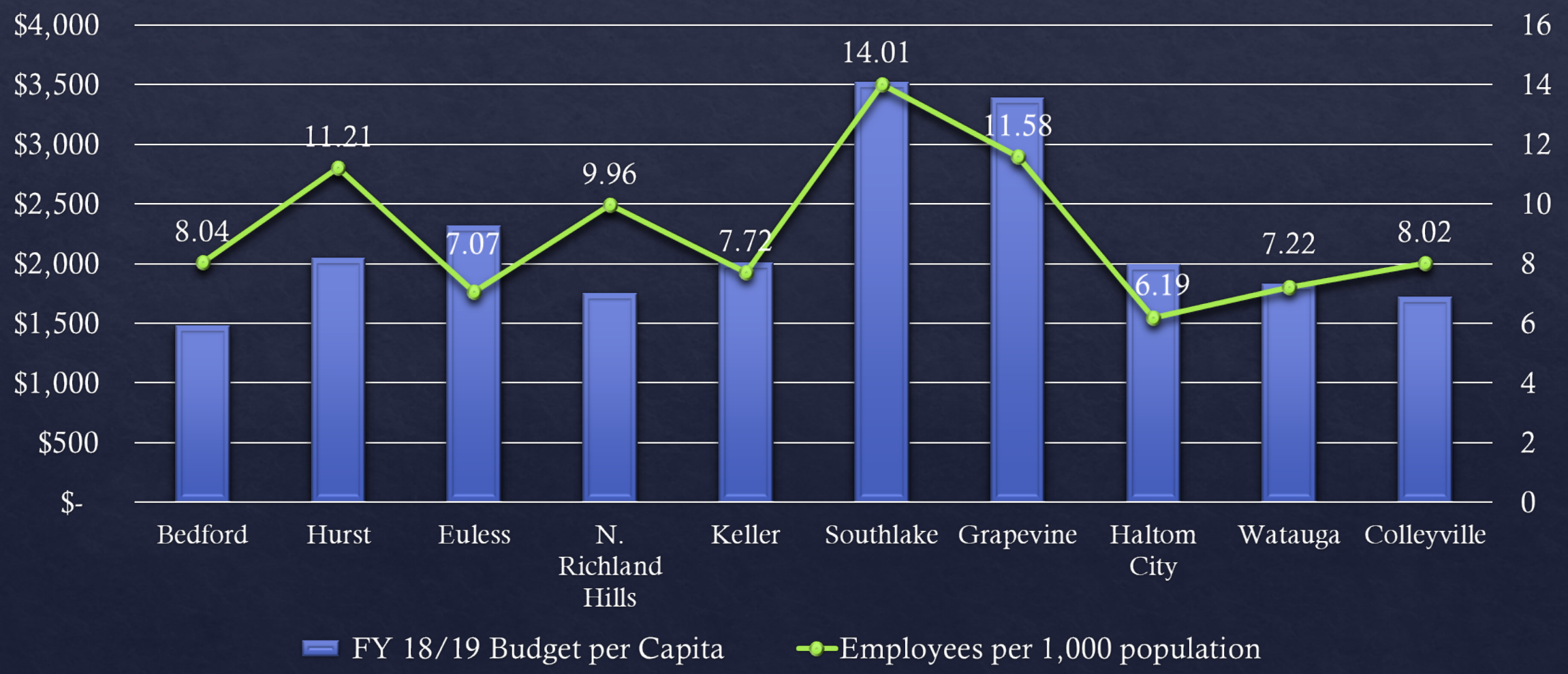
ECONOMIC CONDITIONS & FINANCIAL OVERVIEW

CONSUMER PRICE INDEX (CPI) VS. MUNICIPAL COST INDEX (MCI)

Type	2015	2016	2017	2018	2019	Average
MCI % Change	-0.6%	0.9%	3.1%	3.4%	0.7%	1.75%
CPI % Change	0.2%	1.3%	2.1%	2.4%	0.9%	1.56%

AGENDA

AREA PER CAPTIA COMPARISONS



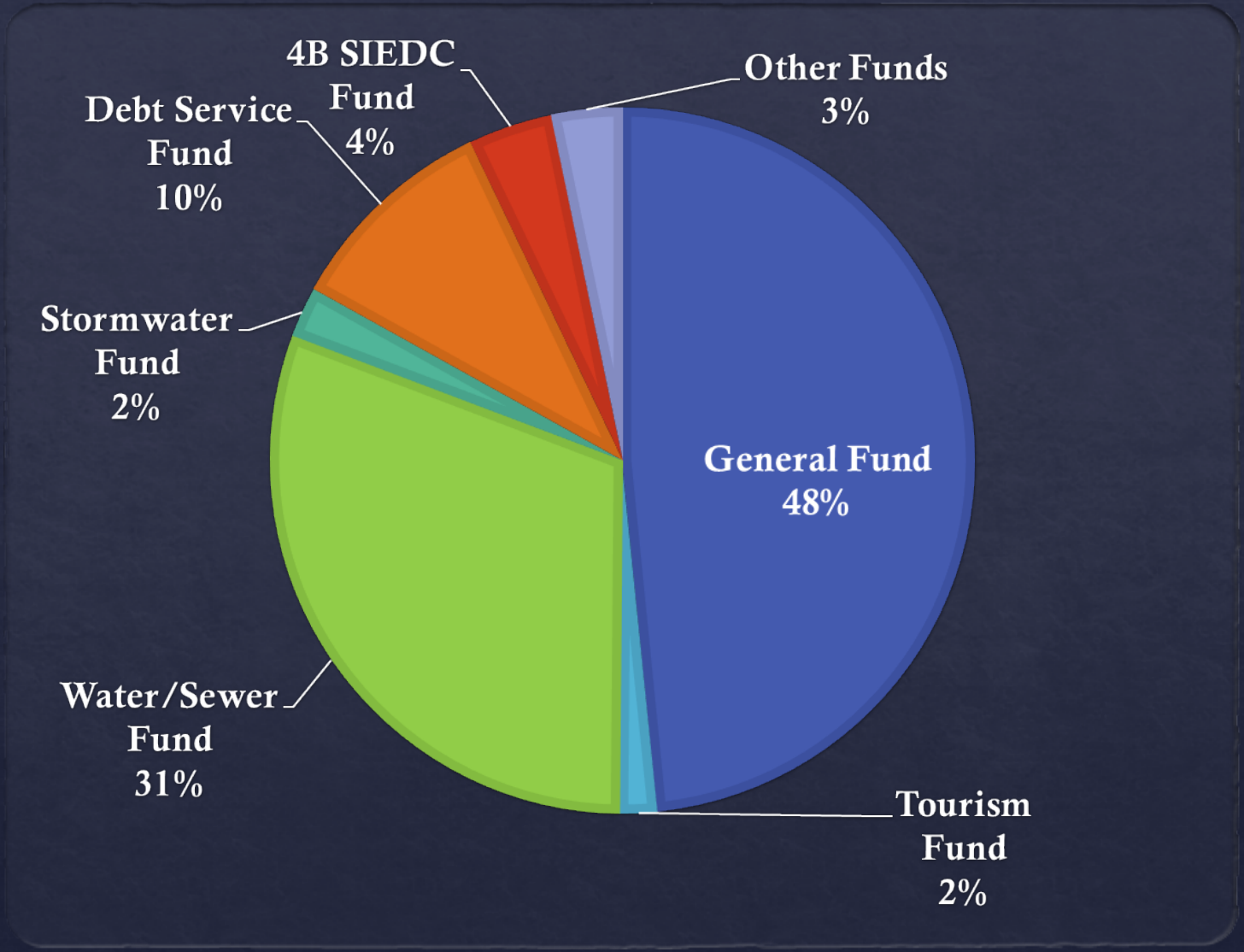
AGENDA

SALES TAX HISTORY

MONTH	COMPARE TO AVG	2019	2018	2017	2016	2015
OCT	19.18%	**907,339**	784,758	778,942	1,250,879	1,108,689
NOV	13.33%	**848,716**	827,365	748,102	1,065,636	967,598
DEC	6.60%	**1,154,946**	1,091,668	1,071,462	1,398,372	1,372,667
JAN	15.11%	**891,065**	776,941	809,763	1,075,348	913,363
FEB	13.73%	**793,534**	769,496	658,878	1,195,716	899,053
MAR	12.80%	**1,195,192**	1,092,526	1,027,607	1,416,636	1,269,372
APR	14.57%	**923,586**	841,738	788,052	1,102,469	1,040,689
MAY	9.38%	**936,034**	924,726	840,262	813,001	991,289
JUN		-	1,082,679	986,746	1,039,571	1,296,091
JUL		-	858,542	803,485	788,908	1,162,523
AUG		-	952,569	832,844	815,261	1,215,000
SEPT		-	1,091,932	1,027,032	976,107	1,466,118
TOTAL		**7,650,413**	**11,094,941**	**10,373,174**	**12,937,903**	**13,702,453**

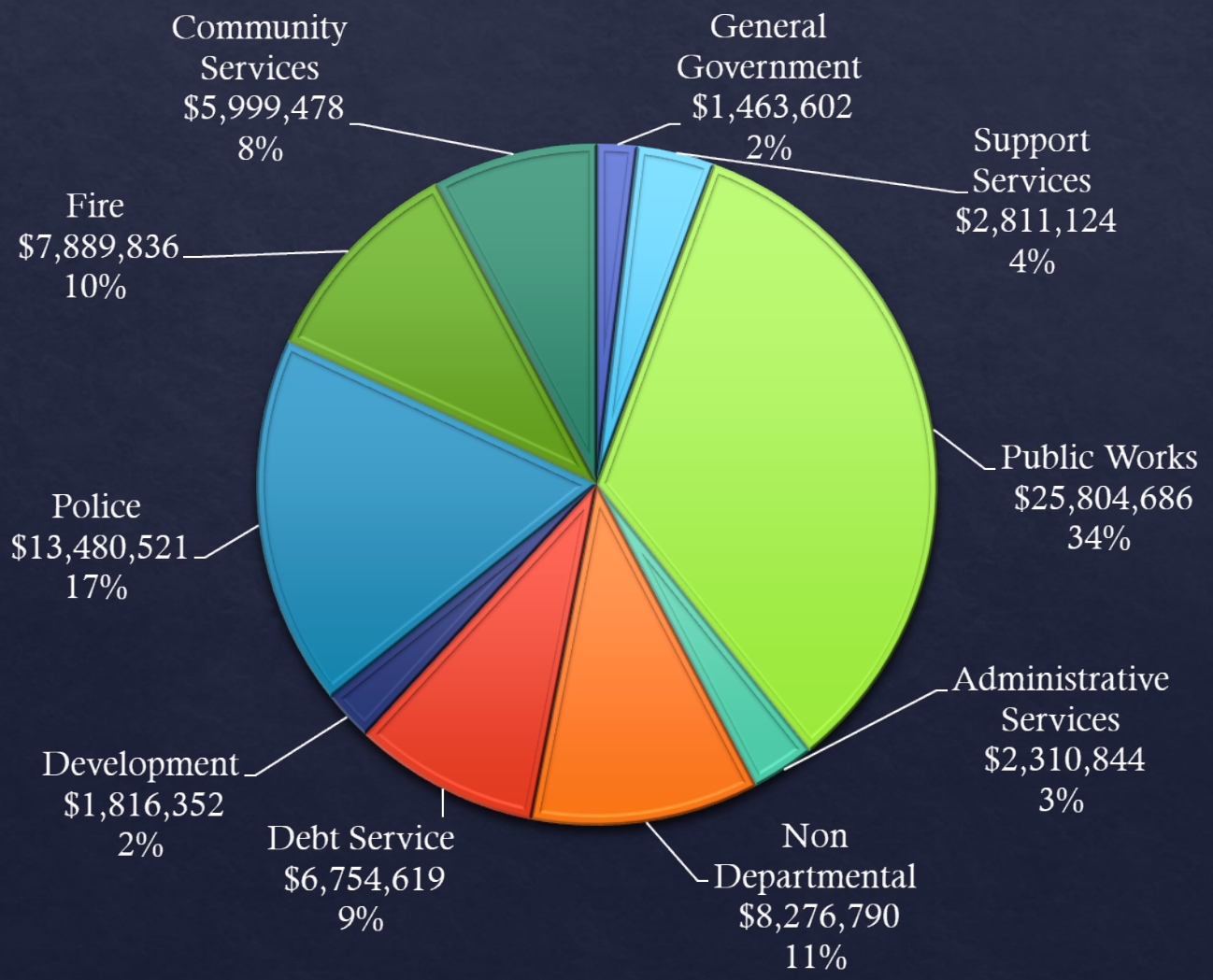
AGENDA

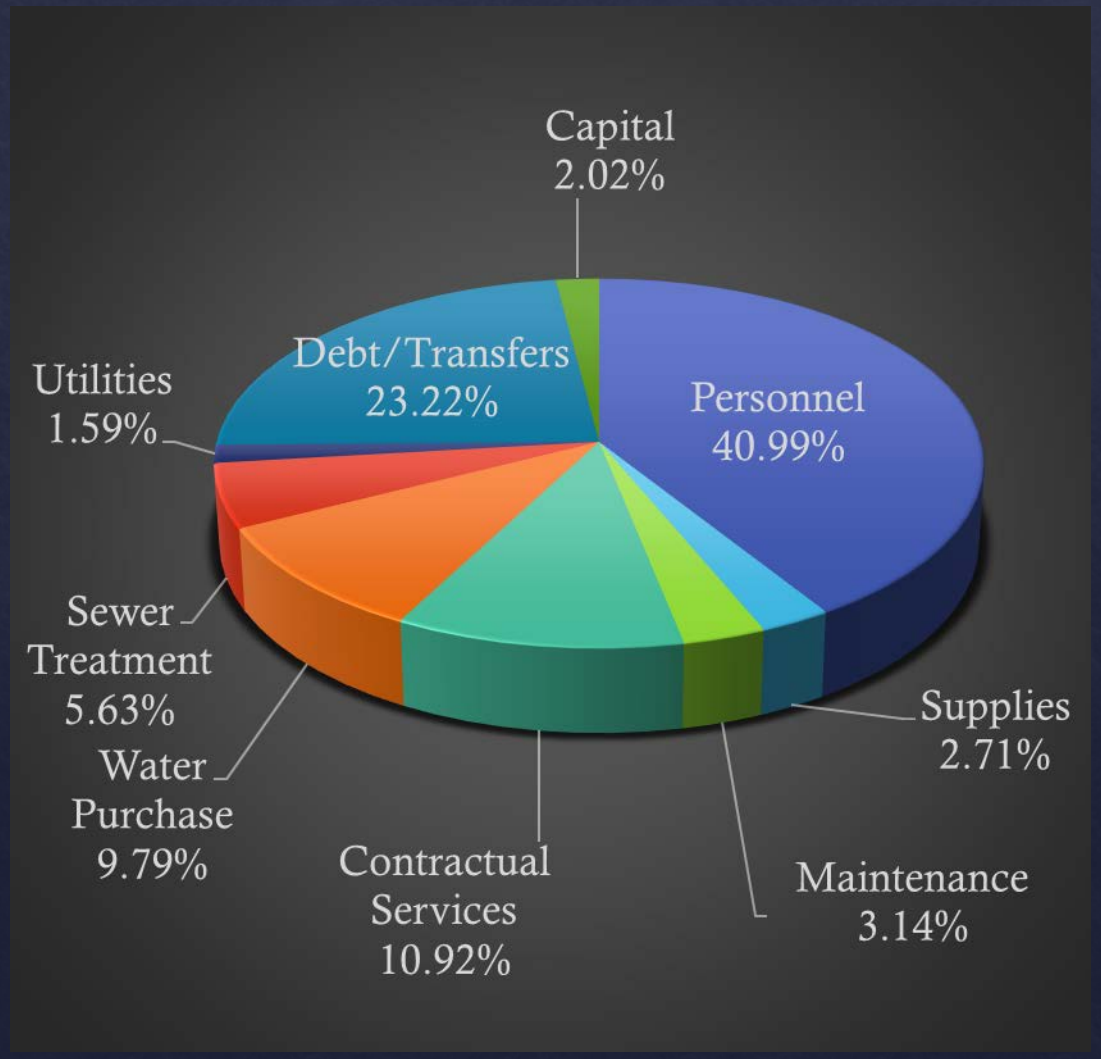
REVENUES BY FUND



AGENDA

EXPENDITURES BY DEPARTMENT & CLASSIFICIATION ALL FUNDS

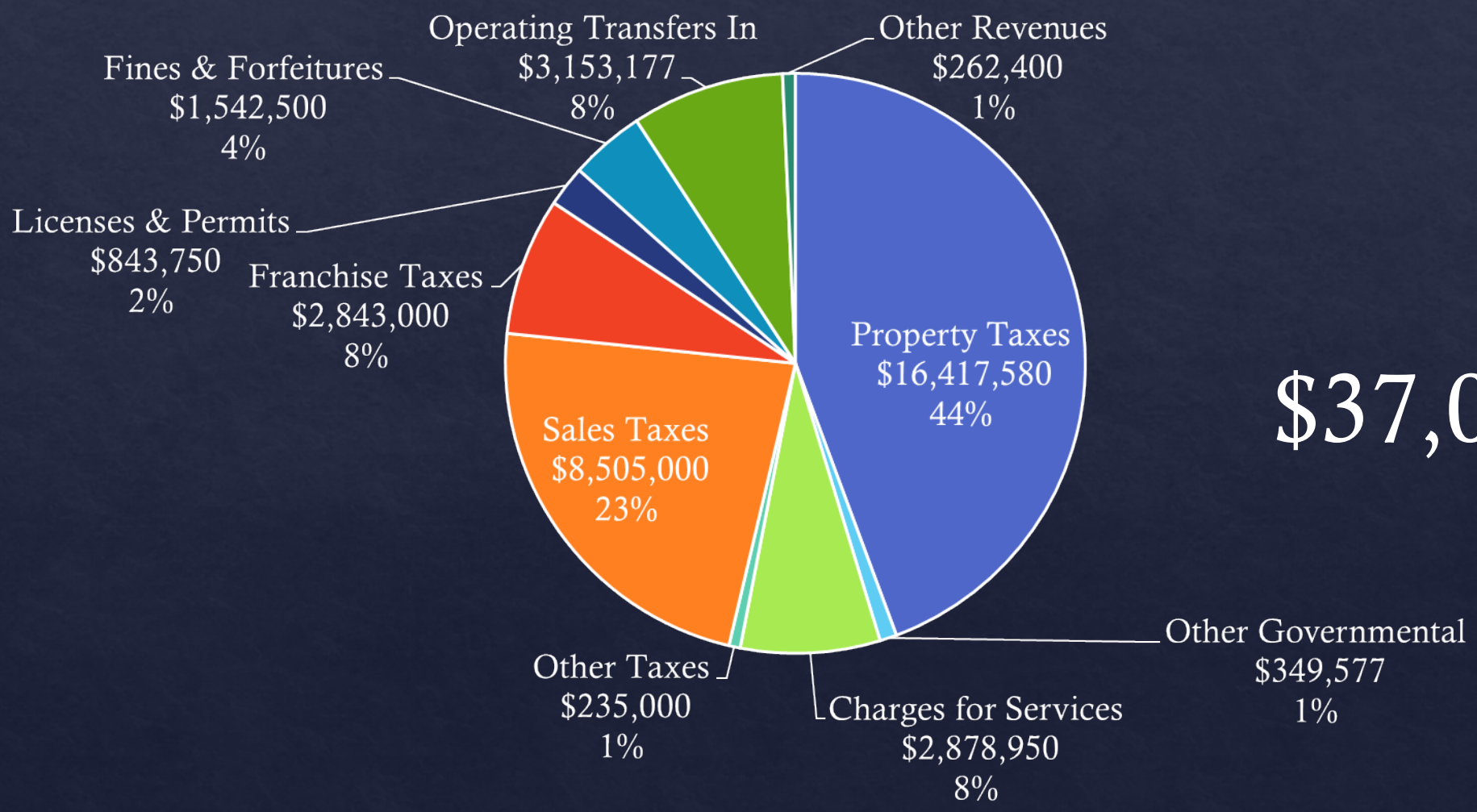




AGENDA

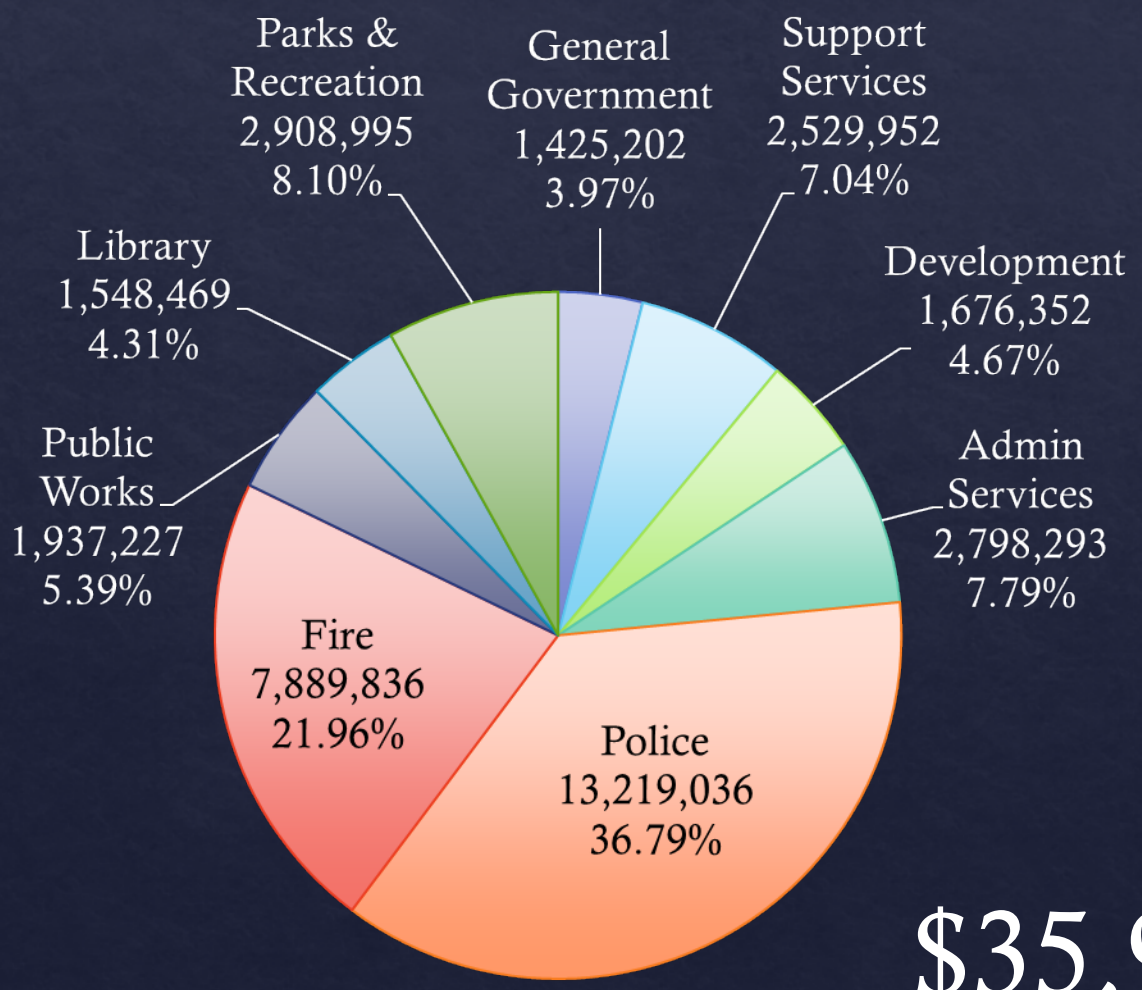
GENERAL FUND

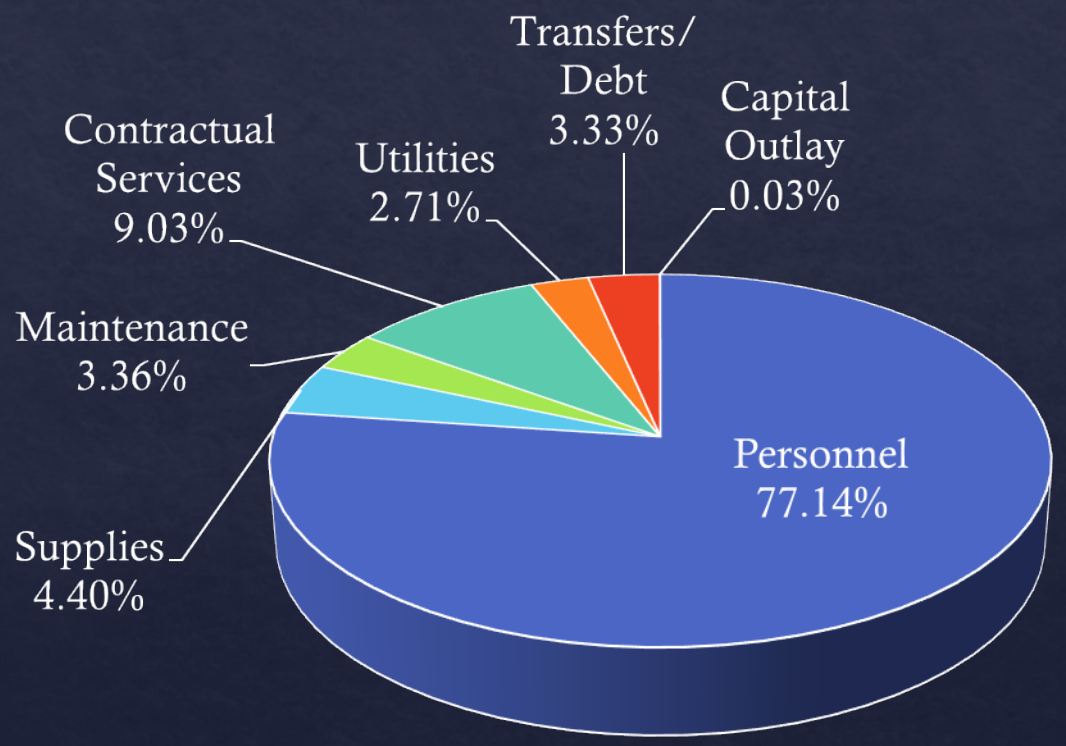
WHERE THE MONEY COMES FROM…



$37,030,934

WHERE THE MONEY GOES…





$35,933,362

AGENDA

DEBT SERVICE FUND

PROPOSED DEBT ISSUANCE

- Series 2010 G.O. Bonds are redeemable for a refunding opportunity, thus potentially saving over $300,000 in future interest costs over the next 11 years. Staff recommends refunding the 2010 bonds, along with the following new issuances:
  - Remaining $10,000,000 issuance that has been authorized for park and recreation facility improvements from the November 2017 Bond Election
    - Series 2019 G.O. Refunding & Improvement Bonds (Taxable) – principal amount $5,500,000
    - Series 2019 G.O. Refunding & Improvement Bonds (Tax Exempt) – principal amount $4,500,000
  - The total principal amount of the proposed debt issuance would be $13,300,000, which is $10,000,000 + a refunding of $3,300,000

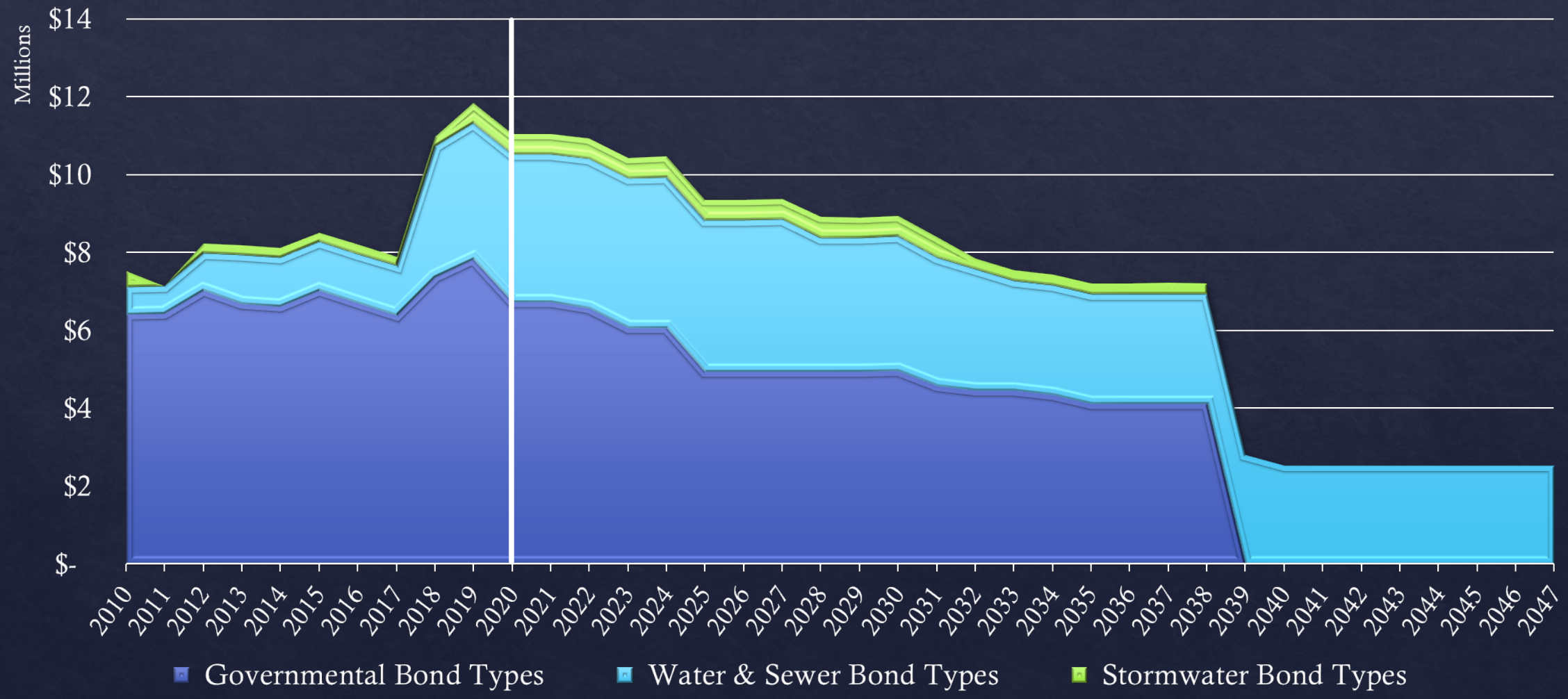
AGENDA

NEW DEBT SERVICE SCHEDULE

Series 2005, G.O. Refunding Bonds	$	362,278
Series 2011, Combo Tax/Rev C.O. (*General Fund portion*)	$	230,769
Series 2011, G.O. Refunding Bonds (*General Fund portion*)	$	402,100
Series 2013, G.O. Refunding & Improvement Bonds	$	517,450
Series 2014, G.O. Bonds	$	216,356
Series 2014, P.P.F.C.O. Bonds	$	254,725
Series 2016, Tax Note	$	229,388
Series 2018, G.O. Bonds	$	3,547,456
Series 2019, Tax Note	$	604,805
Series 2019, G.O. Refunding Bonds (revised 2010 G.O.)	$	331,788
Series 2019, G.O. Bonds Taxable & Tax Exempt	$	798,604
TOTAL GENERAL DEBT SERVICE PAYABLE	$	7,495,719
Fiscal Agent Fees	$	8,250
Contractual Services	$	18,000
DEBT SERVICE FUND TOTAL	**$**	***7,521,969***

AGENDA

ANNUAL FUNDING REQUIREMENTS



AGENDA

WATER & SEWER FUND

CURRENT RATES

** Since January 2019*

WATER RATES:

Base Rate	$19.30/month
Base Rate (age 65 & older)	$17.54/month
Volume Rate	$4.08/1,000 gal.

SEWER RATES:

Base Rate	$12.73/month	
Base Rate (age 65 & older)	$11.55/month	
Volume Rate	$3.41/1,000 gal.	Up to 12,000 gal. max

AGENDA

TRINITY RIVER AUTHORITY PROJECTIONS

Fiscal Year Ending Nov. 30	Cost per 1,000 Gal – Water	Cost per 1,000 Gal - Wastewater
2020	$3.770	$2.994
2021	$4.106	$3.398
2022	$4.349	$3.531
2023	$4.547	$3.628
2024	$4.817	$3.780

AGENDA

PROPOSED RATES

WATER RATES:

Base Rate	$19.30/month	
Base Rate (age 65 & older)	$17.54/month	
Volume Rate	$4.24/1,000 gal.	Summer Average – 15,000 gal.

SEWER RATES:

Base Rate	$12.73/month	
Base Rate (age 65 & older)	$11.55/month	
Volume Rate	$3.42/1,000 gal.	Average – 8,000 gal. (12,000 gal. max)

Example Fiscal Impact

	Regular	Senior
Current Summer Month Bill	$138.06	$134.01
Water & Sewer Increase	*$2.48*	*$2.48*
New Summer Month Bill	$140.54	$136.49

2019 TAX RATE

TAX RATE SUMMARY

FY 2018-2019 Tax Rate	$0.561862
FY 2019-2020 Effective Tax Rate	$0.524732
FY 2019-2020 Rollback Rate	$0.543844

Tax Rate used in Proposed Budget:

$0.543844

Maximum Tax Rate to be considered:

$0.569000

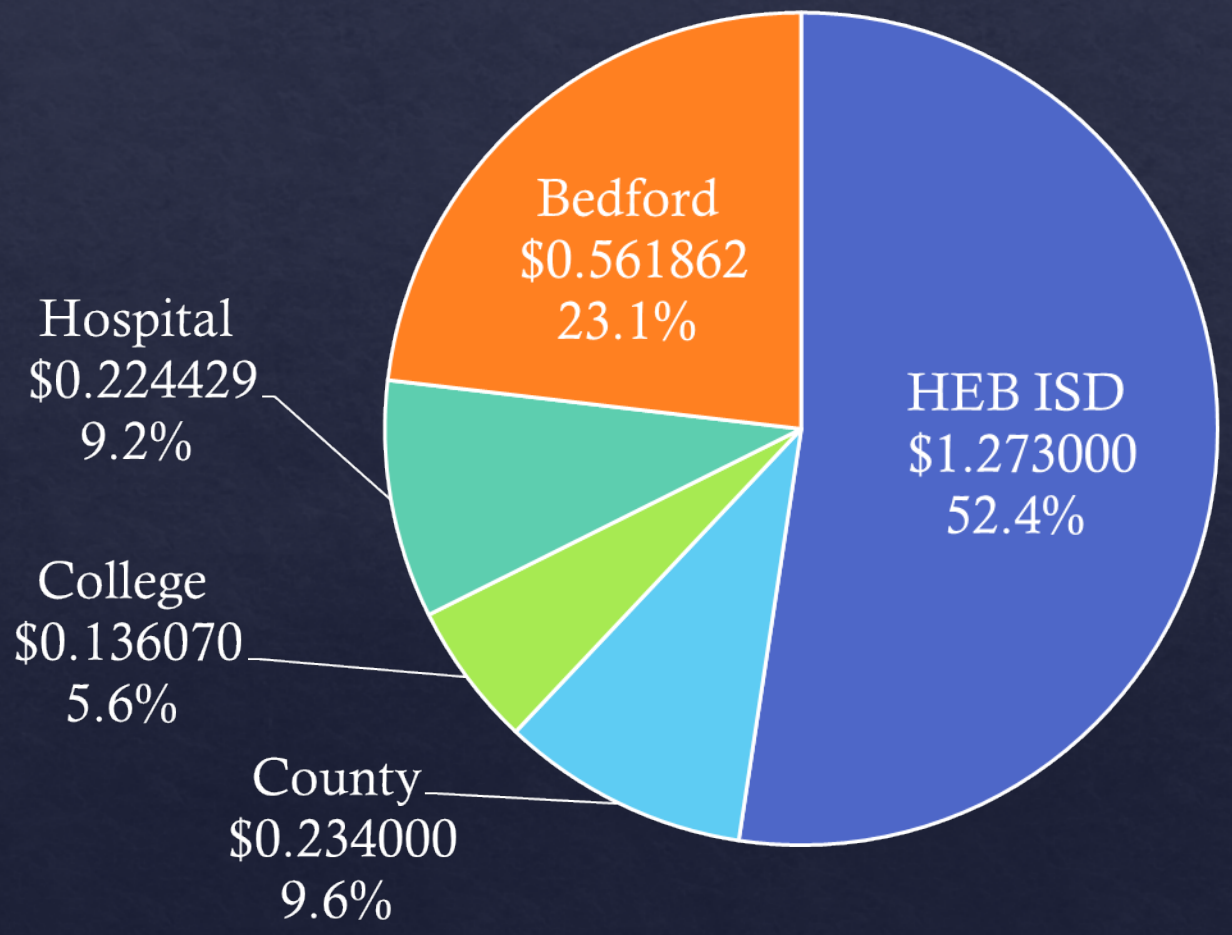
AGENDA

TAX RATE COMPARISON
FY 2018-2019 VS FY 2019-2020

	FY 2018-19	FY 2019-20 ROLLBACK		DIFF	FY 2019-20 MAX		DIFF
M&O RATE	$0.344135	$0.354104	2.9%	$0.009969	$0.379260	10.2%	$0.035125
I&S RATE	$0.217727	$0.189740	-12.9%	($0.027987)	$0.189740	-12.9%	($0.027987)
	$0.561862	$0.543844		($0.018022)	$0.569000		$0.007138

FY 2018-2019 OVERLAPPING TAX RATE

Total Tax Rate
$2.429361



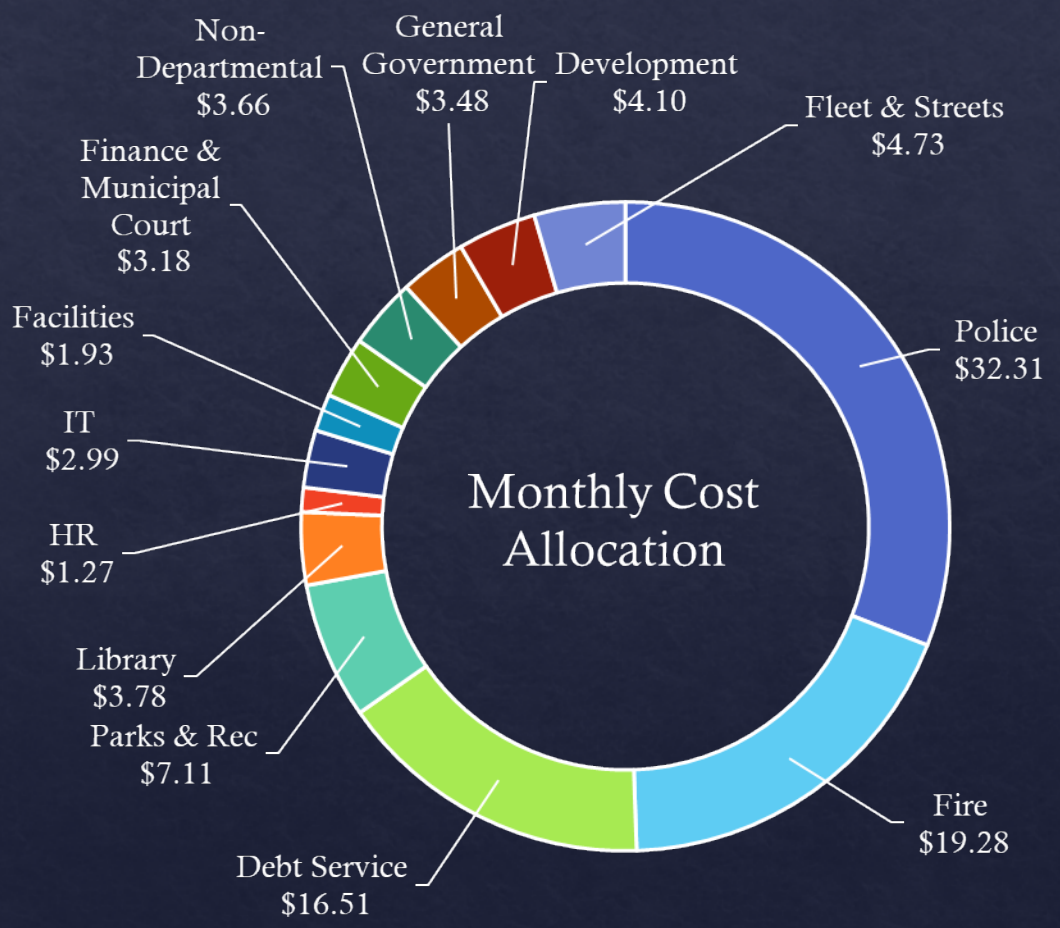
AGENDA

TAX RATE IMPACT

	FY 18-19 ADOPTED	FY 19-20 PROPOSED	FY 19-20 CURRENT	FY 19-20 MAX
Tax Rate	**$0.561862**	**$0.543844**	**$0.561862**	**$0.569000**
Average Homeowner Impact				
Average Home Value	$203,194	$220,040	$220,040	$220,040
Annual Tax Bill:	**$1,141.67**	**$1,196.67**	**$1,236.32**	**$1,252.03**
Monthly:	**$95.14**	**$99.72**	**$103.03**	**$104.34**
Senior Exemption Property Impact (Newly Qualified Property)				
Average Home Value	$203,194	$220,040	$220,040	$220,040
Less: Over 65 Exemption:	*($50,000)*	*($50,000)*	*($50,000)*	*($50,000)*
Net Taxable Value	$153,194	$170,040	$170,040	$170,040
Annual Tax Bill:	**$860.74**	**$924.75**	**$955.39**	**$967.53**
Monthly:	**$71.73**	**$77.06**	**$79.62**	**$80.63**

AVERAGE HOME IMPACT

Average Taxable Value	$220,040
Annual Cost	**$1,252.03**
Monthly Cost	**$104.34**
Daily Cost	**$3.43**



PRIORITY SUPPLEMENTALS

ITEM	AMOUNT	
Employee Compression Adjustments	$	329,204
Director of Parks & Recreation (1 FTE)	$	149,356
Purchasing Coordinator (1 FTE)	$	62,216
Firefighters (3 FTE)	$	241,815
Sergeant (1 FTE)	$	105,342
Police Officer (1 FTE)	$	75,968

AGENDA

FY 19-20 EQUIPMENT REPLACEMENT & MAINTENANCE PROJECTS

ITEM		FY 19-20 Estimate
AED Replacement at City Facilities	$	13,800
Rescue Tools	$	40,000
Compressor for Self-Contained Breathing Apparatus	$	50,000

ITEM		FY 19-20 Estimate
HVAC Replacement – Fire Station 1	$	72,600
Station 3 Drive Improvements	$	55,000
Flooring Replacement in Fleet Offices	$	8,000

AGENDA

NEXT STEPS

Second Public
Hearing on Tax Rate

SEPT 3

SEPT 10

Approve Budget
Ordinance & Tax Rate

AGENDA

Exhibit A

CITY OF BEDFORD
SUMMARY OF REVENUE AND EXPENDITURES BY FUND
FISCAL YEAR 2019-2020

FUND NAME	BEGINNING BALANCE		REVENUE PROPOSED	REVENUE SUPPLEMENTAL		EXPENDITURES PROPOSED	EXPENDITURES SUPPLEMENTAL		*FY 19-20 DIFFERENCE*	ENDING BALANCE	CHANGE IN FUND BALANCE
GENERAL FUND	$ 8,058,465		$ 37,030,934	$ -	$ 37,030,934	$ 35,933,362	$ -	$ 35,933,362	$ 1,097,572	$ 9,156,037	13.62%
TOURISM FUND	36,152		1,310,400	-	1,310,400	1,297,514	-	1,297,514	12,886	49,038	35.64%
WATER AND SEWER FUND	56,624	*	23,426,823	-	23,426,823	23,707,059	-	23,707,059	(280,236)	(223,612)	-294.91%
STORMWATER UTILITY FUND	862,714	*	1,775,000	-	1,775,000	1,779,903	-	1,779,903	(4,903)	857,811	-0.57%
UTILITY REPAIR & MAINTENANCE FUND	4,093,130	*	1,030,000	-	1,030,000	600,000	-	600,000	430,000	4,523,130	10.51%
COURT SECURITY FUND	1,457		25,000	-	25,000	25,000	-	25,000	-	1,457	0.00%
COURT TECHNOLOGY FUND	68,535		46,000	-	46,000	45,710	-	45,710	290	68,825	0.42%
PARK DONATIONS FUND	89,796		13,000	-	13,000	75,000	-	75,000	(62,000)	27,796	-69.05%
BEAUTIFICATION COMMISSION FUND	53,706		10,600	-	10,600	25,000	-	25,000	(14,400)	39,306	-26.81%
PUBLIC SAFETY TRAINING FUND	11,897		6,100	-	6,100	6,150	-	6,150	(50)	11,847	-0.42%
ECONOMIC DEVELOPMENT FUND	379,887		53,000	-	53,000	140,000	-	140,000	(87,000)	292,887	-22.90%
STREET IMPROVEMENT ECONOMIC DEVELOPMENT CORP.	2,998,082		2,945,000	-	2,945,000	4,402,650	394,800	4,797,450	(1,852,450)	1,145,632	-61.79%
DEBT SERVICE FUND	1,092,778		7,521,968	-	7,521,968	6,754,619	-	6,754,619	767,349	1,860,127	70.22%
PEG FUND	816,350		55,000	-	55,000	38,400	-	38,400	16,600	832,950	2.03%
COMMERCIAL VEHICLE ENFORCEMENT FUND	23,242		117,710	-	117,710	117,705	-	117,705	5	23,247	0.02%
SWAT - NETCAST FUND	5,587		60,500	-	60,500	60,000	-	60,000	500	6,087	8.95%
PARK MAINTENANCE FUND	153,651		52,000	-	52,000	100,000	-	100,000	(48,000)	105,651	-31.24%
COMPUTER REPLACEMENT FUND	152,841		61,000	-	61,000	20,000	-	20,000	41,000	193,841	26.83%
AQUATICS MAINTENANCE FUND	134,280		27,000	-	27,000	10,000	-	10,000	17,000	151,280	12.66%
LIBRARY MAINTENANCE FUND	72,416		25,500	-	25,500	34,500	-	34,500	(9,000)	63,416	-12.43%
FACILITY MAINTENANCE FUND	349,262		48,000	-	48,000	30,000	-	30,000	18,000	367,262	5.15%
EQUIPMENT REPLACEMENT FUND	98,211		709,850	-	709,850	708,850	-	708,850	1,000	99,211	1.02%
POLICE VEHICLE REPLACEMENT FUND	62,764		78,500	-	78,500	77,630	-	77,630	870	63,634	0.00%
WATER/SEWER VEHICLE REPLACEMENT FUND	282,869	*	52,000	-	52,000	224,000	-	224,000	(172,000)	110,869	-60.81%
	$ 19,954,694		**$ 76,480,885**	**$ -**	**$ 76,480,885**	**$ 76,213,052**	**$ 394,800**	**$ 76,607,852**	**$ (126,967)**	**$ 19,827,727**	

* The beginning balance for these funds are based on Working Capital. Calculations are based on the information located in the CAFR - City Annual Financial Report.

AGENDA

Council Agenda Background

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

DATE: 08/27/19

Council Mission Area: Encourage citizen involvement.

ITEM:

Public hearing to consider the proposed 2019 tax rate.

City Attorney Review: N/A

SUMMARY:

Per the Tax Code, if the City is considering a rate above the effective rate, two public hearings must be held. This is the first public hearing, which was called at the August 13, 2019 Council meeting. The notice has been published in the newspaper as required.

BACKGROUND:

Per Section 26.05 (d) of the Tax Code, "the governing body of a taxing unit … may not adopt a tax rate that exceeds the lower of the rollback tax rate [$0.543844] or the effective tax rate [$0.524732] calculated as provided by this chapter until the governing body has held two public hearings on the proposed tax rate." Both hearings must be publicized in the local newspaper, published on the City's website, and advertised on the City's television channel in accordance with Local Government Code Section 140.010.

The budget for the City of Bedford, as compiled by the City Manager, was submitted to the City Council, and the tax rate information was published as required by the Local Government Code. On August 13, 2019, the City Council voted on the maximum tax rate that could be considered to fund the recommended program of services for the fiscal year ending September 30, 2020. That maximum rate was established at $0.569000 per $100 assessed valuation.

The 2019-2020 Proposed Budget included an ad valorem tax of $0.543844 per $100 valuation. This tax rate would increase taxes for maintenance and operations on a home valued at $100,000 by approximately $7.78 per year and decrease taxes for interest and sinking (debt) by approximately $25.80 per year.

An ad valorem tax of $0.569000 per $100 valuation is the maximum tax rate being considered by the City Council. This tax rate would increase taxes for maintenance and operations on a home valued at $100,000 by approximately $32.94 per year and decrease taxes for interest and sinking (debt) by the approximately $25.80 per year.

RECOMMENDATION:

Staff recommends the following motion:

Hold a public hearing to receive citizen comments on the proposed 2019 tax rate.

FISCAL IMPACT:	ATTACHMENTS:
N/A	**Tax Rate Slide**

AGENDA

TAX RATE COMPARISON
FY 2018-2019 VS FY 2019-2020

	FY 2018-19	FY 2019-20 ROLLBACK		DIFF	FY 2019-20 MAX		DIFF
M&O RATE	$0.344135	$0.354104	2.9%	$0.009969	$0.379260	10.2%	$0.035125
I&S RATE	$0.217727	$0.189740	-12.9%	($0.027987)	$0.189740	-12.9%	($0.027987)
	$0.561862	$0.543844		($0.018022)	$0.569000		$0.007138

AGENDA

Council Agenda Background

PRESENTER: Clifford Blackwell, CGFO
Assistant City Manager

DATE: 08/27/19

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

ITEM:

Discussion and consideration of all matters incident and related to the issuance and sale of "City of Bedford, Texas, General Obligation Refunding and Improvement Bonds, Series 2019," including the adoption of an ordinance authorizing the issuance of such bonds and providing for the redemption of the obligations being refunded.

City Attorney Review: N/A

SUMMARY:

To approve the sale of Series 2019 General Obligation Refunding and Improvement Bonds to fund remaining portion of the Phase Next capital improvement project, as well as refund some outstanding obligations to achieve desired interest savings.

BACKGROUND:

In November 2017, the City of Bedford held a successful bond election to finance a major parks and recreation capital project that includes new ball fields, an aquatic center, a multi-purpose event facility, as well as other related improvements. The bond authorization totaled $70,000,000 for what is officially known as the Boys Ranch Park, Phase Next Improvement Project (Phase Next). In March 2018, the City issued $60,000,000 in general obligation bonds to begin the work of designing, equipping and constructing new park and recreation facilities for the Phase Next project.

The general obligation bonds used to construct this project are exempt from federal income taxes because the proceeds are used primarily for capital assets that are publicly owned and operated by the governmental unit, the City of Bedford. The City did not issue the entire bond authorization of $70,000,000, because it perceived a portion of the bonds would need to be taxable if the City elected to construct a facility deemed for "private use." Per Title 26 of the U.S. Code, private use is defined as the use of a facility, whether directly or indirectly, in a trade or business carried on by any person other than the governmental unit. The City Council set aside $10,000,000 of the bond authorization in order to further discuss addressing the needs of the arts and culture community.

On June 20, 2019, the City Council conducted a special work session to explore options. The Council agreed to pursue a plan to create a performance and visual arts facility on the grounds of Old Bedford School, establishing a not-to-exceed amount of $5,500,000 for design and construction. In addition, the City Council also agreed to add the remaining authorization of $4,500,000 to the $60,000,000 capital projects budget for the park and recreation improvements taking place in Boys Ranch Park. This item reflects the issuance of $4,500,000 in general obligation refunding and improvement bonds to be added to the proceeds allocated for the Boys Ranch Park Phase Next Improvement Project. This will bring the total authorization allocated to improving the park to $64,500,000 in tax-exempt bonds.

This new issuance would be amortized over a 20-year term. Additionally, along with the $4,500,000 that is being issued for park and recreation improvements, staff recommends refunding the outstanding principal of $3,330,000 from the Series 2010 General Obligation Bonds that were previously issued for the new library facility. In addition, staff recommends refunding the outstanding principal of $1,390,000 from the Series 2010 Certificates of Obligation for water and

wastewater improvements. By refunding the debt, along with issuing the general obligation bonds, the City fully expects to achieve $425,000 in debt service savings or 7.8% in net present value savings, without extending the term of the 2010 obligations.

Standard and Poor's, the City's bond rating agency, declared the general obligation refunding and improvement bonds a 'AA' long term rating with a stable outlook based on the most recent rating analysis. This rating affirms the City's status based on strong liquidity with available cash at 56% of total governmental expenditures, sound fiscal policies, budgetary flexibility, and very weak debt with a contingent liability profile.

The Series 2019 General Obligation Refunding and Improvement Bonds are competitively bid; therefore, the payment schedule, along with sections of the ordinance, cannot be finalized until the bids are officially opened and accepted, which is Tuesday, August 27, 2019.

RECOMMENDATION:

Staff recommends the following motion:

Approval of an ordinance and all matters incident and related to the issuance and sale of "City of Bedford, Texas General Obligation Refunding and Improvement Bonds, Series 2019," dated August 27, 2019.

FISCAL IMPACT:

Amount of issue:	**$8,885,000**
Est. impact on the property tax rate:	**1.2 cents**

ATTACHMENTS:

Ordinance
Preliminary Official Statement (POS)
S&P Ratings Direct Summary & Letter

ORDINANCE NO. 19-_____

AN ORDINANCE authorizing the issuance of "CITY OF BEDFORD, TEXAS, GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2019," specifying the terms and features of said bonds; levying a continuing direct annual ad valorem tax for the payment of said bonds; providing for the redemption of certain outstanding obligations of the City; and resolving other matters incident and related to the issuance, sale, payment and delivery of said bonds, including the approval and execution of a Paying Agent/Registrar Agreement and the approval and distribution of an Official Statement; and providing an effective date.

WHEREAS, the City Council of the City of Bedford, Texas (the "City"), has heretofore issued, sold and delivered, and there are currently outstanding obligations, to wit (hereinafter collectively referred to as the "Refunded Obligations"):

a) City of Bedford, Texas, General Obligation Bonds, Series 2010, dated January 1, 2010, scheduled to mature on February 1 in each of the years 2021 through 2030, inclusive, and aggregating in principal amount of $3,330,000 (the "Series 2010 Refunded Bonds");

b) City of Bedford, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2010, dated January 1, 2010, scheduled to mature on February 1 in each of the years 2020 through 2030, inclusive, and aggregating in principal amount of $1,390,000 (the "Series 2010 Refunded Certificates"); and

AND WHEREAS, pursuant to the provisions of Texas Government Code, Chapter 1207, as amended ("Chapter 1207"), the City Council is authorized to issue refunding bonds and deposit the proceeds of sale directly with the place of payment for the Refunded Obligations or other authorized depository, and such deposit, when made in accordance with said statute and the ordinances authorizing the issuance of the Refunded Obligations, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, the City Council herby finds and determines that the Refunded Obligations should be refunded at this time and such refunding will result in the City saving approximately $_____ in debt service payments on such indebtedness and will further provide a net present value savings of approximately $_____; and

WHEREAS, in combination with the issuance of such refunding bonds, the City Council hereby finds and determines that general obligation bonds in the principal amount of $_____ approved and authorized to be issued at an election held in the City on November 7, 2017 should be issued and sold at this time; a summary of the bonds approved by the voters at said election, and at elections held on September 12, 1995 and November 6, 2001, the principal amounts authorized and respective purposes therefor, amounts heretofore issued and being issued pursuant to this ordinance and the amounts remaining to be issued subsequent hereto being as follows:

Election Date	Purpose	Amount Authorized ($)	Amount Previously Issued ($)	Amount Being Issued ($)	**Premium Applied ($)	Unissued Balance ($)
9-12-95	Police Facility Improvements	6,625,000	6,295,000	0	0	330,000
9-12-95	Streets/Drainage	13,200,000	12,675,000	0	0	525,000
11-06-01	City Building Improvements	1,075,000	885,000	0	0	190,000
11-06-01	Animal Control	240,000	0	0	0	240,000
11-06-01	Public Safety Improvements	4,060,000	2,885,000	0	0	1,175,000
11-06-01	Street Improvements (Major Thoroughfares)	5,430,000	3,265,000	0	0	2,165,000
11-06-01	Residential Street Improvements	3,730,000	1,725,000	0	0	2,005,000
11-07-17	Park/Recreation (Including Ball Field, Aquatic Center, and Multi-Purpose Event Facilities	70,000,000	60,000,000	10,000,000*	0	0

* represents $_____ principal amount of the Bonds and $_____ principal amount of the "City of Bedford, Texas General Obligation Bonds, Taxable Series 2019" (the "Taxable Bonds") being issued concurrently with the Bonds.

** Original issue premium, consisting of $_____ of premium allocated to the 2017 voted authorization associated with the Bonds and $_____ of premium allocated to the 2017 voted authorization associated with the Taxable Bonds, is applied against the 2017 voted authorization referenced in the above table and results in a total amount of $_____ being allocated to and applied against the 2017 voted authorization.

AND WHEREAS, the City Council hereby reserves and retains the right to issue the balance of unissued bonds approved at said elections in one or more installments when, in the judgment of the City Council, funds are needed to accomplish the purposes for which such bonds were voted; now, therefore,

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose. General obligation bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of $_____ to be designated and bear the title "CITY OF BEDFORD, TEXAS, GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2019" (hereinafter referred to as the "Bonds"), for the purposes of providing funds for (i) permanent public improvements and public purposes, to wit: constructing, improving, renovating, and equipping park and recreation facilities (including ball field improvements, aquatic center improvements, multi-purpose event facilities improvements and other related improvements) including the acquisition of land therefor; (ii) the discharge and final payment of certain outstanding obligations of the City (identified in the preamble hereof and referred to as the "Refunded Obligations"); and (iii) to pay costs of issuance, in accordance with the Constitution and laws of the State of Texas including Chapters 1207 and 1331, as amended.

SECTION 2: Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities - Interest Rates. The Bonds shall be issued as fully registered obligations only, shall be dated August 15, 2019 (the "Bond Date"), shall be in denominations of $5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on February

1 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the rates per annum in accordance with the following schedule:

Year of Stated Maturity	Principal Amount ($)	Interest Rates (%)
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		

The Bonds shall bear interest on the unpaid principal amounts from the date of the initial delivery of the Bonds at the rates per annum shown above in this Section (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on February 1 and August 1 in each year until maturity or prior redemption, commencing February 1, 2020.

SECTION 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books (the "Security Register") maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as **Exhibit A** and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor and City Secretary of the City are hereby authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid

and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or upon the earlier redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated office initially in East Syracuse, New York; or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Bonds shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the 15th day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

(a) Optional Redemption. The Bonds having Stated Maturities on and after February 1, 2029, shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 1, 2028, or on any date thereafter, at the redemption price of par plus accrued interest to the date of redemption.

At least forty-five (45) days prior to a redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the City to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the City.

(b) Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding which is obtained by dividing the

principal amount of such Bonds by $5,000 and shall select the Bonds, or principal amount thereof, to be redeemed within such Stated Maturity by lot.

(c) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

(d) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the Initial Bond(s) referenced in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds shall be registered and issued to the assignee or transferee of the previous Holder;

such Bonds to be in authorized denominations, of like Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond(s) referenced in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 11 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4, and 5 hereof relating to the payment, and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations, by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of

DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general, or the City decides to discontinue use of the system of book-entry transfers through DTC, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Bond Date shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the total principal amount shown in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Bonds, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF BEDFORD, TEXAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BOND
SERIES 2019

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP NO:
August 15, 2019	_____	February 1, 20__	_____

Registered Owner:

Principal Amount:

The City of Bedford (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the date of the initial delivery of the Bonds) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 in each year until maturity or prior redemption, commencing February 1, 2020. Principal of this Bond is payable at its Stated Maturity or upon its

prior redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the 15th day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner hereof and in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of $_____ (herein referred to as the "Bonds") for the purposes of (i) providing funds for permanent public improvements and public purposes, to wit: constructing, improving, renovating, and equipping park and recreation facilities (including ball field improvements, aquatic center improvements, multi-purpose event facilities improvements and other related improvements) including the acquisition of land therefor; (ii) providing funds for the discharge and final payment of certain outstanding obligations of the City (identified in the preamble hereof and referred to as the "Refunded Obligations"); and (iii) to pay costs of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapter 1207, as amended, and Texas Government Code, Section 1331.052, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Bonds maturing on and after February 1, 2029, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 1, 2028, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If this Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon the redemption date this Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest hereon shall cease to accrue from and after the redemption date therefor, provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of this Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of this Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If this Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the registered owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance hereof in the event of its redemption in part.

With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the registered owner of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the registered owners; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein and not otherwise defined herein have the meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or upon its prior redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new

record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each registered owner appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforestated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City as of the Bond Date.

CITY OF BEDFORD, TEXAS

_____
Mayor

COUNTERSIGNED:

_____
City Secretary

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER)
)

OF PUBLIC ACCOUNTS) REGISTER NO. _____
)
THE STATE OF TEXAS)

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered under the provisions of the within-mentioned Ordinance; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated office of the Paying Agent/Registrar in East Syracuse, New York, is the Designated Payment/Transfer Office for this Bond.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Dallas, Texas,
as Paying Agent/Registrar

Registration date:

_____

By_____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto (Print or typewrite name, address and zip code of transferee):_____
_____
_____
(Social Security or other identifying number_____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

_____
Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section, except that the form of the single fully registered Initial Bond shall be modified as follows:

Heading and paragraph one shall be amended to read as follows:

REGISTERED
NO. T-1

REGISTERED
$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF BEDFORD, TEXAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BOND
SERIES 2019

Bond Date:
August 15, 2019

Registered Owner: _____

Principal Amount: _____ MILLION ___ HUNDRED _____ THOUSAND DOLLARS

The City of Bedford (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay the registered owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on February 1 in each of the years and in principal installments in accordance with the following schedule:

YEAR OF MATURITY	PRINCIPAL INSTALLMENTS ($)	INTEREST RATE (%)

(Information to be inserted from schedule in Section 2 hereof).

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal installments hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the date of the initial delivery of the Bonds) at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 in each year until maturity or prior redemption, commencing February 1, 2020. Principal installments of this Bond are payable at its Stated Maturity or on a redemption date to the registered owner hereof by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying

Agent/Registrar"), upon presentation and surrender, at its designated offices, initially in Dallas, Texas; or, with respect to a successor paying agent/registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the 15th day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their redemption at maturity or prior redemption or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the Debt Service Requirements on said Bonds while Outstanding; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Bonds shall be kept and maintained by the City at all times while the Bonds are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Bonds shall be deposited to the credit of a "Special 2019 Bond Account" (the "Interest and Sinking Fund") maintained on the records of the City and deposited in a special fund maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

The Mayor, Mayor Pro Tem, City Secretary, City Manager, Assistant City Manager and Director of Finance, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures or comes due by reason of redemption prior to maturity; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

SECTION 11: Mutilated, Destroyed, Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the

City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 12: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying

Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

The term "Government Securities", as used herein, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (d) any other then authorized securities or obligations under applicable law that may be used to defease obligations such as the Bonds.

SECTION 13: Ordinance a Contract - Amendments - Outstanding Bonds. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 29. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

The term "Outstanding", when used in this Ordinance with respect to Bonds, means as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except:

(1) those Bonds canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Bonds deemed to be duly paid by the City in accordance with the provisions of Section 12 hereof; and

(3) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 11 hereof.

SECTION 14: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section 14, the following terms shall have the following meanings:

"Closing Date" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds

(including property financed with Gross Proceeds of the Refunded Obligations), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations), other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Underwriters and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States from the construction fund, other appropriate fund or, if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Interest and Sinking Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the

earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Bonds Not Hedge Bonds. (1) At the time the original bonds refunded by the Bonds were issued, the City reasonably expected to spend at least 85% of the spendable proceeds of such bonds within three years after such bonds were issued and (2) not more than 50% of the proceeds of the original bonds refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(k) Current Refunding. A portion of the Bonds are a current refunding of the Refunded Obligations in that such Refunded Obligations will be paid or redeemed within 90 days of the date of the delivery of the Bonds.

(l) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Secretary, City Manager, Assistant City Manager and Director of Finance, either individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 15: Sale of Bonds - Official Statement Approval. Pursuant to a public sale for the Bonds, the bid submitted by _____ (herein referred to as the "Underwriters") is declared to be the best bid received producing the lowest true interest cost rate to the City, and the sale of the Bonds to said Underwriters at the price of par plus a cash premium of $_____, is hereby determined to be in the best interests of the City and is approved and confirmed. Delivery of the Bonds to the Underwriters shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale. The Initial Bond shall be registered in the name as provided in the winning bid.

Furthermore, the use of the Preliminary Official Statement by the Underwriters in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement, which reflects the terms of sale (together with such changes approved by the Mayor, Mayor Pro Tem, City Secretary, City Manager, Assistant City Manager and Director of Finance, any one or more of said officials), shall be and is hereby in all respects approved and the Underwriters are hereby authorized to use and distribute said final Official Statement, dated August 27, 2019, in the reoffering, sale and delivery of the Bonds to the public. The Mayor and City Secretary are further authorized to execute and deliver for and on behalf of the City copies of said Official Statement in final form as may be required by the Underwriters, and such final Official Statement in the form and content executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Underwriters.

SECTION 16: Control and Custody of Bonds. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Underwriters.

SECTION 17: Proceeds of Sale. Immediately following the delivery of the Bonds, the proceeds of sale, excluding the amount to be deposited with an official depository of the City to finance the permanent public improvements referenced in Section 1 hereof and that amount which is to be used to pay the costs of issuance, shall be deposited with the paying agent for the Refunded Obligations for the redemption of the Refunded Obligations on October 3, 2019. The proceeds of sale of the Bonds not so deposited with the paying agent for the Refunded Obligations for the refunding of the Refunded Obligations shall be disbursed for payment of costs of issuance and the aforesaid improvements. Any investment earnings realized shall be expended for such authorized projects and purposes or deposited in the Interest and Sinking Fund. Any surplus proceeds of sale of the Bonds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund.

Additionally, on or immediately prior to the date of the delivery of the Bonds to the Underwriters, the Assistant City Manager or Director of Finance shall cause to be transferred in immediately available funds to the paying agent for the Refunded Obligations from moneys on deposit in the interest and sinking fund maintained for the payment of the Refunded Obligations the sum of $_____ to accomplish the refunding.

SECTION 18: Redemption of Refunded Obligations.

(a) The Refunded Obligations shall be redeemed and the same are hereby called for redemption on October 3, 2019, at the price of par and accrued interest to the date of redemption. The City Secretary is hereby authorized and directed to file a copy of this Ordinance, together with suggested forms of notice of redemption to be sent to bondholders, with The Bank of New York Mellon Trust Company, N.A. (successor paying agent/registrar to The Bank of New York Trust Company, N.A.), in accordance with the redemption provisions applicable to such obligations; such suggested forms of notice of redemption being attached hereto as **Exhibit B-1** and **B-2** and incorporated herein by reference as a part of this Ordinance for all purposes.

(b) The redemption of the Refunded Obligations described above being associated with the refunding of such Refunded Obligations, the approval, authorization and arrangements herein given and provided for the redemption of such Refunded Obligations on the redemption date designated therefor and in the manner provided shall be irrevocable upon the issuance and delivery of the Bonds; and the City Secretary is hereby authorized and directed to make all arrangements necessary to notify the holders of such Refunded Obligations of the City's decision to redeem such Refunded Obligations on the date and in the manner herein provided and in accordance with the ordinances authorizing the issuance of the Refunded Obligations and this Ordinance.

SECTION 19: Notices to Holders - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 20: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be returned to the City.

SECTION 21: Legal Opinion. The Underwriters' obligation to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel to the City, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion or an executed counterpart thereof shall accompany the global Bonds deposited with The Depository Trust Company or a reproduction thereof shall be printed on the definitive Bonds in the event the book-entry-only system shall be discontinued.

SECTION 22: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds deposited with The Depository Trust Company or on printed definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 23: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 24: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 25: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 26: Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 27: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 28: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application

thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 29: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year, beginning on or after 2019, financial information and operating data with respect to the City of the general type included under Tables numbered 1 through 6 and 8 through 15 in the final Official Statement, and (2) within twelve months after the end of each fiscal year, beginning on or after 2019, and if not provided as part of such financial information and operating data, audited financial statements of the City. If audited financial statements are not available within 12 months after the end of any fiscal year, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available. Any financial statements so provided shall be prepared in accordance with the accounting principles described in Appendix B of the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City and (b) the City intends the words used in the immediately preceding paragraphs 15 and 16 and the definition of Financial Obligation in this Section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) of this Section of any Bond calls and defeasance that cause the City to be no longer such an "obligated person."

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid,

but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 30: Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Secretary, City Manager, Assistant City Manager and Director of Finance are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance, sale and delivery of the Bonds. In addition, prior to the initial delivery of the Bonds, the Mayor, Mayor Pro Tem, City Secretary, City Manager, Assistant City Manager and Director of Finance or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 31: Incorporation of Findings and Determinations. The findings and determinations of the City Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 32: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 33: Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof in accordance with the provisions of Texas Government Code, Section 1201.028, as amended.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED, this August 27, 2019.

CITY OF BEDFORD, TEXAS

_____
Mayor

ATTEST:

_____
City Secretary

(City Seal)

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT B-1

NOTICE OF REDEMPTION

CITY OF BEDFORD, TEXAS
GENERAL OBLIGATION BONDS
SERIES 2010
Dated: January 1, 2010

NOTICE IS HEREBY GIVEN that the obligations of the above series maturing on and after February 1, 2021, and aggregating in principal amount $3,330,000 have been called for redemption on October 3, 2019 at the redemption price of par and accrued interest to the date of redemption, such obligations being identified as follows:

Year of Maturity	Principal Amount ($)	CUSIP Number
2021*	485,000	
2022	260,000	
2023	270,000	
2024	285,000	
2025	300,000	
2026	315,000	
2027	330,000	
2028	345,000	
2029	360,000	
2030	380,000	

* term bonds

ALL SUCH OBLIGATIONS shall become due and payable on October 3, 2019, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said obligations shall be paid to the registered owners of the obligations only upon presentation and surrender thereof to The Bank of New York Mellon Trust Company, N.A. at its designated offices at the following addresses:

First Class/ Registered/Certified	Express Delivery/Courier	By Hand Only
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P.O. Box 396 East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 111 Sanders Creek Pkwy. East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1st Floor East New York, NY 10286

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said obligations and pursuant to an ordinance by the City Council of the City of Bedford, Texas.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
2001 Bryan Street, 10th Floor
Dallas, Texas 75201

EXHIBIT B-2

NOTICE OF REDEMPTION

CITY OF BEDFORD, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2010
DATED: January 1, 2010

NOTICE IS HEREBY GIVEN that the obligations of the above series maturing on and after February 1, 2020, and aggregating in principal amount $1,390,000 have been called for redemption on October 3, 2019 at the redemption price of par and accrued interest to the date of redemption, such obligations being identified as follows:

Year of Maturity	Principal Amount ($)	CUSIP Number
2020	100,000	
2021	100,000	
2022	110,000	
2023	115,000	
2024	120,000	
2025	125,000	
2026	130,000	
2027	135,000	
2028	145,000	
2029	150,000	
2030	160,000	

ALL SUCH OBLIGATIONS shall become due and payable on October 3, 2019, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said obligations shall be paid to the registered owners of the obligations only upon presentation and surrender thereof to The Bank of New York Mellon Trust Company, N.A. at its designated offices at the following addresses:

First Class/ Registered/Certified	Express Delivery/Courier	By Hand Only
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P.O. Box 396 East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 111 Sanders Creek Pkwy. East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1st Floor East New York, NY 10286

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said obligations and pursuant to an ordinance by the City Council of the City of Bedford, Texas.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
2001 Bryan Street, 10th Floor
Dallas, Texas 75201

AGENDA

HTS ContinuingDisclosureServices
A Division of Hilltop Securities.
(See "CONTINUING DISCLOSURE OF INFORMATION" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated August 14, 2019

Ratings:
S&P: "AA"
(See "OTHER INFORMATION Ratings" herein)-

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "Tax Matters for the Bonds" herein.

THE BONDS **WILL NOT** BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

$8,885,000*
CITY OF BEDFORD, TEXAS
(Tarrant County)
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2019

Dated Date: August 15, 2019
(Interest Accrues from Delivery Date)

Due: February 1, as shown on page 2

PAYMENT TERMS . . . Interest on the $8,885,000* City of Bedford, Texas, General Obligation Refunding and Improvement Bonds, Series 2019 (the "Bonds") will accrue from the date of initial delivery, anticipated to be October 2, 2019 (the "Delivery Date"), will be payable February 1 and August 1 of each year commencing February 1, 2020, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Obligations - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "The Obligations - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution, the City's Home Rule Charter, an election held on November 7, 2017 and general laws of the State of Texas (the "State"), including particularly Texas Government Code, Chapters 1207 and 1331, as amended, and are direct obligations of the City of Bedford, Texas (the "City"), payable from an annual ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, as provided in the ordinance authorizing the Bonds (the "Bond Ordinance") (see "The Obligations - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Bonds will be used for the purposes of (i) constructing, improving, renovating, and equipping park and recreation facilities (including ball field improvements, aquatic center improvements, multi-purpose event facilities improvements and other related improvements) including the acquisition of land therefor; (ii) refunding the Refunded Obligations for debt service savings; and (iii) pay for professional services of attorneys, financial advisors and other professionals in connection with the issuance of the Bonds. See "Plan of Financing - Purpose" herein and Schedule I attached hereto for a detailed description of the Refunded Obligations and their call dates.

MATURITY SCHEDULE - BONDS
See page 2

SEPARATE ISSUES . . . The Bonds are being offered by the City concurrently with the "City of Bedford, Texas General Obligation Bonds, Taxable Series 2019" (the "Taxable Bonds") and such Bonds and Taxable Bonds, are hereinafter sometimes referred to collectively as the "Obligations." The Bonds and Taxable Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY . . . The Bonds are offered for delivery when, as and if issued and received by the Initial Purchasers and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Bond Counsel, Dallas, Texas, (see Appendix C, "Form of Bond Counsel's Opinions").

DELIVERY . . . It is expected that the Bonds will be available for delivery through DTC on October 2, 2019.

BIDS DUE TUESDAY, AUGUST 27, 2019 AT 10:00 AM, CDT

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale and Bidding Instructions.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE* **CUSIP Prefix: 076465[1]**

Principal Amount	Maturity February 1	Interest Rate	Yield/ Price	CUSIP Suffix [1]	Principal Amount	Maturity February 1	Interest Rate	Yield/ Price	CUSIP Suffix [1]
$520,000	2020				$ 725,000	2030			
480,000	2021				230,000	2031			
515,000	2022				235,000	2032			
535,000	2023				245,000	2033			
560,000	2024				250,000	2034			
590,000	2025				260,000	2035			
615,000	2026				265,000	2036			
640,000	2027				275,000	2037			
670,000	2028				285,000	2038			
695,000	2029				295,000	2039			

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. None of the City or the Financial Advisor shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after February 1, 2029, in whole or in part in principal amounts of $5,000 or any integral multiple thereof within a maturity, on February 1, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Obligations - Optional Redemption").

* Preliminary, subject to change.

AGENDA

HTS Continuing Disclosure Services
A Division of Hilltop Securities.
(See "CONTINUING DISCLOSURE OF INFORMATION" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated August 14, 2019

Ratings:
S&P: "AA"
(See "OTHER INFORMATION Ratings" herein)-

NEW ISSUE - Book-Entry-Only

Interest on the Taxable Bonds will be included in gross income for federal income tax purposes. See Tax Matters for the Taxable Bonds" herein.

$5,500,000*
CITY OF BEDFORD, TEXAS
(Tarrant County)
GENERAL OBLIGATION BONDS, TAXABLE SERIES 2019

Dated Date: August 15, 2019
(Interest Accrues from Delivery Date)

Due: February 1, as shown on page 4

PAYMENT TERMS . . . Interest on the $5,500,000* City of Bedford, Texas, General Obligation Bonds, Taxable Series 2019 (the "Taxable Bonds") will accrue from the date of initial delivery, anticipated to be October 2, 2019 (the "Delivery Date"), will be payable February 1 and August 1 of each year commencing February 1, 2020, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Taxable Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Taxable Bonds may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. **No physical delivery of the Taxable Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Taxable Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Taxable Bonds. See "The Obligations - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "The Obligations - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Taxable Bonds are issued pursuant to the Constitution, the City's Home Rule Charter, an election held on November 7, 2017 and general laws of the State of Texas (the "State"), including particularly Texas Government Code, Chapter 1331, as amended, and are direct obligations of the City of Bedford, Texas (the "City"), payable from an annual ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, as provided in the ordinance authorizing the Taxable Bonds (the "Taxable Ordinance") (see "The Obligations - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Taxable Bonds will be used for the purposes of (i) constructing, improving, renovating, and equipping park and recreation facilities (including ball field improvements, aquatic center improvements, multi-purpose event facilities improvements and other related improvements) including the acquisition of land therefor_; and (ii) pay for professional services of attorneys, financial advisors and other professionals in connection with the issuance of the Taxable Bonds. See "Plan of Financing – Purpose".

MATURITY SCHEDULE – TAXABLE BONDS

See page 4

SEPARATE ISSUES . . . The Taxable Bonds are being offered by the City concurrently with the "City of Bedford, Texas General Obligation Refunding and Improvement Bonds, Series 2019" (the "Bonds") and such Taxable Bonds and Bonds, are hereinafter sometimes referred to collectively as the "Obligations." The Taxable Bonds and Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY . . . The Taxable Bonds are offered for delivery when, as and if issued and received by the Initial Purchasers and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Bond Counsel, Dallas, Texas, (see Appendix C, "Form of Bond Counsel's Opinions").

DELIVERY . . . It is expected that the Taxable Bonds will be available for delivery through DTC on October 2, 2019.

BIDS DUE TUESDAY, AUGUST 27, 2019 AT 10:30 AM, CDT

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale and Bidding Instructions.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE* **CUSIP Prefix: 076465[1]**

Principal Amount	Maturity February 1	Interest Rate	Initial Yield	CUSIP Suffix [1]	Principal Amount	Maturity February 1	Interest Rate	Initial Yield	CUSIP Suffix [1]
$ 330,000	2020				$ 265,000	2030			
195,000	2021				275,000	2031			
200,000	2022				285,000	2032			
210,000	2023				295,000	2033			
215,000	2024				305,000	2034			
225,000	2025				320,000	2035			
230,000	2026				330,000	2036			
240,000	2027				345,000	2037			
250,000	2028				355,000	2038			
260,000	2029				370,000	2039			

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. None of the City or the Financial Advisor shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Taxable Bonds having stated maturities on and after February 1, 2029, in whole or in part in principal amounts of $5,000 or any integral multiple thereof within a maturity, on February 1, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Obligations - Optional Redemption").

* Preliminary, subject to change.

This Preliminary Official Statement, which includes the cover page, the Schedule and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Preliminary Official Statement, and, if given or made, such other information or representations must not be relied upon.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), this document, as the same may be supplemented or corrected from time to time, constitutes an official statement of the City with respect to the Obligations described herein that has been "deemed final" by the City as of its date (or the date of any supplement or correction), except for the omission of no more than the information permitted by the Rule.

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City, nor the Financial Advisor. This Preliminary Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the City's undertaking to provide certain information on a continuing basis.

NEITHER THE CITY, NOR ITS FINANCIAL ADVISOR MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY ONLY SYSTEM.

THE OBLIGATIONS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE OBLIGATIONS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE OBLIGATIONS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENT.

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The cover pages hereof, this page, the appendices included herein and any addenda, supplement, or amendment hereto, are part of the Official Statement.

PRELIMINARY OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Obligations to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE CITY ..... The City of Bedford, Texas (the "City") is a political subdivision and municipal corporation of the State, located in Tarrant County, Texas. The City covers approximately 10.1 square miles (see "Introduction - Description of the City").

THE BONDS ..... The Bonds are issued as $8,885,000* General Obligation Refunding and Improvement Bonds, Series 2019. The Bonds are to mature on February 1 in each of the years 2020 through 2039 (see "The Obligations - Description of the Obligations").

THE TAXABLE BONDS ..... The Taxable Bonds are issued as $5,500,000* General Obligation Bonds, Taxable Series 2019. The Taxable Bonds are to mature on February 1 in each of the years 2020 through 2039 (see "The Obligations - Description of the Obligations").

PAYMENT OF INTEREST ..... Interest on the Obligations accrues from the Delivery Date, and is payable February 1, 2020, and each August 1 and February 1 thereafter until maturity or prior redemption (see "The Obligations - Description of The Obligations "and" The Obligations – Optional Redemption").

AUTHORITY FOR ISSUANCE ..... The Bonds are issued pursuant to the Texas Constitution, the City's Home Rule Charter, an election held on November 7, 2017 and general laws of the State, including particularly Texas Government Code, Chapters 1207 and 1331, as amended, and the Ordinance to be passed by the City Council of the City (see "The Obligations - Authority for Issuance").

The Taxable Bonds are issued pursuant to the Constitution, the City's Home Rule Charter, and general laws of the State, particularly Chapter 1331, Texas Government Code as amended, and are direct obligations of the City, payable from an annual ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, as provided in the ordinance authorizing the Taxable Bonds (the "Taxable Bond Ordinance") (see "The Obligations - Authority for Issuance").

SECURITY FOR THE OBLIGATIONS ..... The Bonds constitute direct obligations of the City, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City (see "The Obligations - Security and Source of Payment").

The Taxable Bonds constitute direct obligations of the City, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City (see "The Obligations - Security and Source of Payment").

REDEMPTION ..... The City reserves the right, at its option, to redeem Obligations having stated maturities on and after February 1, 2029, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 1, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Obligations - Optional Redemption").

TAX EXEMPTION ..... In the opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel, the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law subject to the matters described under "Tax Matters for the Bonds" herein.

Interest to be paid on the Taxable Bonds is not excludable from gross income for federal income tax purposes. See "Tax Matters for the Taxable Bonds" herein.

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale and Bidding Instructions.

USE OF PROCEEDS ..... Proceeds from the sale of the Bonds will be used for the purposes of (i) constructing, improving, renovating, and equipping park and recreation facilities (including ball field improvements, aquatic center improvements, multi-purpose event facilities improvements and other related improvements) including the acquisition of land therefor; (ii) refunding the Refunded Obligations for debt service savings; and (iii) pay professional services of attorneys, financial advisors and other professionals in connection with the issuance of the Bonds. See "PLAN OF FINANCING - Purpose" herein and Schedule I attached hereto for a detailed description of the Refunded Obligations and their call dates.

Proceeds from the sale of the Taxable Bonds will be used for (i) constructing, improving, renovating, and equipping park and recreation facilities (including ball field improvements, aquatic center improvements, multi-purpose event facilities improvements and other related improvements) including the acquisition of land therefor; and (ii) paying the costs associated with the issuance of the Taxable Bonds.

RATINGS ..... The Obligations, along with the presently outstanding general obligation debt of the City, are rated "AA" by S&P Global Ratings ("S&P"), a division of S&P Global Inc. (see "OTHER INFORMATION - Ratings"). The City also has tax-supported debt that is rated by Moody's Investors Service, Inc. ("Moody's").

BOOK-ENTRY-ONLY SYSTEM..... The definitive Obligations will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Obligations may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Obligations will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations (see "The Obligations - Book-Entry-Only System").

PAYMENT RECORD ..... The City has never defaulted on the payment of its bonded indebtedness.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated City Population	Taxable Assessed Valuation	Per Capita Taxable Assessed Valuation	Tax Supported Debt at End of Year [4]	Per Capita Tax Supported Debt	Ratio Tax Supported Debt to Taxable Assessed Valuation	% of Total Tax Collections
2015	49,054 [1]	$ 3,077,152,193	$ 62,730	$ 28,320,000	$ 577	0.92%	98.48%
2016	49,151 [1]	3,390,275,174	68,977	24,130,000	491	0.71%	99.79%
2017	49,234 [1]	3,805,523,616	77,295	25,235,000	513	0.66%	99.67%
2018	49,282 [1]	3,997,309,863	81,111	73,837,500	1,498	1.85%	99.67%
2019	49,330 [1]	4,339,970,853 [2]	87,978	81,955,000 [3]	1,661	1.89%	96.87% [5]

(1) Source: Alteryx.
(2) As reported by the Tarrant Appraisal District on City's annual State Property Tax Board Reports; subject to change during the ensuing year.
(3) Includes the Obligations, excludes the Refunded Obligations. Preliminary, subject to change.
(4) Net of self-supporting debt.
(5) Collections for partial year only, through June 1, 2019.

For additional information regarding the City, please contact:

Brian Bosshardt
Clifford Blackwell
City of Bedford
2000 Forest Ridge Drive
Bedford, Texas 76021
(817) 952-2164

or

Nick Bulaich
Adam LanCarte
Hilltop Securities Inc.
777 Main Street, Suite 1200
Fort Worth, Texas 76102
(817) 332-9710

CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

City Council	Length of Service	Term Expires	Occupation
Jim Griffin Mayor	15 Years	May, 2021	Retired
Rusty Sartor Councilmember Place 1	4 Years	May, 2021	General Manager, Automotive Industry
Dan Cogan Councilmember Place 2	1 Year	May, 2021	Educator
Amy Sabol Councilmember Place 3	2 Years	May, 2022	Retired
Michael Boyter Councilmember Place 4	6 Years	May, 2020	Self-Employed
Ruth Culver Councilmember Place 5	1 Year	May, 2022	Retired
Roger Fisher Councilmember Place 6	8 Years	May, 2020	President, Service Industry

SELECTED ADMINISTRATIVE STAFF

Name	Position	Length of Service with City	Length of Government Service
Brian Bosshardt	City Manager	3 Years	23 Years
Clifford Blackwell	Assistant City Manager	10 Years	24 Years
Maria Joyner	Director of Finance	2 Years	29 Years
Michael Wells, TRMC	City Secretary	13 Years	19 Years
Stan Lowry	City Attorney	25 Years	30 Years

CONSULTANTS AND ADVISORS

Auditors ..... Weaver and Tidwell, L.L.P
Fort Worth, Texas

Bond Counsel ..... Norton Rose Fulbright US LLP
Dallas, Texas

Financial Advisor ..... Hilltop Securities, Inc.
Fort Worth, Texas

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

CITY OF BEDFORD, TEXAS

$8,885,000*
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2019

$5,500,000*
GENERAL OBLIGATION BONDS, TAXABLE SERIES 2019

INTRODUCTION

This Official Statement, which includes the Schedule and Appendices hereto, provides certain information regarding the issuance of $8,885,000* City of Bedford, Texas, General Obligation Refunding and Improvement Bonds, Series 2019 (the "Bonds" and together with the City's General Obligation Bonds, Taxable Series 2019, the "Obligations") and $5,500,000* City of Bedford, Texas General Obligation Bonds, Taxable Series 2019 (the "Taxable Bonds" and together with the Bonds, the "Obligations"). The Bonds are being authorized for issuance under an ordinance relating to the Bonds (the "Bond Ordinance") to be adopted by the City Council of the City. The Taxable Bonds are being authorized for issuances under an ordinance relating to the Taxable Bonds (the "Taxable Ordinance") to be adopted by the City Council of the City. Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Ordinance and the Taxable Ordinance, as applicable, except as otherwise indicated herein. The Bond Ordinance and the Taxable Ordinance are sometimes referred to herein as the "Ordinances").

There follows in this Official Statement descriptions of the Obligations and certain information regarding the City and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the City's Financial Advisor, Hilltop Securities Inc. ("HilltopSecurities"), Fort Worth, Texas.

DESCRIPTION OF THE CITY . . . The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1953, and first adopted its Home Rule Charter in 1966. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Councilmembers, with their term of office as three years. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, culture-recreation, public improvements, planning and zoning, and general administrative services. The 2010 Census population for the City was 46,979, while the 2019 estimated population is 49,330. The City covers approximately 10.1 square miles.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Bonds will be used for the purposes of (i) constructing, improving, renovating, and equipping park and recreation facilities (including ball field improvements, aquatic center improvements, multi-purpose event facilities improvements and other related improvements) including the acquisition of land therefor; (ii) refunding the Refunded Obligations for debt service savings; and (iii) pay professional services of attorneys, financial advisors and other professionals in connection with the issuance of the Bonds. See Schedule I for a detailed listing of the Refunded Obligations and their call dates.

Proceeds from the sale of the Taxable Bonds will be used for the purposes of (i) constructing, improving, renovating, and equipping park and recreation facilities (including ball field improvements, aquatic center improvements, multi-purpose event facilities improvements and other related improvements) including the acquisition of land therefor; and (ii) pay professional services of attorneys, financial advisors and other professionals in connection with the issuance of the Taxable Bonds.

REFUNDED OBLIGATIONS . . . A description and identification of the Refunded Obligations appears on Schedule I attached hereto. The Refunded Obligations are being called for redemption on October 3, 2019 (the "Redemption Date"). The principal and interest due on the Refunded Obligations are to be paid on the Redemption Date from funds to be deposited with the paying agent/registrar for the Refunded Obligations (the "Refunded Obligations Paying Agent"). The Ordinance will provide that with respect to the Refunded Obligations, a portion of the proceeds from the sale of the Bonds, will be irrevocably deposited with the Refunded Obligations Paying Agent on the Redemption Date. The Bank of New York Mellon Trust Company, N.A., in its capacity as Paying Agent for the Refunded Obligations, will certify as to the sufficiency of the amounts initially deposited with it to pay the principal of and interest on the Refunded Obligations when due at the scheduled date of redemption. Such funds will be held uninvested by the Refunded Obligations Paying Agent in a trust clearing account pending their disbursement to redeem the Refunded Obligations on the Redemption Date. By the deposit with the Refunded Obligations Paying Agent in such trust clearing account, the City will have effected the defeasance of all the Refunded Obligations in accordance with the applicable law.

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" in the Notice of Sale and Bidding Instructions.

THE OBLIGATIONS

DESCRIPTION OF THE OBLIGATIONS . . . The Obligations are dated August 15, 2019 (the "Dated Date"), and mature on February 1 in each of the years and in the amounts shown on page 2 and page 4 hereof. Interest will accrue from the Delivery Date, will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 1 and August 1 of each year, commencing February 1, 2020, until maturity or prior redemption. The definitive Obligations will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Obligations will be made to the owners thereof.** Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations. See "Book-Entry-Only System" herein.

Interest on the Obligations shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest shall be paid (i) by check sent United States Mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Obligations will be paid to the registered owner at their stated maturity or upon earlier redemption upon presentation to the designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Obligations, all payments will be made as described under "THE OBLIGATIONS - Book-Entry-Only System" herein. If the date for any payment on the Obligations shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

AUTHORITY FOR ISSUANCE . . . The Bonds are being issued pursuant to the Constitution, the City's Home Rule Charter, an election held on November 7, 2017 and general laws of the State, particularly Texas Government Code, Chapters 1207 and 1331, as amended, and the Bond Ordinance to be passed by the City Council.

The Taxable Bonds are being issued pursuant to the Constitution, the City's Home Rule Charter, an election held on November 7, 2017 and general laws of the State, particularly Texas Government Code, Chapter 1331, as amended, and the Taxable Ordinance to be passed by the City Council.

SECURITY AND SOURCE OF PAYMENT . . . The principal of and interest on the Obligations is payable from a direct and continuing annual ad valorem tax levied by the City, within the limits prescribed by law, upon all taxable property in the City.

TAX RATE LIMITATION . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limit prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to $2.50 per $100 Taxable Assessed Valuation for all City purposes. The Home Rule Charter of the City authorizes the constitutionally authorized maximum tax rate of $2.50 per $100 Taxable Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of $1.50 of the $2.50 maximum tax rate for all general obligation debt service, as calculated at the time of issuance and based on a 90% collection rate.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem the Obligations having stated maturities on and after February 1, 2029, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 1, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Obligations are to be redeemed, the City may select the maturities of Obligations, to be redeemed. If less than all of the Obligations of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Obligations are in Book-Entry-Only form) shall determine by lot the Obligations, or portions thereof, within such maturity to be redeemed. If an Obligation (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Obligation (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

With respect to any optional redemption of the Obligations, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Obligations to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Obligations and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Obligations have not been redeemed.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Obligations, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Obligations to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE OBLIGATIONS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY OBLIGATION OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH OBLIGATION OR PORTION THEREOF SHALL CEASE TO ACCRUE.

AMENDMENTS . . . The City, may, without the consent of or notice to any registered owners, from time to time and at any time, amend the Ordinances in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the City may, with the written consent of holders of a majority in aggregate principal amount of the Obligations, as the case may be, then outstanding, amend, add to, or rescind any of the provisions of the Ordinances; provided that, without the consent of the registered owners of all of the applicable Obligations, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on any Obligation, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the applicable Obligations, (2) give any preference to any Obligation over any other Obligation, as the case may be, or (3) reduce the aggregate principal amount of the applicable Obligations, as the case may be, required to be held by the owners of the applicable Obligations, as the case may be, for consent to any such amendment, addition, or rescission.

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Obligations is to be transferred and how the principal of, premium, if any, and interest on the Obligations are to be paid to and accredited by DTC while the Obligations are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.*

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Obligations, or notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Obligations), or notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate for each maturity will be issued for the Obligations in the aggregate principal amount thereof and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com.**

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interest in the Obligations are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participant to whose account such Obligations are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all the Obligations are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Obligations unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Obligations will be made to DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to DTC is the responsibility of the City, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Obligations at any time by giving reasonable notice to the City and the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Obligations will be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Obligations are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Obligations, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinance will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City or the Financial Advisor.

Effect of Termination of Book-Entry-Only System In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the City, printed Obligations will be issued to the holders and the Obligations will be subject to transfer, exchange and registration provisions as set forth in the Ordinance and summarized under "THE OBLIGATIONS - Transfer, Exchange and Registration" below.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. In the Ordinances the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the respective Obligations are duly paid and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State of Texas or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Obligations. Upon any change in the Paying Agent/Registrar for the respective Obligations, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the respective Obligations by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of the Obligations is payable to the registered holder appearing on the registration books of the Paying Agent/Registrar (the "Registered Owner") at the designated corporate trust office of the Paying Agent/Registrar upon surrender of the Obligations for payment; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Obligations, all payments will be made as described under "THE OBLIGATIONS - Book-Entry-Only System" herein. Interest on the Obligations is payable to the Register Owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (identified below) and such interest shall be paid by the Paying Agent/Registrar by check mailed, first class postage prepaid, to the Register Owner or by such other arrangement, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the Registered Owner. If the date for the payment of the principal of or interest on the Obligations shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the designated corporate office of the Paying Agent/Registrar is located is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, printed Obligations will be delivered to the registered owners and thereafter the Obligations may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender of such printed Obligations to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Obligations may be assigned by the execution of an assignment form on the Obligations or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Obligations will be delivered by the Paying Agent/Registrar, in lieu of the Obligations being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Obligations issued in an exchange or transfer of Obligations will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Obligations to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Obligations registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Obligations surrendered for exchange or transfer. See "The Obligations—Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Obligations. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation on transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Obligations on any interest payment date means the close of business on the 15th day of the month next preceding each interest payment date.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

BONDHOLDERS' REMEDIES . . . The Ordinances do not specify events of default with respect to the Obligations. If the City defaults in the payment of principal, interest, or redemption price on the Obligations when due, or if it fails to make payments into any fund or funds created in the Ordinances, or defaults in the observation or performance of any other covenants, conditions, or Obligations set for in the Ordinances, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Obligations if there is no other available remedy at law to compel performance of the Obligations or the Ordinances and the City's obligations are not uncertain or disputed. The issuance of a writ of mandamus is governed by equitable principles, and within the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Obligations in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. No assurance can be given that a mandamus or other legal action to enforce a default under the Ordinances would be successful. Some Texas case law suggests that mandamus relief may not be available to enforce a non-legislatively mandated contract. The opinion of Bond Counsel will state that all opinions relative to the enforceability of the Obligations are qualified with respect to customary rights of debtors relative to their creditors. See "APPENDIX C – Form of Bond Counsel's Opinions." The Ordinances do not provide for the appointment of a trustee to represent the interest of the bondholders upon any failure of the City to perform in accordance with the terms of the Ordinances, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On April 1, 2016 the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville, 489 S.W. 3d 427 (Tex. 2016)("Wasson")* that the sovereign immunity does not imbue a city with derivative immunity when it performs proprietary, as opposed to governmental, functions in respect to contracts executed by a city. The Texas Supreme Court reviewed Wasson again in June 2018 and clarified that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore in regard to municipal contract cases (as in tort claims)

it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under the authority or for the benefit of the state. If sovereign immunity is determined by a court to exist, then, the Texas Supreme Court has ruled in *Tooke v. City of Mexia 197 S.W. 3d 325* (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages, bondholders may not be able to bring such a suit against the City for breach of the Obligations or the covenants in the Ordinances. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Obligations. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or bondholders of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce creditors' rights would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinions of Bond Counsel will note that all opinions relative to the enforceability of the Ordinances and the Obligations are qualified with respect to the customary rights of debtors relative to their creditors.

Initially, the only registered owner of the Obligations will be Cede & Co., as DTC's nominee. See "The Obligations - Book-Entry-Only System" herein.

DEFEASANCE . . . The Ordinances provide for the defeasance of the Obligations when the payment of the principal of and premium, if any, on the Obligations, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with a paying agent or other authorized entity, in trust (1) money sufficient to make such payment or (2) Government Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Obligations being defeased, and thereafter, the City will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased Obligations, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Government Securities. The Ordinance provides that "Government Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Obligations. Current State law permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (d) any other then authorized securities or obligations that may be used to defease obligations such as the Obligations under the then applicable laws of the State of Texas. The City has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Obligations shall no longer be regarded to be outstanding or unpaid. The City has reserved the option, however, to be exercised at the time of the defeasance of the Obligations, to call for redemption at an earlier date, which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Obligations for redemption; (ii) gives notice of the reservation of that right to the owners of the Obligationss immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Obligations. Because the Ordinances do not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Government Securities or those for any other defeasance security will be maintained at any particular rating category..

TAX INFORMATION

AD VALOREM TAX LAW . . . The appraisal of property within the City is the responsibility of the Tarrant Appraisal District (the "Appraisal District"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under the Texas Property Tax Code to appraise all property within the Appraisal District on the basis of 100% of its market value and are prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. State law requires the appraised value of a residence homestead to be based solely on the property's value as a residence homestead, regardless of whether residential use is considered to be the highest and best use of the property.

State law further limits the appraised value of a residence homestead for a tax year to an amount not to exceed the lesser of (1) the market value of the property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of (a) 10% of the property's appraised value the preceding year plus (b) the property's appraised value in the preceding year plus (c) the market value of all new improvements to the property. The value placed upon property within the Appraisal District is subject to review by an Appraisal Review Board, consisting of members appointed by the Board of Directors of the Appraisal District. The Appraisal District is required to review the value of property within the Appraisal District at least every three years. The City may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the City by petition filed with the Appraisal Review Board.

Reference is made to Title I of the Texas Tax Code (the "Property Tax Code") for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value and the exemption of certain personal property from ad valorem taxation.

Under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant an exemption of not less than $3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision. Once authorized, such exemption may be repealed or decreased or increased in amount (i) by the governing body of the political subdivision or (ii) by a favorable vote of a majority of the qualified voters at an election called by the governing body of the political subdivision, which election must be called upon receipt of a petition signed by at least 20% of the number of qualified voters who voted in the preceding election of the political subdivision. In the case of a decrease, the amount of the exemption may not be reduced to less than $3,000 of the market value.

The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In addition to any other exemptions provided by the Property Tax Code, the governing body of a political subdivision, at its option, may grant an exemption of up to 20% of the market value of residence homesteads, with a minimum exemption of $5,000.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

As of January 1, 2004, under Article VIII and State law, the governing body of a county, municipality or junior college district may provide for a freeze on total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five percent of the registered voters of the county, municipality or junior college district, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons 65 years of age or who are disabled. Upon providing for such exemption, such freeze on ad valorem taxes is transferable to a different residence homestead. Also, a surviving spouse of a taxpayer who qualifies for the freeze on ad valorem taxes is entitled to the same exemption so long as the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse and the spouse was at least 55 years of age at the time of the death of the individual's spouse. If improvements (other than repairs or improvements required to comply with governmental requirements) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following years. Once established such freeze cannot be repealed or rescinded.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from $5,000 to a maximum of $12,000; provided, however, that beginning in the 2009 tax year, a disabled veteran who receives from the from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. Furthermore, effective January 1, 2012, surviving spouses of a deceased veteran who had received a disability rating of 100% are entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Sections 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Article VIII, Section 1-j, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Notwithstanding such exemption, counties, school districts, junior college districts and cities may tax such tangible personal property provided official action to tax the same was taken before April 1, 1990. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Under Section 11.253 of the Texas Tax Code, "Goods-in-Transit" are exempt from taxation unless a taxing unit opts out of the exemption. Goods-in-Transit are defined as tangible personal property that: (i) is acquired in or imported into the state to be forwarded to another location in the state or outside the state; (ii) is detained at a location in the state in which the owner of the property does not have a direct or indirect ownership interest for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property; (iii) is transported to another location in the state or outside the state not later than 175 days after the date the person acquired the property in or imported the property into the state; and (iv) does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory. A taxpayer may receive only one of the freeport exemptions or the goods-in-transit exemptions for items of personal property.

The City may create one or more tax increment financing districts ("TIF") within the City and freeze the taxable values of property in the TIF at the value at the time of its creation. Other overlapping taxing units levying taxes in the TIF may agree to contribute all or part of future ad valorem taxes levied and collected against the value of property in the TIF in excess of the "frozen values" to pay or finance the costs of certain public improvements in the TIF. Taxes levied by the City against the values of real property in the TIF in excess of the "frozen" value are not available for general city use but are restricted to paying or financing "project costs" within the TIF. The City also may enter into tax abatement agreements to encourage economic development. Under tax abatement agreement, a property owner typically agrees to construct certain improvements on its property. The City in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

Municipalities are also authorized, pursuant to Chapter 380, Texas Local Government Code, as amended ("Chapter 380"), to establish programs or promote state or local economic development and to stimulate business and commercial activity in the city. In accordance with a program established pursuant to Chapter 380, a city may make loans or grants of public funds for economic development purposes, however, no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the city.

EFFECTIVE TAX RATE AND ROLLBACK TAX RATE . . . Section 26.05 of the Property Tax Code provides that the governing body of a taxing unit is required to adopt the annual tax rate for the unit before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, and a failure to adopt a tax rate by such required date will result in the tax rate for the taxing unit for the tax year to be the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. Furthermore, Section 26.05 provides the City Council may not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate until two public hearings are held on the proposed tax rate following a notice of such public hearings (including the requirement that notice be posted on the City's website if the City owns, operates or controls an internet website and public notice be given by television if the City has free access to a television channel) and the City Council has otherwise complied with the legal requirements for the adoption of such tax rate. The tax rate consists of two components: (1) a rate for funding of maintenance and operation expenditures, and (2) a rate for debt service.

Under the Property Tax Code, the City must annually calculate and publicize its "effective tax rate" and "rollback tax rate". If the adopted tax rate exceeds the rollback tax rate the qualified voters of the City by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

"Effective tax rate" means the rate that will produce last year's total tax levy (adjusted) from this year's total taxable values (adjusted). "Adjusted" means lost values are not included in the calculation of last year's taxes and new values are not included in this year's taxable values.

"Rollback tax rate" means the rate that will produce last year's maintenance and operation tax levy (adjusted) from this year's values (adjusted) multiplied by 1.08 plus a rate that will produce this year's debt service from this year's values (unadjusted) divided by the anticipated tax collection rate. See Legislation affecting Ad Valorem Taxation below for information regarding recently enacted changes to the roll back tax rate by the Texas Legislature.

The Property Tax Code provides that certain cities and counties in the State may submit a proposition to the voters to authorize an additional one-half cent sales tax on retail sales of taxable items. If the additional tax is levied, the effective tax rate and the rollback tax rate calculations are required to be offset by the revenue that will be generated by the sales tax in the current year.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

LEGISLATION AFFECTING AD VALOREM TAXATION . . . The 86th Regular Legislative Session convened on January 8, 2019 and concluded on May 27, 2019. The Governor may call one or more additional special sessions, which may last no more than 30 days, and for which the Governor sets the agenda.

During the 86th Regular Legislative Session, the Texas Legislature passed Senate Bill 2 ("SB 2"), a law that materially changes ad valorem tax matters, including rollback elections for maintenance tax increases, and other matters which may have an adverse impact on the City's operations and financial condition. The Governor signed SB 2 into law on June 12, 2019.

SB 2 includes provisions that address the following goals as described by the Texas Senate Research Center: (1) lowering the rollback rate for maintenance and operations taxes from the existing 8.0% for the largest taxing units in the State; (2) requiring a tax ratification election if the rollback rate is exceeded, eliminating the petition requirement in current statute; (3) making information about the tax rates proposed by local taxing units more accessible to property owners and more timely; and (4) making it easier for property owners to express their opinions about proposed tax rates to local elected officials before tax rates are adopted. Specifically, with respect to municipalities such as the City, SB 2 would lower the rollback rate to 3.5%.

At this time, the City cannot predict how the City would be affected by the provisions of SB 2. In addition, the City cannot predict whether the Governor will call a special session to address other property tax reforms not included in SB 2.

PROPERTY ASSESSMENT AND TAX PAYMENT . . . Property within the City is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of February 1. Oil and gas reserves are assessed on the basis of a valuation process which uses an average of the daily price of oil and gas for the prior year. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and the final installment due on August 1.

PENALTIES AND INTEREST . . . Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, the penalty remains at 12%, and interest accrues at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. A delinquent tax continues to accrue interest as long as the tax remains unpaid, regardless of whether a judgment for the delinquent tax has been rendered. The purpose of imposing such interest is to compensate the taxing unit for revenue lost because of the delinquency. In addition the taxing unit may contract with an attorney for the collection of delinquent taxes and the amount of compensation as set forth in such contract may not provide for a fee that exceeds 20% of the amount of delinquent tax, penalty, and interest collected, and such fee may be added to the total tax penalty and interest charged to the taxpayer. Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the City's lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy.

The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

CITY APPLICATION OF PROPERTY TAX CODE . . . The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of $50,000.

The City has not granted an additional exemption of 20% of the market value of residence homesteads.

The City has established a freeze on the taxes on residence homesteads of persons 65 years of age or who are disabled.

See Table 1 for a listing of the amounts of the exemptions described above.

Ad valorem taxes are not levied by the City against the exempt value of residence homesteads for the payment of debt.

The City does not tax intangible personal property and Tarrant County collects taxes for the City.

The City does permit split payments, and discounts are allowed.

The City does not tax freeport property.

The City does collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City has adopted a tax abatement policy.

The City does tax goods in transit.

TAX ABATEMENT POLICY . . . The City has established a tax abatement program to encourage economic development. In order to be considered for tax abatement, a project must meet certain criteria pertaining to property value enhancement and amount expended on the proposed project. Projects may be eligible for a tax abatement of up to 100% of the incremental value and may be for a period of up to ten years. The City has granted several tax abatements for several projects, with an estimated maximum of $4 million in tax and permit revenues abated over 10 years beginning in tax year 2010.

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TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2018/19 Market Valuation Established by Tarrant Appraisal District (excluding totally exempt property)		$4,491,432,560
Less Exemptions/Reductions at 100% Market Value:		
Over 65	$ 207,078,441	
Disabled Veterans Exemption	19,528,022	
Pollution Control Exemption	4,045	
Lost to Nominal Values	10,331	
Misc Personal Property	7,652,604	234,273,443
2018/19 Taxable Assessed Valuation		$4,257,159,117
Plus Net Taxable Value in Arbitration and Incomplete		82,811,736
2018/19 Taxable Assessed Valuation		$4,339,970,853
2019/20 Taxable Assessed Valuation (as certified July 22, 2019)		$4,756,793,584 (1)
Debt Payable from Ad Valorem Taxes (as of 6-1-19)		
General Obligation Indebtedness	$ 133,000,000 (2)	
The Bonds	8,885,000 (1)	
The Taxable Bonds	5,500,000 (1)	
City Funded Debt Payable from Ad Valorem Taxes		$ 147,385,000
Self Supporting General Obligation Debt: (3)		
Stormwater Utility System Revenues	$ 6,155,000	
Waterworks and Sewer System Revenues (4)	59,275,000	65,430,000
Net Funded Debt Payable From Ad Valorem Taxes		$ 81,955,000
Interest and Sinking Fund as of 6-1-19		$ 3,085,057
Ratio Tax Supported Debt to Taxable Assessed Valuation		3.40%
Ratio Net Tax Supported Debt to Taxable Assessed Valuation		1.89%

2019 Estimated Population - 49,330
Per Capita Taxable Assessed Valuation - $87,978
Per Capita Funded Debt - $2,988
Per Capita Net Funded Debt - $1,661

(1) Preliminary, subject to change.
(2) Excludes the Refunded Obligations.
(3) General obligation debt in the amounts shown for which repayment is provided from revenue sources other than ad valorem tax receipts, as shown in Table 10. It is the City's current policy to provide for the payment of the general obligation debt shown from these revenue sources. This policy is subject to change in the future. See also "Table 8 – General Obligation Debt Service Requirements".
(4) Includes a portion of the Bonds and excludes a portion of the Refunded Obligations. Preliminary, and subject to change.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2019		2018		2017	
Category	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	$2,852,967,933	63.52%	$2,551,910,170	63.54%	$2,358,796,227	65.63%
Real, Residential Multi-Family	801,021,969	17.83%	734,449,072	18.29%	613,593,463	17.07%
Real, Vacant Lots/Tracts	19,797,996	0.44%	24,847,850	0.62%	20,462,114	0.57%
Real, Acreage (Land Only)	-	0.00%	222	0.00%	212	0.00%
Real, Commercial	666,701,376	14.84%	565,506,662	14.08%	478,512,362	13.31%
Real, Industrial	5,133,633	0.11%	4,739,544	0.12%	4,478,842	0.12%
Minerals, Oil and Gas	11,780	0.00%	-	0.00%	9,660	0.00%
Real and Tangible Personal, Utilities	47,339,218	1.05%	42,124,478	1.05%	29,938,901	0.83%
Tangible Personal, Commercial	85,651,266	1.91%	78,508,874	1.95%	72,699,299	2.02%
Tangible Personal, Industrial	1,534,272	0.03%	1,787,623	0.04%	1,787,623	0.05%
Tangible Personal, Other	-	0.00%	-	0.00%	-	0.00%
Real Property, Inventory	11,273,117	0.25%	12,097,502	0.30%	13,827,953	0.38%
Total Appraised Value Before Exemptions	$4,491,432,560	100.00%	$4,015,971,997	100.00%	$3,594,106,656	100.00%
Net Taxable Value in Arbitration and Incomplete	82,811,736		191,786,247		225,866,436	
Adjustments	-		-		189,382,006	
Less: Total Exemptions/Reductions	(234,273,443)		(210,448,381)		(203,831,482)	
Taxable Assessed Value	$4,339,970,853		$3,997,309,863		$3,805,523,616	

	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2016		2015	
Category	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	$2,159,848,333	64.22%	$2,096,154,206	63.94%
Real, Residential Multi-Family	521,124,636	15.49%	484,836,910	14.79%
Real, Vacant Lots/Tracts	23,799,529	0.71%	24,006,674	0.73%
Real, Farm and Ranch Improvements	-	0.00%	-	0.00%
Real, Commercial	505,734,377	15.04%	518,160,362	15.81%
Real, Industrial	4,738,220	0.14%	4,788,555	0.15%
Minerals, Oil and Gas	58,580	0.00%	75,890	0.00%
Real and Tangible Personal, Utilities	28,748,270	0.85%	39,218,872	1.20%
Tangible Personal, Commercial	103,917,894	3.09%	109,130,752	3.33%
Tangible Personal, Industrial	1,787,623	0.05%	1,742,463	0.05%
Tangible Personal, Other	-	0.00%	-	0.00%
Real Property, Inventory	13,582,943	0.40%	82,880	0.00%
Total Appraised Value Before Exemptions	$3,363,340,608	100.00%	$3,278,197,564	100.00%
Net Taxable Value in Arbitration and Incomplete	35,365,311		40,950,873	
Adjustments	190,276,653		(51,848,689)	
Less: Total Exemptions/Reductions	(198,707,398)		(190,147,555)	
Taxable Assessed Value	$3,390,275,174		$3,077,152,193	

NOTE: Valuations shown are certified taxable assessed values reported by the Tarrant Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

The City is approximately 98% built out and currently cannot annex additional territory as it is surrounded by other political subdivisions.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population	Taxable Assessed Valuation	Taxable Assessed Valuation Per Capita	Net Tax Supported Debt Outstanding at End of Year (3)	Ratio of Tax Supported Debt to Taxable Assessed Valuation	Tax Supported Debt Per Capita
2015	49,054 (1)	$ 3,077,152,193	$ 62,730	$ 28,320,000	0.92%	$ 577
2016	49,151 (1)	3,390,275,174	68,977	24,130,000	0.71%	491
2017	49,234 (1)	3,805,523,616	77,295	25,235,000	0.66%	513
2018	49,282 (1)	3,997,309,863	81,111	73,837,500	1.85%	1,498
2019	49,330 (1)	4,339,970,853 (2)	87,978	81,955,000 (4)	1.89%	1,661

(1) Source: Alteryx.
(2) As reported by the Tarrant Appraisal District on City's annual State Property Tax Board Reports; subject to change during the ensuing year.
(3) Net of Self-Supporting debt.
(4) Includes a portion of the Bonds and excludes a portion of the Refunded Obligations. Preliminary, subject to change.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	Distribution: General Fund	Distribution: Interest and Sinking Fund	Tax Levy	% of Current Tax Collections to Tax Levy	% of Total Tax Collections to Tax Levy
2015	$ 0.494830	$ 0.289907	$ 0.204923	$ 15,079,653	98.26%	98.48%
2016	0.494830	0.299332	0.195498	15,294,958	99.67%	99.79%
2017	0.476509	0.303747	0.172762	16,266,337	99.56%	99.67%
2018	0.520000	0.340560	0.179440	19,162,258	99.43%	99.67%
2019	0.561862	0.344135	0.217727	22,532,737	96.52% (1)	96.87% (1)

(1) Collections for partial year only, through June 1, 2019.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2018/19 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
CMF 15 Portfolio LLC	Real Estate/Retail	$ 112,000,000	2.58%
SOF Woods of Bedford Owners LP	Apartments	81,590,000	1.88%
S2 Oak Creek LLC	Apartments	46,573,004	1.07%
Point Loma Woods Dallas LLC	Apartments	28,100,000	0.65%
Stanton Road Capital LLC	Real Estate	27,245,623	0.63%
Allmark Central Park LP	Apartments	25,900,000	0.60%
Parc Plaza Homes LLP	Real Estated	23,671,544	0.55%
Wal-Mart Real Estate Business Trust	Retail	23,180,063	0.53%
Oncor Electric Delivery	Electric Utility	21,885,320	0.50%
BW Pecan Creek LLC	Apartments	21,750,000	0.50%
		$ 411,895,554	9.49%

GENERAL OBLIGATION DEBT LIMITATION . . . No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter (see “The Obligations – Tax Rate Limitation").

TABLE 6 - TAX ADEQUACY (1)

2019 Principal and Interest Requirements	$ 7,787,119
$0.1813 Tax Rate at 99% Collection Produces	$ 7,789,683
Average Annual Principal and Interest Requirements, 2019 - 2039	$ 5,832,409
$0.1358 Tax Rate at 99% Collection Produces	$ 5,834,744
Maximum Principal and Interest Requirements, 2019	$ 7,787,119
$0.1813 Tax Rate at 99% Collection Produces	$ 7,789,683

(1) Includes a portion of the Bonds and excludes a portion of the Refunded Obligations. Less revenue supported general obligation debt. See Table 10 herein. Preliminary, subject to change.

TABLE 7 - ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional Tax Debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Jurisdiction	2018/19 Taxable Assessed Value	2018/19 Tax Rate	Total Tax Supported Debt	Estimated % Applicable	City's Overlapping Tax Supported Debt As of 6-1-19	Authorized But Unissued Debt As Of 6-1-19
City of Bedford	$ 4,339,970,853	$ 0.520000	$ 81,955,000 (1)	100.00%	$ 81,955,000 (1)	$ 6,630,000 (2)
Hurst-Euless-Bedford Independent School District	13,378,936,471	1.273000	401,175,000	30.04%	120,512,970	$ 114,000,000
Tarrant County	180,110,821,859	0.234000	294,500,000	2.30%	6,773,500	$ 30,600,000
Tarrant County College District	180,908,726,158	0.136100	-	2.30%	-	-
Tarrant County Hospital District	180,270,255,261	0.000000	17,735,000	2.30%	407,905	-
Total Direct and Overlapping Tax Supported Debt					$ 209,649,375	
Ratio of Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation					4.83%	
Per Capita Overlapping Tax Supported Debt					$ 4,249.94	

(1) Includes a portion of the Bonds and excludes a portion of the Refunded Obligations. Less revenue supported general obligation debt. See Table 10 herein. Preliminary, subject to change.
(2) Reflects remaining authorization after the issuance of the Obligations.

TABLE 8 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Debt (1) Principal	Outstanding Debt (1) Interest	Outstanding Debt (1) Total	The Bonds (2) Principal	The Bonds (2) Interest	The Taxable Bonds (3) Principal	The Taxable Bonds (3) Interest	Total Outstanding Debt	Economic Development Self-Supporting Requirements (4)	Water and Sewer Self-Supporting Requirements (3)(5)	Stormwater Drainage Self-Supporting Requirements	Total Debt Less Self-Supporting Requirements	% of Total Outstanding Principal Retired
2019	$ 6,595,000	$ 5,249,043	$ 11,844,043	$ -	$ -	$ -	$ -	$ 11,844,043	40,800	$ 3,488,619	$ 527,505	$ 7,787,119	
2020	6,050,000	4,474,808	10,524,808	520,000	259,834	330,000	158,944	11,793,586	-	3,774,353	525,106	7,494,127	
2021	6,340,000	4,199,749	10,539,749	480,000	294,966	195,000	183,362	11,693,076	-	3,795,100	523,756	7,374,220	
2022	6,425,000	3,988,872	10,413,872	515,000	275,066	200,000	176,449	11,580,387	-	3,825,170	531,594	7,223,623	
2023	6,135,000	3,773,722	9,908,722	535,000	254,066	210,000	169,274	11,077,061	-	3,835,144	523,056	6,718,861	22.42%
2024	6,385,000	3,552,609	9,937,609	560,000	232,166	215,000	161,837	11,106,611	-	3,859,469	528,306	6,718,836	
2025	5,490,000	3,335,499	8,825,499	590,000	209,166	225,000	154,137	10,003,801	-	3,874,259	532,656	5,596,886	
2026	5,700,000	3,122,945	8,822,945	615,000	185,066	230,000	145,599	9,998,609	-	3,879,642	521,431	5,597,536	
2027	5,950,000	2,897,061	8,847,061	640,000	159,966	240,000	136,199	10,023,226	-	3,899,177	524,631	5,599,417	
2028	5,700,000	2,668,954	8,368,954	670,000	133,766	250,000	127,024	9,549,743	-	3,420,001	526,800	5,602,942	44.16%
2029	5,930,000	2,438,352	8,368,352	695,000	106,466	260,000	118,099	9,547,916	-	3,417,468	527,794	5,602,655	
2030	6,165,000	2,228,207	8,393,207	725,000	83,213	265,000	109,468	9,575,888	-	3,436,865	529,738	5,609,285	
2031	6,350,000	2,041,299	8,391,299	230,000	70,698	275,000	100,918	9,067,915	-	3,290,665	527,931	5,249,319	
2032	6,005,000	1,855,259	7,860,259	235,000	64,116	285,000	91,590	8,535,966	-	3,116,150	280,866	5,138,950	
2033	5,880,000	1,673,663	7,553,663	245,000	56,949	295,000	81,480	8,232,091	-	2,806,881	283,531	5,141,678	66.13%
2034	5,955,000	1,486,807	7,441,807	250,000	49,250	305,000	70,648	8,116,704	-	2,813,924	280,663	5,022,117	
2035	5,920,000	1,297,866	7,217,866	260,000	41,140	320,000	59,146	7,898,152	-	2,818,763	282,394	4,796,995	
2036	6,115,000	1,103,871	7,218,871	265,000	32,687	330,000	47,055	7,893,613	-	2,821,021	283,625	4,788,967	
2037	6,325,000	897,949	7,222,949	275,000	23,884	345,000	34,364	7,901,197	-	2,823,687	284,350	4,793,160	
2038	6,530,000	684,573	7,214,573	285,000	14,643	355,000	21,063	7,890,279	-	2,818,973	279,813	4,791,493	88.11%
2039	2,285,000	541,899	2,826,899	295,000	4,956	370,000	7,141	3,503,996	-	2,826,899	-	-	
2040	2,075,000	475,995	2,550,995	-	-	-	-	2,550,995	-	2,550,995	-	-	
2041	2,140,000	412,737	2,552,737	-	-	-	-	2,552,737	-	2,552,737	-	-	
2042	2,205,000	346,430	2,551,430	-	-	-	-	2,551,430	-	2,551,430	-	-	
2043	2,275,000	278,028	2,553,028	-	-	-	-	2,553,028	-	2,553,028	-	-	95.67%
2044	2,345,000	206,625	2,551,625	-	-	-	-	2,551,625	-	2,551,625	-	-	
2045	2,425,000	133,023	2,558,023	-	-	-	-	2,558,023	-	2,558,023	-	-	
2046	935,000	57,000	992,000	-	-	-	-	992,000	-	992,000	-	-	
2047	965,000	28,950	993,950	-	-	-	-	993,950	-	993,950	-	-	100.00%
	$ 139,595,000	$ 55,451,794	$ 195,046,794	$ 8,885,000	$ 2,552,059	$ 5,500,000	$ 2,153,795	$ 214,137,648	$ 40,800	$ 87,946,016	$ 8,825,546	$ 116,648,189	

(1) "Outstanding Debt" includes self-supporting debt; excludes Refunded Obligations.
(2) Average life of the Bonds – 8.313 years. Interest calculated at 2.76% for purposes of illustration. Preliminary, subject to change.
(3) Average life of the Taxable Bonds – 10.726 years. Interest calculated at 3.51% for purposes of illustration. Preliminary, subject to change.
(4) It is the City's current policy to provide for the payment of the general obligation debt shown from the revenue sources indicated. This policy is subject to change in the future. See "Table 10 – Computation of Self-Supporting Debt".
(5) Excludes a portion of the Refunded Obligations and includes a portion of the Bonds. Preliminary, subject to change.

TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION [1]

Projected Tax Supported Debt Service Requirements, Fiscal Year Ending 9-30-19		$ 7,857,570 [2]
Interest and Sinking Fund, 9-30-18	$ 1,049,549	
Budget Interest and Sinking Fund Tax Levy	7,796,119	
Transfer from the Economic Development Corporation	40,800	
Estimated Investment Income	20,000	8,906,468
Estimated Balance, 9-30-19		$ 1,048,898

(1) Source: City's 2018-2019 Budget. Includes fiscal agent charges.
(2) Does not include (self-supporting) Waterworks and Sewer System and Stormwater Drainage debt service.

TABLE 10 - COMPUTATION OF SELF-SUPPORTING DEBT

Stormwater System	
Net Revenue from Stormwater System, Fiscal Year Ended 9-30-18	$ 1,256,654
Stormwater System General Obligation Bond Requirements, 2019 Fiscal Year	527,505
Balance	$ 729,149
Economic Development Corporation	
Revenue Available from Economic Development Corporation Sales Tax, Fiscal Year Ended 9-30-18	$ 1,239,946
Economic Development Corporation Sales Tax General Obligation Bond Requirements, 2019 Fiscal Year	40,800
Balance	$ 1,199,146
Waterworks and Sewer System	
Net Revenue Available for Debt from Waterworks and Sewer System Fund, Fiscal Year Ended 9-30-18	$ 7,445,549
Waterworks and Sewer System Fund General Obligation Bond Requirements, 2019 Fiscal Year	3,488,619
Balance	$ 3,956,930

TABLE 11 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
Police Facility Improvements	9/12/1995	$ 6,625,000	$ 6,295,000	$ -	$ 330,000
Street Improvements and Drainage	9/12/1995	13,200,000	12,675,000	-	525,000
City Building Improvements	11/6/2001	1,075,000	885,000	-	190,000
Animal Control	11/6/2001	240,000	-	-	240,000
Public Safety Improvements	11/6/2001	4,060,000	2,885,000	-	1,175,000
Street Improvements (Thoroughfares and Traffic Signalization)	11/6/2001	5,430,000	3,265,000	-	2,165,000
Street Improvements (Residential Street Improvements)	11/6/2001	3,730,000	1,725,000	-	2,005,000
Parks and Recreation Facilities	11/7/2017	70,000,000	60,000,000	10,000,000	-
		$ 104,360,000	$ 87,730,000	$ 10,000,000	$ 6,630,000

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT . . . The City does not anticipate the issuance of additional general obligation debt within the next 12 months.

TABLE 12 – OTHER OBLIGATIONS

The City has no unfunded debt outstanding as of June 1, 2019.

PENSION FUND . . . The City provides pension benefits for all of its full-time employees through the Texas Municipal Retirement System ("TMRS"), a State-wide administered pension plan. The City makes annual contributions to the plan equal to the amounts accrued for pension expense.

Plan Description . . .The City participates as one of 883 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.

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

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 payment options. Members may also choose to receive a portion of their benefit in one of seven payment 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 provision 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, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receving Benefits	55
Inactive Employees Entitled to But Not Yet Receving Benefits	128
Active Employees	339
	522

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 8.94% and 9.01% in calendar years 2017 and 2018, respectively. The city's contributions to TMRS for the year ended September 30, 2018, were $2,035,140, and were equal to the required contributions.

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, 2017 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, 2017, 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates 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) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
None-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)
Balance at September 30, 2017	$ 30,699,769	$ 17,692,210	$ 13,007,559
Changes for the year:			
Service cost	2,703,744	-	$ 2,703,744
Interest on total pension liability	2,139,669	-	2,139,669
Effect of difference in expected and actual experience	(246,817)	-	(246,817)
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(705,692)	(705,692)	-
Administrative expenses	-	(12,708)	12,708
Employer contributions	-	1,919,893	(1,919,893)
Net investment income	-	2,458,477	(2,458,477)
Employee contributions	-	1,503,273	(1,503,273)
Other	-	(643)	643
Net changes	3,890,904	5,162,600	(1,271,696)
Balance at September 30, 2018	$ 34,590,673	$ 22,854,810	$ 11,735,863

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	$16,653,371	$ 11,735,863	$7,574,110

For the year ended September 30, 2018, the City recognized pension expense of $2,077,711.

At September 30, 2018, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (518,032)
Difference in assumptions changes	450,652	-
Difference between projected and actual earnings on pension plan investments	-	(678,319)
Contributions subsequent to the measurement date	1,556,477	-
Balance at September 30, 2018	$ 2,007,129	$ (1,196,351)

$1,556,477 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, 2018.

OTHER POST-EMPLOYMENT BENEFITS . . . In addition to pension benefits, 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.

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.

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.

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees Currently Receving Benefits	22
Inactive Employees Entitled to But Not Yet Receving Benefits	0
Active Employees	23
	45

The OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.50% to 10.50% including inflation
Discount rate	3.31%
Retirees share of benefit-related costs	$0

Changes in the OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2016	$ 2,429,063	$ 34,254	$ 2,394,809
Changes for the year:			
Service cost	28,394	-	$ 28,394
Interest	91,716	-	91,716
Change of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	164,339	-	164,339
Contributions - employer	-	72,029	(72,029)
Net investment income	-	3,092	(3,092)
Benefit payments	(72,029)	(72,029)	-
Administrative expense	-	-	-
Net changes	212,420	3,092	209,328
Balance at December 31, 2017	$ 2,641,483	$ 37,346	$ 2,604,137

FINANCIAL INFORMATION

TABLE 13 - CHANGES IN NET ASSETS

Revenues:	Fiscal Year Ended September 30,				
Program Revenues	2018	2017	2016	2015	2014
Charges for Services	$ 6,720,203	$ 6,479,900	$ 6,500,337	$ 6,899,400	$ 6,229,413
Operating Grants and Contributions	45,842	24,828	41,653	61,067	599,930
Capital Funds & Contributions	731,673	511,184	135,258	79,783	93,556
General Revenues					
Property Taxes	19,143,856	16,273,095	15,507,727	14,543,198	14,297,275
Other Taxes	15,562,014	15,539,060	15,579,237	15,840,310	14,598,416
Other	4,014,123	3,066,286	7,257,227	2,950,656	3,016,673
Total Revenues	$ 46,217,711	$ 41,894,353	$ 45,021,439	$ 40,374,414	$ 38,835,263
Expenses:					
General Government and Administration	$ 5,358,893	$ 5,172,343	$ 5,429,870	$ 5,393,564	$ 5,688,961
Community Services	2,316,201	1,811,320	1,876,441	1,744,633	1,549,075
Public Services	5,696,229	5,421,724	5,983,295	3,655,287	3,431,383
Public Safety	22,212,547	22,016,970	20,780,556	22,264,933	23,669,141
Leisure Services	5,315,999	5,418,465	4,364,247	4,068,948	3,823,403
Interest Expense	1,264,535	750,473	932,371	1,301,208	1,288,725
Total Expenses	$ 42,164,404	$ 40,591,295	$ 39,366,780	$ 38,428,573	$ 39,450,688
Increase (Decrease) in Net Assets	$ 4,053,307	$ 1,303,058	$ 5,654,659	$ 1,945,841	$ (615,425)
Net Assets - October 1	23,594,648	21,841,481	16,186,822	22,113,131	22,728,556
Restated	(1,570,206)	450,109	-	(7,872,150)	-
Net Assets - September 30	$ 26,077,749	$ 23,594,648	$ 21,841,481	$ 16,186,822	$ 22,113,131

TABLE 13-A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
Revenues	2018	2017	2016	2015	2014
Taxes, Penalty and Interest	$ 24,951,068	$ 22,714,729	$ 21,355,591	$ 20,673,816	$ 20,360,037
Licenses/Permits	1,004,797	982,054	692,700	871,081	628,484
Charges for Services	3,314,391	3,067,148	3,583,578	3,188,436	2,823,084
Fines/Forfeitures	1,613,738	1,510,112	1,469,056	1,740,987	1,896,359
Other Governmental	242,256	423,060	251,670	547,727	549,418
Interest Income	225,030	131,972	43,549	14,328	8,165
Miscellaneous	131,265	124,018	4,706,774	340,911	269,245
Total Revenues	$ 31,482,545	$ 28,953,093	$ 32,102,918	$ 27,377,286	$ 26,534,792
Expenditures					
General Government	$ 6,109,212	$ 5,441,182	$ 4,766,998	$ 4,783,223	$ 4,217,932
Public Safety	20,226,859	20,020,428	19,148,674	18,125,471	17,671,843
Culture/Recreation	4,145,159	4,228,845	4,252,845	3,996,196	3,800,313
Public Works	1,941,446	1,911,385	2,023,197	1,766,250	2,208,433
Capital Outlay	520,803	739,778	221,027	1,077,790	341,651
Debt Service	328,759	188,835	99,741	99,741	99,741
Total Expenditures	$ 33,272,238	$ 32,530,453	$ 30,512,482	$ 29,848,671	$ 28,339,913
Excess (Deficiency) of Revenues					
Over Expenditures	$ (1,789,693)	$ (3,577,360)	$ 1,590,436	$ (2,471,385)	$ (1,805,121)
Other Financing Sources (Uses):					
Proceeds from the Sales of Capital Assets	$ 4,733	$ 8,329	$ 11,489	$ 35,550	$ 40,764
Lease Purchase Proceeds	462,030	323,221	-	-	221,936
Insurance Proceeds	85,318	23,290	55,635	27,485	30,669
Transfers In	2,960,634	2,826,384	3,144,638	2,564,790	2,549,886
Transfers Out	(15,000)	-	(28,582)	(5,781)	-
Total Other Financing Sources (Uses)	$ 3,497,715	$ 3,181,224	$ 3,183,180	$ 2,622,044	$ 2,843,255
Net Change in Fund Balance	$ 1,708,022	$ (396,136)	$ 4,773,616	$ 150,659	$ 1,038,134
Beginning Fund Balance	11,939,526	12,300,198	7,526,582	7,375,923	6,337,759
Prior Period Adjustment	-	35,464	-	-	30
Ending Fund Balance	$ 13,647,548	$ 11,939,526	$ 12,300,198	$ 7,526,582	$ 7,375,923

TABLE 14 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, Texas Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Obligations. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

Fiscal Year Ended 9/30	2% Total Collected [1]	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2015	$ 11,048,748	73.27%	$ 0.3591	$ 225
2016	10,787,539	70.53%	0.3182	219
2017	10,905,398	67.04%	0.2866	222
2018	10,936,716	57.07%	0.2736	222
2019	8,752,662 [2]	38.84%	0.2017	177

(1) Also Includes the ½ cent sales tax for property tax reduction and ½ cent 4B sales tax described below.
(2) Collections through June 1, 2019.

On January 21, 1995, the voters of the City approved the imposition of an additional sales and use tax of one-half of one percent (½ of 1%) for property tax reduction. Collection for the additional tax went into effect on October 1, 1995. On November 4, 1997, the voters of the City approved the imposition of an additional sales and use tax of one-half of one percent (½ of 1%) for economic development. Collection for the additional tax went into effect on April 1, 1998. The sales tax for economic development is collected solely for the benefit of the City of Bedford Street Improvement Economic Development Corporation (the "Corporation"), and may be pledged to secure payment of sales tax revenue bonds issued by the Corporation. These sales tax revenues are not pledged to the payment of the Obligations.

Fiscal Year Ended 9/30	Property Tax Reduction Collected	4B Sales Tax Collected
2015	$ 2,762,187	$ 2,762,187
2016	2,696,885	2,696,885
2017	2,726,350	2,726,350
2018	2,734,179	2,734,179
2019	2,188,166 (1)	2,188,166 (1)

(1) Collections through June 1, 2019.

The sales tax breakdown for the City is as follows:

	Cents
Property Tax Relief	1/2
Economic and Community Development	1/2
City Sales and Use Tax	1
State Sales and Use Tax	6 1/4
Total	8 1/4

FINANCIAL POLICIES

Basis of Accounting . . . The City's accounting records of the governmental fund revenues and expenditures are recognized on the modified accrual basis. Revenues are recognized in the accounting period in which they are available and measurable. Expenditures are recognized in the accounting period in which the fund liability occurred, if measurable, except for unmatured interest on general long-term debt and on special assessment indebtedness secured by interest-bearing special assessment levies, longevity and certain other employees' benefits are recognized when due.

Proprietary Fund revenues and expenses are recognized on the accrual basis. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized in the accounting period incurred.

Fiduciary Fund revenues and expenses or expenditures are recognized on the modified accrual basis.

Transfers are recognized in the accounting period in which the interfund receivable and payable arise (see Appendix B - "Excerpts from The City of Bedford, Texas, Comprehensive Annual Financial Report for the Year Ended September 30, 2018").

Reporting Entity . . . Generally accepted accounting principles require that 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 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 Corporation is governed by a seven-member board appointed by the City Council. Although it is legally separate from the City, the Corporation 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 taxes collected under Section 4B of the Development Corporation Act of 1979.

Government-Wide Financial Statements . . . The government wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) prepared under GASB 34 report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Fiduciary funds are also excluded from the government-wide financial statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

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.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and tile restrictions on their net asset use.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements . . . Fund financial statements prepared under GASB 34 report detailed information about the City. The focus of governmental and enterprise 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.

Governmental Funds . . . All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes, ambulance fees and municipal court fines and fees as available if they are collected within 60 days after year-end.

Those revenues susceptible to accrual are property taxes, sales taxes, franchise taxes, special assessments, fines, interest and charges for services. Permits are not susceptible to accrual because generally they are not measurable until received in cash.

The City reports the following major governmental funds:

General Fund: The 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.

Special Revenue Funds: The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The blended component unit is reported here.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

Street Capital Projects Fund: The Street Capital Projects Fund is used to account for construction of improvements to streets, street related drainage and sidewalks.

Series 2005 Capital Projects Fund: The Series 2005 Capital Projects Fund is used to account for construction projects authorized for the Tax Note Series 2005 bond issue.

Series 2007 Capital Projects Fund: The Series 2007 Capital Projects Fund issued to account for construction projects authorized for the General Obligation Series 2007 and Combination Tax and Revenue Certificates of Obligation Series 2007 bond issues.

Series 2010 Capital Projects Fund: The Series 2010 Capital Projects Fund issued to account for construction projects authorized for the General Obligation Series 2010 and Combination Tax and Revenue Certificates of Obligation Series 2010 bond issues.

Series 2011 Capital Projects Fund: The Series 2011 Capital Projects Fund issued to account for construction projects authorized for the General Obligation Refunding and Improvement Bonds, Series 2011 and Combination Tax and Revenue Certificates of Obligation Series 2011 bond issues.

Series 2012 Capital Projects Fund: The Series 2012 Capital Projects Fund issued to account for construction projects authorized for the Combination Tax and Revenue Certificates of Obligation Series 2012 and Combination Tax and Revenue Certificates of Obligation Series 2012A bond issues.

Series 2013 Capital Projects Fund: The Series 2013 Capital Projects Fund issued to account for construction projects authorized for the General Obligation Refunding and Improvement Bonds, Series 2013 bond issue.

Series 2014 Capital Projects Fund: The Series 2014 Capital Projects Fund issued to account for construction projects authorized for the General Obligation, Series 2014 bond issue and Public Property Financial Contractual Obligations, Series 2014.

Series 2015 Capital Projects Fund: The Series 2015 Capital Projects Fund issued to account for construction projects authorized for the General Obligation Refunding and Improvement Bonds, Series 2015 bond issue.

Series 2016 Capital Projects Fund: The Series 2016 Capital Projects Fund issued to account for construction projects authorized for the Tax Notes, Series 2016 bond issue.

Series 2017 Capital Projects Fund: The Series 2017 Capital Projects Fund issued to account for construction projects authorized for the Combination Tax and Surplus Revenue Certificates of Obligation, Series 2017 bond issue.

Series 2018 Capital Projects Fund: The Series 2018 Capital Projects Fund issued to account for construction projects authorized for the General Obligation Refunding and Improvement Bonds, Series 2018 bond issue.

Series 2019 Capital Projects Fund: The Series 2019 Capital Projects Fund issued to account for construction projects authorized for the General Obligation Refunding and Improvement Bonds, Series 2019 bond issue.

Proprietary Funds . . . All proprietary funds are accounted for under GASB 34 using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility service receivables are recorded at each year-end.

Propriety funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses. The City's policy is to apply all Financial Accounting Standards Board standards issued after November 30, 1989 to its proprietary funds unless they conflict with GASB guidance.

The City's proprietary funds are:

Water and Sewer Fund: To account for providing water and sewer services to residential and commercial users in the City.

Stormwater Utility Fund: To account for the storm drainage runoff service provided to the residential and commercial users of the City.

Agency Funds...Agency funds are used under GASB 34 to account for assets held in a trustee capacity as an agent for other funds within the City and individuals. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

General Fund Balance . . . The City's policy is to maintain surplus and unencumbered funds equal to 25% of the next fiscal year's operating budget.

Use of Bond Proceeds, Grants, etc . . . The City's policy is to use bond and certificate proceeds, grants, revenue sharing or other non-recurring revenues for capital expenditures only. Such revenues are never to be used to fund City operations.

Budgetary Procedures . . . The City Charter establishes the fiscal year as the twelve-month period beginning October 1. The departments submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year by the middle of May. The City Manager subsequently submits a budget of estimated expenditures and revenues to the City Council by August 15. The City Council shall hold a public hearing on the budget after giving at least 10 days notice of the hearing in the official newspaper of the City. The Council shall then make any changes in the budget as it deems advisable and shall adopt a budget prior to October 1. If the Council fails to adopt a budget then the budget proposed by the City Manager shall deem to have been adopted.

During the fiscal year, strict budgetary control is maintained by various methods, including the review of departmental appropriation balances with purchase requisitions prior to their release to vendors.

Departmental appropriations that have not been expended lapse at the end of the fiscal year. Therefore, funds that were budgeted and not used by the departments during the fiscal year are not available for their use unless appropriated in the ensuing fiscal year's budget.

Fund Investments . . . The City's investment policy parallels state law which governs investment of public funds. The City currently utilizes State of Texas Investment Pools for the bulk of its investments. The Pool investments are restricted to direct obligations of the U.S. Government and its agencies.

INVESTMENTS

The City invests its investable funds in investments authorized by Texas law and in accordance with investment policies approved by the City Council. Both state law and the City's investment policies are subject to change.

LEGAL INVESTMENTS . . . Available City funds are invested as authorized by Texas law and in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change. Under State law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or (ii) a depository institution with a main office or branch office in this State that the investing entity selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3); (9) certificates of deposit and share certificates (i) issued by a depository institution that has its main office or a branch office in the State of Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Insurance Fund or its successor, or are secured as to principal by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (14) a no-load money market mutual fund registered with and regulated by the Securities and Exchange Commission that provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and complies with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed

securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAm or an equivalent by at least one nationally recognized rating service. The City is specifically prohibited from investing in (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years, and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest during the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

TABLE 15 - CURRENT INVESTMENTS

As of June 1, 2019, the City's investable funds were invested in the following categories:

Description	Percent	Market Value
Money Market Mutual Funds	36.80%	$ 50,438,740
Government Investment Pools	30.65%	42,011,605
Certificates of Deposit (CD)	32.54%	44,603,568
	100.00%	$ 137,053,913

TAX MATTERS FOR THE BONDS

TAX EXEMPTION . . . The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. A form of Bond Counsel's opinion is reproduced as Appendix C. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinion, Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the City with the provisions of the Bond Ordinance subsequent to the issuance of the Bonds. The Bond Ordinance contains covenants by the City with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the IRS with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the City may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securization investment trust ("FASIT"), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

TAX ACCOUNTING TREATMENT OF DISCOUNT AND PREMIUM ON CERTAIN BONDS . . . The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued

indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the "Premium Bonds") may be greater than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

TAX MATTERS FOR THE TAXABLE BONDS

The following is a general summary of certain United States federal income tax consequences of the purchase and ownership of the Taxable Bonds. The discussion is based upon laws, Treasury Regulations, rulings and decisions now in effect, all of which are subject to change or possibly differing interpretations. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below does not purport to deal with United States federal income tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of United States federal income taxation that may be relevant to a particular investor in the Taxable Bonds in light of the investor's particular personal investment circumstances or to certain types of investors subject to special treatment under United States federal income tax laws (including insurance companies, tax exempt organizations, financial institutions, brokers-dealers, and persons who have hedged the risk of owning the Taxable Bonds). The summary is therefore limited to certain issues relating to initial investors who will hold the Taxable Bonds as "capital assets" within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"), and acquire such Taxable Bonds for investment and not as a dealer or for resale. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

As used herein, "U.S. Holder" means a beneficial owner of a Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Taxable Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Taxable Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Taxable Bonds (including their status as U.S. Holders or Non-U.S. Holders).

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE TAXABLE BONDS.

U.S. HOLDERS

PAYMENTS OF STATED INTEREST ON THE TAXABLE BONDS

The stated interest paid on the Taxable Bonds will be included in the gross income, as defined in section 61 of the Code, of U.S. Holders and be subject to U.S. federal income taxation when received or accrued, depending on the tax accounting method applicable to the U.S. Holders.

ORIGINAL ISSUE DISCOUNT

If a substantial amount of the Taxable Bonds of any stated maturity is purchased at original issuance for a purchase price (the "Issue Price") that is less than their face amount by more than one quarter of one percent times the number of complete years to maturity, the Taxable Bonds of such maturity will be treated as being issued with "original issue discount." The amount of the original issue discount will equal the excess of the principal amount payable on such Taxable Bonds at maturity over its Issue Price, and the amount of the original issue discount on the Taxable Bonds will be amortized over the life of the Taxable Bonds using the "constant yield method" provided in the Treasury Regulations. As the original issue discount accrues under the constant yield method, U.S. Holders, regardless of their regular method of accounting, will be required to include such accrued amount in their gross income as interest. This can result in taxable income to U.S. Holders that exceeds actual cash distributions to the U.S. Holders in a taxable year.

The amount of the original issue discount that accrues on the Taxable Bonds each taxable year will be reported annually to the IRS and to the U.S. Holders. The portion of the original issue discount included in each beneficial owner's gross income while the U.S. Holder holds the Taxable Bonds will increase the adjusted tax basis of the Taxable Bonds in the hands of such U.S. Holder.

PREMIUM

If a U.S. Holder purchases a Taxable Bond for an amount that is greater than its stated redemption price at maturity, such U.S. Holder will be considered to have purchased the Taxable Bond with "amortizable bond premium" equal in amount to such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of the Taxable Bond and may offset interest otherwise required to be included in respect of the Taxable Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Taxable Bond held by a U.S. Holder that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Taxable Bond. However, if the Taxable Bond may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Taxable Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

MEDICARE CONTRIBUTION TAX

Pursuant to section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of "modified adjusted gross income" of the individual over $200,000 for unmarried individuals ($250,000 for married couples filing a joint return and a surviving spouse). U.S. Holders of the Taxable Bonds should consult with their tax advisor concerning this additional tax, as it may apply to interest earned on the Taxable Bonds as well as gain on the sale of a Taxable Bond.

DISPOSITION OF TAXABLE BONDS AND MARKET DISCOUNT

A U.S. Holder will generally recognize gain or loss on the redemption, sale or exchange of a Taxable Bond equal to the difference between the redemption or sales price (exclusive of the amount paid for accrued interest) and the U.S. Holder's adjusted tax basis in the Taxable Bonds. Generally, the U.S. Holder's adjusted tax basis in the Taxable Bonds will be the U.S. Holder's initial cost, increased by the original issue discount previously included in the U.S. Holder's income to the date of disposition. Any gain or loss generally will be capital gain or loss and will be long-term or short-term, depending on the U.S. Holder's holding period for the Taxable Bonds.

Under current law, a purchaser of a Taxable Bond who did not purchase the Taxable Bonds in the initial public offering (a "subsequent purchaser") generally will be required, on the disposition of the Taxable Bonds, to recognize as ordinary income a portion of the gain, if any, to the extent of the accrued "market discount." Market discount is the amount by which the price paid for the Taxable Bonds by a subsequent purchaser is less than the sum of Issue Price and the amount of original issue discount previously accrued on the Taxable Bonds. The Code also limits the deductibility of interest incurred by a subsequent purchaser on funds borrowed to acquire Taxable Bonds with market discount. As an alternative to the inclusion of market discount in income upon disposition, a subsequent purchaser may elect to include market discount in income currently as it accrues on all market discount instruments acquired by the subsequent purchaser in that taxable year or thereafter, in which case the interest deferral rule will not apply. The re-characterization of gain as ordinary income on a subsequent disposition of Taxable Bonds could have a material effect on the market value of the Taxable Bonds.

LEGAL DEFEASANCE

If the City elects to defease the Taxable Bonds by depositing in escrow sufficient cash and/or obligations to pay when due outstanding Taxable Bonds (a "legal defeasance"), under current tax law, a U.S. Holder may be deemed to have sold or exchanged its Taxable Bonds. In the event of such a legal defeasance, a U.S. Holder generally would recognize gain or loss in the manner described above. Ownership of the Taxable Bonds after a deemed sale or exchange as a result of a legal defeasance may have tax consequences different from those described above, and each U.S. Holder should consult its own tax advisor regarding the consequences to such beneficial owner of a legal defeasance of the Taxable Bonds.

BACKUP WITHHOLDING

Under section 3406 of the Code, a U.S. Holder may, under certain circumstances, be subject to "backup withholding" on payments of current or accrued interest on the Taxable Bonds. This withholding applies if such U.S. Holder: (i) fails to furnish to payor such U.S. Holder's social security number or other taxpayer identification number ("TIN"); (ii) furnishes the payor an incorrect TIN; (iii) fails to report properly interest, dividends, or other "reportable payments" as defined in the Code; or (iv) under certain circumstances, fails to provide the payor with a certified statement, signed under penalty of perjury, that the TIN provided to the payor is correct and that such U.S. Holder is not subject to backup withholding.

Backup withholding will not apply, however, with respect to payments made to certain U.S. Holders. U.S. Holders should consult their own tax advisors regarding their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

REPORTING OF INTEREST PAYMENTS

Subject to certain exceptions, interest payments made to beneficial owners with respect to the Taxable Bonds will be reported to the IRS. Such information will be filed each year with the IRS on Form 1099 which will reflect the name, address, and TIN of the beneficial owner. A copy of Form 1099 will be sent to each U.S. Holder for U.S. federal income tax purposes.

NON-U.S. HOLDERS

EFFECTIVELY CONNECTED INCOME

If, under the Code, interest on the Taxable Bonds is effectively connected with the conduct of a trade or business within the United States by a Non-U.S. Holder, such interest will be subject to U.S. federal income tax in a similar manner as if the Taxable Bonds were held by a U.S. Holder, as described above, and in the case of Non-U.S. Holders that are corporations, interest on the Taxable Bonds also may be included in the computation of earnings and profits that are subject to a U.S. branch profits tax at a rate of up to 30%, unless an applicable tax treaty provides otherwise. Such Non-U.S. Holder will not be subject to withholding taxes, however, if it provides a properly executed Form W-8ECI to the Corporation or its paying agent, if any.

WITHHOLDING ON PAYMENTS TO NON-U.S. HOLDERS

Under sections 1441 and 1442 of the Code, Non-U.S. Holders are generally subject to withholding at the rate of 30% on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest received by the Non-U.S. Holders is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as portfolio interest. Interest will be treated as portfolio interest if: (i) the Non-U.S. Holder provides a statement to the payor certifying, under penalties of perjury, that such Non-U.S. Holder is not a United States person and providing the name and address of such Non-U.S. Holder; (ii) such interest is treated as not effectively connected with the Non-U.S. Holder's United States trade or business; (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the Taxable Bonds is not deemed contingent interest within the meaning of the portfolio debt provision; (v) such Non-U.S. Holder is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) such Non-U.S. Holder is not a bank receiving interest on the Taxable Bonds pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments on the Taxable Bonds are treated as portfolio interest within the meaning of sections 871 and 881 of the Code, then no backup withholding under sections 1441 and 1442 of the Code and no backup withholding under section 3406 of the Code is required with respect to Non-U.S. Holders or intermediaries who have furnished Form W-8BEN, Form W-8EXP or Form W-8IMY, as applicable, provided the payor does not have actual knowledge that such person is a United States person.

DISPOSITION OF THE TAXABLE BONDS

Generally gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the City or a deemed retirement due to defeasance of the Taxable Bond) or other disposition of a Taxable Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the City) or other disposition and certain other conditions are met.

FOREIGN ACCOUNT TAX COMPLIANCE ACT – U.S. HOLDERS AND NON-U.S. HOLDERS

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain United States persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial United States owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Taxable Bonds and sales proceeds of Taxable Bonds held by or through a foreign entity. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinances the City has made the following undertakings for the benefit of the holders and beneficial owners of the Obligations. The City is required to observe the undertakings while it remains obligated to advance funds to pay such Obligations. Under the undertakings the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

ANNUAL REPORTS . . . The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City ending in or after 2019, financial information and operating data with respect to the City of the general type included in this Official Statement under Tables numbered 1 through 6 and 8 through 15 and (2) if not provided as part such financial information and operating data, audited financial statements of the City within the twelve months after the end of each fiscal year, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in the Ordinance or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the Official Statement, and (ii) audited, if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

Accordingly, the City must provide updated information included in the above-referenced tables by March 31 in each year, and audited financial statements for the preceding fiscal year must be provided by September 30 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

NOTICE OF CERTAIN EVENTS . . . The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Obligations to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations; (7) modifications to rights of holders of the Obligations, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Obligations, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if

material, (15) incurrence of a debt obligation or derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation of the City, or a guarantee of any such debt obligation or derivative instrument, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the City, any of which reflect financial difficulties. In addition, the City will provide timely notice of any failure by the City to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

AVAILABILITY OF INFORMATION . . . The City has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of certain specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Obligations at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Obligations may seek a writ of mandamus to compel the City to comply with its agreement.

The City's continuing disclosure agreements for the Obligations may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell the Obligations in the primary offering of such Obligations in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of the Ordinance that authorizes such an amendment) of the outstanding Obligations consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized Bond Counsel) determines that such amendment will not materially impair the interest of the registered owners and beneficial owners of such Obligations. The City may also amend or repeal the provisions of the continuing disclosure agreements if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Obligations in the primary offering of such Obligations. If the City amends its agreements, it must include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the City believes it has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

OTHER INFORMATION

RATINGS

The Obligations and the outstanding tax supported debt of the City are rated "AA" by S&P. An explanation of the significance of such rating may be obtained from the company furnishing the rating. The rating reflects only the view of such organization and the City makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating company, if in the judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Obligations.

LITIGATION

It is the opinion of the City Attorney and City Staff that there is no pending litigation against the City that, if decided adversely against the City, would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE

The sale of the Obligations has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Obligations have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Obligations been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Obligations under the securities laws of any jurisdiction in which the Obligations may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Obligations shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Obligations are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Obligations by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Obligations be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency. See "Other Information - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Obligations are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Obligations are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Obligations are legal investments for various institutions in those states.

LEGAL OPINIONS AND NO-LITIGATION CERTIFICATE

The City will furnish to each Initial Purchaser, a complete transcript of proceedings had incident to the authorization and issuance of the applicable series of the Obligations, including the unqualified approving legal opinions of the Attorney General of Texas approving the Initial Bonds, as applicable, and to the effect that such Obligations are valid and legally binding obligations of the City, and based upon examination of such transcripts of proceedings, the approving legal opinions of Bond Counsel, to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Obligations, or which would affect the provision made for their payment or security, or in any manner questioning the validity of said Obligations will also be furnished. Though it may represent the Financial Advisor and the Initial Purchasers from time to time in matters unrelated to the issuance of the Obligations, Bond Counsel has been engaged by and only represents the City in the issuance of the Obligations. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained herein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Obligations in the Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement to verify that such information conforms to the provisions of the Ordinance. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Obligations is contingent on the sale and delivery of the Obligations. The legal opinions will accompany the Obligations deposited the DTC or will be printed on the Obligations in the event of the discontinuance of the Book-Entry-Only System.

The legal opinions to be delivered concurrently with the delivery of the Obligations express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from City records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and ordinances contained in this Official Statement are made subject to all of the provisions of such statutes, documents and ordinances. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

FINANCIAL ADVISOR

Hilltop Securities Inc. ("HilltopSecurities") is employed as Financial Advisor to the City in connection with the issuance of the Obligations. The Financial Advisor's fee for services rendered with respect to the sale of the Obligations is contingent upon the issuance and delivery of the Obligations. HilltopSecurities, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

INITIAL PURCHASERS OF THE OBLIGATIONS

After requesting competitive bids for the Bonds, the City accepted the bid of _____ (the "Initial Purchaser of the Bonds") to purchase the Bonds at the interest rates shown on page 2 of the Official Statement at a price of (%) of par plus a cash premium (if any) of $_____. The Initial Purchaser of the Bonds can give no assurance that any trading market will be developed for the Bonds after their sale by the City to the Initial Purchaser of the Bonds. The City has no control over the price at which the Bonds are subsequently sold and the initial yield at which the Bonds will be priced and reoffered will be established by and will be the responsibility of the Initial Purchaser of the Bonds.

After requesting competitive bids for the Taxable Bonds, the City accepted the bid of _____ (the "Initial Purchaser of the Taxable Bonds") to purchase the Taxable Bonds at the interest rates shown on page 4 of the Official Statement at a price of (%) of par plus a cash premium (if any) of $_____. The Initial Purchaser of the Taxable Bonds can give no assurance that any trading market will be developed for the Taxable Bonds after their sale by the City to the Initial Purchaser of the Taxable Bonds. The City has no control over the price at which the Taxable Bonds are subsequently sold and the initial yield at which the Taxable Bonds will be priced and reoffered will be established by and will be the responsibility of the Initial Purchaser of the Taxable Bonds.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

CERTIFICATION OF THE OFFICIAL STATEMENT

At the time of payment for and delivery of the Obligations, the City will furnish each Initial Purchaser a certificate, executed by an authorized representative of the City, acting in such person's representative capacity, to the effect that to the best of such person's knowledge and belief: (a) the descriptions and statements of or pertaining to the City contained in the Official Statement, and any addenda, supplement or amendment thereto, on the date of the Official Statement, on the date of sale of the Obligations and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the City, and their activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since the date of the last audited financial statements of the City.

MISCELLANEOUS

The Ordinances authorizing the issuance of the Obligations will also approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Obligations by the Initial Purchasers.

JIM GRIFFIN
Mayor
City of Bedford, Texas

ATTEST:

MICHAEL WELLS
City Secretary

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Schedule I

SCHEDULE OF REFUNDED OBLIGATIONS*

Combination Tax and Revenue Certificates of Obligation, Series 2010

Original Dated Date	Original Maturity	Interest Rate	Principal Amount Outstanding	Principal Amount Refunded
1/1/2010	2/1/2020	3.750%	$ 100,000	$ 100,000
	2/1/2021	3.750%	100,000	100,000
	2/1/2022	4.000%	110,000	110,000
	2/1/2023	4.000%	115,000	115,000
	2/1/2024	4.000%	120,000	120,000
	2/1/2025	4.000%	125,000	125,000
	2/1/2026	4.000%	130,000	130,000
	2/1/2027	4.000%	135,000	135,000
	2/1/2028	4.000%	145,000	145,000
	2/1/2029	4.000%	150,000	150,000
	2/1/2030	4.125%	160,000	160,000
			$ 1,390,000	$ 1,390,000

The 2020 - 2030 will be redeemed prior to original maturity on October 3, 2019 at par.

General Obligation Obligations, Series 2010

Original Dated Date	Original Maturity	Interest Rate	Principal Amount Outstanding	Principal Amount Refunded
1/1/2010	2/1/2020 (1)	3.375%	$ 235,000	$ 235,000
	2/1/2021 (1)	3.375%	250,000	250,000
	2/1/2022	3.500%	260,000	260,000
	2/1/2023	3.600%	270,000	270,000
	2/1/2024	3.750%	285,000	285,000
	2/1/2025	3.750%	300,000	300,000
	2/1/2026	4.000%	315,000	315,000
	2/1/2027	4.000%	330,000	330,000
	2/1/2028	4.125%	345,000	345,000
	2/1/2029	4.250%	360,000	360,000
	2/1/2030	4.250%	380,000	380,000
			$ 3,330,000	$ 3,330,000

The 2020 - 2030 will be redeemed prior to original maturity on October 3, 2019 at par.
(1) Represents a Term Bond with a final maturity of February 1, 2021.

* Preliminary, subject to change.

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

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LOCATION AND HISTORY . . . The City of Bedford, Texas (the "City") is located in northeast Tarrant County, encompassing approximately 10.1 square miles with 366 employees. The City is approximately 10 miles northeast of downtown Fort Worth and 25 miles northwest of downtown Dallas. It is a part of the mid-cities area of North Central Texas (the "Metroplex"), which includes the Cities of Dallas and Fort Worth with a total population exceeding 4 million.

The City was incorporated in 1953 under the general laws of the State of Texas and the current charter was approved by the voters in 1966. The City is a home rule city and operates under the Council/Manager form of government. The Council is composed of a mayor and six councilmembers elected at large. All City residents vote for all seven places. The members are elected for three-year staggered terms and elections are held annually.

Policy-making and oversight functions are the responsibility of, and are vested in, the City Council. The City Council is required by the charter to appoint a City Manager to serve as the chief administrative and executive officer of the City. The duties of the City Manager include the appointment of City department heads and the daily conduct of City affairs.

POPULATION . . . The City has grown steadily since the mid-1950's when it was a small bedroom community.

Population history since 1980 is as follows:

Year	Population	Year	Population
1980	20,821	2000	47,152
1981	25,500	2001	47,309
1982	25,750	2002	47,500
1983	28,850	2003	47,750
1984	36,750	2004	47,850
1985	39,316	2005	48,050
1986	40,150	2006	48,050
1987	42,550	2007	48,600
1988	45,000	2008	45,118
1989	45,700	2009	49,054
1990	43,762	2010	49,151
1991	43,875	2011	49,234
1992	44,135	2012	49,282
1993	44,500	2013	47,001
1994	45,300	2014	48,721
1995	45,700	2015	49,054
1996	46,500	2016	49,151
1997	47,850	2017	49,234
1998	48,300	2018	49,282
1999	48,800	2019	49,330

ECONOMICS . . . The City's location in the middle of the Fort Worth/Dallas Metroplex provides access to approximately 4 million people - the sixth largest market in the United States. Bedford's proximity to the D/FW International Airport allows local businesses to capitalize on trade opportunities gained through the North American Free Trade Agreement (NAFTA).

MUNICIPAL SERVICES . . . With active involvement by the Mayor, a six member City Council and 14 citizen boards, commissions and committees, the City is assured proper and effective representation. Low crime statistics are maintained by a police force consisting of 84 police officers. The City has three professionally staffed fire stations which are fully equipped to handle most emergencies; the City utilizes its own mobile intensive care ambulance system, staffed with highly trained paramedics.

EDUCATION

Education for the citizens of the City is provided by the Hurst-Euless-Bedford Independent School District. This District conducts programs for K-12 and is fully accredited by the Southern Association of Colleges and the Texas Education Agency and operates on a middle school structure, i.e. Pre-kindergarten-5, 6-8, and 9-12.

Physical facilities include:

2 high schools	Administration complex	Career & Tech Academy
5 junior high schools	Transportation complex	Annex/materials center
20 elementary schools	Stadium	

The City's proximity to Dallas and Fort Worth gives its residents ready access to a number of fine colleges and universities. Seven major colleges and universities are in the Hurst-Euless-Bedford area or nearby:

Texas Christian University	18 miles
University of Texas at Arlington	10 miles
University of North Texas	30 miles
Texas Women's University	30 miles
Texas Wesleyan College	12 miles
Southern Methodist University	20 miles
University of Texas at Dallas	18 miles
Tarrant County College	2 miles

PARKS AND RECREATION . . . There are 8 parks, 2 public swimming pools, 4 theaters, 6 tennis courts, 111 restaurants, and 11 hotels/motels in the City. The City is within 30 minutes of both Downtown Dallas and Downtown Fort Worth. The City is also close to Six Flags Over Texas, Ripley's Believe It or Not! Wax Museum, AT&T Stadium and the Texas Rangers Baseball Stadium.

TRANSPORTATION . . . The City has prime positioning for easy access to major local, regional and national markets. Being just 7.5 miles from the Dallas/Fort Worth International Airport and 9 miles from the Fort Worth Alliance Airport, the City is located in the hub of business activity and is an integral part of the rapidly growing Northeast Tarrant County Area.

The City is strategically positioned on or near five major Interstate Highways. Using Interstate Loop 820, easy access is gained to Interstate 35 (north to Oklahoma and south to Austin, San Antonio and Laredo), Interstate 45 (north to Tulsa and south to Houston), Interstate 20 (west to Midland and El Paso and east to Tyler and Shreveport), and Interstate 30 (east to Texarkana, Little Rock and Memphis). The accessibility factor also includes five rail lines in the Fort Worth area, one of which - St. Louis Southwestern - is located in the City.

HISTORICAL EMPLOYMENT DATA

	May 2019	Average Annual 2018	Average Annual 2017	Average Annual 2016	Average Annual 2015
Bedford:					
Civilian Labor Force	29,590	29,387	29,134	28,806	28,165
Unemployed	802	991	1,039	1,109	1,069
Percent of Unemployed	2.7%	3.4%	3.6%	3.8%	3.8%
Dallas/Fort Worth/Arlington MSA					
Civilian Labor Force	3,951,005	3,900,458	3,795,291	3,684,673	3,571,049
Unemployed	107,811	136,486	138,248	141,818	145,176
Percent of Unemployed	2.7%	3.5%	3.6%	3.8%	4.1%
Tarrant County					
Civilian Labor Force	1,069,213	1,062,733	1,033,317	1,008,020	988,324
Unemployed	29,436	37,114	37,978	39,774	41,104
Percent of Unemployed	2.8%	3.5%	3.7%	3.9%	4.2%

Source: Texas Employment Commission, Austin, Texas.

Change in calculation methodology by the Texas Employment Commission. Employment figures are computed based on a statewide workforce and is based on local population as a percentage of statewide population.

MAJOR EMPLOYERS IN THE CITY

Company	Type of Business	Estimated Number of Employees
Texas Health Resources HEB	Health Care	1,550
Carter Blood Care	Blood Testing/Distribution Center	914
HEB ISD (Admin Offices/Bedford Campus)	School District	551
Warrantech	Equipment Warranty Company	478
State National Companies	Financial	449
Wal-Mart Supercenter	Retail Sales	400
City of Bedford	City Government	361
Daystar Television Network	Television Network	292
Kroger Foods, Inc.	School District	157
Grubb's Nissan	Auto Dealer	135

BUILDING PERMIT INFORMATION

	Commercial Construction		Residential Construction		
Fiscal Year	Number of Units	Value	Number of Units	Value	Total Value
2015	8	$ 22,199,000	31	$ 7,185,355	$ 29,384,355
2016	8	8,786,560	14	3,727,905	12,514,465
2017	12	36,645,418	27	6,274,655	42,920,073
2018	5	11,173,877	9	1,691,850	12,865,727
2019 (1)	0	0	2	370,500	370,500

Source: City Records.

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APPENDIX B

EXCERPTS FROM THE

CITY OF BEDFORD, TEXAS

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2018

The information contained in this Appendix consists of excerpts from the City of Bedford, Texas Annual Financial Report for the Year Ended September 30, 2018, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

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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, 2018, 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, 2018 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.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 | Dallas, Texas 75201
Main: 972.490.1970 | Fax:972.702.8321
CPAs AND ADVISORS | WEAVER.COM

The Mayor and City Council
City of Bedford, Texas

Emphasis of a matter

As discussed in Note 13, in 2018 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension which supersedes GASB Statement No. 45. Our opinion is not modified with respect to these matters.

Prior Year Comparative Information

The financial statements include certain summarized prior-year comparative information. Such information does not include sufficient detail to constitute 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 for the year ended September 30, 2017, from which the summarized information was derived.

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 schedules, 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 schedule, 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 budgetary comparison schedule 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 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.

The Mayor and City Council
City of Bedford, Texas

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2019 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.

Dallas, Texas
February 20, 2019

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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, 2018. 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 $68,685,782 (net position).

The City's net position increased $6,305,128 or 10.11%. 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 $20,995,798 to $22,528,181 for fiscal years 2017 to 2018, respectively; resulting in an increase of $1,532,383 or 7.30%.

As of September 30, 2018, the City's governmental funds reported combined ending fund balances of $82,844,090. This represents an increase of $61,845,264 in comparison to the prior fiscal year, due to an increase in investments by $53,791,855 for capital construction projects and debt proceeds. In the prior year, the City did not have any significant investments. Throughout the fiscal year, the City also witnessed 10.48% growth in assessed valuations that resulted in a $2,923,595 increase in tax revenues.

Lastly, the City issued a refunding of $63,920,000 in 2018 General Obligation Bonds and issued new debt of $20,000,000 in 2017 Certificates of Obligation Bonds. The total debt obligations increased by 51% from $66,390,811 to $141,792,004. In addition, as a part of annual debt service requirements, principal payments of $11,645,000 were made during the 2017/2018 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 fulfils 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 $13,587,512 represents 39.28% (approximately 128 days) of next year's budgeted expenditures.

The Debt Service Fund has a total fund balance of $1,049,549, all of which is reserved for the payment of debt. It increased by $75,992 or 7.81% 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 $3,680,941, most of which is reserved for street infrastructure improvements and maintenance. The current year fund balance decreased by $109,323 or 2.88% due to a reduction in roadway repair services that were rescheduled for the following fiscal year.

The Capital Projects Fund has a total fund balance of $61,113,475, most of which is for construction projects. The current year fund balance increased by $60,285,204 or 7278% due to new issuance and refunding of debt.

The City as a Whole

The City's combined net position changed from a year ago, increasing from $62,380,654 to $68,685,782. 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 $4,053,307 or 18.40%, from $22,024,442 last fiscal year, to $26,077,749 as of September 30, 2018, 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 $40,356,212 to $42,608,033, or 5.58%, 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) increased from $(3,748,369) to $(1,847,912) as of September 30, 2018, or 51%. The reason for the decrease in the governmental unrestricted net position is due the restriction of funds for street, drainage, and capital improvements funded by bond proceeds. The unrestricted net position of the business-type activities increased from $5,099,493 to $6,262,758 as of September 30, 2018, or 22.81%. 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 $9,070,828 to $7,368,500, or 19%, primarily due to street, drainage, and capital improvements funded by bond proceeds.

The largest portion of the City's net position, 82.8%, 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	
	2018	2017	2018	2017	2018	2017
Current assets	$ 86,956	$ 24,406	$ 24,252	$ 27,480	$ 111,208	$ 51,886
Internal balances	-	-	-	-	-	-
Restricted investments	-	-	29,070	10,546	29,070	10,546
Capital assets	35,863	39,247	59,647	49,697	95,509	88,944
Total assets	122,818	63,653	112,969	87,723	235,787	151,376
Deferred outflows of resources	2,039	2,380	201	275	2,240	2,655
Current liabilities	10,348	8,831	6,049	4,651	16,397	13,482
Long-term liabilities	87,354	34,848	64,386	42,954	151,740	77,802
Total liabilities	97,702	43,679	70,435	47,605	168,137	91,284
Deferred inflows of resources	1,077	330	127	37	1,204	367
Net Position						
Net Investment in capital assets	20,557	16,730	36,339	35,250	56,896	51,980
Restricted	7,368	9,064	7	7	7,375	9,071
Unrestricted	(1,848)	(3,770)	6,263	5,099	4,415	1,329
Total net position	$ 26,078	$ 22,024	$ 42,608	$ 40,356	$ 68,686	$ 62,380

Governmental Activities. The program revenues for the governmental activities were $7,497,718 and total general revenues and transfers were $38,719,993 for the fiscal year ended September 30, 2018. Expenses for these activities were $42,164,404. Net position for Governmental Activities increased by $4,053,307. This was primarily caused by a 9.15% increase in tax revenues coupled with a 6.87% increase in program revenues.

Business-type Activities. The program revenues for the City's business-type activities were $24,433,490 for the fiscal year ended September 30, 2018. Expenses for these activities were $20,165,816, resulting in income of $4,267,674 from operations before nonoperating revenues and expenses. Net position with the inclusion of nonoperating activities and transfers increased by $2,251,821. This is primarily due to increased water and sewer rates as approved by the City Council for January 2018, offset by increased expenses related to the purchase of water.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for services	$ 6,720	$ 6,480	$ 24,223	$ 22,656	$ 30,943	$ 29,136
Operating grants and contributions	46	25	-	-	46	25
Capital grants and contributions	732	511	210	626	942	1,137
General revenues						
Property taxes	19,144	16,273	-	-	19,144	16,273
Other taxes	15,562	15,538	-	-	15,562	15,538
Interest and investment earnings	988	228	812	356	1,800	584
Gain on sale of assets	5	-	-	-	5	-
Other general revenue	194	140	-	-	194	140
Total revenues	43,391	39,195	25,245	23,638	68,636	62,833
Expenses						
Public safety	22,212	22,071	-	-	22,212	22,071
Leisure services	5,316	5,364	-	-	5,316	5,364
Community services	2,316	1,811	-	-	2,316	1,811
General government/administration	5,359	5,172	-	-	5,359	5,172
Public services	5,696	5,422	-	-	5,696	5,422
Interest on long term debt	1,265	750	-	-	1,265	750
Water and sewer	-	-	19,194	18,565	19,194	18,565
Stormwater	-	-	972	873	972	873
Total expenses	42,164	40,590	20,166	19,438	62,330	60,028
Increases (decreases) in net position before transfers	1,227	(1,395)	5,079	4,200	6,306	2,805
Transfers	2,827	2,698	(2,827)	(2,698)	-	-
Increase in net position	4,054	1,303	2,252	1,502	6,306	2,805
Net position - October 1	22,024	22,292	40,356	38,843	62,380	61,135
Cumulative effect of change in accounting principle	-	(1,571)	-	11	-	(1,560)
Net position - September 30	$ 26,078	$ 22,024	$ 42,608	$ 40,356	$ 68,686	$ 62,380

General Fund Budgetary Highlights

General Fund budget to actual performance for the fiscal year outperformed budgetary expectations, primarily in charges for services. The total operating revenues were $31,482,545, which was over budgetary expectations by $536,969. The net other financing sources totaling $3,497,715 the General Fund completed the fiscal year with a positive variance that resulted in a $1,708,022 net increase in fund balance.

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, 2018, and the amount and percentage of increases and decreases in relation to the prior year:

General Revenues
(in thousands)

	2017	2018	2018 Percent of Total	Increase (Decrease) from 2017	Percent Increase (Decrease)
Taxes	$ 31,805	$ 34,729	81%	$ 2,924	9%
Licenses, permits, and fees	1,056	1,005	2%	(51)	-5%
Charges for services	3,333	3,652	8%	319	10%
Fines and forfeitures	1,742	1,802	4%	60	3%
Intergovernmental	694	686	2%	(8)	-1%
Interest	228	988	2%	760	333%
Miscellaneous	224	228	1%	4	2%
Total	$ 39,082	$ 43,090	100%	$ 4,008	10%

General Expenditures
(in thousands)

	2017	2018	2018 Percent of Total	Increase (Decrease) from 2017	Percent Increase (Decrease)
General government	$ 2,335	$ 2,388	5%	$ 53	2%
Community services	1,745	2,176	5%	431	25%
Public services	2,937	3,326	7%	389	13%
Administrative services	2,660	2,741	6%	81	3%
Public safety	20,244	20,602	46%	358	2%
Leisure services	4,306	4,222	10%	(84)	-2%
Capital outlay	2,918	1,460	3%	(1,458)	-50%
Debt service	6,827	7,917	18%	1,090	16%
Total	$ 43,972	$ 44,832	100%	$ 860	2%

Interest income increased significantly 59% due to debt refunding in the current year. The expenditure increase in leisure services by 36% was primarily a result of increased personnel costs, new additional books, and hospitalization and life insurance. Debt Services increased by 16% and capital outlay decreased by 50% primarily due to the debt refunding in the current year.

Capital Asset and Debt Administration

Capital Assets

As of September 30, 2018, the City has $298,411,331 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 13,746,164, or 4.8%, over last year. Capital assets net of depreciation increased by approximately $5,575,106, or 6.9%, 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 2018/2019 call for expenditures of approximately $19.1 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 2018/2019 the estimated capital improvement for water and sewer projects is $6,621,200. 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	
	2018	2017	2018	2017	2018	2017
Land	$ 7,261	$ 7,261	$ 100	$ 100	$ 7,361	$ 7,361
Buildings and structures	25,774	25,768	675	602	26,449	26,370
Other improvements	130,224	129,875	-	-	130,224	129,875
Equipment	32,124	31,548	4,009	3,998	36,133	35,546
Utility distribution	-	-	84,904	84,314	84,904	84,314
Construction in progress	1,518	765	11,822	434	13,340	1,199
Total	$ 196,901	$ 195,217	$ 101,510	$ 89,448	$ 298,411	$ 284,665

Debt

At year-end, the City had $141,792,004 in General Obligation Bonds, Combination Tax and Revenue Certificates of Obligation, Contractual Obligations and capital lease obligations compared to $66,390,811 at the end of the prior fiscal year, an increase of 113.6%. The primary reason for the increase is due to the refunding 2018 G.O bond and the new issuance of 2017 C.O. bond. In prior year, there were 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	
	2018	2017	2018	2017	2018	2017
General obligations	$ 72,728	$ 18,809	$ 9,268	$ 2,751	$ 81,996	$ 21,560
Certificates of obligation	2,707	3,115	55,901	40,460	58,608	43,575
Tax Note	670	885	-	-	670	885
Capital lease	518	370	-	-	518	370
Total	$ 76,623	$ 23,179	$ 65,169	$ 43,211	$ 141,792	$ 66,390

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 record growth in 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 $0.520000 per $100 assessed valuation (A.V.) to $0.561862 per A.V., which is an increase of 4 cents.

In budget year 2019, 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

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City of Bedford, Texas
Statement of Net Position
September 30, 2018
(with Summarized Financial Information for 2017)

	Primary Government		Totals	
	Governmental Activities	Business-type Activities	2018	2017 As Restated
ASSETS				
Current assets				
Cash and cash equivalents	$ 17,177,831	$ 7,476,233	$ 24,654,064	$ 24,033,569
Investments	65,023,795	12,673,512	77,697,307	19,619,347
Accounts receivables, net of allowance	4,729,736	4,102,553	8,832,289	8,202,677
Inventories and prepaid expenses	24,572	-	24,572	30,104
Total current assets	86,955,934	24,252,298	111,208,232	51,885,697
Noncurrent assets				
Restricted investments with trustee	-	29,069,577	29,069,577	10,546,412
Capital assets, not being depreciated	8,779,623	11,921,632	20,701,255	8,560,457
Capital assets, being depreciated, net	27,082,938	47,725,148	74,808,086	80,383,192
Total noncurrent assets	35,862,561	88,716,357	124,578,918	99,490,061
Total assets	122,818,495	112,968,655	235,787,150	151,375,758
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension and OPEB contributions	1,465,926	155,778	1,621,704	1,497,806
Deferred pension investment difference	-	-	-	511,671
Deferred pension and OPEB change in assumptions	500,538	45,256	545,794	537,652
Deferred charges on refundings	72,202	-	72,202	107,722
Total deferred outflows of resources	2,038,666	201,034	2,239,700	2,654,851
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	3,373,486	2,466,001	5,839,487	4,307,358
Accrued interest	678,770	329,438	1,008,208	319,503
Customer deposits	-	1,039,087	1,039,087	971,623
Current portion of compensated absences	1,288,387	84,286	1,372,673	1,297,595
Current portion of bonds payable and capital leases	5,007,266	2,130,000	7,137,266	6,586,400
Total current liabilities	10,347,909	6,048,812	16,396,721	13,482,479
Noncurrent liabilities				
Net pension liability	10,562,276	1,173,587	11,735,863	13,007,559
Bonds payable	71,350,829	63,038,621	134,389,450	59,608,192
Capital leases	265,288	-	265,288	196,219
Compensated absences	2,576,774	168,572	2,745,346	2,595,188
Other post-employment benefits	2,598,929	5,208	2,604,137	2,394,808
Total noncurrent liabilities	87,354,096	64,385,988	151,740,084	77,801,966
Total liabilities	97,702,005	70,434,800	168,136,805	91,284,445
DEFERRED INFLOWS OF RESOURCES				
Deferred charge on bond refunding	-	7,220	7,220	-
Deferred pension and OPEB investment difference	611,178	61,050	672,228	-
Deferred pension and OPEB experience difference	466,229	58,586	524,815	365,510
Total deferred inflows of resources	1,077,407	126,856	1,204,263	365,510
NET POSITION				
Net investment in capital assets	20,557,161	36,338,584	56,895,745	51,980,508
Restricted for				
Street, drainage, and capital improvements	2,258,393	6,691	2,265,084	3,227,344
Debt service	472,296	-	472,296	978,394
Economic development	4,224,387	-	4,224,387	4,465,576
Other purposes	66,611	-	66,611	68,215
Public safety	207,823	-	207,823	210,675
Parks and beautification	138,990	-	138,990	120,624
Unrestricted	(1,847,912)	6,262,758	4,414,846	1,329,318
Total net position	$ 26,077,749	$ 42,608,033	$ 68,685,782	$ 62,380,654

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

City of Bedford, Texas
Statement of Activities
Year Ended September 30, 2018
(with Summarized Financial Information for 2017)

Program Activities	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General government and administration	$ 5,358,893	$ 92,114	$ 11,845	$ -
Community services	2,316,201	1,277,634	-	-
Public services	5,696,229	644	24,697	264,614
Public safety	22,212,547	4,281,278	9,300	443,051
Leisure services	5,315,999	1,068,533	-	24,008
Interest expense	1,264,535	-	-	-
Total governmental activities	42,164,404	6,720,203	45,842	731,673
Business-type activities				
Water and sewer services	19,193,627	22,528,181	-	197,347
Stormwater collection and disposal	972,189	1,695,337	-	12,625
Total business-type activities	20,165,816	24,223,518	-	209,972
TOTAL PRIMARY GOVERNMENT	$ 62,330,220	$ 30,943,721	$ 45,842	$ 941,645

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
Cumulative effect of change in accounting principle

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	2018	2017 As Restated
$ (5,254,934)	$ -	$ (5,254,934)	(5,070,160)
(1,038,567)	-	(1,038,567)	(1,481,104)
(5,406,274)	-	(5,406,274)	(4,292,015)
(17,478,918)	-	(17,478,918)	(17,705,488)
(4,223,458)	-	(4,223,458)	(4,276,143)
(1,264,535)	-	(1,264,535)	(750,473)
(34,666,686)	-	(34,666,686)	(33,575,383)
-	3,531,901	3,531,901	3,018,406
-	735,773	735,773	824,930
-	4,267,674	4,267,674	3,843,336
$ (34,666,686)	$ 4,267,674	$ (30,399,012)	$ (29,732,047)
$ 19,143,856	$ -	$ 19,143,856	$ 16,273,095
10,936,716	-	10,936,716	10,905,398
3,432,589	-	3,432,589	3,331,500
954,751	-	954,751	1,070,774
237,958	-	237,958	231,388
987,778	811,952	1,799,730	584,432
4,733	-	4,733	8,329
193,807	-	193,807	132,463
2,827,805	(2,827,805)	-	-
38,719,993	(2,015,853)	36,704,140	32,537,379
4,053,307	2,251,821	6,305,128	2,805,332
22,024,442	40,356,212	62,380,654	61,134,625
-	-	-	(1,559,303)
22,024,442	40,356,212	62,380,654	59,575,322
$ 26,077,749	$ 42,608,033	$ 68,685,782	$ 62,380,654

City of Bedford, Texas

Balance Sheet – Governmental Funds
September 30, 2018
(with Summarized Financial Information for 2017)

	General	Debt Service	Economic Development 4B	Capital Projects
ASSETS				
Cash and cash equivalents	$ 3,828,186	$ 523,197	$ 767,359	$ 10,436,253
Investments	9,146,148	511,434	2,784,182	50,809,529
Receivables				
Taxes, less allowance for uncollectible	2,662,113	116,896	511,125	-
Accounts	519,441	-	1,511	-
Other	494,742	-	-	36,665
Due from other funds	39,856	-	-	-
Inventories and prepaid items	24,572	-	-	-
TOTAL ASSETS	16,715,058	1,151,527	4,064,177	61,282,447
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	2,672,009	461	383,236	168,435
Due to other funds	-	-	-	537
TOTAL LIABILITIES	2,672,009	461	383,236	168,972
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	395,501	101,517	-	-
FUND BALANCES				
Nonspendable				
Inventories and prepaid items	24,572	-	-	-
Restricted for				
Debt service	-	1,049,549	-	-
Street and drainage improvements	35,464	-	-	-
Capital acquisition and construction	-	-	-	61,113,475
Economic development	-	-	3,680,941	-
Public safety	-	-	-	-
Parks and beautification	-	-	-	-
Other	-	-	-	-
Unassigned	13,587,512	-	-	-
TOTAL FUND BALANCES	13,647,548	1,049,549	3,680,941	61,113,475
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 16,715,058	$ 1,151,527	$ 4,064,177	$ 61,282,447

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

Nonmajor Government	Totals 2018	Totals 2017 As Restated
$ 1,622,836	$ 17,177,831	$ 8,785,594
1,772,502	65,023,795	11,231,940
-	3,290,134	3,073,194
145,903	666,855	636,827
241,340	772,747	648,112
-	39,856	25,452
-	24,572	30,104
3,782,581	86,995,790	24,431,223
149,345	3,373,486	2,647,848
39,319	39,856	25,452
188,664	3,413,342	2,673,300
241,340	738,358	759,097
-	24,572	30,104
-	1,049,549	973,557
2,390,700	2,426,164	2,427,846
-	61,113,475	828,271
543,446	4,224,387	4,465,576
212,830	212,830	210,675
138,990	138,990	120,624
66,611	66,611	68,215
-	13,587,512	11,873,958
3,352,577	82,844,090	20,998,826
$ 3,782,581	$ 86,995,790	$ 24,431,223

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City of Bedford, Texas

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2018

Fund balances of governmental funds		$ 82,844,090
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.		35,862,561
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.		(678,770)
Revenues earned but not available within 60 days of the year-end are not recognized as revenue on the fund financial statements.		738,358
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 and OPEB contributions	1,465,926	
Pension and OPEB change in assumptions	500,538	
Deferred charges on refundings	72,202	
Pension and OPEB Investment difference	(611,178)	
Pension and OPEB experience difference	(466,229)	961,259
Noncurent 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	(72,965,000)	
Bond premium	(3,140,673)	
Net pension liability	(10,562,276)	
Compensated absences	(3,865,161)	
OPEB liability	(2,598,929)	
Capital leases	(517,710)	(93,649,749)
Total net position of governmental activities		$ 26,077,749

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, 2018
(with Summarized Financial Information for 2017)

	General	Debt Service	Economic Development 4B
REVENUES			
Taxes, penalty and interest	$ 24,951,068	$ 6,049,321	$ 2,773,735
Licenses, permits, and fees	1,004,797	-	-
Charges for services	3,314,391	-	-
Fines and forfeitures	1,613,738	-	-
Support from governmental entities	242,256	-	-
Interest	225,030	25,275	54,584
Miscellaneous	131,265	-	-
Total revenues	31,482,545	6,074,596	2,828,319
EXPENDITURES			
Current			
General government	2,387,709	-	-
Community services	1,021,515	-	-
Public services	1,941,446	-	1,384,748
Administrative services	2,699,988	-	-
Public safety	20,226,859	-	-
Leisure services	4,145,159	-	-
Capital outlay	520,803	-	203,625
Debt service			
Principal retirement	314,573	6,755,000	-
Interest and fiscal agent fees	14,186	634,351	-
Total expenditures	33,272,238	7,389,351	1,588,373
Excess (deficiency) of revenues over (under) expenditures	(1,789,693)	(1,314,755)	1,239,946
OTHER FINANCING SOURCES (USES)			
Transfers in	2,960,634	1,390,747	41,478
Transfers out	(15,000)	-	(1,390,747)
Issuance of general obligation bonds	-	-	-
Premium on bonds issued	-	-	-
Issuance of capital leases	462,030	-	-
Proceeds from sale of capital assets	4,733	-	-
Insurance proceeds	85,318	-	-
Total other financing sources (uses)	3,497,715	1,390,747	(1,349,269)
Net change in fund balance	1,708,022	75,992	(109,323)
Fund balances, beginning of year	11,939,526	973,557	3,790,264
FUND BALANCES, end of year	$ 13,647,548	$ 1,049,549	$ 3,680,941

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

Capital Projects	Nonmajor Government	Totals 2018	Totals 2017
$ -	$ 954,751	$ 34,728,875	$ 31,805,280
-	-	1,004,797	1,056,327
-	337,259	3,651,650	3,332,863
-	188,520	1,802,258	1,742,325
-	444,054	686,310	694,134
625,104	57,786	987,779	227,800
-	97,047	228,312	223,805
625,104	2,079,417	43,089,981	39,082,534
-	-	2,387,709	2,335,285
19,979	1,133,963	2,175,457	1,744,784
-	-	3,326,194	2,937,472
-	41,051	2,741,039	2,659,858
-	375,449	20,602,308	20,243,699
-	76,565	4,221,724	4,306,461
328,157	407,713	1,460,298	2,917,962
-	-	7,069,573	5,914,341
199,191	-	847,728	912,214
547,327	2,034,741	44,832,030	43,972,076
77,777	44,676	(1,742,049)	(4,889,542)
-	15,000	4,407,859	4,218,256
-	(174,307)	(1,580,054)	(1,520,562)
57,540,000	-	57,540,000	1,105,000
2,667,427	-	2,667,427	-
-	-	462,030	323,221
-	-	4,733	8,329
-	-	85,318	42,587
60,207,427	(159,307)	63,587,313	4,176,831
60,285,204	(114,631)	61,845,264	(712,711)
828,271	3,467,208	20,998,826	21,711,537
$ 61,113,475	$ 3,352,577	$ 82,844,090	$ 20,998,826

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, 2018

Net change in fund balances – total governmental funds		$ 61,845,264
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.		1,690,912
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.		(5,075,689)
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	6,755,000	
Capital lease	314,575	7,069,575
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 general obligatin bonds	(57,540,000)	
Premium on bonds issued	(2,667,427)	
Issuance of capital leases	(462,030)	
Amortization of refunding loss	(9,155)	
Amortization of bond premium	156,473	(60,522,139)
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.		(38,311)
Current year OPEB 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 OPEB liability, deferred outflows of resources and deferred inflow of resources balances.		(106,016)
Current year change in long-term liability for compensated absences liability do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. This is reflected in current and noncurrent compensated absences.		(225,425)
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.		(564,125)
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.		(20,739)
Change in net position of governmental activities		$ 4,053,307

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, 2018
(with Summarized Financial Information for 2017)

	Water and Sewer	Stormwater Utility	Totals 2018	Totals 2017 As Restated
ASSETS				
Current assets				
Cash and cash equivalents	$ 3,771,316	$ 3,704,917	$ 7,476,233	$ 15,247,975
Investments	10,657,618	2,015,894	12,673,512	8,387,407
Accounts receivable, net of allowance	3,827,289	275,264	4,102,553	3,844,544
Total current assets	18,256,223	5,996,075	24,252,298	27,479,926
Noncurrent assets				
Restricted investments with trustee	29,069,577	-	29,069,577	10,546,412
Property, plant and equipment				
Land	100,255	-	100,255	100,255
Equipment	3,743,817	265,403	4,009,220	3,997,818
Buildings and improvements	675,277	-	675,277	601,657
Utility distribution	70,187,368	14,716,504	84,903,872	84,313,575
Construction in progress	11,594,961	226,416	11,821,377	433,785
Less accumulated depreciation	(34,145,492)	(7,717,729)	(41,863,221)	(39,750,779)
Property, plant and equipment, net	52,156,186	7,490,594	59,646,780	49,696,311
Total noncurrent assets	81,225,763	7,490,594	88,716,357	60,242,723
Total assets	99,481,986	13,486,669	112,968,655	87,722,649
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension and OPEB contributions	140,213	15,565	155,778	144,236
Deferred pension investment difference	-	-	-	51,167
Deferred pension and OPEB change in assumptions	40,749	4,507	45,256	53,766
Deferred charges on refundings	-	-	-	26,365
Total deferred outflows of resources	180,962	20,072	201,034	275,534
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	2,412,050	53,951	2,466,001	1,659,510
Accrued interest	272,883	56,555	329,438	204,858
Customer deposits	1,039,087	-	1,039,087	971,623
Current portion compensated absences	75,889	8,397	84,286	84,349
Current portion of bonds payable	1,895,000	235,000	2,130,000	1,730,891
Total current liabilities	5,694,909	353,903	6,048,812	4,651,231
Noncurrent liabilities				
Net pension liability	1,056,228	117,359	1,173,587	1,300,756
Bonds payable	56,673,409	6,365,212	63,038,621	41,479,946
Compensated absences	151,779	16,793	168,572	168,698
Other post-employment benefits	5,208	-	5,208	4,789
Total noncurrent liabilities	57,886,624	6,499,364	64,385,988	42,954,189
Total liabilities	63,581,533	6,853,267	70,434,800	47,605,420
DEFERRED INFLOWS OF RESOURCES				
Deferred charges on refundings	7,220	-	7,220	-
Deferred pension and OPEB investment difference	61,050	-	61,050	-
Deferred pension and OPEB experience difference	46,623	11,963	58,586	36,551
Total deferred inflows of resources	114,893	11,963	126,856	36,551
NET POSITION				
Net investment in capital assets	31,052,720	5,285,864	36,338,584	35,250,028
Restricted for drainage improvements	-	6,691	6,691	6,691
Unrestricted	4,913,802	1,348,956	6,262,758	5,099,493
TOTAL NET POSITION	$ 35,966,522	$ 6,641,511	$ 42,608,033	$ 40,356,212

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, 2018
(with Summarized Financial Information for 2017)

	Water and Sewer	Stormwater Utility	Totals 2018	Totals 2017 As Restated
OPERATING REVENUES				
Water sales	$ 14,145,865	$ -	$ 14,145,865	$ 13,197,953
Charges for sewer services	8,150,136	-	8,150,136	7,616,896
Stormwater charges	-	1,665,337	1,665,337	1,623,747
Other	232,180	30,000	262,180	217,640
Total operating revenues	22,528,181	1,695,337	24,223,518	22,656,236
OPERATING EXPENSES				
Water supply and distribution	8,692,222	-	8,692,222	8,972,551
Wastewater collection and disposal	4,829,038	-	4,829,038	4,353,139
Billing and collection	1,400,718	500,385	1,901,103	1,848,219
Public services/engineering	910,904	-	910,904	1,038,085
Depreciation	1,786,923	325,517	2,112,440	2,038,251
Total operating expenses	17,619,805	825,902	18,445,707	18,250,245
OPERATING INCOME	4,908,376	869,435	5,777,811	4,405,991
NONOPERATING REVENUES (EXPENSES)				
Interest income	750,250	61,702	811,952	356,632
Interest expense and fiscal agent charges	(1,573,822)	(146,287)	(1,720,109)	(1,188,332)
Total nonoperating revenues (expenses)	(823,572)	(84,585)	(908,157)	(831,700)
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	4,084,804	784,850	4,869,654	3,574,291
CAPITAL CONTRIBUTIONS	197,347	12,625	209,972	625,677
TRANSFERS IN	198,061	-	198,061	191,426
TRANSFERS OUT	(2,475,683)	(550,183)	(3,025,866)	(2,889,120)
CHANGE IN NET POSITION	2,004,529	247,292	2,251,821	1,502,274
NET POSITION, beginning of year	33,961,993	6,394,219	40,356,212	38,843,035
Cumulative effect of change in accounting principle	-	-	-	10,903
NET POSITION, beginning of year, restated	33,961,993	6,394,219	40,356,212	38,853,938
NET POSITION, end of year	$ 35,966,522	$ 6,641,511	$ 42,608,033	$ 40,356,212

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, 2018
(with Summarized Financial Information for 2017)

	Water and Sewer	Stormwater Utility	Totals 2018	Totals 2017
OPERATING ACTIVITIES				
Receipts from customers and users	$ 22,347,031	$ 1,685,942	$ 24,032,973	$ 22,726,453
Payments to other funds	-	-	-	(200,000)
Payments to suppliers	(12,292,478)	(161,742)	(12,454,220)	(13,437,180)
Payments to or on behalf of employees for services	(2,637,779)	(298,809)	(2,936,588)	(2,796,916)
Net cash provided by operating activities	7,416,774	1,225,391	8,642,165	6,292,357
NONCAPITAL FINANCING ACTIVITIES				
Transfers in	198,061	-	198,061	191,426
Transfers out	(2,475,683)	(550,183)	(3,025,866)	(2,889,120)
Net cash used in noncapital financing activities	(2,277,622)	(550,183)	(2,827,805)	(2,697,694)
CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital related debt	22,455,000	3,925,000	26,380,000	-
Principal paid on capital related debt	(4,740,000)	(140,000)	(4,880,000)	(1,655,000)
Interest and fiscal agent fees	(1,260,086)	24,239	(1,235,847)	(1,194,122)
Acquisition and construction of capital assets	(11,674,241)	(178,696)	(11,852,937)	(3,086,863)
Net cash provided by (used in) capital and related financing activities	4,780,673	3,630,543	8,411,216	(5,935,985)
INVESTING ACTIVITIES				
Purchase of investments	(22,631,612)	(1,761,638)	(24,393,250)	(18,991,312)
Proceeds from sale of investments	1,583,980	-	1,583,980	27,631,253
Interest on investments	750,250	61,702	811,952	356,632
Net cash provided by (used in) investing activities	(20,297,382)	(1,699,936)	(21,997,318)	8,996,573
NET INCREASE IN CASH AND CASH EQUIVALENTS	(10,377,557)	2,605,815	(7,771,742)	6,655,251
CASH AND CASH EQUIVALENTS, beginning of year	14,148,873	1,099,102	15,247,975	8,592,724
CASH AND CASH EQUIVALENTS, end of year	$ 3,771,316	$ 3,704,917	$ 7,476,233	$ 15,247,975

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, 2018
(with Summarized Financial Information for 2017)

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	$ 4,908,376	$ 869,435	$ 5,777,811	$ 4,405,991
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	1,786,923	325,517	2,112,440	2,038,251
Changes in				
Receivables	(248,614)	(9,395)	(258,009)	57,657
Due to and advances from other funds	-	-	-	(200,000)
Accounts payable and accrued liabilities	892,769	38,302	931,071	(73,354)
Pension & other post employment benefits	11,152	425	11,577	30,178
Compensated absences	(1,296)	1,107	(189)	21,074
Customer deposits	67,464	-	67,464	12,560
Net cash provided by operating activities	$ 7,416,774	$ 1,225,391	$ 8,642,165	$ 6,292,357
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	$ 197,347	$ 12,625	$ 209,972	$ 625,677

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

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.

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.
- Capital Projects Fund – is used 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.

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.

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 or amortized cost, 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. Receivables

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.

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.

K. Other Post-Employment Benefits (OPEB)

The fiduciary net position of the retiree health plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from the fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account. Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability.

L. 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.

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 refunding* – 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 and OPEB – 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 and 75. This amount is deferred and recognized in the following fiscal year.
- *Investment difference* – Pensions and OPEB – These amounts represent the difference in projected and actual earnings on pension and OPEB plan assets. These differences are deferred and amortized over a closed five-year period.
- *Assumption changes* – Pensions and OPEB – These amounts represent the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB 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 and OPEB – These amounts represent the difference in expected and actual pension and OPEB 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.

M. 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.

N. 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.

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.

O. 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.

Net position restricted for other purposes represents restricted fund balances for miscellaneous donations and NETCO/Motorola Rebranding.

P. Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, deferred inflows of resources and contingent assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. New Pronouncements

The City has adopted and implemented the following GASB statements which have become effective for the fiscal year 2018:

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions

- The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement applies to all state and governmental entities and was effective for fiscal year 2018. See note 10 for OPEB disclosure.

GASB Statement No. 82, Pension Issues- an amendment of GASB Statements No. 67, No. 68, and No. 73

- The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and 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. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement applies to all state and governmental entities and was effective for fiscal year 2018. See note 9 for pension disclosure.

GASB Statement No. 85, Omnibus 2017

- The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement applies to all state and governmental entities and was effective for fiscal year 2018. See note 10 for OPEB disclosure.

GASB Statement No. 86, Certain Debt Extinguishment Issues, which was effective for fiscal year 2018.

- The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement applies to all state and governmental entities and was effective for fiscal year 2018. The implementation of this statement did not impact the City's financial statements.

R. 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, 2018, from which the summarized information was derived.

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. 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 as asset or paid to transfer a liability in 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; and
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.

City of Bedford, Texas
Notes to the Financial Statements

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, 2018:

September 30, 2018	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
Investments by fair value level						
U.S. agency securities	$ 17,897,370	$ -	$ 17,897,370	$ -	218 days	Aaa/AA+
Money market mutual funds	10,581,099	10,581,099	-	-	1 day	Aaa/AA+
Total investments by fair value level	28,478,469	$ 10,581,099	$ 17,897,370	$ -		
Investments measured at net asset value						
TexSTAR	7,018,596				1 day	AAAm
TexasTERM	273,903				1 day	AAAm
Lone Star Investment Pool	10,058				1 day	AAAm
Texas CLASS	215,864				1 day	AAAm
	7,518,421					
Non-negotiable certificate of deposit	77,697,306				262 days	N/A
Total	$113,694,196					

B. Investments

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

U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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.

Following is a reconciliation of the City's deposit and investment balances at September 30, 2018 to the government-wide statement of net position:

	Balance at September 30, 2018	
Investments	$	113,694,196
Deposits and cash on hand		17,726,752
	$	131,420,948

	Government-wide Statement of Net Position	
Cash and cash equivalents	$	24,654,064
Investments		77,697,307
Restricted Investments with Trustee		29,069,577
	$	131,420,948

Note 3. Receivables and Governmental Funds Deferred Inflows

Receivables, including amounts due from other governments, as of September 30, 2018, for the City's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds					Proprietary Funds		
	General	Debt Service	Economic Development	Capital Projects	Nonmajor Governmental	Water and Sewer	Stormwater Utility	Total
Receivables								
Taxes								
Delinquent property taxes	$ 272,485	$ 143,676	$ -	$ -	$ -	$ -	$ -	$ 416,161
Sales taxes	1,533,376	-	511,125	-	-	-	-	2,044,501
Franchise	842,502	-	-	-	-	-	-	842,502
Other	60,766	-	-	-	-	-	-	60,766
Accounts	519,441	-	1,511	-	145,903	4,104,263	275,264	5,046,382
Other	494,742	-	-	36,665	241,340	-	-	772,747
Gross receivables	3,723,312	143,676	512,636	36,665	387,243	4,104,263	275,264	9,183,059
Less allowance for uncollectibles	(47,016)	(26,780)	-	-	-	(276,974)	-	(350,770)
Net total receivables	$ 3,676,296	$ 116,896	$ 512,636	$ 36,665	$ 387,243	$ 3,827,289	$ 275,264	$ 8,832,289

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:

	Unavailable
Delinquent property taxes receivable (General Fund)	$ 183,804
Delinquent property taxes receivable (Debt Service Fund)	101,517
Delinquent ambulance receivable (General Fund)	211,697
Assessments (Nonmajor Governmental)	241,340
Total deferred inflows for governmental funds	$ 738,358

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 2018 levy was based was $3,828,938,818. 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, 2018, was $.52 per $100 of assessed valuation.

Taxes are due by January 31 following the levy date. Current tax collection for the year ended September 30, 2018, was 99.8% 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, 2018, were:

	Transfer In					
	General	Debt Service	Economic Development	Nonmajor Governmental	Water and Sewer	Total
Transfers out						
General Fund	$ -	$ -	$ -	$ 15,000	$ -	$ 15,000
Economic Development 4B	-	1,390,747	-	-	-	1,390,747
Nonmajor Governmental	132,829	-	41,478	-	-	174,307
Water and Sewer	2,475,683	-	-	-	-	2,475,683
Stormwater Utility	352,122	-	-	-	198,061	550,183
Total transfers out	$ 2,960,634	$ 1,390,747	$ 41,478	$ 15,000	$ 198,061	$ 4,605,920

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, 2018 interfund balances ewre outstanding was between the General Fund, Capital Projects Fund and a nonmajor governmental fund as follows:

	Due From		
	Capital Projects	Nonmajor Governmental	Total
Due To			
General Fund	$ 537	$ 39,319	$ 39,856
Total	$ 537	$ 39,319	$ 39,856

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. The due to the General Fund from the Capital Projects Fund is the result of the General Fund funding capital expenditures prior to the receipt of bond proceed transfers.

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, 2018:

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Governmental Activities					
Capital assets, not being depreciated					
Land	$ 7,261,343	$ -	$ -	$ -	$ 7,261,343
Construction in progress	765,074	871,357	-	(118,151)	1,518,280
Total assets not being depreciated	8,026,417	871,357	-	(118,151)	8,779,623
Capital assets, being depreciated					
Buildings and improvements	25,768,169	5,665	-	-	25,773,834
Equipment	31,548,473	583,275	(7,659)	-	32,124,089
Improvements other than buildings	129,875,018	230,615	-	118,151	130,223,784
Total capital assets being depreciated	187,191,660	819,555	(7,659)	118,151	188,121,707
Less accumulated depreciation					
Buildings and improvements	(13,575,403)	(705,230)	-	-	(14,280,633)
Equipment	(26,888,960)	(1,566,782)	7,659	-	(28,448,083)
Improvements other than buildings	(115,506,376)	(2,803,677)	-	-	(118,310,053)
Total accumulated depreciation	(155,970,739)	(5,075,689)	7,659	-	(161,038,769)
Total capital assets being depreciated, net	31,220,921	(4,256,134)	-	118,151	27,082,938
Governmental activities capital assets, net	$ 39,247,338	$ (3,384,777)	$ -	$ -	$ 35,862,561
Business-type Activities					
Capital assets, not being depreciated					
Land	$ 100,255	$ -	$ -	$ -	$ 100,255
Construction in progress	433,785	11,632,408	-	(244,816)	11,821,377
Total assets not being depreciated	534,040	11,632,408	-	(244,816)	11,921,632
Capital assets, being depreciated					
Buildings and improvements	601,657	73,620	-	-	675,277
Equipment	3,997,818	11,402	-	-	4,009,220
Utility distributions	84,313,575	345,481	-	244,816	84,903,872
Total capital assets being depreciated	88,913,050	430,503	-	244,816	89,588,369
Less accumulated depreciation					
Buildings and improvements	(537,863)	(9,007)	-	-	(546,870)
Equipment	(3,386,040)	(223,186)	-	-	(3,609,226)
Utility distributions	(35,826,878)	(1,880,247)	-	-	(37,707,125)
Total accumulated depreciation	(39,750,781)	(2,112,440)	-	-	(41,863,221)
Total capital assets being depreciated, net	49,162,269	(1,681,937)	-	244,816	47,725,148
Business-type activities capital assets, net	$ 49,696,309	$ 9,950,471	$ -	$ -	$ 59,646,780

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

Governmental Activities		
General government	$	107,178
Community services		77,953
Public services		2,357,894
Public safety		1,366,078
Leisure services		1,089,051
Administrative services		77,535
Total depreciation expense – governmental activities	$	5,075,689
Business-type Activities		
Water and sewer	$	1,786,923
Stormwater collection and disposal		325,517
Total depreciation expense – business-type activities	$	2,112,440

Note 8. Long-term Liabilities

The following is a summary of the long-term liabilities of the City for the year ended September 30, 2018:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One-Year
Governmental Activities					
General/Contractual obligation bonds/Tax notes	$ 22,180,000	$ 57,540,000	$ (6,755,000)	$ 72,965,000	$ 4,465,000
Premium on debt	629,719	2,667,427	(156,473)	3,140,673	289,844
Capital lease	370,255	462,030	(314,575)	517,710	252,422
Compensated absences	3,639,736	2,540,698	(2,315,273)	3,865,161	1,288,387
Net pension liability	11,706,803	-	(1,144,527)	10,562,276	-
Other post-employment benefits	2,390,019	208,910	-	2,598,929	-
Governmental activities long-term liabilities	$ 40,916,532	$ 63,419,065	$ (10,685,848)	$ 93,649,749	$ 6,295,653
Business-type Activities					
Certificates of obligation	$ 43,120,000	$ 26,380,000	(4,890,000)	$ 64,610,000	$ 2,130,000
Premiums on debt	90,837	478,675	(10,891)	558,621	52,806
Compensated absences	253,047	238,050	(238,239)	252,858	84,286
Net pension liability	1,300,756	-	(127,169)	1,173,587	-
Other post-employment benefits	4,789	419	-	5,208	-
Business-type activities long-term liabilities	$ 44,769,429	$ 27,097,144	$ (5,266,299)	$ 66,600,274	$ 2,267,092

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%.

In April 2018, the City issued $63,920,000 General Obligation Refunding and Improvement Bonds, Series 2018 with a premium of $3,146,103, for the purpose of redeeming the 2007 Series Certificates of Obligations and constructing, improving, renovating and equipping park and recreation facilities. The bonds are payable over the next 30 years bearing interest rates of 3.125-5.0%.

City of Bedford, Texas
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Proceeds from the sale were placed in an irrevocable trust that is to be used to service the future debt requirements of the refunded debt. The advance refunding was undertaken to reduce the total debt service payments by $3,321,624 and resulted in an economic gain of $294,240. An accounting loss of $28,312, which will be deferred and amortized, was recognized on this advanced refunding. The refunded bonds are considered legally defeased and the liability for the refunded bonds has been removed from the long-term debt. As of September 30, 2018, the amount of the defeased debt outstanding, but removed from long-term debts was $2,455,000.

Governmental long-term debt consists of the following individual issues at September 30, 2018:

Series	Original Issue	Interest Rate	Debt Outstanding
General Obligation Bonds			
Series 2005 General Obligation Refunding Bonds	28,600,000	3.25% – 5.0%	$ 740,000
Series 2007 General Obligation Bonds	4,000,000	3.875% – 5.0%	-
Series 2010 General Obligation Bonds	4,885,000	2.0% – 5.0%	3,555,000
Series 2011 General Obligation Refunding and Improvement Bonds	8,185,000	2.0% – 4.375%	1,670,000
Series 2013 General Obligation Refunding and Improvement Bonds	5,375,000	2.0% – 4.0%	3,360,000
Series 2014 General Obligation Bonds	3,200,000	2.0% – 4.0%	2,750,000
Series 2018 General Obligation Bonds	57,540,000	3.125% - 5.0%	57,540,000
Certificates of Obligation			
Series 2011 General Tax and Revenue Certificates of Obligation	6,590,000	2.0% – 4.375%	1,245,000
Contractual Obligations			
Series 2014 Public Property Finance Contractual Obligations	2,300,000	1.0% – 2.5%	1,435,000
Tax Notes			
Series 2016 Tax Notes	1,105,000	1.30%	670,000
Total General Obligation, Certificates of Obligation Contractual Bonds, and Tax Notes			$ 72,965,000

City of Bedford, Texas
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Business-type long-term debt consists of the following individual issues at September 30, 2018:

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%	$ 2,380,000
Series 2018 General Obligation Refunding and Improvement Bonds	$ 6,380,000	3.125% - 5.0%	$ 6,380,000
Certificates of Obligation			
Series 2010 Certificates of Obligation	2,035,000	3.0% – 4.125%	1,485,000
Series 2011 Combination Tax and Revenue Certificates of Obligation	6,590,000	2.0% – 4.375%	2,995,000
Series 2012 Combination Tax and Revenue Certificates of Obligation	630,000	0.09% – 1.4%	450,000
Series 2012A Combination Tax and Revenue Certificates of Obligation	4,270,000	1.0% – 2.75%	3,225,000
Series 2015 Combination Tax and Revenue Certificates of Obligation	30,000,000	0.22% – 3.210%	28,095,000
Series 2017 Combination Tax and Revenue Certificates of Obligation	20,000,000	0.69% - 3.0%	19,600,000
Total General Obligation and Certificates of Obligation			$ 64,610,000

The City entered into a capital lease agreement in November 2017 and December 2017 for the purchase of police motorcycles and telecommunication. The leased property under capital lease is classified as equipment with the total capitalized cost of $462,030 and an amortized value of approximately $369,623 at September 30, 2018.

Capital leases entered into prior to fiscal year 2018 totaled $868,102, is classified as equipment, and has an amortized value of approximately $180,433 at September 30, 2018.

Capital lease amortization expense has been included in depreciation expense for the year ended September 30, 2018.

The annual debt service requirement to amortize the bonds, certificates of obligation and capital lease obligations outstanding at September 30, 2018, are as follows:

Governmental Activities:

Year Ending September 30,	Bonded Debt Obligations	Capital Lease	Interest	Total
2019	$ 4,465,000	$ 252,422	$ 3,369,887	$ 8,087,309
2020	3,530,000	220,799	2,593,652	6,344,451
2021	3,660,000	44,489	2,459,599	6,164,088
2022	3,650,000	-	2,315,389	5,965,389
2023	3,290,000	-	2,168,591	5,458,591
2024-2028	16,670,000	-	8,588,485	25,258,485
2029-2033	18,585,000	-	4,829,178	23,414,178
2034-2038	19,115,000	-	1,693,853	20,808,853
	$ 72,965,000	$ 517,710	$ 28,018,634	$ 101,501,344

Business-type Activities:

Year Ending September 30,	Debt Obligations	Interest	Total
2019	$ 2,130,000	$ 1,886,124	$ 4,016,124
2020	2,270,000	1,767,716	4,037,716
2021	2,340,000	1,718,646	4,058,646
2022	2,430,000	1,664,529	4,094,529
2023	2,490,000	1,603,916	4,093,916
2024-2028	13,310,000	6,941,775	20,251,775
2029-2033	11,750,000	5,134,757	16,884,757
2034-2038	10,510,000	3,632,021	14,142,021
2039-2043	10,710,000	2,050,532	12,760,532
2044-2047	6,670,000	425,598	7,095,598
	$ 64,610,000	$ 26,825,614	$ 91,435,614

Note 9. Retirement Plan

A. Plan Description

The City participates as one of 883 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.

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, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to but not yet receiving benefits	128
Active employees	339
Total	522

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 8.94% and 9.01% in calendar years 2017 and 2018, respectively. The city's contributions to TMRS for the year ended September 30, 2018, were $2,035,140, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, 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, 2017 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, 2017, 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.

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 2018 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%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	100.0%	

City of Bedford, Texas
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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 at September 30, 2017	$ 30,699,769	$ 17,692,210	$ 13,007,559
Changes for the year			
Service cost	2,703,744	-	2,703,744
Interest on total pension liability	2,139,669	-	2,139,669
Effect of difference in expected and actual experience	(246,817)	-	(246,817)
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(705,692)	(705,692)	-
Administrative expenses	-	(12,708)	12,708
Employer contributions	-	1,919,893	(1,919,893)
Net investment income	-	2,458,477	(2,458,477)
Employee contributions	-	1,503,273	(1,503,273)
Other	-	(643)	643
Net changes	3,890,904	5,162,600	(1,271,696)
Balances at September 30, 2018	$ 34,590,673	$ 22,854,810	$ 11,735,863

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	$ 16,653,371	$ 11,735,863	$ 7,574,110

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.tmrs.com.

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

For the year ended September 30, 2018, the City recognized pension expense of $2,077,711.

At September 30, 2018, 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	$ -	$ (518,032)
Difference in assumptions changes	450,652	-
Difference between projected and actual earnings on pension plan investments	-	(678,319)
Contributions subsequent to the measurement date	1,556,477	-
Total	$ 2,007,129	$ (1,196,351)

$1,556,477 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, 2018.

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,	Net Deferred Outflows (Inflows) of Resources
2018	$ (81,558)
2019	(104,957)
2020	(260,837)
2021	(260,147)
2022	(5,145)
Thereafter	(33,055)
Total	$ (745,699)

Note 10. Post-employment Health Care Plan

A. Plan Description and Funding Policy

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.

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.

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 and Non-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 detemiined 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.

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.

C. 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

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	-
Active employees	23
Total	45

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.
- 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 foul' 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.

I. Net OPEB Liability

Valuation of Assets
For purposes of calculating the Total OPEB Liability, the plan is considered to be unfunded and therefor no assets are accumulated for OPEB.

Actuarial Assumptions
The OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.50% to 10.50% including inflation
Discount rate	3.31%
Retirees share of benefit-related costs	$0

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.

In the December 31, 2017, 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, 2017, was 25 years.

Discount Rate
Because the Retiree Healthcare Plan is considered an unfunded trust under GASB Statement No. 75, the relevant discount rate for calculating the Total OPEB Liability is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

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Changes in the OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2016	$ 2,429,063	$ 34,254	$ 2,394,809
Changes for the year:			
Service cost	28,394	-	28,394
Interest	91,716	-	91,716
Change of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	164,339	-	164,339
Contributions - employer	-	72,029	(72,029)
Net investment income	-	3,092	(3,092)
Benefit payments	(72,029)	(72,029)	-
Administrative expense	-	-	-
Net changes	212,420	3,092	209,328
Balance at December 31, 2017	$ 2,641,483	$ 37,346	$ 2,604,137

Sensitivity of the OPEB Liability to Changes in the Discount Rate
The following presents the OPEB liability of the City, calculated using the discount rate of 3.31%, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.31%) or one-percentage-higher (4.31%) than the current rate:

	1% Decrease (2.31%)	Current Discount Rate (3.31%)	1% Increase (4.31%)
Total OPEB liability	$ 2,985,593	$ 2,604,137	$2,290,432

Sensitivity of the OPEB Liability to Healthcare Cost Trends

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB liability	$ 2,273,699	$ 2,604,137	$3,005,158

J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended September 30, 2018, the City recognized OPEB expense of $186,908.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (692)
Changes in assumptions and other inputs	95,141	-
Contributions made subsequent to measurement date	65,228	-
Total	$ 160,369	$ (692)

$65,228 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Years Ending September 30,	Net Deferred Outfows (Inflows) of Resources
2019	$ 69,025
2020	25,770
2021	(173)
2022	(173)
2023	-
Thereafter	-
Total	$ 94,449

Note 11. Tax Abatements and Economic Incentive Agreements

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of Bedford. This program rebates property and sales and use taxes and is authorized under Chapter 380 of the Texas Local Government Code. The various agreements are detailed below that rebate a percentage of property and/or sales & use taxes.

Agreements for rebate of property taxes generally call for rebates of taxes on incremental values for usually up to 10 years. The agreements for sales and use taxes provides for a rebate of 50% to 100% of the City 2% taxes on incremental values for usually up to 10 years, with the maximum being 12 years. For fiscal year 2018, the City rebated property taxes of $50,925, or 0.3% of the total levy of $18.8 million. Sales and use taxes rebated totaled $202,996 or 2.5% of the General Fund collections of $8.2 million.

Retail Development Agreements
In order to promote economic development and diversity, increase employment, reduce unemployment and underemployment, expand commerce, and stimulate business and commercial activity in the State of Texas, Tarrant County, and the City of Bedford, Texas, the City, agreed to pay

sales tax grants to certain developers. These grants require the construction or improvement of a minimum square feet of retail space and obtaining certificates of occupancy for certain major retailers within a specified time period, all of which have been met during the 2018 fiscal year.

An agreement was executed in August 2010. This agreement includes a rebate of 50% of the City's incremental property taxes on improvements for 10 years. The max payout per the agreement is $290,000. The City recorded a liability for the $4,381 incurred in the current year of the agreement. The City paid $4,381 during the current year of the grant.

An agreement was executed in January 2016. The agreement includes a rebate of 50% of the City's sales tax of 2% for a period of five years. The City recorded a liability for the $11,610 incurred in the current year of the agreement.

An agreement was executed in January 2016. The agreement includes a rebate of 75% of the City's sales tax of 2% for a period of ten years. The City recorded a liability for the $51,437 incurred in the current year of the agreement.

An agreement was executed in November 2012. The agreement includes a rebate of 100% of the City's sales tax of 1% and 100% of the City's incremental property tax for a period of ten years. The City recorded a liability for the $48,048 incurred in the current year of the agreement.

An agreement was executed in March 2013. The agreement includes a rebate of 50% of the City's sales tax of 2% for a period of seven years. The City recorded a liability for the $25,738 incurred in the current year of the agreement.

An agreement was executed in January 2013. The agreement includes rebates of 100% (years 1-3), 80% (years 4-7) and 50% (years 8-10) of the City's sales tax of 2% and 100% of the incremental property taxes on improvements for a period of ten years. The City recorded a liability for the $20,122 incurred in the current year of the agreement. The City paid $20,420 during the current year of the grant.

An agreement was executed in April 2014. The agreement includes a rebate of 50% of the City's sales tax of 2% and 100% of the City's incremental property tax for a period of six years. The City recorded a liability for the $22,049 incurred in the current year of the agreement. The City paid $21,443 during the current year of the grant.

An agreement was executed in December 2014. The agreement includes a rebate of 80% (years 1-3), 60% (years 4-7) and 40% (years 8-10) of the City's sales tax of 1% and 80% of the City's incremental property tax for a period of ten years. The City recorded a liability for the $70,536 incurred in the current year of the agreement.

An agreement was executed in December 2016. The agreement includes a rebate of 25% of the City's sales tax of 2% for a period of twelve years. The City recorded a liability for the $6,218 incurred in the current year of the agreement.

Note 12. 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, 2018, 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 2018 were $9,089,132.

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 $4,039,420 were made in fiscal year 2018. Additionally, $378,444 was spent with the City of Hurst for the transportation, treatment and disposal of sanitary sewage as well.

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 13. Cumulative Effect of Change in Accounting Principle

As a result if the implementation of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions", and adjustment has been made to record the City's net OPEB liability as of October 1, 2016. As a result, beginning net position of the governmental activities has been decreased by $1,559,303 and business-type activities has been decreased by $10,903.

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Required Supplementary Information

City of Bedford, Texas

Schedule of Changes in the City's Net Pension Liability and Related Ratios
Texas Municipal Retirement System
Last Four Fiscal Years

	2018	2017	2016	2015
TOTAL PENSION LIABILITY				
Service cost	2,703,744	2,676,451	$ 2,515,193	$ 1,588,982
Interest (on the Total Pension Liability)	2,139,669	1,866,228	1,643,314	1,439,551
Changes of benefit terms	-	-	-	1,308,563
Changes in assumptions	-	-	711,649	-
Difference between expected and actual experience	(246,817)	77,844	(368,820)	(233,110)
Benefit payments, including refunds of employee contributions	(705,692)	(460,701)	(359,420)	(335,835)
Net change in total pension liability	3,890,904	4,159,822	4,141,916	3,768,151
Total pension liability - beginning	30,699,769	26,539,947	22,398,031	18,629,880
Total pension liability - ending (a)	34,590,673	30,699,769	26,539,947	22,398,031
PLAN FIDICIARY NET POSITION				
Contributions - employer	1,919,893	1,705,987	1,611,071	1,032,810
Contributions - employee	1,503,273	1,489,019	1,387,526	972,517
Net investment income	2,458,477	949,763	16,795	525,939
Benefit payments, including refunds of employee contributions	(705,692)	(460,701)	(359,420)	(335,835)
Administrative expense	(12,708)	(10,700)	(10,223)	(5,486)
Other	(643)	(577)	(505)	(451)
Net change in plan fiduciary net position	5,162,600	3,672,791	2,645,244	2,189,494
Plan fiduciary net position - beginning	17,692,210	14,019,419	11,374,175	9,184,681
Plan fiduciary net position - ending (b)	22,854,810	17,692,210	14,019,419	11,374,175
NET PENSION LIABILITY - ending (a) - (b)	$ 11,735,863	$ 13,007,559	$ 12,520,528	$ 11,023,856
Plan fiduciary net position as a percentage of total pension liability	66.07%	57.63%	52.82%	50.78%
Covered payroll	$ 21,475,333	$ 21,258,547	$ 21,351,384	$ 19,450,346
City's net pension liability as a percentage of covered payroll	54.65%	61.19%	58.64%	56.68%

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.

See Notes to the Required Supplementary Information

City of Bedford, Texas
Schedule of City Contributions
Texas Municipal Retirement System
Last Four Fiscal Years

	2018	2017	2016	2015
Actuarially determined contribution	$ 2,035,140	$ 1,924,529	$ 1,680,982	$ 1,399,303
Contributions in relation to the actuarially determined contribution	2,035,140	1,924,529	1,680,982	1,399,303
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 21,475,333	$ 22,147,313	$ 22,649,265	$ 23,602,275
Contributions as a percentage of covered payroll	9.48%	8.69%	7.42%	5.93%

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.

See Notes to the Schedule of City Contributions

City of Bedford, Texas

Notes to the Schedule of City Contributions
Last Four Fiscal Years

Valuation Date: December 31, 2017
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	28 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

Schedule of Changes in the City's Other Post-Employment Benefits Liabilities and Related Ratios – Retiree Healthcare Plan
Last Fiscal Year

	Year Ended December 31 2017
Total OPEB liability	
Service cost	$ 28,394
Interest	91,716
Changes of benefit terms	-
Difference between expected and actual experience	-
Change in assumptions	164,339
Employer contributions	(72,029)
Net investment income	(3,092)
Benefit payments	-
Net changes	209,328
Total OPEB liability - beginning	2,394,809
Total OPEB liability - ending	$ 2,604,137
Covered employee payroll	$ 1,995,448
Total OPEB liability as a percentage of covered employee payroll	130.50%

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 75, only periods for which such information is available are presented.

City of Bedford, Texas

Schedule of Contributions – Retiree Healthcare Plan
Last Fiscal Years

Actuarially determined contribution	$ -
Contributions in relation to the actuarially determined contribution	-
Contribution deficiency (excess)	$ -
Covered payroll	$ 1,995,448
Contributions as a percentage of covered payroll	0.00%

See Notes to the Schedule of City Contributions – Retiree Health Care Plan

City of Bedford, Texas

Notes to the Schedule of Contributions – Retiree Healthcare Plan
Last Fiscal Years

Valuation Date: December 31, 2017

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Discount Rate	3.31%
Retirees' share of benefit-related cost	$0
Administrative expenses	All administratvie expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	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.
Mortality rates - disabled retirees	PR2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

City of Bedford, Texas

Budgetary Comparison Schedule General Fund
Year Ended September 30, 2018

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
REVENUES				
Taxes, penalty and interest	$ 24,458,506	$ 24,458,506	$ 24,951,068	$ 492,562
Licenses, permits, and fees	816,750	816,750	1,004,797	188,047
Charges for services	3,440,580	3,440,580	3,314,391	(126,189)
Fines and forfeits	1,838,000	1,838,000	1,613,738	(224,262)
Support from other governmental entities	280,490	280,490	242,256	(38,234)
Interest	42,850	42,850	225,030	182,180
Miscellaneous	68,400	68,400	131,265	62,865
Total revenues	30,945,576	30,945,576	31,482,545	536,969
EXPENDITURES				
General government				
City Council	259,695	259,695	136,615	123,080
City Manager	682,547	682,547	757,729	(75,182)
City Secretary	299,393	299,393	289,006	10,387
Information systems	775,689	775,689	784,328	(8,639)
Human Resources	501,120	501,120	420,031	81,089
Total general government	2,518,444	2,518,444	2,387,709	130,735
Community services				
Economic development	736,235	736,235	650,354	85,881
Planning and zoning	385,141	385,141	371,161	13,980
Total community services	1,121,376	1,121,376	1,021,515	99,861
Public services				
Facilities maintenance	763,684	763,684	740,259	23,425
Maintenance services	416,939	416,939	451,234	(34,295)
Streets	1,021,262	1,021,262	749,953	271,309
Total public services	2,201,885	2,201,885	1,941,446	260,439
Administrative services				
Finance	568,449	568,449	547,762	20,687
Nondepartmental	1,140,524	1,140,524	1,344,916	(204,392)
Municipal court	682,560	682,560	671,558	11,002
Teen court	179,235	179,235	135,752	43,483
Total administrative services	2,570,768	2,570,768	2,699,988	(129,220)

See Notes to the Required Supplementary Information

City of Bedford, Texas

Budgetary Comparison Schedule General Fund – Continued
Year Ended September 30, 2018

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
EXPENDITURES				
Public safety				
Administration	913,426	913,426	924,622	(11,196)
Animal control	407,404	407,404	394,313	13,091
Criminal investigation division	1,756,718	1,756,718	1,816,654	(59,936)
Community services	938,073	938,073	974,955	(36,882)
Code compliance	494,226	494,226	401,738	92,488
SWAT	16,040	16,040	-	16,040
Patrol	4,645,808	4,645,808	4,886,630	(240,822)
Traffic	879,021	879,021	595,725	283,296
Dispatch	852,247	852,247	779,810	72,437
Jail	879,927	879,927	765,258	114,669
Records	452,580	452,580	414,184	38,396
Repeat victimization unit	323,320	323,320	330,068	(6,748)
Fire operations	7,706,175	7,706,175	7,942,902	(236,727)
Total public safety	20,264,965	20,264,965	20,226,859	38,106
Leisure services				
Library	1,551,674	1,551,674	1,530,169	21,505
Parks	1,399,609	1,399,609	1,391,564	8,045
Recreation	630,922	630,922	584,400	46,522
Senior citizens	424,630	424,630	268,201	156,429
Splash	284,058	284,058	370,825	(86,767)
Total leisure services	4,290,893	4,290,893	4,145,159	145,734
Capital outlay	86,400	86,400	520,803	(434,403)
Debt service	531,768	531,768	328,759	203,009
Total expenditures	33,586,499	33,586,499	33,272,238	314,261
Excess (deficiency) of revenues over expenditures	(2,640,923)	(2,640,923)	(1,789,693)	851,230
OTHER FINANCING SOURCES (USES)				
Transfers in	2,968,635	2,968,635	2,960,634	(8,001)
Transfer out	-	-	(15,000)	(15,000)
Proceeds from capital leases	-	-	462,030	462,030
Proceeds from sale of capital asset	5,000	5,000	4,733	(267)
Insurance proceeds	15,000	15,000	85,318	70,318
Total other financing sources (uses)	2,988,635	2,988,635	3,497,715	509,080
Net change in fund balance	347,712	347,712	1,708,022	1,360,310
FUND BALANCE, beginning of year, restated	11,939,526	11,939,526	11,939,526	-
FUND BALANCE, end of year	$ 12,287,238	$ 12,287,238	$ 13,647,548	$ 1,360,310

See Notes to the Required Supplementary Information

City of Bedford, Texas
Budgetary Comparison Schedule
Economic Development 4B Fund
Year Ended September 30, 2018

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
REVENUES				
Taxes, penalty and interest	$ 2,637,500	$ 2,637,500	$ 2,773,735	$ 136,235
Interest	8,000	8,000	54,584	46,584
Total revenues	2,645,500	2,645,500	2,828,319	182,819
EXPENDITURES				
Current				
Public services	2,192,110	2,192,110	1,384,748	807,362
Capital outlay	1,590,000	1,590,000	203,625	1,386,375
Debt Service	13,731	13,731	-	13,731
Total expenditures	3,795,841	3,795,841	1,588,373	2,207,468
Excess (deficiency) of revenues over expenditures	(1,150,341)	(1,150,341)	1,239,946	2,390,287
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	41,478	41,478
Transfers out	(1,390,475)	(1,390,475)	(1,390,747)	(272)
Insurance proceeds	-	-	-	-
Total other financing sources (uses)	(1,390,475)	(1,390,475)	(1,349,269)	41,206
Net changes in fund balance	(2,540,816)	(2,540,816)	(109,323)	2,431,493
FUND BALANCE, beginning of year	3,790,264	3,790,264	3,790,264	-
FUND BALANCE, end of year	$ 1,249,448	$ 1,249,448	$ 3,680,941	$ 2,431,493

See Notes to the Required Supplementary Information

City of Bedford, Texas
Notes to the Budgetary Comparison Schedules
Year Ended September 30, 2018

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.

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APPENDIX C

FORM OF BOND COUNSEL'S OPINIONS

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AGENDA

NORTON ROSE FULBRIGHT

[Closing Date]

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
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IN REGARD to the authorization and issuance of the "City of Bedford, Texas, General Obligation Refunding and Improvement Bonds, Series 2019," dated August 15, 2019, in the principal amount of $_____ (the "Bonds"), we have examined into their issuance by the City of Bedford, Texas (the "City"), solely to express legal opinions as to the validity of the Bonds, the defeasance and discharge of the City's outstanding obligations being refunded by the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds.

THE BONDS are issued in fully registered form only and in denominations of $5,000 or any integral multiple thereof (within a maturity). The Bonds mature on February 1 in each of the years specified in an ordinance adopted by the City Council of the City authorizing the issuance of the Bonds (the "Ordinance"), unless redeemed prior to maturity in accordance with the terms stated on the Bonds. The Bonds accrue interest from the dates, at the rates, and in the manner and interest is payable on the dates, all as provided in the Ordinance.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Bonds, including the Ordinance and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been duly authorized by the City and, when issued in compliance with the provisions of the Ordinance, are valid, legally binding and enforceable obligations of the City payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with the general principles of equity.

2. The outstanding obligations refunded, discharged, paid and retired with the proceeds of the Bonds have been defeased and are regarded as being outstanding only for the purpose of receiving payment from the funds held by the paying agent for the outstanding obligations being refunded and in accordance with the provisions of Texas Government Code, Chapter 1207, as amended. In rendering this opinion, we have relied upon the certificate of the paying agent for the

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outstanding obligations being refunded as to the sufficiency of cash deposited with the paying agent for the outstanding obligations being refunded for the purposes of paying the outstanding obligations refunded and to be retired with the proceeds of the Bonds and the interest thereon.

3. Pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance after the date hereof by the City with the provisions of the Ordinance relating to sections 141 through 150 of the Code, interest on the Bonds for federal income tax purposes (a) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (b) will not be included in computing the alternative minimum taxable income of the owners thereof.

WE EXPRESS NO OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

AGENDA

NORTON ROSE FULBRIGHT

[Closing Date]

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IN REGARD to the authorization and issuance of the "City of Bedford, Texas, General Obligation Bonds, Taxable Series 2019," dated August 15, 2019, in the principal amount of $_____ (the "Bonds"), we have examined into their issuance by the City of Bedford, Texas (the "City"), solely to express legal opinions as to the validity of the Bonds and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds.

THE BONDS are issued in fully registered form only and in denominations of $5,000 or any integral multiple thereof (within a maturity). The Bonds mature on February 1 in each of the years specified in the ordinance adopted by the City Council of the City authorizing the issuance of the Bonds (the "Ordinance"), unless redeemed prior to maturity in accordance with the terms stated on the Bonds. The Bonds accrue interest from the dates, at the rates, and in the manner and interest is payable on the dates, all as provided in the Ordinance.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Bonds, including the Ordinance and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to certain facts within the knowledge and control of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the State of Texas in force and effect on the date hereof, the Bonds have been duly authorized by the City and, when issued in compliance with the provisions of the Ordinance, are valid, legally binding and enforceable obligations of the City payable from an ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the City, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with the general principles of equity.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective.

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Moreover, our opinions are not a guarantee of result; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

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Financial Advisory Services
Provided By

AGENDA

S&P Global Ratings

500 North Akard Street
Ross Tower, Suite 3200
Dallas, TX 75201
tel (214) 871-1400
reference no.: 1578030

August 9, 2019

City of Bedford
2000 Forest Ridge Drive
Bedford, TX 76021
Attention: Mr. Brian Bosshardt, City Manager

Re: ***US$9,160,000 Bedford, Texas, General Obligation Refunding And Improvement Bonds, Series 2019, dated: August 15, 2019, due: February 01, 2039***

Dear Mr. Bosshardt:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

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Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

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Sincerely yours,

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cc: ***Ms. Soyya Chumley, Financial Advisor***
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S&P Global Ratings

S&P Global Ratings
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AGENDA

S&P Global
Ratings

RatingsDirect®

Summary:

Bedford, Texas; General Obligation

Primary Credit Analyst:
Daniel Golliday, Farmers Branch + 1 (214) 765 5881; daniel.golliday@spglobal.com

Secondary Contact:
Jennifer K Garza (Mann), Farmers Branch (1) 214-871-1422; jennifer.garza@spglobal.com

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Rationale

Outlook

Related Research

Summary:

Bedford, Texas; General Obligation

Credit Profile		
US$9.16 mil GO rfdg and imp bnds ser 2019 dtd 08/15/2019 due 02/01/2039		
Long Term Rating	AA/Stable	New
US$5.5 mil GO bnds ser 2019 dtd 08/15/2019 due 02/01/2039		
Long Term Rating	AA/Stable	New
Bedford comb tax and rev certs of oblig		
Long Term Rating	AA/Stable	Affirmed
Bedford GO		
Long Term Rating	AA/Stable	Affirmed
Bedford GO		
Long Term Rating	AA/Stable	Affirmed
Bedford GO		
Long Term Rating	AA/Stable	Affirmed

Rationale

S&P Global Ratings has assigned its 'AA' long-term rating to the city of Bedford, Texas' series 2019 general obligation (GO) bonds and series 2019 GO refunding and improvement bonds. At the same time, S&P Global Ratings affirmed its 'AA' long-term rating and underlying rating on the city's GO debt outstanding. The outlook is stable.

Security and use of proceeds

A limited-ad valorem tax, levied on all taxable property within the city, secures the 2019 GO bonds and 2019 GO refunding and improvement bonds, as well as the city's GO bonds outstanding, tax notes, and certificates. The certificates outstanding are additionally secured by net revenues of the city's water and sewer system. Despite the additional de minimis revenue pledge, we rate the debt based on the city's GO pledge, which we view as the stronger pledge.

Texas statutes limit the ad valorem tax rate for home rule cities to $2.50 per $100 of taxable assessed valuation (AV) for all city purposes. The Texas attorney general permits the allocation of $1.50 of the $2.50 maximum tax rate for ad valorem tax debt service. In fiscal 2019 Bedford's total levy is well below the maximum at 56.18 cents per $100 of AV, 21.77 cents of which is dedicated to debt service. Despite state statutory tax-rate limitations, we do not differentiate between the city's limited-tax debt and its general creditworthiness, since the ad valorem tax is not derived from a measurably narrower tax base and there are no limitations on the fungibility of resources, which supports our view of the city's overall ability and willingness to pay debt service. Proceeds from the series 2019 GO refunding and improvement bonds will be used to construct, improve, renovate, and equip various recreation facilities and refund certain obligations outstanding for debt service savings. Proceeds from the series 2019 GO bonds will also be used to

finance various recreation facilities.

Credit overview

Bedford's favorable location within the Dallas-Fort Worth metropolitan statistical area (MSA) has benefited the city by providing immense employment opportunities to its residents, as well as improving home values throughout the area tied to strong economic growth in the metroplex. Economic associated revenue growth, coupled with management's conservative budgeting practices has aided in the city's strong budgetary performance, bolstering the city's reserve position in recent years. While we do not anticipate substantial property value growth over the medium term, due to the city's near build out development status, we assess values will continue to benefit from the expansion experienced in the local economy, in addition to potential economic development opportunities. Although the city's direct debt burden is elevated, its economic base is strong enough to support it without compromising overall credit quality.

The rating reflects our assessment of the following credit characteristics:

- Strong economy, with access to a broad and diverse MSA;
- Strong management, with good financial policies and practices under our Financial Management Assessment methodology;
- Strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2018;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2018 of 41% of operating expenditures;
- Very strong liquidity, with total government available cash at 56% of total governmental fund expenditures and 3.1x governmental debt service, and access to external liquidity we consider strong;
- Very weak debt and contingent liability position, with debt service carrying charges at 18.0% of expenditures and net direct debt that is 197.6% of total governmental fund revenue; and
- Strong institutional framework score.

Strong economy

We consider Bedford's economy strong. The city, with an estimated population of 49,330, is located in Tarrant County in the Dallas-Fort Worth-Arlington MSA, which we consider broad and diverse. The city has a projected per capita effective buying income of 124% of the national level and per capita market value of $87,978. Overall, the city's market value grew by 8.6% over the past year to $4.3 billion in 2019. The county unemployment rate was 3.5% in 2018.

Spanning an area of 10 square miles in the heart of the Dallas-Fort Worth metroplex, the city of Bedford is located roughly 25 miles northwest of downtown Dallas and 10 miles northeast of downtown Fort Worth. Residents benefit from close proximity to Texas highway 183 and 121, which transverse the city and provides excellent access to additional employment opportunities through the broad and diverse Dallas-Fort Worth-Arlington MSA. Additionally, nearby Dallas-Fort Worth International Airport--located a mere three miles northeast of the city--continues to have a positive influence on the local economy.

Having functioned historically as a bedroom community, the local economy has benefitted from robust metroplex growth in recent years, resulting in an expansion of health care, financial, and retail sector presence. In fiscal 2018, primary employers were Texas Health Resources (with 1,550 employees), Carter Blood Care (914), and Warrantech (478). Additionally, nearby Dallas-Fort Worth International Airport--located a mere three miles northeast of the city--continues to provide a positive influence on the economy. In addition, the local tax base is very diverse, with the top 10 payers representing 9.5% of total taxable AV in fiscal 2018.

The city's property tax base growth has been historically healthy and consists predominantly of residential and commercial parcels, adding a degree of stability to its tax base. Real, residential single-family represents approximately 63.5% of the city's AV, while real commercial accounts for 14.8%. The city's strong tax base growth is attributed to the appreciation of existing residential and commercial properties, coupled with the completion of various development projects being added to the tax roll. As a result, the city's tax base growth has averaged roughly 8% over the past five years. In aggregate, the city's tax base increased by approximately $1.2 billion, or 41% since 2014.

The city is nearing fully built-out status and officials note new economic development is centered on redevelopment of existing properties. Despite the fully built-out characteristics, officials do anticipate continued modest growth in taxable value in the near term, which will likely be spurred by positive reappraisals and development projects already in the pipeline. Some notable projects currently underway include new subdivisions, a mixed-use commercial and residential commons development, Polycoat expansion of existing facilities, Texas Health Resources surgery wing renovation, a craft brewery, as well as four new name brand hotels. We assess the city's economic metrics will continue to benefit from Bedford's favorable location in the broad and diverse MSA, which will act as a stabilizing factor for the local economy over the medium term.

Strong management

We view the city's management as strong, with good financial policies and practices under our Financial Management Assessment methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

Bedford city management generates revenue and expenditure assumptions based on three years of historical trend data with the help of the local appraisal district, and performs detailed analysis when developing projections for retail and sales tax base performance. The budget is monitored constantly by management, and budget-to-actual updates are presented to the city council quarterly. Management can amend the budget as needed. The city adheres to a formal internal investment policy, which complies with state guidelines and is reviewed annually; management provides quarterly investment reports to the governing body. In addition, the city maintains a comprehensive five-year capital plan, which is linked to the operating budget and identifies funding sources for projects, and is reviewed by council annually. The city also performs formal long-term financial planning in its general fund, with annually updated multiyear projections forecasting five years into the future. The city follows a formal reserve policy requiring the maintenance of a fund balance at a level equal to 20% of operating expenditures, to which it has historically adhered. However, the city has the ability to reserve a minimum 15% of operating expenditures during unforeseeable situations. Bedford incorporates its debt management policy in its Fiscal and Budgetary policy statements, which aligns with state requirements.

Strong budgetary performance

In assessing the city's budgetary performance, we adjusted for annually recurring transfers into the general fund, and for expenditures toward one-time capital projects across total governmental funds. Bedford's budgetary performance is strong in our opinion. The city had operating surpluses of 4.9% of expenditures in the general fund and of 4.6% across all governmental funds in fiscal 2018.

Bedford city management has historically budgeted conservatively, often adopting deficit operating budgets only to have year-end results outperform expectations, with large annually recurring utility system transfers contributing to balanced or surplus net operations in the general fund. As is common within the scope of its conservative financial practices, the 2018 operating budget was adopted with the use of $2.6 million use of fund balance prior to other financing sources. However, when comparing final budget to actual, outperformance by both revenues and expenditures of a combined $851,230 help reduce the amount of fund balance to ($1.78 million). After transfers, the net change in the city's fund balance totaled roughly $1.7 million. The strong performance is attributed to underestimating revenues largely stemming from healthy sales tax collections and licenses, permits, and fees.

Bedford's primary sources of general fund revenue are taxes, penalties and interest (72%), charges for services (10%) and fines and forfeitures (5%). Both property and sales tax revenues have demonstrated stable growth in recent years, and management believes this trend will continue in tandem with taxable value growth. The city adopted the fiscal 2019 budget, which anticipates break-even results at year end after transfers with no significant budgetary pressures or issues identified that could adversely affect performance. Furthermore, the city increased its general fund tax rate in fiscal 2019, which should provide additional revenue flexibility. Management notes revenues are currently outpacing budgeted expectations and expect to finish the fiscal year with at least break-even operations. Accordingly, we assess the city will continue to maintain strong budgetary performance over the next two years.

Very strong budgetary flexibility

Bedford's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2018 of 41% of operating expenditures, or $13.6 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor. The city has historically maintained very strong reserve levels, exceeding 24% operating expenditures in each of the past three fiscal years, growing in each and providing substantial flexibility over its formal 20% reserve policy. Management reports no plans to materially spend reserves over the next two years, but intends to strengthen reserves instead. In light of this, and management's ability to budget conservatively and historically produce surpluses, we expect budgetary flexibility to remain very strong in the near term.

Very strong liquidity

In our opinion, Bedford's liquidity is very strong, with total government available cash at 56% of total governmental fund expenditures and 3.1x governmental debt service in 2018. In our view, the city has strong access to external liquidity if necessary.

Bedford's strong access to external liquidity is demonstrated by its access to the market over the past three decades, which includes numerous GO-backed bond issuances. It has historically maintained what we consider very strong cash balances, and given our expectation for balanced operations, we do not believe its cash position will materially weaken

in the near term. All of the city's investments comply with both Texas statutes and its own formal policy, and were held in agencies, money market funds, and local government investment pools at the end of fiscal 2018--none of which we view as aggressive. Therefore, we do not expect the city's liquidity position to deteriorate from its very strong position in the near term.

We understand that the city has several series of debt that has been privately placed with principal outstanding of $46.1 million (32% of total direct debt). However, the obligations do not contain any provisions, such as acceleration or non-standard events of default that we view as a potential liquidity risk.

Very weak debt and contingent liability profile

In our view, Bedford's debt and contingent liability profile is very weak. Total governmental fund debt service is 18.0% of total governmental fund expenditures, and net direct debt is 197.6% of total governmental fund revenue.

Debt supported through the city's enterprise fund has been adjusted in our calculations. Bedford's adopted five-year CIP serves as a blueprint to address subsequent growth and development in a prudent manner. The plan totals about $129.4 million (which includes the city's enterprise funds) for fiscal years 2019-2023. All projects included in the CIP have identified funding sources that are determined with consideration of the city's financial capacity. From examining the city's CIP, the city expects to issue approximately $30.3 million in debt over the next two years, with a portion of this debt planned to be self-supported by utility system revenues. Amortization of Bedford's debt outstanding is below average, with approximately 46% scheduled to be retired in the next 10 years. Therefore, we expect the city's debt levels to remain elevated in the near term.

Pension and OPEB

Bedford's combined required pension and actual other postemployment benefits (OPEB) contributions totaled 4.8% of total governmental fund expenditures in 2018. The city contributes to a nontraditional, joint contributory, hybrid defined-benefit pension plan administered by the Texas Municipal Retirement System (TMRS). The city's required pension contribution is its actuarially determined contribution (ADC), which is calculated using the entry age actuarial cost method. The city has historically paid at least 100% of the ADC. In fiscal 2018, it contributed 9.48% of covered payroll, which amounted to $2 million in contributions to the pension system.

Actuarial assumptions include a discount rate of 6.75% and a 28-year closed amortization period. The plan's assumed discount rate of is not considered aggressive, in our opinion, though we do consider the closed amortization period of 28 years as extended, leaving greater potential for costs to grow depending on actual performance. Using updated reporting standards in accordance with Governmental Accounting Standards Board Statement No. 68, the city's net pension liability, measured as of Dec. 31, 2017, was $11.7 million. The plan's fiduciary net position as a percent of the total pension liability is 66.07%. Despite the below-average funding ratio and associated risk with escalating contributions, we do not assess the city's pension obligations as a present material risk, because of contributions that remain small relative to the city's budget. Additionally, we assess the city's growing operating revenue and very strong budgetary flexibility will allow the city to absorb increases to required contributions in the medium term. However, if funding ratios deteriorate to a degree that we believe will translate to more pronounced budget pressure, our overall assessment of its pension risk could change.

Bedford also provides OPEB in the form of health care until it achieves Medicare eligibility. Contributions are made on

a pay-as-you-go basis, which totaled $186,908 in fiscal 2018. As of the Dec. 31, 2017 measurement date, the total OPEB liability was $2.6 million. Overall, we do not anticipate pension and OPEB costs to create any budgetary pressure over the next two years.

Strong institutional framework

The institutional framework score for Texas municipalities is strong.

Outlook

The stable outlook reflects our view of the city's improving economic indicators, its very strong budgetary flexibility and liquidity, and strong management. We do expect debt levels to materially increase, but to instead correspond with slow amortization and future debt plans. We do not expect to change the rating within the two-year outlook period.

Upside scenario

All else equal, we could raise the rating if the city's debt profile were to moderate and continued economic expansion results in improved wealth and income indicators, relative to peers.

Downside scenario

We could lower the rating if financial performance deteriorates, leading to sustained and significant drawdowns in reserves--potentially resulting from growing fixed costs.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Alternative Financing: Disclosure Is Critical To Credit Analysis In Public Finance, Feb. 18, 2014
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015

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AGENDA

Council Agenda Background

PRESENTER: Clifford Blackwell, CGFO
Assistant City Manager

DATE: 08/27/19

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

ITEM:

Discussion and consideration of all matters incident and related to the issuance and sale of "City of Bedford, Texas, General Obligation Bonds, Taxable Series 2019," including the adoption of an ordinance authorizing the issuance of such bonds.

City Attorney Review: N/A

SUMMARY:

To approve the sale of Taxable Series 2019 General Obligation Bonds for a Phase Next capital improvement project to construct an arts and entertainment facility on the grounds of the Old Bedford School.

BACKGROUND:

In November 2017, the City of Bedford held a successful bond election to finance a major parks and recreation capital project that includes new ball fields, an aquatic center, a multi-purpose event facility, as well as other related improvements. The bond authorization totaled $70,000,000 for what is officially known as the Boys Ranch Park, Phase Next Improvement Project (Phase Next). In March 2018, the City issued $60,000,000 in general obligation bonds to begin the work of designing, equipping and constructing new park and recreation facilities for the Phase Next project.

The general obligation bonds used to construct this project are exempt from federal income taxes because the proceeds are used primarily for capital assets that are publicly owned and operated by the governmental unit, the City of Bedford. The City did not issue the entire bond authorization of $70,000,000, because it perceived a portion of the bonds would need to be taxable if the City elected to construct a facility deemed for "private use." Per Title 26 of the U.S. Code, private use is defined as the use of a facility, whether directly or indirectly, in a trade or business carried on by any person other than the governmental unit. The City Council set aside $10,000,000 of the bond authorization in order to further discuss addressing the needs of the arts and culture community.

On June 20, 2019, the City Council conducted a special work session to explore options. The Council agreed to pursue a plan to create a performance and visual arts facility on the grounds of Old Bedford School, establishing a not-to-exceed amount of $5,500,000 for design and construction. In addition, the City Council also agreed to add the remaining authorization of $4,500,000 to the $60,000,000 capital projects budget for the park and recreation improvements taking place in Boys Ranch Park. This item reflects the issuance of $5,500,000 in taxable bonds for the design and construction of an arts and entertainment facility that will accommodate arts organizations in the Bedford area.

Standard and Poor's, the City's bond rating agency, declared the general obligation taxable bonds a 'AA' long term rating with a stable outlook based on the most recent rating analysis. This rating affirms the City's status based on strong liquidity with available cash at 56% of total governmental expenditures, sound fiscal policies, budgetary flexibility, and very weak debt with a contingent liability profile.

The Series 2019 General Obligation Taxable Bonds are competitively bid; therefore, the payment schedule, along with sections of the ordinance, cannot be finalized until the bids are officially opened and accepted, which is Tuesday, August 27, 2019.

RECOMMENDATION:

Staff recommends the following motion:

Approval of an ordinance and of all matters incident and related to the issuance and sale of "City of Bedford, Texas, General Obligation Bonds, Taxable Series 2019," dated August 27, 2019.

FISCAL IMPACT:

Amount of issue:	**$5,500,000**
Est. impact on the property tax rate:	**0.8 cents**

ATTACHMENTS:

Ordinance
Preliminary Official Statement (POS)
S&P Ratings Direct Summary & letter

ORDINANCE NO. 19-_____

AN ORDINANCE authorizing the issuance of "CITY OF BEDFORD, TEXAS, GENERAL OBLIGATION BONDS, TAXABLE SERIES 2019," specifying the terms and features of said bonds; levying a continuing direct annual ad valorem tax for the payment of said bonds; and resolving other matters incident and related to the issuance, sale, payment and delivery of said bonds, including the approval and execution of a Paying Agent/Registrar Agreement and the approval and distribution of an Official Statement; and providing an effective date.

WHEREAS, the City Council of the City of Bedford, Texas (the "City") hereby finds and determines that general obligation bonds in the principal amount of $_____ approved and authorized to be issued at an election held in the City on November 7, 2017 should be issued and sold at this time; a summary of the bonds approved by the voters at said election, and at elections held on September 12, 1995 and November 6, 2001, the principal amounts authorized and respective purposes therefor, amounts heretofore issued and being issued pursuant to this ordinance and the amounts remaining to be issued subsequent hereto being as follows:

Election Date	Purpose	Amount Authorized ($)	Amount Previously Issued ($)	Amount Being Issued ($)	**Premium Applied ($)	Unissued Balance ($)
9-12-95	Police Facility Improvements	6,625,000	6,295,000	0	0	330,000
9-12-95	Streets/Drainage	13,200,000	12,675,000	0	0	525,000
11-06-01	City Building Improvements	1,075,000	885,000	0	0	190,000
11-06-01	Animal Control	240,000	0	0	0	240,000
11-06-01	Public Safety Improvements	4,060,000	2,885,000	0	0	1,175,000
11-06-01	Street Improvements (Major Thoroughfares)	5,430,000	3,265,000	0	0	2,165,000
11-06-01	Residential Street Improvements	3,730,000	1,725,000	0	0	2,005,000
11-07-17	Park/Recreation (Including Ball Field, Aquatic Center, and Multi-Purpose Event Facilities	70,000,000	60,000,000	10,000,000*	0	0

* represents $_____ principal amount of the Bonds and $_____ principal amount of the "City of Bedford, Texas General Obligation Refunding and Improvement Bonds, Series 2019" (the "Tax-Exempt Bonds") being issued concurrently with the Bonds.

** Original issue premium, consisting of $_____ of premium allocated to the 2017 voted authorization associated with the Bonds and $_____ of premium allocated to the 2017 voted authorization associated with the Tax-Exempt Bonds, is applied against the 2017 voted authorization referenced in the above table and results in a total amount of $_____ being allocated to and applied against the 2017 voted authorization.

AND WHEREAS, the City Council hereby reserves and retains the right to issue the balance of unissued bonds approved at said elections in one or more installments when, in the

judgment of the City Council, funds are needed to accomplish the purposes for which such bonds were voted; now, therefore,

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose. General obligation bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of $_____ to be designated and bear the title "CITY OF BEDFORD, TEXAS, GENERAL OBLIGATION BONDS, TAXABLE SERIES 2019" (hereinafter referred to as the "Bonds"), for the purposes of providing funds for (i) permanent public improvements and public purposes, to wit: constructing, improving, renovating, and equipping park and recreation facilities (including ball field improvements, aquatic center improvements, multi-purpose event facilities improvements and other related improvements) including the acquisition of land therefor and (ii) to pay costs of issuance, in accordance with the Constitution and laws of the State of Texas including Texas Government Code, Section 1331.052, as amended.

SECTION 2: Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities - Interest Rates. The Bonds shall be issued as fully registered obligations only, shall be dated August 15, 2019 (the "Bond Date"), shall be in denominations of $5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on February 1 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the rates per annum in accordance with the following schedule:

Year of Stated Maturity	Principal Amount ($)	Interest Rates (%)
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		

The Bonds shall bear interest on the unpaid principal amounts from the date of the initial delivery of the Bonds at the rates per annum shown above in this Section (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on February 1 and August 1 in each year until maturity or prior redemption, commencing February 1, 2020.

SECTION 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books (the "Security Register") maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as **Exhibit A** and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor and City Secretary of the City are hereby authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or upon the earlier redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated office initially in East Syracuse, New York; or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Bonds shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the 15th day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security

Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

(a) Optional Redemption. The Bonds having Stated Maturities on and after February 1, 2029, shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 1, 2028, or on any date thereafter, at the redemption price of par plus accrued interest to the date of redemption.

At least forty-five (45) days prior to a redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the City to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the City.

(b) Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bonds by $5,000 and shall select the Bonds, or principal amount thereof, to be redeemed within such Stated Maturity by lot.

(c) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

(d) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior

to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the Initial Bond(s) referenced in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds shall be registered and issued to the assignee or transferee of the previous Holder; such Bonds to be in authorized denominations, of like Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond(s) referenced in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be “Predecessor Bonds,” evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term “Predecessor Bonds” shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 11 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4, and 5 hereof relating to the payment, and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations, by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general, or the City decides to discontinue use of the system of book-entry transfers through DTC, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Bond Date shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the total principal amount shown in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Bonds, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Definitive Bond.

REGISTERED REGISTERED
NO. _____ $_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF BEDFORD, TEXAS
GENERAL OBLIGATION BOND
TAXABLE SERIES 2019

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP NO:
August 15, 2019	_____	February 1, 20__	_____

Registered Owner:

Principal Amount:

The City of Bedford (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the date of the initial delivery of the Bonds) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 in each year until maturity or prior redemption, commencing February 1, 2020. Principal of this Bond is payable at its Stated Maturity or upon its prior redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the 15th day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner hereof and in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of $_____ (herein referred to as the "Bonds") for the purposes of (i) providing funds for permanent public improvements and public purposes, to wit: constructing, improving, renovating, and equipping park and recreation facilities (including ball field improvements, aquatic center improvements, multi-purpose event facilities improvements and other related improvements) including the acquisition of land therefor; and (ii) to pay costs of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Section 1331.052, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Bonds maturing on and after February 1, 2029, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 1, 2028, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If this Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon the redemption date this Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest hereon shall cease to accrue from and after the redemption date therefor, provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of this Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of this Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If this Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the registered owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance hereof in the event of its redemption in part.

With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the registered owner of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the registered owners; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein and not otherwise defined herein have the meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or upon its prior redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each registered owner appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforestated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City as of the Bond Date.

CITY OF BEDFORD, TEXAS

_____

Mayor

COUNTERSIGNED:

_____
City Secretary

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	)	
	)	
OF PUBLIC ACCOUNTS	)	REGISTER NO. _____
	)	
THE STATE OF TEXAS	)	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered under the provisions of the within-mentioned Ordinance; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated office of the Paying Agent/Registrar in East Syracuse, New York, is the Designated Payment/Transfer Office for this Bond.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Dallas, Texas,
as Paying Agent/Registrar

Registration date:

_____

By_____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto (Print or typewrite name, address and zip code of transferee):_____
_____
_____
(Social Security or other identifying number_____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

_____
Signature guaranteed:

_____
NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section, except that the form of the single fully registered Initial Bond shall be modified as follows:

Heading and paragraph one shall be amended to read as follows:

REGISTERED
NO. T-1

REGISTERED
$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF BEDFORD, TEXAS
GENERAL OBLIGATION BOND
TAXABLE SERIES 2019

Bond Date:
August 15, 2019

Registered Owner: _____

Principal Amount: _____ MILLION ___ HUNDRED _____ THOUSAND DOLLARS

The City of Bedford (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay the registered owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on February 1 in each of the years and in principal installments in accordance with the following schedule:

YEAR OF MATURITY	PRINCIPAL INSTALLMENTS ($)	INTEREST RATE (%)

(Information to be inserted from schedule in Section 2 hereof).

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal installments hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the date of the initial delivery of the Bonds) at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 in each year until maturity or prior redemption, commencing February 1, 2020. Principal installments of this Bond are payable at its Stated Maturity or on a redemption date to the registered owner hereof by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices, initially in Dallas, Texas; or, with respect to a successor paying agent/registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the 15th day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their redemption at maturity or prior redemption or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the Debt Service Requirements on said Bonds while Outstanding; full allowance being made for delinquencies and costs of collection;

separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Bonds shall be kept and maintained by the City at all times while the Bonds are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Bonds shall be deposited to the credit of a "Special Taxable 2019 Bond Account" (the "Interest and Sinking Fund") maintained on the records of the City and deposited in a special fund maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

The Mayor, Mayor Pro Tem, City Secretary, City Manager, Assistant City Manager and Director of Finance, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures or comes due by reason of redemption prior to maturity; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

SECTION 11: Mutilated, Destroyed, Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 12: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow

agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

The term "Government Securities", as used herein, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (d) any other then authorized securities or obligations under applicable law that may be used to defease obligations such as the Bonds.

SECTION 13: Ordinance a Contract - Amendments - Outstanding Bonds. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 29. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

The term "Outstanding", when used in this Ordinance with respect to Bonds, means as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except:

(1) those Bonds canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Bonds deemed to be duly paid by the City in accordance with the provisions of Section 12 hereof; and

(3) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 11 hereof.

SECTION 14: Reserved.

SECTION 15: Sale of Bonds - Official Statement Approval. Pursuant to a public sale for the Bonds, the bid submitted by _____ (herein referred to as the "Underwriters") is declared to be the best bid received producing the lowest true interest cost rate to the City, and the sale of the Bonds to said Underwriters at the price of par plus a cash premium of $_____, is hereby determined to be in the best interests of the City and is approved and confirmed. Delivery of the Bonds to the Underwriters shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale. The Initial Bond shall be registered in the name as provided in the winning bid.

Furthermore, the use of the Preliminary Official Statement by the Underwriters in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement, which reflects the terms of sale (together with such changes approved by the Mayor, Mayor Pro Tem, City Secretary, City Manager, Assistant City Manager and Director of Finance, any one or more of said officials), shall be and is hereby in all respects approved and the Underwriters are hereby authorized to use and distribute said final Official Statement, dated August 27, 2019, in the reoffering, sale and delivery of the Bonds to the public. The Mayor and City Secretary are further authorized to execute and deliver for and on behalf of the City copies of said Official Statement in final form as may be required by the Underwriters, and such final Official Statement in the form and content executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Underwriters.

SECTION 16: Control and Custody of Bonds. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Underwriters.

SECTION 17: Proceeds of Sale. Immediately following the delivery of the Bonds, the proceeds of sale, excluding that amount which is to be used to pay the costs of issuance, shall be deposited with an official depository of the City to finance the permanent public improvements referenced in Section 1 hereof. The proceeds of sale of the Bonds not used for the aforesaid improvements shall be disbursed for payment of costs of issuance. Any investment earnings realized shall be expended for such authorized projects and purposes or deposited in the Interest and Sinking Fund. Any surplus proceeds of sale of the Bonds, including investment earnings,

remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund.

SECTION 18: Reserved.

SECTION 19: Notices to Holders - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 20: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be returned to the City.

SECTION 21: Legal Opinion. The Underwriters' obligation to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel to the City, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion or an executed counterpart thereof shall accompany the global Bonds deposited with The Depository Trust Company or a reproduction thereof shall be printed on the definitive Bonds in the event the book-entry-only system shall be discontinued.

SECTION 22: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds deposited with The Depository Trust Company or on printed definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 23: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 24: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 25: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 26: Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 27: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 28: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 29: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year, beginning on or after 2019, financial information and operating data with respect to the City of the general type included under Tables numbered 1 through 6 and 8 through 15 in the final Official Statement, and (2) within twelve months after the end of each fiscal year, beginning on or after 2019, and if not provided as part of such financial information and operating data, audited financial statements of the City. If audited financial statements are not available within 12 months after the end of any fiscal year, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available. Any financial statements so provided shall be prepared in accordance with the accounting principles described in Appendix B of the Official Statement, or such other accounting principles as the City may be required to employ from time

to time pursuant to state law or regulation, and audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City and (b) the City intends the words used in the immediately preceding paragraphs 15 and 16 and the definition of Financial Obligation in this Section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) of this Section of any Bond calls and defeasance that cause the City to be no longer such an “obligated person.”

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 30: Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Secretary, City Manager, Assistant City Manager and Director of Finance are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance, sale and delivery of the Bonds. In addition, prior to the initial delivery of the Bonds, the Mayor, Mayor Pro Tem, City Secretary, City Manager, Assistant City Manager and Director of Finance or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 31: Incorporation of Findings and Determinations. The findings and determinations of the City Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 32: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 33: Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof in accordance with the provisions of Texas Government Code, Section 1201.028, as amended.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED, this August 27, 2019.

CITY OF BEDFORD, TEXAS

_____
Mayor

ATTEST:

_____
City Secretary

(City Seal)

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

AGENDA

S&P Global Ratings

500 North Akard Street
Ross Tower, Suite 3200
Dallas, TX 75201
tel (214) 871-1400
reference no.: 1581065

August 9, 2019

City of Bedford
2000 Forest Ridge Drive
Bedford, TX 76021
Attention: Mr. Brian Bosshardt, City Manager

Re: ***US$5,500,000 Bedford, Texas, General Obligation Bonds, Series 2019, dated: August 15, 2019, due: February 01, 2039***

Dear Mr. Bosshardt:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

ma

enclosures

cc: ***Ms. Soyya Chumley, Financial Advisor***
FirstSouthWest A Division of Hilltop Securiteis

S&P Global Ratings

S&P Global Ratings
Terms and Conditions Applicable To Public Finance Credit Ratings

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AGENDA

S&P Global
Ratings

RatingsDirect®

Summary:

Bedford, Texas; General Obligation

Primary Credit Analyst:
Daniel Golliday, Farmers Branch + 1 (214) 765 5881; daniel.golliday@spglobal.com

Secondary Contact:
Jennifer K Garza (Mann), Farmers Branch (1) 214-871-1422; jennifer.garza@spglobal.com

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Rationale

Outlook

Related Research

Summary:

Bedford, Texas; General Obligation

Credit Profile		
US$9.16 mil GO rfdg and imp bnds ser 2019 dtd 08/15/2019 due 02/01/2039		
Long Term Rating	AA/Stable	New
US$5.5 mil GO bnds ser 2019 dtd 08/15/2019 due 02/01/2039		
Long Term Rating	AA/Stable	New
Bedford comb tax and rev certs of oblig		
Long Term Rating	AA/Stable	Affirmed
Bedford GO		
Long Term Rating	AA/Stable	Affirmed
Bedford GO		
Long Term Rating	AA/Stable	Affirmed
Bedford GO		
Long Term Rating	AA/Stable	Affirmed

Rationale

S&P Global Ratings has assigned its 'AA' long-term rating to the city of Bedford, Texas' series 2019 general obligation (GO) bonds and series 2019 GO refunding and improvement bonds. At the same time, S&P Global Ratings affirmed its 'AA' long-term rating and underlying rating on the city's GO debt outstanding. The outlook is stable.

Security and use of proceeds

A limited-ad valorem tax, levied on all taxable property within the city, secures the 2019 GO bonds and 2019 GO refunding and improvement bonds, as well as the city's GO bonds outstanding, tax notes, and certificates. The certificates outstanding are additionally secured by net revenues of the city's water and sewer system. Despite the additional de minimis revenue pledge, we rate the debt based on the city's GO pledge, which we view as the stronger pledge.

Texas statutes limit the ad valorem tax rate for home rule cities to $2.50 per $100 of taxable assessed valuation (AV) for all city purposes. The Texas attorney general permits the allocation of $1.50 of the $2.50 maximum tax rate for ad valorem tax debt service. In fiscal 2019 Bedford's total levy is well below the maximum at 56.18 cents per $100 of AV, 21.77 cents of which is dedicated to debt service. Despite state statutory tax-rate limitations, we do not differentiate between the city's limited-tax debt and its general creditworthiness, since the ad valorem tax is not derived from a measurably narrower tax base and there are no limitations on the fungibility of resources, which supports our view of the city's overall ability and willingness to pay debt service. Proceeds from the series 2019 GO refunding and improvement bonds will be used to construct, improve, renovate, and equip various recreation facilities and refund certain obligations outstanding for debt service savings. Proceeds from the series 2019 GO bonds will also be used to

finance various recreation facilities.

Credit overview

Bedford's favorable location within the Dallas-Fort Worth metropolitan statistical area (MSA) has benefited the city by providing immense employment opportunities to its residents, as well as improving home values throughout the area tied to strong economic growth in the metroplex. Economic associated revenue growth, coupled with management's conservative budgeting practices has aided in the city's strong budgetary performance, bolstering the city's reserve position in recent years. While we do not anticipate substantial property value growth over the medium term, due to the city's near build out development status, we assess values will continue to benefit from the expansion experienced in the local economy, in addition to potential economic development opportunities. Although the city's direct debt burden is elevated, its economic base is strong enough to support it without compromising overall credit quality.

The rating reflects our assessment of the following credit characteristics:

- Strong economy, with access to a broad and diverse MSA;
- Strong management, with good financial policies and practices under our Financial Management Assessment methodology;
- Strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2018;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2018 of 41% of operating expenditures;
- Very strong liquidity, with total government available cash at 56% of total governmental fund expenditures and 3.1x governmental debt service, and access to external liquidity we consider strong;
- Very weak debt and contingent liability position, with debt service carrying charges at 18.0% of expenditures and net direct debt that is 197.6% of total governmental fund revenue; and
- Strong institutional framework score.

Strong economy

We consider Bedford's economy strong. The city, with an estimated population of 49,330, is located in Tarrant County in the Dallas-Fort Worth-Arlington MSA, which we consider broad and diverse. The city has a projected per capita effective buying income of 124% of the national level and per capita market value of $87,978. Overall, the city's market value grew by 8.6% over the past year to $4.3 billion in 2019. The county unemployment rate was 3.5% in 2018.

Spanning an area of 10 square miles in the heart of the Dallas-Fort Worth metroplex, the city of Bedford is located roughly 25 miles northwest of downtown Dallas and 10 miles northeast of downtown Fort Worth. Residents benefit from close proximity to Texas highway 183 and 121, which transverse the city and provides excellent access to additional employment opportunities through the broad and diverse Dallas-Fort Worth-Arlington MSA. Additionally, nearby Dallas-Fort Worth International Airport--located a mere three miles northeast of the city--continues to have a positive influence on the local economy.

Having functioned historically as a bedroom community, the local economy has benefitted from robust metroplex growth in recent years, resulting in an expansion of health care, financial, and retail sector presence. In fiscal 2018, primary employers were Texas Health Resources (with 1,550 employees), Carter Blood Care (914), and Warrantech (478). Additionally, nearby Dallas-Fort Worth International Airport--located a mere three miles northeast of the city--continues to provide a positive influence on the economy. In addition, the local tax base is very diverse, with the top 10 payers representing 9.5% of total taxable AV in fiscal 2018.

The city's property tax base growth has been historically healthy and consists predominantly of residential and commercial parcels, adding a degree of stability to its tax base. Real, residential single-family represents approximately 63.5% of the city's AV, while real commercial accounts for 14.8%. The city's strong tax base growth is attributed to the appreciation of existing residential and commercial properties, coupled with the completion of various development projects being added to the tax roll. As a result, the city's tax base growth has averaged roughly 8% over the past five years. In aggregate, the city's tax base increased by approximately $1.2 billion, or 41% since 2014.

The city is nearing fully built-out status and officials note new economic development is centered on redevelopment of existing properties. Despite the fully built-out characteristics, officials do anticipate continued modest growth in taxable value in the near term, which will likely be spurred by positive reappraisals and development projects already in the pipeline. Some notable projects currently underway include new subdivisions, a mixed-use commercial and residential commons development, Polycoat expansion of existing facilities, Texas Health Resources surgery wing renovation, a craft brewery, as well as four new name brand hotels. We assess the city's economic metrics will continue to benefit from Bedford's favorable location in the broad and diverse MSA, which will act as a stabilizing factor for the local economy over the medium term.

Strong management

We view the city's management as strong, with good financial policies and practices under our Financial Management Assessment methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

Bedford city management generates revenue and expenditure assumptions based on three years of historical trend data with the help of the local appraisal district, and performs detailed analysis when developing projections for retail and sales tax base performance. The budget is monitored constantly by management, and budget-to-actual updates are presented to the city council quarterly. Management can amend the budget as needed. The city adheres to a formal internal investment policy, which complies with state guidelines and is reviewed annually; management provides quarterly investment reports to the governing body. In addition, the city maintains a comprehensive five-year capital plan, which is linked to the operating budget and identifies funding sources for projects, and is reviewed by council annually. The city also performs formal long-term financial planning in its general fund, with annually updated multiyear projections forecasting five years into the future. The city follows a formal reserve policy requiring the maintenance of a fund balance at a level equal to 20% of operating expenditures, to which it has historically adhered. However, the city has the ability to reserve a minimum 15% of operating expenditures during unforeseeable situations. Bedford incorporates its debt management policy in its Fiscal and Budgetary policy statements, which aligns with state requirements.

Strong budgetary performance

In assessing the city's budgetary performance, we adjusted for annually recurring transfers into the general fund, and for expenditures toward one-time capital projects across total governmental funds. Bedford's budgetary performance is strong in our opinion. The city had operating surpluses of 4.9% of expenditures in the general fund and of 4.6% across all governmental funds in fiscal 2018.

Bedford city management has historically budgeted conservatively, often adopting deficit operating budgets only to have year-end results outperform expectations, with large annually recurring utility system transfers contributing to balanced or surplus net operations in the general fund. As is common within the scope of its conservative financial practices, the 2018 operating budget was adopted with the use of $2.6 million use of fund balance prior to other financing sources. However, when comparing final budget to actual, outperformance by both revenues and expenditures of a combined $851,230 help reduce the amount of fund balance to ($1.78 million). After transfers, the net change in the city's fund balance totaled roughly $1.7 million. The strong performance is attributed to underestimating revenues largely stemming from healthy sales tax collections and licenses, permits, and fees.

Bedford's primary sources of general fund revenue are taxes, penalties and interest (72%), charges for services (10%) and fines and forfeitures (5%). Both property and sales tax revenues have demonstrated stable growth in recent years, and management believes this trend will continue in tandem with taxable value growth. The city adopted the fiscal 2019 budget, which anticipates break-even results at year end after transfers with no significant budgetary pressures or issues identified that could adversely affect performance. Furthermore, the city increased its general fund tax rate in fiscal 2019, which should provide additional revenue flexibility. Management notes revenues are currently outpacing budgeted expectations and expect to finish the fiscal year with at least break-even operations. Accordingly, we assess the city will continue to maintain strong budgetary performance over the next two years.

Very strong budgetary flexibility

Bedford's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2018 of 41% of operating expenditures, or $13.6 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor. The city has historically maintained very strong reserve levels, exceeding 24% operating expenditures in each of the past three fiscal years, growing in each and providing substantial flexibility over its formal 20% reserve policy. Management reports no plans to materially spend reserves over the next two years, but intends to strengthen reserves instead. In light of this, and management's ability to budget conservatively and historically produce surpluses, we expect budgetary flexibility to remain very strong in the near term.

Very strong liquidity

In our opinion, Bedford's liquidity is very strong, with total government available cash at 56% of total governmental fund expenditures and 3.1x governmental debt service in 2018. In our view, the city has strong access to external liquidity if necessary.

Bedford's strong access to external liquidity is demonstrated by its access to the market over the past three decades, which includes numerous GO-backed bond issuances. It has historically maintained what we consider very strong cash balances, and given our expectation for balanced operations, we do not believe its cash position will materially weaken

in the near term. All of the city's investments comply with both Texas statutes and its own formal policy, and were held in agencies, money market funds, and local government investment pools at the end of fiscal 2018--none of which we view as aggressive. Therefore, we do not expect the city's liquidity position to deteriorate from its very strong position in the near term.

We understand that the city has several series of debt that has been privately placed with principal outstanding of $46.1 million (32% of total direct debt). However, the obligations do not contain any provisions, such as acceleration or non-standard events of default that we view as a potential liquidity risk.

Very weak debt and contingent liability profile

In our view, Bedford's debt and contingent liability profile is very weak. Total governmental fund debt service is 18.0% of total governmental fund expenditures, and net direct debt is 197.6% of total governmental fund revenue.

Debt supported through the city's enterprise fund has been adjusted in our calculations. Bedford's adopted five-year CIP serves as a blueprint to address subsequent growth and development in a prudent manner. The plan totals about $129.4 million (which includes the city's enterprise funds) for fiscal years 2019-2023. All projects included in the CIP have identified funding sources that are determined with consideration of the city's financial capacity. From examining the city's CIP, the city expects to issue approximately $30.3 million in debt over the next two years, with a portion of this debt planned to be self-supported by utility system revenues. Amortization of Bedford's debt outstanding is below average, with approximately 46% scheduled to be retired in the next 10 years. Therefore, we expect the city's debt levels to remain elevated in the near term.

Pension and OPEB

Bedford's combined required pension and actual other postemployment benefits (OPEB) contributions totaled 4.8% of total governmental fund expenditures in 2018. The city contributes to a nontraditional, joint contributory, hybrid defined-benefit pension plan administered by the Texas Municipal Retirement System (TMRS). The city's required pension contribution is its actuarially determined contribution (ADC), which is calculated using the entry age actuarial cost method. The city has historically paid at least 100% of the ADC. In fiscal 2018, it contributed 9.48% of covered payroll, which amounted to $2 million in contributions to the pension system.

Actuarial assumptions include a discount rate of 6.75% and a 28-year closed amortization period. The plan's assumed discount rate of is not considered aggressive, in our opinion, though we do consider the closed amortization period of 28 years as extended, leaving greater potential for costs to grow depending on actual performance. Using updated reporting standards in accordance with Governmental Accounting Standards Board Statement No. 68, the city's net pension liability, measured as of Dec. 31, 2017, was $11.7 million. The plan's fiduciary net position as a percent of the total pension liability is 66.07%. Despite the below-average funding ratio and associated risk with escalating contributions, we do not assess the city's pension obligations as a present material risk, because of contributions that remain small relative to the city's budget. Additionally, we assess the city's growing operating revenue and very strong budgetary flexibility will allow the city to absorb increases to required contributions in the medium term. However, if funding ratios deteriorate to a degree that we believe will translate to more pronounced budget pressure, our overall assessment of its pension risk could change.

Bedford also provides OPEB in the form of health care until it achieves Medicare eligibility. Contributions are made on

a pay-as-you-go basis, which totaled $186,908 in fiscal 2018. As of the Dec. 31, 2017 measurement date, the total OPEB liability was $2.6 million. Overall, we do not anticipate pension and OPEB costs to create any budgetary pressure over the next two years.

Strong institutional framework

The institutional framework score for Texas municipalities is strong.

Outlook

The stable outlook reflects our view of the city's improving economic indicators, its very strong budgetary flexibility and liquidity, and strong management. We do expect debt levels to materially increase, but to instead correspond with slow amortization and future debt plans. We do not expect to change the rating within the two-year outlook period.

Upside scenario

All else equal, we could raise the rating if the city's debt profile were to moderate and continued economic expansion results in improved wealth and income indicators, relative to peers.

Downside scenario

We could lower the rating if financial performance deteriorates, leading to sustained and significant drawdowns in reserves--potentially resulting from growing fixed costs.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Alternative Financing: Disclosure Is Critical To Credit Analysis In Public Finance, Feb. 18, 2014
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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AGENDA

Council Agenda Background

PRESENTER: Don Henderson, Parks Superintendent **DATE:** 08/27/19

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

ITEM:

Consider a resolution authorizing the City Manager to enter into a contract for City-wide mowing services with Vidascapes in the amount of $220,824.

City Attorney Review: Yes

SUMMARY:

This item is to approve a contract for City-wide mowing services.

BACKGROUND:

On May 26 and June 2, 2019, the City advertised a request for bids for City-wide mowing services. The mowing contract covers all City facilities, rights-of-way, medians, well lots, drainage areas, and undeveloped property not mowed by Parks Maintenance staff.

Bids were received and opened on June 18, 2019. The City received two base-bid amounts from the following companies:

- Greener Pastures in the amount of $576,213
- Vidascapes in the amount of $220,824.

The contract term for mowing services is from October 1, 2019 to September 30, 2022, with two one-year options to extend the term as outlined in the bid documents. The previous contract, which is valued at $203,404, expires September 30, 2019. Should the City Council offer the new mowing contract to Vidascapes, the total cost would increase by $17,420. The increase is due primarily to changes in operational cost, increased mowing frequencies, and specific detailed areas included within the bid document. Funding for the increase in the mowing service is included in the FY 2019/2020 Proposed Budget.

Vidascapes alternate bids (not included in base-bid amount):

- Alternate Bid #1 applies to the Boys Ranch Park only and will not include the ball fields. The mowing schedule will be the same as other City facilities, 33 times per year.
  Total cost $29,370.

- Alternate Bid #2 applies to right-of-way areas adjacent to Airport Freeway.
  Total cost $2,615.

- Alternate Bid #3 applies to highway beds near Airport Freeway intersections.
  Total Cost $8,340.

- Alternate Bid #4 applies to tree trimming and removal from drainage channels.
  Total cost $1,690.

- Alternate Bid # 5 applies to cost estimate for special requests.
  Total cost $38.00 per man hour.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the City Manager to enter into a contract for City-wide mowing services with Vidascapes in the amount of $220,824.

FISCAL IMPACT:

FY 2019/2020 Budget	**$220,824**

ATTACHMENTS:

Resolution
Agreement
Bid Tab
Bid Packet

AGENDA

RESOLUTION NO. 19-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT FOR CITY-WIDE MOWING SERVICES WITH VIDASCAPES IN THE AMOUNT OF $220,824.

WHEREAS, the City Council of Bedford, Texas has reviewed the bids received on June 18, 2019; and,

WHEREAS, Vidascapes has provided the best cost for the City-wide mowing services as outlined in the bid documents and is a qualified bidder; and,

WHEREAS, the contract period will be from October 1, 2019 to September 30, 2022, with the possibility of two additional one-year extensions beginning on October 1 of succeeding years.

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 Manager be authorized to execute all documents and enter into a contract with Vidascapes from October 1, 2019 until September 30, 2022 in the amount of $220,824. The City of Bedford, Texas does hereby agree to extend this contract providing that the contractor provides services per the contract.

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

SECTION 4. That the City Council authorizes Community Services staff to coordinate the contract agreement.

PASSED AND APPROVED this 27th day of August 2019, 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

STANDARD FORM OF AGREEMENT
BETWEEN THE CITY OF BEDFORD AND CONTRACTOR

THIS AGREEMENT is dated as of the ___28_____day of ___August_____in the year __2019_____by and between the City of Bedford (hereinafter called OWNER) and

of the City of __Bedford_____, County of __Tarrant_____, State of Texas (hereinafter called CONTRACTOR). OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

Article 1.
The PROJECT for the WORK detailed under the Contract Documents (see Article 8 of this Agreement for items included in the Contract Documents) is generally identified as the following:

Type:__Mowing Contract_____
Bid Reference No. __2019-5_____
Total Bid $_220,824 ___ _____

Article 2. CONTRACT TIME

2.1. This contract will be in effect beginning the date of contract execution to _ _____

Article 3. CONTRACT PRICE

3.1. OWNER shall pay CONTRACTOR the prices in CONTRACTOR'S bid quote plus additional work performed when authorized by OWNER. Additional work shall be paid based on an hourly rate quoted in the bid document.

Article 4. PAYMENT PROCEDURES

4.1 Payment to CONTRACTOR will be after satisfactory completion of schedule work or OWNER authorized work and receipt of invoice or other billing instrument used by CONTRACTOR. All charges are to be less sales tax as OWNER is tax exempt.

4.2 The contractor shall submit separate invoices for all special requests that have been completed, regardless of the time of month or the frequency. They will be paid during the next pay cycle. All charges are to be less sales tax, as OWNER is tax exempt.

Article 5. CONTRACTOR'S REPRESENTATIONS

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

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

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

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

Article 6. MISCELLANEOUS

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

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

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

6.3. SUBCONTRACTING

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

2. CONTRACTOR shall be fully responsible to OWNER for the acts and omissions of his subcontractors, and of persons either directly or indirectly employed by them, as he is for acts and omissions of persons directly employed by him. Nothing contained in this Contract shall create any contractual relation between a subcontractor and OWNER. CONTRACTOR is an independent contractor.

Article 7. GOVERNING LAWS, VENUE.

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

Article 8. CONTRACT DOCUMENTS.

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

8.1 Request For Bids
8.2 Contractor Quote Sheet
8.3 Standard Form of Agreement
8.4 Certificate of Liability Insurance
8.5 Application coordinates

Article 9. INDEMNIFICATION

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

Executed on behalf of the CONTRACTOR by its owner shown below, and on behalf of the OWNER by its City Manager, or authorized representative, this agreement will be effective on the ___1___th day of___October_____of__2019_____.

OWNER:

CITY OF BEDFORD
2000 FOREST RIDGE
BEDFORD, TEXAS 76021

CONTRACTOR:

Name:_____

Address: _____

City: _____

State & Zip: _____

By: _____

_____
Print Name

_____
Attest

By: _____

_____
Print Name

_____
Attest

_____
Telephone Number

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

Approve as to Form and Legality this _____ day of _____, 200__.

_____
OWNER'S Attorney

CONTRACTOR'S Seal (if incorporated)

AGENDA

Bid Tabulation — **City wide Mowing & Trimming Services** — **Opened June 18, 2019 10:00 A.M.**

RFB: 2019-05

SUMMARY							
COMPANY	Executed Proposal	Bond	Alt bid 1	Alt bid 2	Alt bid 3	Alt bid 4	Alt bid 5
GREENER PASTURES	576,213.00	✓	$94,380.00	$26.49/Row	$13,953.06	$2,500.00	$53.00/man hr
VIDASCAPES	$220,824.00	✓	$29,370.00	$2615.00	$8,340.00	$1690.00	$38/man/HR

Signature Don Henderson

Date 6-18-19

Eric Nichols

6/18/19

AGENDA

CITY OF BEDFORD

REQUEST FOR BIDS

The City of Bedford is soliciting sealed bids for:
CITY WIDE MOWING & TRIMMING SERVICES RFB: 2019-05

The sealed bids are for mowing service including but not limited to: Rights-of-way, Medians, City Facilities, Unimproved Land/Misc., Well lots, Drainage Areas, Vacant properties, Special Areas and Parcels areas (mowed every 2 weeks).

The term of this contract shall be for the initial three (3) year period, from October 1, 2019 to September 30, 2022. Prices shall be fixed for the initial three (3) year period. After the completion of the initial three (3) year term, the City and the Contractor may, upon mutual consent, renew the term bid for two (2) additional one (1) year renewal periods. Increases in contract pricing during the renewal periods shall not exceed the consumer price index of the Dallas/Fort Worth standard metropolitan statistical area for the previous twelve-month period. The renewal shall be based on an evaluation by the Parks Department of the contractor's performance during the previous period, budget requirements, etc. The City reserves the right to cancel the contract upon thirty (30) days written notice.

OPENING BID DATE:

TUESDAY, JUNE 18, 2019

10:00 AM

The successful Bidder shall agree to provide the City with the specific material or service as outlined in the Request for Cost specifications.

Designate on the front, lower, left hand corner of your response envelope, the following:

Subject: City Wide Mowing & Trimming Services

Bid Reference Number: 2019-05

Bid Closing Time: Tuesday, June 18, 2019 at 10:00 a.m.

Location: City of Bedford
City Hall Council Chambers
2000 Forest Ridge Drive,
Building A
Bedford, Texas 76021

For Convenience at Bid Opening, Enter Quote on this Cover Page and Include in Sealed Response Envelope **(Do Not Place Quoted Prices on the Outside of the Envelope):**

Total Cost of Bid for full year of service:

Rights-of-way, Medians, City Facilities, Unimproved Land/Misc., Well lots, Drainage Areas, Vacant properties, Special Areas and Parcels areas (mowed every 2 weeks).

Total Cost: $ 220824 00/XX

GENERAL CONSTRUCTION CONTRACT

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ADVERTISEMENT FOR BIDS

The term PROPOSAL and BID are used as interchangeable terms in this document.

Sealed proposals will be received by the City of Bedford, Texas, at **the office of the City Secretary Office, City Hall Building A, 2000 Forest Ridge Drive Bedford, Texas 76021**, until the **10:00 AM hour on Tuesday the 18th day of June, 2019** at which time bids duly delivered and submitted will be considered for supplying the following:

CITY WIDE MOWING & TRIMMING SERVICES RFB: 2019-05

The submitted bids will be publicly opened on the date above at the place designated for the submission of bids.

The successful bidder must also be able to show evidence that it is authorized to do business in the State of Texas prior to executing the contract.

The successful Bidder must furnish a Payment, Performance, and Maintenance Bonds in the amount of 100% of the contract price from an approved Surety Company holding a permit from the State of Texas, to act as Surety and acceptable (according to the latest list of companies holding certificates of approval by the State Board of Insurance under 7.19-1 of the Texas Insurance Code). The successful bidder must also be able to show evidence that it is authorized to do business in the State of Texas prior to executing the contract.

All blanks on the Bid Form must be completed and all subtotal and total prices must be stated in both script and figures where indicated. The Owner reserves the right to reject any or all bids and to waive formalities. In case of ambiguity or lack of clearness in stating the price in the bids the Owner reserves the right to consider the most advantageous service thereof, or to reject the bid. Unreasonable or unbalanced unit price will be considered sufficient cause of rejection of any bid or bids.

Bidders shall have performed similar scope of work within the past three years. Bidders are expected to inspect the site of the work and to inform themselves regarding local conditions and conditions under which the work is to be done. Attention is called to the provisions of the Acts of the 43rd Legislature of the State of Texas and subsequent amendments concerning the wage scale and payment of prevailing wages specified. Prevailing wage rate will be established by the City of Bedford for this project. All bidders must comply with the rules and regulations for the Americans with Disabilities Act of 1990.

ADVERTISEMENT FOR BIDS

Instructions to Bidders, Proposal Forms, Specifications, Plans and Contract Documents may be examined without charge at the office of the Park Superintendent, Park Service Center , 2140 L Don Dodson, Bedford, Texas 76021. The entire bid document is also available on the City's website under the Bid section at http://www.bedfordtx.gov/bids.aspx. Any addendum to the bid document will also be posted on the same location. Bidders are required to complete and sign any addendum to be a qualified bidder.

Any bid received after stated closing time will be returned unopened. If bids are sent by mail to the Park Superintendent at 2000 Forest Ridge, Bedford Texas the bidder shall be responsible for actual delivery of the bid to this address before the advertised date and hour for opening of bids. If mail is delayed by the postal service, courier service or other delivery

method beyond the date and hour set for the bid opening, bids thus delayed will not be considered and will be returned unopened.

A cashier's check or bid bond must be provided of all responders in the amount of 5% of your total bid.

Information on the bid technical questions related may be obtained from Parks Dept. Contact Parks at (817)-952-2308.

Information on the bid process/procedures may be obtained from the Park Superintendent, Don Henderson at (817)-952-2308.

Until the final award by the City of Bedford, said City reserves the right to reject any and/or all bids, to waive technicalities, to re-advertise, to proceed otherwise when the best interests of said City will be realized hereby. Bids will be submitted sealed and plainly marked with the date and time of opening.

CITY OF BEDFORD:

Don Henderson,
Park Superintendent

Publication Dates: Sunday, May 26, 2019

Sunday, June 2, 2019

Closing Date: Tuesday, June 18, 2019 at 10:00 AM Central Standard Time

PROPOSAL OF BIDDERS

The term PROPOSAL and BID are used as interchangeable terms in this document.

The following bid is made for furnishing the materials/services for the City of Bedford, Texas. The undersigned as bidder, declares that the only person or parties interested in this Proposal is made without collusion with any other person, firm or corporation; that he has carefully examined the form of contract, Notice to Contractors, specifications and the plans therein referred to and has carefully examined the locations, conditions, and classes of materials of the proposed work, and agrees that he will provide all the necessary labor, machinery, tools, apparatus, and other items incidental to the construction, and will do all the work and furnish all the materials called for in the contract and specifications in the manner prescribed therein and according to the requirements of the City as therein set forth.

The undersigned declares that the amount and nature of the materials/services to be furnished is understood and that the nature of this bid is in strict accordance with the conditions set forth and is a part of this bid, and that there will at no time be a misunderstanding as to the intent of the specifications or conditions to be overcome or pleaded after the bids are opened. It is understood that the following

quantities of work to be done at unit prices are approximate only and are intended to principally to serve as a guide in evaluating bides.

It is further agreed that the quantities of work to be at unit prices and material to be furnished may be increased or diminished as may be considered necessary in the opinion of the City, to complete the work fully as planned and contemplated, and that all quantities or work where increased or decreased are to be performed at the unit prices set forth below except as provided for in the specifications.

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements 49 CFR part 26. The recipient shall take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under 49 CFR part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

The undersigned hereby proposes to furnish the items on, F.O.B. Bedford, Texas, freight pre-paid at the unit prices quoted herein after notice of bid award. City does not accept C.O.D or collect shipments and or deliveries of any kind. The undersigned affirms that they are duly authorized to execute this contract that this company, corporation, firm, partnership or individual and has not prepared this bid in collusion with any other bidder, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this type of business prior to the official opening of this bid.

Texas House Bill 89 that went into effect on 9-1-17 forbids Texas government entities from contracting with any company that excludes or boycotts Israel. Also, Senate Bill 252 prohibits Texas governments from contracting with companies who do business with Iran, Sudan, or foreign terrorist organizations. If your company falls into either of these new state laws, please disclose this in your bid response and provide details of which law your company falls under.

Also, the vendor who wins a bid award must guarantee that they will not employ a subcontractor in the performance of the bid award who falls under either law. If you do not disclose this with your bid proposal, the city will assume you will comply with this requirement. If you need to provide the city any detail regarding these new laws, please attach details as needed.

Please sign and date below as verification that your company is not excluded from contracting with the City of Bedford by either Texas law, **and will remain in compliance to these two laws for the term of the bid award**.

6-17-19

Sign and Date

The term PROPOSAL and BID are used as interchangeable terms in this document

CITY WIDE MOWING & TRIMMING SERVICES RFB: 2019-05

Respectfully Submitted,

PLEASE PROVIDE A COPY OF YOUR W-9

SIGNATURE

6-17-19

DATE

GM

TITLE

PRINTED NAME

VIDASCAPES

COMPANY NAME

JENSON GAINER

CONTACT PERSON

PO Box 189 — COLLEYVILLE — TX — 76034

MAILING ADDRESS — CITY — STATE — ZIP

PO Box 189 — COLLEYVILLE — TX — 76034

PAYMENT ADDRESS — CITY — STATE — ZIP

817-797-4573

PHONE NUMBER

FAX NUMBER

OPERATIONS@VIDASCAPES.NET

E-MAIL ADDRESS

VIDASCAPES.NET

WEB PAGE

NO BIDS: If response is not received in the form of a "BID" or "No BID" bidder will be removed from bid list. Please give a specific reason as to why you are unable to bid, i.e.: we do not sell the required product/service.

No bids may be faxed.

SPECIAL CONDITIONS

1. Insurance Requirement Affidavit should be submitted as part of the proposal. This form is simply a confirmation from your insurance company that you will be able to provide the insurance requirements should you be the chosen company.

2. Insurance Certificate must be submitted and issued with the City listed as the certificate holder within 10 days of notice of award.

   Cancellation Policy must read as follows:

   "Should any of the above described polices be cancelled before the expiration date thereof, the issuing insurer will mail a 30 days written notice to the certificate holder named to the left."

3. By signing the proposal sheet, the representative has read and understands all plans, specifications, and general design standards involved with this project.

4. This bid will be for the initial work detailed in this bid.

5. The anticipated budget for this work is approximate $194,000. The city reserves the right to increase or decrease this amount either prior to the approval by City Council or after approval through change orders.

6. Payment, Maintenance, and Performance bonds will be required of the winning vendor, so please factor those costs into your bid response. The City will require that you use the standard city forms for these three bonds, and copies are included in this bid package.

7. All responders must submit a Bid Bond on the City form based on 5% of your bid total.

8. Please provide at least three references of governments, individual or companies that have used your services. This document must be submitted with your proposal.

REFERENCES

Please list at least three references of governments, individuals or companies that have used your street, alley and sidewalk repair services. Use additional pages as needed. Additional consideration will be given to governmental references.

1. GCISD

3051 Ira E Woods Grapevine TX 76051
STREET ADDRESS CITY STATE ZIP

2. Ramon Castanuela 817-251-5200
CONTACT PERSON TELEPHONE NUMBER

Campus Wide Landscape Maintenance
PRODUCTS/SERVICES USED

First Baptist Church Euless
COMPANY NAME OR CONTACT PERSON

3. 1000 Airport Freeway Euless TX 76039
STREET ADDRESS CITY STATE ZIP

Kevin Davis 817-267-3313
CONTACT PERSON TELEPHONE NUMBER

Campus Wide Landscape Maintenance
PRODUCTS/SERVICES USED

Fellowship Church
COMPANY NAME OR CONTACT PERSON

2450 TX 121 Grapevine TX 76051
STREET ADDRESS CITY STATE ZIP

Brad Stovall 972-471-5700
CONTACT PERSON TELEPHONE NUMBER

Campus Wide Landscape Maintenance
PRODUCTS/SERVICES USED

REFERENCES (ATTACHMENT)

Each bidder shall provide a minimum of three (3) verifiable references (with current addresses and phone numbers) in which the bidder has provided this service or a similar product.

1.

2.

OVER

AGENDA

3051 IRA E WOODS GRAPEVINE TX 76051
STREET ADDRESS CITY STATE ZIP

3. RAMON CASTANUELA 817-251-5200
CONTACT PERSON TELEPHONE NUMBER

CAMPUS WIDE LANDSCAPE MAINTENANCE
PRODUCTS/SERVICES USED

FIRST BAPTIST CHURCH EULESS
COMPANY NAME OR CONTACT PERSON

1000 AIRPORT FREEWAY EULESS TX 76039
STREET ADDRESS CITY STATE ZIP

KEVIN DAVIS 817-267-3313
CONTACT PERSON TELEPHONE NUMBER

CAMPUS WIDE LANDSCAPE MAINTENANCE
PRODUCTS/SERVICES USED

FELLOWSHIP CHURCH
COMPANY NAME OR CONTACT PERSON

2450 TX 121 GRAPEVINE TX 76051
STREET ADDRESS CITY STATE ZIP

BRAD STOVALL 972-471-5700
CONTACT PERSON TELEPHONE NUMBER

CAMPUS WIDE LANDSCAPE MAINTENANCE
PRODUCTS/SERVICES USED

INSTRUCTIONS TO BIDDERS

All blanks on the Bid Form must be completed and all subtotal and total prices must be stated in both script and figures where indicated. The Owner reserves

the right to reject any or all bids and to waive formalities. In case of ambiguity or lack of clearness in stating the price in the bids the Owner reserves the right to consider the most advantageous construction thereof, or to reject the bid. Unreasonable or unbalanced unit price will be considered sufficient cause of rejection of any bid or bids.

Bidders shall have performed similar scope of work within the past three years. Bidders are expected to inspect the site of the work and to inform themselves regarding local conditions and conditions under which the work is to be done. Attention is called to the provisions of the Acts of the 43rd Legislature of the State of Texas and subsequent amendments concerning the wage scale and payment of prevailing wages specified. Prevailing wage rate will be established by the City of Bedford for this project. All bidders must comply with the rules and regulations for the Americans with Disabilities Act of 1990.

CONDITIONS OF SITE AND WORK

Bidders should carefully examine the Specification and other documents, visit the site(s) of the work, and fully inform themselves as to all conditions and matters which can in any way affect the work or costs thereof. Should a Bidder find discrepancies in, or omissions from the drawings, specifications or other Contract Documents, or should Bidder be in doubt as to the meaning and intent, Bidder should notify the city at once and obtain clarification prior to submitting a bid. The submission of a bid by Bidder shall be conclusive evidence that the Bidder is fully acquainted and satisfied as to the character, quality and quantity of work to be performed and materials to be furnished.

Specification clarification:

Contact the Park Superintendent:

Don Henderson at: don.henderson@bedfordtx.gov or call 817-952-2308

PROPOSAL SHEET CITY WIDE MOWING & TRIMMING SERVICES RFB: 2019-05

Variations from the aforementioned specifications may be acceptable provided such differences are noted on the bid and are deemed to be advantageous to the City.

Any substitutions from brand names mentioned must be proved to be equal and may be considered for award by the Park Superintendent and requesting department if so proven.

Pursuant to the foregoing notice to bidders and general information, the undersigned bidder hereby proposes to do all the work and furnish all necessary superintendence, labor, machinery, equipment, tools, materials, and to complete all the work upon which the bidder bids, as provided by the attached specifications and shown on the plans. The undersigned, also, binds himself/herself, on the acceptance of the proposal to execute a contract and bond according to the accompanying forms for performing and completing the said work within the required time and furnish all required guarantees for the following prices to wit:

Included in the proposal is a two-year warranty for all jobs completed through the contract period.

Receipt is hereby acknowledged of the following addenda to the contract documents:

Addendum No. 1 dated _____ **Received** _____

Addendum No. 2 dated _____ **Received** _____

INSURANCE REQUIREMENTS

CONTRACTOR'S INSURANCE

Without limiting any of the other obligations or liabilities of the CONTRACTOR, during the term of the contract the CONTRACTOR and each subcontractor, at their own expense, shall

purchase and maintain the herein stipulated minimum insurance with companies duly approved to do business in the State of Texas and satisfactory to the OWNER. Certificates of each policy shall be delivered to the OWNER before any work is started, along with a written statement from the issuing company stating that said policy shall not be canceled, nonrenewed or materially changed without 30 days advance written notice being given to the OWNER, except when the policy is being canceled for nonpayment of premium, in which case 10 days advance written notice is required. Prior to the effective date of cancellation, the CONTRACTOR must deliver to the OWNER a replacement certificate of insurance or proof of reinstatement. Coverage shall be of the following types and not less than the specified amounts.

(a) workers' compensation as required by Texas law, with the policy endorsed to provide a waiver of subrogation as to the OWNER; employer's liability insurance of not less than $100,000 for each accident, $100,000 disease --- each employee, $500,000 disease-policy limit.

(b) commercial general liability insurance, including independent contractor's liability, completed operations and contractual liability, covering, but not limited to, the liability assumed under the indemnification provisions of this contract, fully insuring CONTRACTOR'S (or subcontractor's) liability for injury to or death of OWNER'S employees and third parties, extended to include personal injury liability coverage with damage to property of third parties, with minimum limits as set forth below:

General Aggregate	$1,000,000
Products – Components/Operations Aggregate	$1,000,000
Personal and Advertising Injury	$ 600,000
Each Occurrence	$ 600,000
Fire Damage (any one fire)	$ 50,000
Medical Expense (any one person)	$ 5,000

The policy shall include coverage extended to apply to operations, asbestos hazards (if this project involves work with asbestos) and XCU (explosion, collapse and underground) hazards. The completed operations coverage must be maintained for a minimum of one year after final completion and acceptance of the work, with evidence of same filed with OWNER.

(c) comprehensive automobile and truck liability insurance, covering owned, hired and non-owned vehicles, with a combined bodily injury and property damage minimum limit of $600,000 per occurrence; or separate limits of $250,000 for bodily injury (per person), $500,000 for bodily injury (per accident) and $100,000 for property damage. Such insurance shall include coverage for loading and unloading hazards.

OWNER'S PROTECTIVE LIABILITY INSURANCE

CONTRACTOR shall obtain, pay for and maintain at all times during the prosecution of the work under this contract an OWNER'S protective liability insurance policy naming the OWNER and the Engineer as insured for property damage and bodily injury, which may arise in the prosecution of the work or CONTRACTOR'S operations under this contract. Coverage shall be on an "occurrence" basis, and the policy shall be issued by the same insurance company that

carries the CONTRACTOR'S liability insurance with a combined bodily injury and property damage minimum limit of $600,000 per occurrence and $1,000,000 aggregate.

"UMBRELLA" LIABILITY INSURANCE

If required by OWNER, CONTRACTOR shall obtain, pay for and maintain umbrella liability insurance during the contract term, insuring CONTRACTOR for an amount of not less than $1,000,000 per occurrence combined limit for bodily injury and property damage that follows form and applies in excess of the primary liability coverage required hereinabove. The policy shall provide "drop down" coverage where underlying primary insurance coverage limits are insufficient or exhausted. OWNER and Engineer shall be named as additional insured.

POLICY ENDORSEMENTS AND SPECIAL CONDITIONS

(a) Each insurance policy to be furnished by CONTRACTOR shall include the following conditions by endorsement to the policy:

(1) each policy shall name the OWNER as an additional insured as to all applicable coverage;

(2) each policy shall require that 30 days prior to the cancellation, nonrenewal or any material change in coverage, a notice thereof shall be given to OWNER by certified mail. If the policy is canceled for nonpayment of premium, only 10 days written notice to OWNER is required.

(3) the term "OWNER" shall include all authorities, boards, bureaus, commissions, divisions, departments and offices of the OWNER and individual members, employees and agents thereof in their official capacities and/or while acting on behalf of the OWNER;

(4) the policy phrase "other insurance" shall not apply to the OWNER where the OWNER is an additional insured on the policy; and

(5) all provisions of the contract concerning liability, duty and standard of care together with the indemnification provision, shall be underwritten by contractual liability coverage sufficient to include such obligations within applicable policies.

(b) Insurance furnished by the CONTRACTOR shall be in accordance with the following requirements:

(1) any policy submitted shall not be subject to limitations, conditions or restrictions deemed inconsistent with the intent of the insurance requirements to be fulfilled by the CONTRACTOR. The OWNER'S decision thereon shall be final;

(2) all policies are to be written through companies duly licensed to transact that class of insurance in the State of Texas; and

(3) all liability policies required herein shall be written with an "occurrence" basis coverage trigger.

(c) CONTRACTOR agrees to the following:

(1) CONTRACTOR hereby waives subrogation rights for loss or damage to the extent same are covered by insurance. Insurers shall have no right of recovery or subrogation against the OWNER, it being the intention that the insurance policies shall protect all parties to the contract and be primary coverage for all losses covered by the policies;

(2) companies issuing the insurance policies and CONTRACTOR shall have no recourse against the OWNER for payment of any premiums or assessments for any deductibles, as all such premiums and deductibles are the sole responsibility and risk of the CONTRACTOR;

(3) approval, disapproval or failure to act by the OWNER regarding any insurance supplied by the CONTRACTOR (or any subcontractors) shall not relieve the CONTRACTOR of full responsibility or liability for damages and accidents as set forth in the contract documents. Neither shall the bankruptcy, insolvency or denial of liability by the insurance company exonerate the CONTRACTOR from liability; and

(4) no special payments shall be made for any insurance that the CONTRACTOR and subcontractors are required to carry; all are included in the contract price and the contract unit prices.

Any of such insurance policies required under this section may be written in combination with any of the others, where legally permitted, but none of the specified limits may be lowered thereby.

INSURANCE REQUIREMENT AFFIDAVIT

TO BE COMPLETED BY APPROPRIATE INSURANCE AGENT.

I, the undersigned agent, certify that the insurance requirements contained in this bid document have been reviewed by me with the vendor identified below. If the vendor identified below is awarded this contract by the City of Bedford, I will be able, within ten (10) working days after being notified of such award, to furnish a valid insurance certificate to the City meeting all of the requirements contained in this bid.

Agent Signature

Printed Name

Tucker + Dunn
Name of Insurance Carrier

10210 Frankford Ste 420 Lubbock TX 79424
Address of Agency City State Zip

806-687-2663 806-687-4948 Tanner@TuckerDunn.com
Phone # Fax # Email Address

Vidascapes
Vendor / Contractor Name

Acknowledgement

Subscribed ad Sworn before me by the above named Jenson Gainer

On this 17th day of June 2019

(seal)

LISA A. BARTEK
Notary Public, State of Texas
Notary ID 13005231-5
My Commission Exp. 12-12-2022

Lisa A Bartek

Notary Public in and for the State of Texas

NOTICE TO THE AGENT

If this time requirement is not met, the City has the right to declare this vendor nonresponsible and award the contact the next lowest/responsible bidder meeting the specifications. If you have any questions concerning these requirements, please contact the City of Bedford Park Superintendent at 817-952-2308.

PAYMENT BOND

COUNTY OF TARRANT §

KNOW ALL MEN BY THESE PRESENTS: That _____ of the City of _____, County of _____, and State of _____, as principal, and authorized under the laws of the State of Texas to act as surety on bonds for principals, are held and firmly bond unto the City of Bedford (Owner), in the penal sum of $_____ (not less than 100% of the approximate total amount of the contract as evidenced in the proposal) for the payment whereof, the said Principal and Surety bind themselves and their heirs, administrators, executors, successors and assigns, jointly and severally, by these presents:

WHEREAS, the Principal has entered into a certain written contract with the Owner, dated the _____ day of _____, 2019
CITY WIDE MOWING & TRIMMING SERVICES
RFP: 2019-05

which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal and its subcontractors shall well and faithfully make payment to each and every claimant (as defined in Chapter 2253, Texas Government Code, as amended) supply labor or materials in the prosecution of the work under the contract, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Chapter 2253 of the Texas Government Code, as currently amended, and all liabilities on this bond shall be determined in accordance with the provisions of said statute to the same extent as if it were copied at length herein.

STATE OF TEXAS §

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract, or to the work performed thereunder, or the plans, specifications or drawings accompanying the same, shall in anyway affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract, or to the work to be performed thereunder. The surety company must have a minimum rating of A VII.

IN WITNESS WHEREOF, the said Principal and Surety have signed and sealed this instrument this _____ day of _____, 2019.

_____	_____
Principal	Surety
By:_____	By:_____
Title:_____	Title:_____
Address:_____	_____
Address:	
_____	_____
_____	_____

The name and address of the Resident Agent of Surety is: _____

_____

PERFORMANCE BOND

§
COUNTY OF TARRANT §

KNOW ALL MEN BY THESE PRESENTS: That, _____as principa
and _____ authorized under the laws
of the State of Texas to act as surety on bonds for principals, are held and firmly bound unto the City of Bedford, Texas (Owner), in the penal sum of $_____

(not less than 100% of the approximate total amount of the contract as evidenced in the proposal) for payment whereof, as an appropriate measure of liquidated damages for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, by these presents:

WHEREAS, the Principal has entered into a certain written contract with the Owner, dated the _____day of _____, 2019

CITY WIDE MOWING & TRIMMING SERVICES
RFP: 2019-05

which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal shall faithfully perform the work in accordance with the plans, specifications, and contract documents and shall fully indemnify and save harmless Owner from all costs and damages which Owner may suffer by reason of Principals default, and reimburse and repay Owner all outlay and expense which Owner may incur in making good such default, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Chapter 2253 of the Texas Government Code, as currently amended, and all liabilities on this bond shall be determined in accordance with the provisions of said statute to the same extent as if it were copied at length herein.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract, or to the work performed thereunder, or the plans, specification, or drawings accompanying the same, shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract, or to the work to be performed thereunder. The surety company must have a minimum rating of A VII.

IN WITNESS WHEREOF, the said Principal and Surety have signed and sealed this instrument this _____day of _____, 2019.

STATE OF TEXAS §

_____ _____

Principal Surety

By:_____ By:_____

Title:_____ Title:_____

Address:_____ Address: _____

_____ _____

_____ _____

The name and address of the Resident Agent of Surety is: _____

_____

MAINTENANCE BOND

§
COUNTY OF TARRANT §

KNOW ALL MEN BY THESE PRESENTS:

THAT, _____ whose address is _____

_____, as PRINCIPAL, _____

_____ an_____, a CORPORATION organized and existing under the laws of the State of Texas, and fully authorized to transact business in the State of Texas, as Sureties, do hereby expressly acknowledge ourselves to be held and bound to pay unto the City of Bedford, Texas, hereinafter called CITY, a municipal corporation organized and existing under the laws of Texas, at Bedford, Tarrant County, Texas, the sum of $_____(not less than 100% of the approximate total amount of the contract as evidenced in the proposal) in lawful money of the United States, for the payment of which sum will and truly to be made unto said City of Bedford, and its successors,

said PRINCIPAL AND SURETIES do hereby bind ourselves, our heirs, executors, administrators, their assigns and successors, jointly and severally, firmly by these presents. This bond shall automatically be increased by the amount of any Change Order or Supplemental Agreement which increases the Contract price, but in no event shall a Change Order or Supplemental Agreement which reduces the Contract price decreases the sum of this Bond.

THIS obligation is conditioned, however, that whereas said _____ has this day of _____, 2019 entered into a written Contract with the said CITY to build and construct

CITY WIDE MOWING & TRIMMING SERVICES
RFB: 2019-05

located in the City of Bedford, Texas, which Contract and the Plans and Specifications therein mentioned adopted by the CITY, are hereby expressly made a part thereof as though the same were written and embodied herein.

WHEREAS, the Principal has entered into a certain written contract with the Owner, dated the __ day of _____, 2019 for

CITY WIDE MOWING & TRIMMING SERVICES
RFB: 2019-05

which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

WHEREAS, said Contract was entered into pursuant to the requirements of the CITY, and

WHEREAS, in said Contract, CONTRACTOR binds itself to use of materials and methods of construction such that all improvements including but not limited to

CITY WIDE MOWING & TRIMMING SERVICES RFB: 2019-05

will be initially completed free of perceptible defects and will remain in good repair and condition and free of perceptible defects for and during the period of two (2) years after the date of acceptance of the completed improvements by the CITY, and

WHEREAS, said CONTRACTOR binds itself to construct said improvements in such a manner and obtain inspection approvals in proper sequence as are required to obtain acceptance by the CITY and to repair or reconstruct the said improvements in whole or in part at any time within said two (2) years period to such an extent as the CITY deems necessary to properly correct all

STATE OF TEXAS §

defects except those which have been caused by circumstances and conditions occurring after the time of construction over which the CONTRACTOR had no control and which are other than those arising from defect of construction by the CONTRACTOR; and,

WHEREAS, after the acceptance of the improvements by the CITY, said CONTRACTOR binds itself, upon receiving notice from the CITY of the need thereof to repair or reconstruct said improvements and if the CONTRACTOR fails to make the necessary corrections, within ten (10) days after being notified, the CITY may do or have done all said corrective work and shall have recovery hereon for all expenses thereby incurred.

WHEREAS, under the Plans and Specifications, and Contract, it is provided that the CONTRACTOR will maintain and keep in good repair the work herein contracted to be done and performed for a period of two (2) years from the date of acceptance; it being understood that the purpose of this section is to cover all defective conditions arising by reason of defective material, work, or labor performed by said CONTRACTOR; and in case the said CONTRACTOR shall fail to do so, within ten (10) days after being notified, it is agreed that the CITY may do said work

and supply such materials, and charge to same against the said CONTRACTOR, AND SURETIES, on this obligation, and said CONTRACTOR AND SURETIES hereon shall be subject to the liquidated damages mentioned in said contract.

NOW THEREFORE, if the said CONTRACTOR, shall keep and perform its said agreement to maintain said work and keep the same in repair for the said maintenance period of two (2) years, as provided, then these presents shall be null and void, and have no further effect, but if default shall be made by the said CONTRACTOR in the performance of his contract to so maintain and repair said work, then these presents shall have full force and effect, and said CITY shall have and recover from said CONTRACTOR and SURETIES damages in the premises, as provided, and it is further agreed that this obligation shall be a continuing one against the PRINCIPAL and SURETIES hereon, and that successive recoveries may he had thereon for successive breaches until the full amount shall have been exhausted; and it is further understood that the obligation herein to maintain said work shall continue throughout said maintenance period, and the same shall not be changed, diminished, or in any manner affected from any cause during said time.

PROVIDED FURTHER, that if any legal action were filed upon this Bond, exclusive venue shall lie in Tarrant County, State of Texas.

AND PROVIDED FURTHER, that the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the Work to be performed thereunder or the specifications accompanying the same shall in anyway affect its obligation on this Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the Work or to the Specifications.

This Bond complies with the provisions of Article 5160 of Vernon's Annotated Civil Statutes, and any other applicable statutes of the State of Texas.

The undersigned and designated agent is hereby designated by the Surety herein as the Resident gen in Tarrant County to whom any requisite notices may be delivered and on whom service of process ma be had in matters arising out of such suretyship, as provided by Article

7.19-1 of the Insurance Code, Vernon's Annotated Civil Statutes of the State of Texas.

IN WITNESS WHEREOF, the said ___has caused these presents to be executed by them; and the sai has caused
these presents to be executed by its ATTORNEY-IN-FACT_____
_and the said ATTORNEY-IN-FACT_____has hereunto set his hand this
the _____ day of _____2019.

_____	_____
Principal	Surety
By: _____	By: _____
Title: _____	Title: _____
Address: _____	Address: _____
_____	_____

The name and address of the Resident Agent of Surety is:

_____

_____

PROPOSAL (BID) BOND

WHEREAS, the Principal has entered into a certain written contract with the Owner, dated the _____ day of _____, 2019,
CITY WIDE MOWING & TRIMMING SERVICES RFB: 2019-05

which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

The undersigned Bidder hereby declares that he has visited the site of the work and has carefully examined the Contract Documents pertaining to the work covered by the above bid, and he further agrees to commence work within ten (10) days after the date of written notice to do so, and to have 100% of the work on which he has bid complete within ___ consecutive calendar days.

Enclosed with this proposal is a Certified Check for Dollars ($ 5521.00) or a Proposal Bond in the sum of _____ which it is agreed shall be collected and retained by the Owner as liquidated damages in the event this proposal is accepted by the Owner within ninety (90) days after the bids are received and the undersigned fails to execute the contract and the required bond for the Owner within ten (10) days after the date said proposal is accepted, otherwise, said check or bond shall be returned to the undersigned upon request.

VIDASCAPES

Contractor (Firm Name)

By: JEDSON GAINER

Title: GM

Address PO BOX 189

COLLEYVILLE TX 76034

Phone 817-797-4573

Fax N/A

Email OPERATIONS@VIDASCAPES.NET

GENERAL CONDITIONS of AGREEMENT

1. CONTRACT DOCUMENTS:

It is understood and agreed that the Advertisement for Bids, Instructions to Bidders, Proposal, Proposal Data, Owner's Purchase Order, General Conditions, Special Conditions, Specifications, North Central Texas Council of Governments Public Works Construction Standard Fifth Edition -2017 as amended, Drawings, Addenda, specifications, and Superintendent data furnished by the Contractor and accepted by the Owner, are contract documents. Additionally, any other written instruments, correspondence, etc., bound in the volume of the contract documents at the time of execution by the Owner and Contractor shall be "contract documents" whether specifically designated as such or otherwise.

The City reserves the right to let other contracts in connection with this work. The Contractor shall afford other contractors reasonable opportunity for the introduction and storage of their materials and execution of their work, and where required, shall properly connect and coordinate his work with theirs.

1.1. NO PREJUDICE AGAINST OWNER:

It is understood and agreed by Contractor that Owner has independently prepared most of the Contract Documents and Contractor agrees that, notwithstanding any doctrine of law to the contrary, no presumption and/or prejudice against Owner shall be presumed against Owner (nor construed in favor of Contractor) by any court of competent jurisdiction in its interpretation of the Contract Documents.

2. LEGAL ADDRESSES:

All notices, letters, and other communications to the Contractor will be mailed or delivered to either the contractor's business address listed in the Proposal or the contractor's office in the vicinity of the work, with delivery to either of these addresses being deemed as delivery to the Contractor. The addresses of the Owner appearing on page 3 are hereby designated as the place to which all notices, letters, and other communication to the Owner shall be mailed or delivered. Either party may change his address at any time by an instrument in writing delivered to the Owner and to the other party.

3. SCOPE AND INTENT OF CONTRACT DOCUMENTS:

The specifications are intended to supplement but not necessarily duplicate each other. Any work exhibited in the one and not the other shall be executed as if it had been set forth in both, so that the work will be constructed according to the complete design as determined by the Owner.

Should anything necessary for a clear understanding of the work be omitted from the specifications and drawings, or should the requirements appear to be in conflict, the Contractor shall secure written instructions from the Owner before proceeding with the work affected thereby. It is understood and agreed that the work shall be performed accordingly to the true intent of the contract documents.

4. INDEPENDENT CONTRACTOR:

The relationship of the Contractor to the Owner shall be that of an independent Contractor. Owner and Contractor agree that the negotiation, preparation and execution

of the Contract Documents were negotiated, prepared, and executed as part of an arms-length transaction, and that no duty of good faith and fair dealing exists between Owner and Contractor, now, in the future, nor at any time in the past. The Owner shall not have the right to control the day-to-day activities of how the Contractor performs the work, being interested only in the results to be achieved.

5. ASSIGNMENT AND SUBCONTRACTING:

The Contractor shall not assign or subcontract the work or any part thereof, without the previous written consent of the Owner, nor shall he assign, by power of attorney or otherwise, any of the money payable under this contract unless written consent of the Owner has been obtained. No right under this contract, nor claim for any money due or to become due hereunder shall be asserted against the Owner, or person acting for the Owner, by reason of any so-called assignment of this contract or any part thereof, unless such assignment has been authorized by the written consent of the Owner. In case the Contractor is permitted to assign moneys due or to become due under this contract, the instrument of assignment shall contain a clause subordinating the claim of the assignee to all prior liens for services rendered or materials supplied for the performance of the work.

Should any subcontractor fail to perform in a satisfactory manner the work undertaken by him, his subcontract shall be immediately terminated by the Contractor upon notice from the Owner. The Contractor shall be as of his subcontractors, and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him. Nothing contained in this contract shall create any contractual relationship between any subcontractor and the Owner.

It is the intent of these specifications that the Contractor shall perform the majority of the work with his own forces and under the management of his own organization. Only subcontractors who have been listed in the proposal and who are accepted by the Owner as provided in the General Conditions may subcontract specific portions of the work. All subcontractors shall be directly responsible to the Contractor and shall be under his general supervision. All work performed under subcontracts shall be subject to the same contract provisions as the work performed by the contractor's own forces.

This Contract is considered personal between the Contractor and Owner therefore, any sale of more than 50% ownership of Contractor shall be considered as an assignment.

6. ORAL STATEMENTS:

It is understood and agreed that the written terms and provisions of this agreement shall supersede all oral statements of representatives of the Owner, and oral statements shall not be effective or be construed as being a part of the contract.

7. REFERENCE STANDARDS AND LAWS AND REGULATIONS:

Reference to the standards of any technical society, organization, or association, or to codes of local or state authorities, shall mean the latest standard, code, specification, or tentative standard adopted and published at the date of taking bids, unless specifically stated otherwise.

The Contractor shall keep itself fully informed of, and shall observe and comply with, all laws, ordinances, and regulations which, in any manner, affect those engaged or

employed on any work, or the materials and equipment used in any work or in any way affect the performance of any work, and of all orders and decrees of bodies or tribunals having jurisdiction or authority over work performed under the contract. If any discrepancy or inconsistency should be discovered between the contract and any such law, ordinance, regulation, order or decree, the Contractor shall immediately report the same in writing to the Owner. The Contractor shall be responsible for the compliance with the above provisions by subcontractors of all tiers.

Except as otherwise specified, the Contractor shall procure any pay for all permits and inspections and shall furnish any bonds, security or deposits required to permit performance of its work hereunder.

a) OSHA: all work and job site conditions shall, at all times, adhere to the requirements of the latest provisions of the Occupational Safety and Health Act.

b) REQUIREMENTS AND CODES: Wherever references are made in the contract to requirements or codes in accordance with which work is to be performed or tested, the addition or revision of the requirements or codes current on the date of this contract shall apply, unless otherwise expressly set forth. Unless otherwise specified, reference to such requirements or codes is solely for technical information.

This contract shall be governed by the laws of the State of Texas and by such federal laws as may be applicable.

The parties agree that all claims, disputes, and other matters in question between the Contractor and the Owner arising out of or pertaining to the contract documents or the breach thereof, shall, except as otherwise expressly provided, be decided solely in the Courts of the State of Texas, in the County of Tarrant.

Interest, if any, allowable on the claims of either party shall be at the current rate for judgments in the Courts of the State of Texas.

8. NO WAIVER OF RIGHTS:

Neither the inspection by the Owner or any of their officials, employees, or agents, nor any order by the Owner for payment of money, or any payment for, or acceptance of, the whole or any part of the work by the Owner, nor any extension of time, nor any possession taken by the Owner or its employees, nor any action of the Owner shall operate as a waiver of any provision of this contract, or of any power herein reserved to the Owner, or of any right to damages herein, provided nor shall any waiver of any breach in this contract be held to be a waiver of any other or subsequent breach.

9. CONTRACTOR'S SUPERINTENDENT AND EMPLOYEES:

The Contractor represents that it is fully experienced and properly qualified to perform the class of work provided for herein, and that it is properly licensed, equipped, organized, and financed to perform such work.

The Contractor shall act as an independent contractor maintaining complete control over its employees and all of its subcontractors. The Contractor shall perform all work in an orderly and workmanlike manner, enforce strict discipline and order among its employees and assure strict discipline and order by its subcontractors.

Before starting work, the Contractor shall designate a competent, authorized representative to represent and act with full authority for the contract and shall inform the Owner in writing of the name, address, telephone number (day and night) of such representative, and of any change in such designation. This representative shall have authority to make binding and enforceable decisions in the name of the Contractor and to accept service of all notices, which the Owner desires to serve or which are required by this contract to be served on the Contractor. As an alternate, such written notices may be mailed directly to the address of that party shown on the face of the Contract Agreement form. Such representative shall be present or be duly represented at the site of work at all times when work is actually in progress and, during period when work is suspended, arrangements acceptable to the Owner shall be made for any emergency work which may be required. Competent assistants, shall support the Contractor's authorized representative as necessary, and the authorized representative and its assistants shall be satisfactory to the Owner. All requirements, instructions, and other communications given to the Contractor's authorized representative by the Owner shall be as binding as if given to the Contractor.

The Contractor shall employ only fully experienced and properly qualified persons to perform any work. The Contractor shall be responsible for maintaining satisfactory conduct of its employees. The Contractor's site representative shall stay on the project until final completion of the work in accordance with the contract documents.

10. SUPERINTENDENT INSPECTION:

The Owner may appoint such inspectors, as the Owner deems proper to inspect the materials furnished and the work performed for compliance with the drawings and specifications. The Contractor shall furnish all reasonable assistance required by the Owner, or inspectors, for the proper inspection of the work. Should the Contractor object to any interpretation of the contract by any inspector, the Contractor may make written appeal to the Owner for a decision, but the Owner's decision shall be final.

Inspectors shall have the authority to reject work, which is unsatisfactory, faulty, or defective or does not conform to the requirements of the drawings and specifications. Inspection shall not relieve the Contractor from any obligation to construct the work strictly in accordance with the drawings and specifications. Work not so constructed shall be removed and replaced by the Contractor at his own expense.

11. RIGHT OF OWNER TO TERMINATE CONTRACT:

If the work to be done under this contract is abandoned by the Contractor; or if this contract is assigned by him without the written consent of the Owner; or if the Contractor is adjudged bankrupt, or files for voluntary bankruptcy; or if a general assignment of his assets is made for the benefit of his creditors; or if a receiver is appointed for the Contractor of any of his property or if at any time in writing to the Owner determines that the performance of the work under this contract is being unnecessarily delayed, that the Contractor is violating any of the conditions of this contract, or that he is executing the same in bad faith or otherwise not in accordance with the terms of said contract; or if the work is not substantially completed within the time named for its completion or within the time to which such completion date may be extended; then the Owner may serve written notice upon the Contractor and his surety of the Owner's intention to terminate this contract. Unless within thirty (30) days after the serving of such notice,

a satisfactory arrangement is made for continuance, this contract shall terminate. In the event of such termination, the surety shall have the right to take over and complete the work, provided that if the surety does not commence performance within 30 days, the Owner may take over and prosecute the work to completion, by contract or otherwise. The Contractor and his surety shall be liable to the Owner for all excess cost sustained by the Owner by reason of such prosecution and completion. The Owner may take possession of, and utilize in completing the work, all materials, equipment, tools, and plant on the site of the work, including such materials, etc., as may have been placed on the site by or at the direction of the Contractor.

The Owner may, at its option, terminate the performance of the work in accordance with this section, in whole, or from time to time in part, at any time by written notice thereof the Contractor, whether or not the Contractor is in default. Upon any such termination, Contractor shall waive any claims for damages, including loss of anticipated profits, on account thereof, but as the sole right and remedy of the Contractor, the Owner shall pay Contractor in accordance with subparagraph (b) below, provided, however, that those provisions of the contract documents which by their very nature survive final acceptance under the contract documents shall remain in full force and effect after such termination.

a) Upon receipt of any such notice, the Contractor shall, unless the notice requires otherwise:

    1. Immediately discontinue work on the date and to the extent specified in the notice;
    2. Place no further order or subcontracts for materials, services, or facilities, other than as may be necessary or required for completion of work under the contract that is not terminated;
    3. Promptly make every reasonable effort to obtain cancellation upon terms satisfactory to the Owner of all order and subcontracts to the extent they relate to the performance of work terminated, or assign to the Owner those orders and subcontracts, and revoke agreements specified in such notice; and
    4. Assist the Owner, as specifically requested in writing, in the maintenance, protection and disposition of property acquired by the Owner under the contract.

b) Upon any such termination, the Owner will pay the Contractor an amount determined in accordance with the following (without duplication of any item):

    1. All amounts due and not previously paid to the Contractor for work completed in accordance with the contract prior to such notice, and for work thereafter completed as specified in such notice;
    2. The cost of settling and paying claims arising out of the termination of work under subcontracts or orders as provided in subparagraph (a) (3) above;
    3. The reasonable cost incurred pursuant to subparagraph (a) (4) above;
    4. Any other reasonable costs incidental to such termination of work.

The foregoing amounts will include a reasonable sum, under all of the circumstances, as profit for all work satisfactorily performed by the Contractor.

11.1 TERMINATION FOR CONVENIENCE:

Owner hereby reserves the right to terminate this Agreement without regard to fault or breach upon written notice to Contractor, effective immediately unless otherwise provided in said notice. In the event of such termination, Owner shall pay as the sole amount due to Contractor in connection with the work (i) all sums due for Work performed to date including allowing profit and overhead (except retainage sums shall not be paid prior to thirty (30) days following the date of termination); and (ii) reasonable cost of termination. Such sums will be due and payable on the same conditions as set forth in this Agreement for final payment to the extent applicable. Upon receipt of such payment, the parties hereto shall have no further obligations to each other except for Contractor's obligations to perform corrective and/or warranty work and to indemnify Owner as provided for in this Agreement. It is understood and agreed that no profit, fee or other compensation shall be due or payable for unperformed work. Contractor agrees that each subcontract and purchase order issued by it will reserve for Contractor the same right of termination provided by this Section 15.1 and Contractor further agrees to require that comparable provisions be included in all lower tier subcontracts and purchase orders.

Upon a determination by any court or body that termination of Contractor, or its successor in interest, was wrongful, such termination will be deemed converted to a termination for convenience and Contractor's remedy for wrongful termination is limited to the recovery of the payments permitted for termination for convenience as set forth above.

The rights and remedies of Owner and Contractor under this Agreement shall be nonexclusive, and shall be in addition to all the other remedies available to such parties at law or in equity, subject, however, in the case of Contractor, to the limitation contained above and other pertinent provisions of this Agreement.

12. EQUAL OPPORTUNITY:

The Contractor is aware of, and is fully informed of, the Contractor's obligations under Executive Order 11246, and, where applicable, shall comply with the requirements of such order and all orders, rules and regulations promulgated thereunder unless exempted therefrom.

Without limitation of the foregoing, the Contractor's attention is directed to 41 CFR Section 60-1.4, and the clause therein entitled "Equal Opportunity Clause" which, by this reference, is incorporated herein.

The Contractor is aware of, and is fully informed of, the Contractor's responsibilities under Executive Order No. 11701, "List of Job Openings for Veterans" and, where applicable, shall comply with the requirements of such order, and all orders, rules and regulations promulgated thereunder unless exempted therefrom.

Without limitation of the foregoing, the Contractor's attention is directed to 41 CFR

60-250 et seq. and the clause therein entitled "Affirmative Action Obligations of the Contractors and Subcontractors for Disabled Veterans and Veterans of the Vietnam Era" which, by this reference is incorporated herein.

The Contractor certifies those segregated facilities, including, but not limited to, washrooms, work areas, locker rooms, are not, and will not, be maintained or provided for the Contractor's employees. Where applicable, the Contractor shall obtain similar certification from any of its subcontractors, vendors, or suppliers performing work under this contract.

The Contractor is aware of, and is fully informed of, the Contractor's responsibilities under the Rehabilitation Act of 1973, and, where applicable, shall comply with the provisions of the Act, and the regulations promulgated thereunder unless exempted therefrom.

Without limitation of the foregoing, the Contractor's attention is directed to 41 CFR Section 60-741 and the clause entitled "Affirmative Action Obligations of the Contractors and Subcontractors for Handicapped Workers" which, by this reference, is incorporated herein. Contractor must also comply with the rules and regulations as established by the Americans with Disabilities Act of 1990.

13. PROTECTION OF WORK AND PROPERTY:

The Contractor shall be responsible for and shall bear any and all risk of loss of, or damage to work in progress, all materials delivered to the site, and all materials, tools, and equipment until completion and final acceptance of the work to be performed under this contract.

The Contractor shall promptly take all precautions, which are necessary and adequate against any conditions created during the progress of the Contractor's activities hereunder which involve a risk of bodily harm to persons or a risk of damage to any property. Contractor shall continuously inspect all work, materials and equipment to discover and determine, and shall be solely responsible for discovery, determination and correction of any conditions which involve a risk of bodily harm to persons or damage to property.

The Contractor shall comply with all applicable safety laws, standards, codes and regulations in the jurisdiction where the work is being performed specifically but without limiting the generality of the foregoing and regardless of any exemptions provided by law, with all rules, regulations and standards adopted pursuant to the Occupational Safety and Health Act of 1970.

The Contractor will preserve and protect all existing vegetation such as trees, shrubs, and grass on or adjacent to the site of work which is not to be removed and which does not unreasonably interface with the construction work. Care will be taken in removing trees authorized for removal to avoid damage to vegetation to remain in place. The Contractor will protect from damage all existing improvements, utilities, roads, and bridges at or near the site of work and will repair or restore any damage to such facilities resulting from failure to comply with the requirements of this contract of the failure to exercise reasonable care in the performance of the work. Under no circumstances will county or township roads and bridges be subject to greater than normal highway truck loadings.

The Contractor shall provide and maintain such temporary work as is required for the protection of the public and those employed in or about the work site, including all signs, guards, barricades, night lights and any other temporary protection as may be necessary. Contractor shall provide and maintain such temporary work as is required for protection of finished work, including building paper, boxing, planking, protective coating, and such other protection as may be deemed necessary by the Owner. All such work shall be returned to original condition by the Contractor on completion of the contract.

Whenever necessary to maintain proper temperatures for performance of work, or to protect or to close in work in place, Contractor shall provide and maintain temporary enclosures as directed by the Owner for all openings or exterior surfaces that are not enclosed with finishing materials.

The Contractor shall protect all the work including buildings, structures, equipment, excavations, trenches, etc. from water damage including damage by rainwater, ground water, backing-up of drains, downspouts of sewers and shall construct and maintain all necessary drainage and do all pumping required to protect or to perform the work. Contractor shall provide protection to any equipment in place, as required to prevent damage by moisture. Contractor, in general, shall at all times carefully protect the work, materials, and equipment against damage from the weather, and comply with the directions of the Owner in order to avoid any adverse effect on the project from weather conditions.

The Contractor assumes all liability for its failure to comply with the provisions of this Article. The Contractor shall include this Article in its entirety in all subcontracts for any work at the project site.

Upon the failure of the Contractor or its subcontractors to comply with any of the requirements of the Article, the Owner shall have the authority to stop any operations of the Contractor or its subcontractors affected by such failure until such failure is remedied. No part of the time lost due to any such stop orders shall be made the subject of a claim for extension of time or for increased costs or damages by the Contractor or its subcontractors.

14. SAFETY:

The Contractor shall at all times conduct all operations under the Contractor in a manner to avoid the risk of bodily harm to persons or risk of damage to any property. The Contractor shall promptly take all precautions, which are necessary and adequate against any conditions, which involve a risk of bodily harm to persons or a risk of damage to any property. The Contractor shall continuously inspect all work, materials and equipment to discover and determine any such conditions and shall be solely responsible for discovery, determination and correction of any such conditions. The Contractor shall designate an employee as safety supervisor who is acceptable to the Owner.

The Contractor shall comply with all applicable laws, regulations and standards. The Contractor shall coordinate with other Contractors and subcontractors on safety matters

and shall promptly comply with any specific safety directions given to the Contractor by the Owner.

The Contractor shall erect and maintain, as required by existing conditions and progress of the work, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazard, promulgating safety regulations and notifying the Owner and users of adjacent properties and utilities.

The Contractor shall maintain a Safety Program with detail commensurate with the work to be performed. Such review shall not relieve the Contractor of its responsibility for safety, nor shall it be construed as limiting in any manner the Contractor's obligation to undertake any action, which may be necessary or required to establish and maintain safe working conditions at the site.

The Contractor shall maintain accurate accident and injury reports.

The Contractor shall hold regular scheduled meetings to instruct its personnel on safety practices. The Contractor shall furnish safety equipment and enforce the use of such equipment by its employees.

All equipment furnished and installed on this project shall be manufactured and installed in accordance with the applicable parts of the Williams-Steiger Occupational Safety and Health Act of 1970, and its subsequent amendments and revisions. All work shall be performed in accordance with the regulations and requirements of the above noted Act, revisions and amendments.

15. TAXES, PERMITS AND LICENSES:

The Contractor shall obtain and pay for all licenses, permits, and inspections required for the work.

The Contractor shall pay all appropriate sales taxes, excluding materials permanently retained by the City of Bedford franchise taxes, income taxes, gross receipts taxes, and other business or occupation taxes imposed upon the Contractor.

16. PATENTS:

Royalties and fees for patents covering materials, articles, apparatus, devices, equipment, or processes used in the work, shall be included in the contract amount. The Contractor shall satisfy all demands that may be made at any time for such royalties or fees and he shall be liable for any damages or claims for patent infringements. The Contractor shall, at his own cost and expense, defend all suits or proceedings that may be instituted against the Owner for alleged infringement of any patents involved in the work and, in case of an award of damages, the Contractor shall pay such award. Final payment to the Contractor by the Owner will not be made while any such suit or claim remains unsettled.

In the event the Contractor is found to have infringed a patent, the Contractor shall either replace the part or process with a non-infringing part or process approved by the Owner, or secure the right to use the infringing part or process. Either choice shall be at the Contractor's expense.

17. MATERIALS AND EQUIPMENT:

Unless specifically provided otherwise in each case, all materials and equipment furnished for permanent installation in the work shall conform to applicable standard specifications and shall be new, unused, and undamaged when installed or otherwise incorporated in the work. No such material or equipment shall be used by the Contractor for any purpose other than that intended or specified, unless such use is specifically authorized by the Owner in each case.

18. GUARANTEE:

Contractor shall guarantee that all products are in accordance with the manufacture's guarantees, warranties, or Policies. Any replacement of defective material or materials will be made in accordance with such guarantee or warranty policies but, in any case, responsibility ends with the replacement of the defective part or parts, and no responsibility will be assumed for unauthorized repair or replacement of said equipment. Nor any expense will be incurred due to failure of said equipment excepting replacement of its defective part or parts by the manufacturer and in accordance with said manufacturer's policies.

Contractor's warranty against defects in material and workmanship shall extend two years from the date of final payment.

19. INSURANCE:

The Contractor shall secure and maintain throughout the duration of this contract insurance of such types and in such amount as may be necessary to protect himself and the interest of the Owner against all hazards or risks of loss as hereinafter specified. The form and limits of such insurance, together with the underwriter thereof in each case, shall be acceptable to the Owner but regardless of such acceptance it shall be the responsibility of the Contractor to maintain adequate insurance coverage at all times. Failure of the Contractor to maintain adequate coverage shall not relieve him of any contractual responsibility or obligation.

Satisfactory certificates of insurance shall be filed with the Owner prior to starting any construction work on this contract. The certificates shall state that 30 days advance written notice will be given to the Owner before any policy covered thereby is changed or canceled.

The Contractor shall comply with all Federal, State and local laws and ordinances relating to Social Security, Unemployment Insurance, Pensions, etc.

19.1 WORKERS COMPENSATION INSURANCE COVERAGE:

(A) Definitions:

Certificate of coverage ("certificate") - copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project - includes the time from the beginning of the work on the project until the contractor's/person's work on the project has been completed and accepted by the governmental entity. **Persons providing**

services on the project ("subcontractor" in §406.096) - includes all persons or entities performing all or part of the services the contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity, which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

(B) The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the contractor providing services on the project, for the duration of the project.

(C) **The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.**

(D) If the coverage period shown on the contractor's current certificate of coverage ends during the duration of the project, the contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.

(E) The contractor shall obtain from each person providing services on a project, and provide to the governmental entity:

(1) a certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and

(2) no later than seven days after receipt by the contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.

(F) The contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.

(G) The contractor shall notify the governmental entity in writing by certified mail or personal delivery, within ten days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.

(H) The contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation

Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

(I) The contractor shall contractually require each person with whom it contracts to provide services on a project, to:

(1) provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, §401.011(44) for all of its employees providing services on the project, for the duration of the project;

(2) provide to the contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;

(3) provide the contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of certificate of coverage ends during the duration of the project;

(4) obtain from each other person with whom it contracts, and provide to the contractor:

(a) a certificate of coverage, prior to the other person beginning work on the project; and

(b) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(5) retain all required certificates of coverage on file for the duration of the project and for one year thereafter;

(6) notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and

(7) contractually require each person with whom it contracts, to perform as required by paragraphs (1) - (7), with the certificates of coverage to be provided to the person for whom they are providing services.

(J) By signing this contract or providing or causing to be provided a certificate of coverage, the Contractor is representing to the governmental entity that all employees of the Contractor who will provide services on the project will be covered by workers' compensation coverage for duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the

case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

(K) The Contractor's failure to comply with any of these provisions is a breach of contract by the Contractor which entitles the governmental entity to declare the contract void if the Contractor does not remedy the breach within ten days after receipt of notice of breach from the governmental entity.

20. DEFENSE OF SUITS:

In case any action in court is brought against the Owner, or any officer or agent of the Owner, for the failure, omission, or neglect of the Contractor to perform any of the covenants, acts, matters, or things by this contract undertaken; or for injury or damage caused by the alleged negligence of the Contractor or his subcontractors or his or their agents, or in connection with any claim based on lawful demands of subcontractors, workmen, materialmen, or suppliers the Contractor shall indemnify and save harmless the Owner and his officers and agents, from all losses, damages, costs, expenses, judgements, or decrees arising out of such action.

21. PATENT INDEMNITY:

The Contractor shall pay all royalties and license fees. He shall defend all suits or claims for infringement of any patent rights and shall save the Owner harmless from loss on account thereof, except that the Owner shall be responsible for all such loss when a particular design, process or the product of a particular manufacturer or manufacturers is specified. But, if the Contractor has reason to believe that the design, process, or product specified is an infringement of a patent, he shall be responsible for such loss unless he promptly gives such information to the Owner.

22. INDEMNITY AND RELEASE:

The Contractor is solely responsible for and shall defend, indemnify, and hold Owner (or any of Owner's representatives or employees), free and harmless from and against any and all claims, liabilities, demands, losses, damages, costs or expense to all persons (including but not limited to reasonable attorneys' fees) arising out of resulting from or occurring in connection with the performance of the work that is (i) attributable to any bodily or personal injury, sickness, diseases or death of any person or any damage or injury to or destruction of real or personal property (other than the work itself) including the loss of use thereof, and (ii) caused in whole or in part by any negligent, strict liability or other act or omission of contractor, any subcontractor or supplier, their respective agents or employees or any other party for whom any of them may be liable regardless of whether such is caused in part by the negligent, strict liability or other act or omission of a party or parties indemnified hereunder.

Said indemnity and hold harmless agreement shall also apply to claims arising from accidents to contractor, its agents or employees, whether occasioned by contractor or its employees, the owner or his employees, or by any other person or persons.

The foregoing indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts.

23. FINAL PAYMENT AND RELEASE:

Acceptance by the Contractor of last payment shall be a release to the Owner and every officer and agent thereof, from all claims and liability hereunder for anything done or furnished for, or relating to the work, or for any act or neglect of the Owner or of any person relating to or affecting the work.

24. INSPECTION:

The Owner shall have the right, without extra charge therefore; to inspect all materials and equipment supplied under this contract at any time, including the place of manufacture, either during performance of the work, on final inspection, or during any applicable warranty period. The Owner or its designated representative shall have the right to reject equipment, materials and work not complying with the requirements of this contract. The Owner shall notify the Contractor in writing that such equipment, material or work is rejected. Thereupon, rejected work shall be satisfactorily corrected, rejected equipment shall be satisfactorily repaired or replaced with satisfactory equipment, and rejected material shall be satisfactorily replaced with satisfactory material, all in accordance with the contract, and the Contractor shall promptly segregate and remove rejected materials and equipment from the premises. All such correcting, repairing, replacing, and removing shall be by and at the expense of the Contractor.

The Owner will perform inspections in such a manner so as not to delay the work unreasonably, and the Contractor shall perform its work in such a manner as not to delay inspection unreasonably.

25. FINAL INSPECTION:

When the work has been completed and at a time mutually agreeable to the Owner and Contractor, the Owner will make a final inspection of the work as to the acceptability and completeness of the work.

26. ESTIMATES AND PAYMENTS:

On or about the first day of each month the Contractor shall make an estimate of the value of the work completed. The Contractor and the Owner shall review the estimate prior to submitting the formal invoice to the Owner. The estimated cost of repairing, replacing, or rebuilding any part of the work or replacing materials which do not conform to the drawings and specifications will be deducted from the estimated value by the Owner.

The Contractor shall furnish to the Owner such detailed information as he may request to aid in the preparation of monthly estimates. After each estimate has been found

acceptable, the Owner will pay to the Contractor on or about the 25th day of the month 90% of the estimated value less any previous payments. The Contractor shall be responsible for payment to vendors and subcontractors in accordance with article Chapter 2251, Texas Government Code.

Payments to the contractor involving federal funding will require the contractor to submit a copy of the current wage rate for that project with each request for payment.

27. PAYMENTS:

Payments may be withheld by Owner for (1) defective work not remedied, (2) claims filed by third parties, (3) failure of the Contractor to make payments properly to subcontractors or for labor, materials or equipment, (4) reasonable evidence that the work cannot be completed for the unpaid balance of the contract price, (5) damage to the Owner or another contractor, (6) reasonable evidence that the work will not be completed by the scheduled work completion date and that the unpaid balance of the contract price would not be adequate to cover actual or liquidated damages for the anticipated delay, (7) persistent failure to carry out the work in accordance with the Contract Documents or (8) statutory retainage as described in Chapter 53 of the Texas Property Code.

28. LIENS:

Neither the Contractor, nor any of his subcontractors, workers or suppliers shall have the right of lien against the work performed under this contract, or any property of the Owner to secure payment for labor and materials.

29. STATE LAW:

This contract is performable in the State of Texas and shall be governed by the laws of the State of Texas. Venue on any suit hereunder shall be in Tarrant County, Texas.

SPECIFICATIONS

CITY OF BEDFORD GENERAL SPECIFICATIONS FOR

CITY WIDE MOWING & TRIMMING SERVICES RFB: 2019-05

It is the intent of these specifications to specify the mowing services required during the term of this agreement. The City of Bedford wishes to enter into a contract for mowing and trimming services of rights-of-way (ROW), medians, City facilities, unimproved land/Misc., well lots, drainage areas, vacant properties, Special Areas and Parcels areas (mowed every 2 weeks). All areas to be mowed are within the corporate city limits of Bedford. The specifications contained herein are designed to establish an effective, efficient, and safe system of mowing maintenance.

MOWING AND TRIMMING SERVICES – GENERAL INFORMATION

Generally, by accepting the contract, the successful Contractor warrants that it is familiar with and understands all provisions herein and warrants that it will comply with these provisions.

CONTRACT PERIOD:

The term of this contract shall be for the initial three (3) year period, from October 1, 2019 to September 30, 2022. Prices shall be fixed for the initial three (3) year period. After the completion of the initial three (3) year term, the City and the Contractor may, upon mutual consent, renew the term bid for two (2) additional one (1) year renewal periods. Increases in contract pricing during the renewal periods shall not exceed the consumer price index of the Dallas/Fort Worth standard metropolitan statistical area for the previous twelve-month period. The renewal shall be based on an evaluation by the Parks Department of the contractor's performance during the previous period, budget requirements, etc. The City reserves the right to cancel the contract upon thirty (30) days written notice.

Each yearly renewal shall be based on:

a) Acceptance by the City of Bedford that the Contractor's performance during the current contract period was acceptable, or can be improved to an acceptable level; and

b) Contractor requested increases in cost are reasonable and acceptable to the City of Bedford.

After completion of the initial term of this contract, the Contractor shall submit a renewal proposal with a proposed pricing structure including all or no price changes and justification to the City, no later than April 1st for the next year of service. Proposed increases in contract costs shall not be expected to exceed the consumer price index of the Dallas/Fort Worth standard metropolitan statistical area for the previous twelve- month period. Renewal shall be at the sole discretion of the City of Bedford.

CONTRACTOR QUALIFICATONS:

Contractors submitting bids must demonstrate to the satisfaction of the City of Bedford that they possess all necessary equipment, facilities, personnel and work experience to fulfill the terms of the Contract at the time of bid submission, and by the starting date of the initial contract period.

Each bid must include:

A. A complete list of all equipment that will be used to fulfill the Contract, specifying year, make and model of machines to be used, and
B. A minimum of three (3) references that can affirm that the Contractor has acceptably performed mowing services of similar size and complexity as is being bid under the Contract.

MOWING SERVICES TO BE PROVIDED:

Accompanying this contract for Mowing Services one (1) color-coded map that identifies each specific area to be mowed, in the eight (8) categories.

1. **Parcels to be mowed every two-weeks (during peak season)**
2. **Rights of Way (ROW)**
3. **Medians**
4. **Facilities**
5. **Creeks/ Drainage areas**
6. **Bulk Mowing**
7. **Hwy Beds near Airport Freeway intersections**
8. **Important areas to be mowed (too small to view on the map)**

The map does not allege to provide an accurate measure of each specific area to be mowed, and the City does not attempt to provide an accurate estimate of area for each individual site that is to be mowed in this document. The Contractor must become familiar with each location identified on each of the accompanying color-coded map(s) and make their own evaluations as to the amount of time, equipment and effort that will be required to successfully mow each area in accordance with the terms of this contract. Additional map available

The City's main objective is always to have all grass areas maintained at an acceptable level. The attached bid tabulation schedule (see Exhibit A) is provided as the City's estimate of the minimum number of times per month each category should always be mowed to maintain an acceptable grass height.

In the bid tabulation schedule, the bidder will place the cost per mow for each month. The schedule will itemize the categories to specific locations, so the bidder can estimate the cost per mow for each area.

An example of the bid tabulation format is as follows:

FACILITIES			MOWING AND TRIMMING SERVI							
	AREA SIZE		CYCLES	OCT	NOV	DEC	JAN	FEB	MAR	[illegible]
City Hall			# of mows	3	2	0	0	2	3	3
2000 Forest Ridge Drive	Sq Yds	16,753	Cost per mow							
Former Library Building			# of mows	3	2	0	0	2	3	3
1805 L Don Dodson Drive	Sq Yds	7,193	Cost per mow							
Fire Station 1			# of mows	3	2	0	0	2	3	3
1816 Bedford Rd	Sq Yds	1,463	Cost per mow							
Fire Station 2			# of mows	3	2	0	0	2	3	3
541 Bedford Rd	Sq Yds	4,811	Cost per mow							
Fire Station 3			# of mows	3	2	0	0	2	3	3
3810 Martin	Sq Yds	2,919	Cost per mow							
Old Bedford School			# of mows	3	2	0	0	2	3	3
2400 School Lane	Sq Yds	11,895	Cost per mow							
Bedford Public Library			# of mows	3	2	0	0	2	3	3
2424 Forest Ridge Drive	Sq Yds	36,480	Cost per mow							

Should any area require more frequent or less frequent mowing than are shown in the schedule above, the City of Bedford reserves the right to increase, or decrease mowing frequency of areas in the contract without penalties. The City also reserves the right to request mowing of additional areas at the rate outlined in the Contractor's bid proposal. If this area is to be added to the mowing cycle, an addendum to the contract with a fixed price will be negotiated and not an hourly cost. If an area is to be deleted, in the mowing cycle, an addendum to the contract with a fixed price will be negotiated.

Need language here that allows the contractor to adjust its pricing per consumer price index during the term of the contract.

CONTRACTOR INVOICING PROCEDURE and Reports from previous week:

The Contractor shall provide an invoice to the City upon completion of the mowing of each Section after it has been mowed entirely. Each invoice shall include the mowing charges for that section for the month. Each mowing shall have a separate entry and one total for the month for each section. The invoices will be paid at the end of the month by the City procurement card.

Invoicing procedures for special requests, or extra mowing of Contracted categories and areas will be on a separate invoice and paid at the end of the month by the City procurement card.

Reports: Reports are due to the Park Superintendent office on Monday for the previous week worth of work. Charges can be charged after written approval by the Park Superintendent office or designee.

The Contractor is responsible for keeping the mowing schedule shown in this Contract. Should the Contractor fail to do this, **the City may provide the Contractor with 48 hour's notice to correct such failing performance, or the City may exercise its rights under this contract to cancel the contract in full.**

CANCELLATION OF CONTRACT:

Either the City or the Contractor may terminate this contract within ten (10) days written notice.

GENERAL CONDITIONS OF CANCELLATION:

The Contractor will function under the direction of the Parks Superintendent, or his representative. Unsatisfactory performance or failure to perform under, the conditions of the contract will be grounds for cancellation.

METHODS OF OPERATION:

The Contractor's personnel shall conduct all mowing operations described in the Contract "Specifications" and the expense of all such operations shall belong to the Contractor. The Contractor shall provide its own equipment, labor, fuel and other materials necessary to complete the required work. The Contractor shall be responsible for the maintenance and repair of his own equipment and the availability, presence and supervision of its own employees.

The City of Bedford requires the Contractor to supply a competent and experienced supervisor/foreman with each work group at all times. The supervisor/foreman may be a working supervisor/foreman operating a mower or other piece of equipment. The Contractor shall not use a subcontractor to fulfill any items or conditions of this contract without prior written consent of the City.

WAIVER OF LIABILITY AND INDEMNIFICATIONS:

The Contractor shall defend, indemnify and hold harmless the City of Bedford, and each of the officers, agents, servants and employees from any and all suits, actions, claims losses and damages of any character and from all expenses incidental to the defense of such suits, actions or claims based upon, alleged to be based upon, or arising out of any injury, disease, sickness or death of any person or persons; or any damage to any property, including loss of use thereof, caused by an act or omission of the Contractor, any subcontractor, or by their offices, agents, servants, employees or anyone under the Contractor's direction or control, and arising out of, occurring in connection with, resulting from or caused by the performance of any work or services called for by the contract or from conditions created by the performance of non-performance of said work or services, but not including the sole negligence of any party herein indemnified.

CONTRACTOR'S AND SUBCONTRACTOR'S INSURANCE:

The Contractor shall not commence work until the City has approved all insurance required under the section of "General Conditions", nor shall the Contractor allow any subcontractor to commence work until all similar required insurance has been obtained and approved by the City. Such insurance shall remain fully in effect on all phases of work performed, whether or not the work is occupied or utilized by the City, for the entire period of the contract.

The insurance requirements shall not limit the extent of the Contractor's responsibility for payment o damages resulting from his operations under the contract.

The Contractor shall maintain for the full contract period the following types of insurance, abiding by the form, minimum limits and amounts specified, or as otherwise required in the contract documents. The Contractor shall automatically renew any policy expiring during the contract period and notify the City of such a renewal period prior to the expiration date.

A. Workman's Compensation, including Occupational Disease and Employer's Liability Insurance

The Contractor shall maintain during the entire contract period, Statutory Workmen's Compensation Insurance and Occupational Disease Disability Insurance for all employees who participate under this contract. The Contractor shall require any subcontractors to similarly provide Statutory Workman's Compensation Insurance and Occupational Disease Disability Insurance for the subcontractor's employees participating under this contract; unless such employees are protected by the Contractor's own insurance.

In the case that any employee engaged in hazardous work under the contract is not protected under the Worker's Compensation Statute, or in the case that no Workman's Compensation Statute is applicable, the Contractor shall provide, and require any subcontractor to provide adequate insurance for the protection of his employees not protected by the statute.

B. Public Liability and Property Damage Insurance (Note "Indemnity" clause hereinafter)

Before commencement of work, the Contractor shall submit to the City Representative written evidence of full Comprehensive General Liability and Property Damage insurance for the Contractor and all subcontractors. This insurance shall be issued from a company licensed to do business in the State of Texas.

The coverage shall protect the Contractor, the City of Bedford, and each of the officers, agents and employees from claims for damages for bodily or personal injury, sickness or disease, including death; and from claims for damages to property; arising directly or indirectly out of, or in connection with, the performance of work under this contract; by the contractor or any of his subcontractors, or by anyone directly or indirectly employed by either of them, or under the control of either of them, and the minimum amount of such insurance shall be as follows unless higher minimum amounts are otherwise required in the contract documents:

Public Liability Insurance in an amount not less than five hundred thousand dollars ($500,000) for damages arising out of bodily injuries or personal injury, sickness or disease, or death of one person and subject to the same limit for each person; and in an amount not less than one million dollars ($1,000,000) in any occurrence:

C. Any Property Damage Insurance in an amount not less than five hundred thousand dollars ($500,000) for all damages arising out of injury to or destruction of the property of others in any occurrence with an aggregate limit in the same amount.

D. The Property Damage portion of this coverage shall include applicable explosion, collapse and underground exposure coverage. In addition, where Completed Operations Insurance coverage is applicable, such coverage will be maintained after completion and acceptance of the project for the full guarantee period.

E. Automobile Liability and Property Damage Insurance

a. Before commencement of work, the Contractor shall submit to the City Representative written evidence of Automobile Liability and Property Damage Insurance covering all owned, non-owned and hired selfpropelled vehicles used in connection with this contract.

b. The liability limits shall not be less than five hundred thousand dollars ($500,000) for injury or death of one person, and not less than one million dollars ($1,000,000) in any one occurrence. Property damage limits shall not be less than five hundred thousand dollars ($500,000) in any one occurrence.

F. Contractual Liability Coverage

a. All policies for liability insurance carried by the Contractor and all Subcontractors shall include a "Contractual Liability Coverage" endorsement sufficiently broad to insure the provision titled "Indemnity" hereinafter set forth.

EVIDENCE OF INSURANCE COVERAGE:

Before commencement of work, the Contractor shall submit written evidence of minimum insurance coverage's required for the Contractor and all Subcontractors. Such evidence shall be presented in the form of either:

A. A "Certificate of Insurance": executed by the Contractor's insurance company including such policies in force for the contract period; or B. The actual policy or policies.

Each policy or certificate shall bear an endorsement or statement waiving the right of cancellation or reduction in coverage within thirty (30) days written notice to be delivered by registered mail to the Owner.

A copy of current insurance must be on file with the City of Bedford along with renewals and cancellations. These copies must be sent to: **Don Henderson, Parks Superintendent, at 2000 Forest Ridge Drive, Bedford, Texas 76021.**

NON-DISCRIMINATION:

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

ADDENDUM:

The City of Bedford reserves the right to issue an addendum to the Contract prior to accepting bids for the work. Such addendum(s) shall be and are hereby made a part of these specifications. Upon receipt of the addendum(s), the Contractor shall acknowledge their receipt by listing the addendum(s) and signing in the appropriate spaces in the Proposal. A statement acknowledging receipt of each addendum identified by its number should be shown on the bid envelope.

All major changes in the scope of the contract will be made with an addendum. That addendum will be considered a permanent part of the contract. Addendums will not be required if a site is only mowed a few times. If it becomes a weekly, bi-weekly or a monthly task an addendum will be issued.

SAFETY:

All equipment used in mowing operations shall be equipped in accordance with Texas State Law. The safety of the public and the convenience of traffic shall be of prime importance.

SCOPE OF WORK:

The mowing of all sites shall include the mowing and trimming of all grass and weeds within each area. **The Contractor, prior to mowing, will remove all debris. The debris shredded by the contractor larger than one inch will be removed.** No separate pay item shall be allowed for litter control. Trimming around trees or shrubs and edging along concrete curbs will be performed by the Contractor using mechanical devices and/or hand labor. Weeds growing in cracks, between sidewalk and the curb, in-between the concrete pavers shall be removed by the Contractor using mechanical devices and/or hand labor. Sidewalks and other visual areas shall be swept or blown clean after each cycle. Excess clippings shall be disposed of properly and not be blown into streets and roadways.

LANDSCAPES:

All landscape projects, maintenance, and fertilizer applications, will be accomplished by the City of Bedford or a contractor authorized by the City of Bedford.

CHEMICAL APPLICATION:

Necessary chemicals will be applied by the City for special weed control.

SITE COMPLETION:

All mowing is to be done as directed by the City Representative. Each site must be completed before moving on to the next site. A site only partially mowed will not be accepted for payment.

A site is considered to be one of the eight categories, Parcels to be mowed every two weeks, **Rights of Way (ROW), Medians, Facilities, Unimproved Land / Misc., Well lots, Drainage areas and Vacant properties.**

VERIFICATION OF WORK:

It shall be the responsibility of the City of Bedford to confirm the execution of the contract in accordance with the terms and conditions of these specifications.
The City will inspect the Contractor's performance on whatever terms, and at whatever schedule they deem necessary under the circumstances to assure themselves that performance is acceptable. All areas mowed by the contractor must be completely satisfactory to the City. Any deficiency in the Contractor's performance shall be reported in writing to the Contractor. All cited deficiencies shall be corrected by the contractor within 48 hours following notification, weather permitting.

DEFAULT:

It is essential to complete all mowing cycles within the time frame identified in the Contract. In the event these areas are not completed, the Contractor shall correct all "Failure to Perform" areas within 48 hours, weather permitting, of either a verbal or written notification by the City. In the event the Contractor fails to correct these areas, the City reserves the right to terminate the Contract.

RESPONSIBILITY FOR CITY PROPERTY DAMAGES:

The Contractor will be responsible for any damage to property during the mowing operation. The Contractor will be responsible for the replacement or repairs to but not limited to, trees, shrubs, ground covers, light posts, irrigation equipment, fences, buildings, city or personnel vehicles damaged or destroyed during the mowing operation. The Contractor must report any property damage to the City Representative immediately.

TECHNICAL SPECIFICATIONS:

All grounds shall be mowed in accordance with the following technical specifications:

RIGHTS-OF-WAY (ROW):

The mowing and trimming of rights-of-way shall extend from the edge of the roadway to 10 (ten) feet in from the edge of the roadway, unless fences or other obstructions prevent mowing to that width (see map). There are a couple of exceptions in which the area to be mowed is wider and includes drainage areas. These will be mowed in their entirety from the street/curb to the fence. Areas that are impossible to mechanically mow due to slopes or ditches must be maintained by hand. The Contractor must edge or trim the areas around trees, along the curb-line, sidewalk or street. The Contractor using mechanical devices and/or hand labor shall remove weeds (all plant material) growing in joints of the concrete between the curb and sidewalk, curb and retaining wall, sidewalk and retaining wall or street and curb and gutter. A cutting height of no more than two (2) inches is required. Clippings **must not be blown** into City streets or roadways when mowing rights-of-way.

MEDIANS:

The mowing and trimming of medians shall include the areas from inside the back of curb of all raised median surfaces (see map). Areas that are impossible to mechanically mow due to slopes or ditches or other obstructions must be maintained by hand. The Contractor must edge or trim the areas around trees, plant beds, and paved areas, along the curb-line, sidewalk or street. The Contractor using mechanical devices and/or hand labor shall remove weeds (all plant material) growing in joints of the concrete pavers, between the curb and sidewalk, the curb and retaining wall, sidewalk and retaining wall or the street and curb and gutter. A cutting height of no more than two (2) inches is required. Clippings **must not be blown** into city streets or roadways when mowing City medians.

FACILITIES:

The mowing and trimming of City buildings shall include all grassy areas at the Library, City Hall, Fire Stations, Law Enforcement Center (LEC), and The Old Bedford School Properties (see map). Areas that are impossible to mechanically mow due to slopes or ditches or other obstructions must be maintained by hand. The Contractor must edge or trim the areas around

trees, plant beds, paved areas, along the curb-line, sidewalk or street, mechanical pads and buildings. The Contractor using mechanical devices and/or hand labor shall remove weeds (all plant material) growing in joints of the concrete pavers, between the curb and sidewalk, building and sidewalk, retaining wall and building, the curb and retaining wall, sidewalk and retaining wall or the street and curb and gutter. A cutting height of no more than two (2) inches is required. Clippings **must not be blown** into City streets or roadways when mowing City buildings.

UNIMPROVED LAND / MISC.

The mowing and trimming of unimproved acreage shall include all grassy areas (see map). Areas that are impossible to mechanically mow due to slopes or ditches or other obstructions must be maintained by hand. The Contractor must edge or trim the areas around trees, plant beds, paved areas, along the curb-line, sidewalk or street, mechanical pads and buildings. The Contractor using mechanical devices and/or hand labor shall remove weeds (all plant material) growing in joints of the concrete pavers, between the curb and sidewalk, fence and retaining, the curb and retaining wall, sidewalk and retaining wall or the street and curb and gutter. A cutting height of no more than two (2) inches is required. Clippings **must not be blown** into City streets or roadways when mowing unimproved land / Misc.

WELL LOTS and VACANT PROPERTIES

The mowing and trimming of well lots and vacant properties shall include all grassy areas (see map). Areas that are impossible to mechanically mow due to slopes or ditches or other obstructions must be maintained by hand. The Contractor must edge or trim the areas around trees, plant beds, paved areas, along the curb-line, sidewalk or street, mechanical pads and buildings. The Contractor using mechanical devices and/or hand labor shall remove weeds (all plant material) growing in joints of the concrete pavers, between the curb and sidewalk, fence and retaining wall, the curb and retaining wall, sidewalk and retaining wall or the street and curb and gutter. A cutting height of no more than two (2) inches is required. Clippings **must not be blown** into City streets or roadways when mowing unimproved land / Misc.

DRAINAGE AREAS:

The mowing and trimming of drainage areas shall include all unimproved grassy areas within the various City drainage easements (see map). It shall be the responsibility of the Contractor to maintain all areas from fence-line to fence-line, including all slopes and bottoms. The Contractor must trim the area around trees planted along the banks and retaining walls, fences and retaining wall, along the curb- line, sidewalk or street. The Contractor using mechanical devices and/or hand labor shall remove weeds (all plant material) growing in joints of the concrete, including the slope and bottom, between the slope and retaining wall, sidewalk and slope, and curb and slope. In unimproved drainage easements, a cutting height of no more than two (2) inches is required. Clippings **must not be blown** into City streets or roadways when mowing drainage easements.

LINER TRAILS

The mowing and trimming of Liner trails properties shall include all grassy areas (see map). Areas that are impossible to mechanically mow due to slopes or ditches or other obstructions must be maintained by hand. The Contractor must edge or trim the areas around trees, plant beds, and paved areas, along the curb-line, sidewalk or street. The Contractor using mechanical devices and/or hand labor shall remove weeds (all plant material) growing in joints of the concrete pavers, between the curb and sidewalk, fence and retaining wall, the curb and retaining wall, sidewalk and retaining wall or the street and curb and gutter. A cutting height of no more than two (2) inches is required.
Clippings **must not be blown** into City streets or roadways when mowing unimproved land / Misc.

PARCELS TO BE MOWED EVERY TWO (2) WEEKS

The mowing and trimming of Liner trails properties shall include all grassy areas (see map). Areas that are impossible to mechanically mow due to slopes or ditches or other obstructions must be maintained by hand. The Contractor must edge or trim the areas around trees, plant beds, paved areas, along the curb-line, sidewalk or street. The Contractor using mechanical devices and/or hand labor shall remove weeds (all plant material) growing in joints of the concrete pavers, between the curb and sidewalk, fence and retaining wall, the curb and retaining wall, sidewalk and retaining wall or the street and curb and gutter. A cutting height of no more than two (2) inches is required.
Clippings **must not be blown** into City streets or roadways when mowing unimproved land / Misc.

121 HWY BED MAINTENANCE:

Bed Maintenance

1. All bed areas and tree rings will be policed for weeds, paper, and debris each maintenance cycle.

2. Hardscape areas such as sidewalks, parking lots etc. are to be sprayed periodically to control unwanted grasses and broadleaf weeds.

3. **Three (3) inches of shredded hardwood mulch** is required for weed control. Bark mulch derived from hardwood trees that is double ground using a commercial grinder first through 6" screens, then through 2" screens to produce a fine fibrous mulch with uniform texture, partially composted, with color ranging from brown to dark brown, a pH ranging between 6.0-7.0 and low in salinity. **Mulching will be conducted in the months of March and November. Removing weeds and general clean-up work will be conducted 9 times per year.**

4. Shrubs, groundcovers, espaliered shrubs and vines are pruned according to recommended horticultural practices to maintain a clean, attractive appearance. (Reference ANSI A 300 trimming specifications).

5. Deciduous ornamental grasses will be cut back to a 6-8" mound in mid-February or as requested by Contract Administrator/Alternate due to seasonal weather conditions or visual obstructions.

6. Spring flowering perennials will be cut back at the time of completion of flowering. All other perennials will be cut back to ground level after the first hard freeze. Immediately followed by mulching at minimum depth of 2".

7. Shrubbery will be pruned as needed to insure the correct shape and natural growth habit for the area in which the shrubs are growing.

8. Tip prune selected branches of low growing shrubs or groundcover masses to maintain an even overall height to promote fullness.

9. Ground cover plantings will be pruned at appropriate height per variety or species to maintain healthy top growth, and as required to restrain perimeter growth to within planting bed areas. 10. Leaves, litter and **ALL dead** plant material must be removed.

11. All tree rings and planting beds shall be maintained free of weeds/grass. Non-selective herbicide may be applied to some areas by a licensed applicator if approved by the Contract Administrator/Alternate.

12. Chemical practices shall not be a substitute for hand weeding where the latter is required for complete removal. However, it is recommended that herbicides be used to control weeds as needed.

13. **Shrub/Ground Cover Bed Weed Control (THIS DOES NOT APPLY TO ANNUAL COLOR BEDS) Frequency for spraying will be at a minimal of every two weeks, or as needed.**

14. Fertilizing for beds at least twice a year.

15. Change of color in beds where establish. That frequency will be spring and fall.

SPECIAL AREAS:

The extra mowing and trimming to any of the preceding areas would be completed after being requested by the City and the contractor will be compensated at the rate submitted in the proposal. The mowing of any area other than the areas outlined in this document will be considered "Special Areas". The contractor will be compensated either by the hourly cost provided in this document or a cost negotiated between the contractor and the city. The Contractor must edge or trim the areas around trees, plant beds, paved areas, along the curb-line, sidewalk or street. The mowing specifications for these areas will follow the same technical specifications as stated above. Clippings **must not be blown** into City streets or roadways.

CLIPPINGS, DEBRIS, TRIMMINGS:

All material must be removed from the sidewalks, curbs, gutter and streets. The excess material must be either removed by the contractor or redistributed over the area it was removed from. Materials must be evenly distributed over the area. This mandate is part of the TEXAS POLLUTION DISCHARGE ELIMINATION SYSTEM, PHASE II REQUIREMENTS. No clippings, debris, trimmings are allowed to remain on the street surface.

SPECIAL PROVISIONS

OZONE ALERT DAYS:

During Ozone Alert Days, the Contractor must refrain from any mechanical mowing or trimming before the hour of 12:00 (noon). Ozone alert flags may be flown at various City buildings the evening prior to and the day of the Ozone Alert. Other forms of notification such as newsprint or television media are acceptable and preferred. It shall be the full responsibility of the Contractor to recognize these days and comply with mowing times.

SAFETY VESTS:

Contractor's personnel working in medians and on roadways shall wear safety garments (such as a vest). Care should be taken to avoid conflicts with oncoming traffic.

CITY MAPS:

Maps of the areas to be mowed are provided to assist the Contractor with boundaries of areas to be mowed. The Contractor is responsible for conducting field observations to determine exact size and bid price of areas to be mowed.

MULCHING MOWERS:

Mulching or recycling mowers shall be used at all City building facilities. The Contractor must remove excess clippings

PERSONNEL IDENTIFICATION:

All personnel will be identified either by wearing a company uniform or be provided with a picture ID, with the company Logo. The ID's must be worn at all times. In some instances the worker may be required to sign in when entering a building.

Alternate bids

Alternate Bid # 1: Boys Ranch Park

This alternate bid will consist of approximately 50 acres of park land located at 2801 Forest Ridge Drive. The alternate bid will be applied to Boys Ranch Park only and will not include the ball fields. The mowing schedule will be the same as the facilities, which is 33 times per year. Under this alternate bid, the proposer will mow and trim the acreage of the park. This includes mowing areas around the buildings, the linear trials, playground areas, and pavilions. This does not include mowing the ballfields. Use map as reference.

Alternate bid 1. Total cost for the entire schedule $ 29370 00/XX

Alternate Bid # 2: Right-of-Way areas adjacent to Airport Freeway.

This alternate bid will consist of the mowing specific right-of-way areas along the highway corridor. Detailed area listed here.

- **536 – 832 Airport Freeway**
- **513 – 899 Airport Freeway**
- **1470 – 1512 Airport Freeway**
- **1399 - 1525 Airport Freeway**
- **1956 – 1988 Airport Freeway**
- **2200 block Airport Freeway**

These rights-of-way are maintained by the Texas Department of Transportation; however, there is a possibility the City will need to mow these areas to match the aesthetics of all rights-of-way throughout the City. Therefore, this alternate bid will be cost of providing mowing and trimming services to these areas. Use map as a reference.

Alternate bid 2. Total cost for one round of mows for all areas $ 2615 00/XX

Alternate Bid # 3: Hwy Beds near Airport Freeway intersections

This alternate bid will consist of maintaining the flower beds located at certain intersections and within certain medians near the highway corridor. Please refer to pages 50-51, for a complete scope of landscape bed maintenance. The following intersections consists of flower beds that will need to be maintained periodically throughout the year:

1. **Intersection of Brown Trail and Airport Freeway**

SCHEDULING & SCHEDULES:

A schedule of areas to be mowed the following week along with what had been completed the previous week will be provided to the Parks Superintendent each Monday morning. This may be hand delivered or emailed. Email would be the preferred method.

PENTALTY SCHEDULE:

It is mutually agreed by Contractor and City that if completion of certain services to be provided by the Contractor under this Agreement specified below are delayed or not performed, a penalty as described herein will be assessed each day that the service is not properly performed or not provided as required under the contract. This is in addition to the City's other remedies allowed by law, including the contractual requirement that the condition be remedied. Failure to maintain staffing levels as indicated in contract submittal

Failure to maintain schedule(s) as defined in contract	$100.00 per day.
Damage to trees or tree collars will be assessed. At $100.00 for each instance. If damage is severe tree/shrubs will be replaced based on the sole discretion of the Park Superintendent.	$100.00 for each instance
Failure to correct general contract specification deficiency within 72 hours of written notification	$100.00 per day, per occurrence.

COST BREAKDOWN AND EQUIPMENT

Contractor's Cost Breakdown – information to be provided by Contractor

(This schedule is requested so that the City can estimate the annual cost for mowing services. This schedule is not intended to and does not commit the Contractor to providing full mowing service in future years at these prices.)

Contractors must complete the bid tabulation in Exhibit A to provide the annual cost for mowing services. (see Exhibit A)

a. Maintenance bed at 1524 Brown Trail (NE corner)

b. Maintenance bed at 1512 Brown Trail (SE corner)

c. Maintenance bed at 1513 Brown Trail (SW corner)

2. Intersection of Bedford Road and Airport Freeway

a. Maintenance bed at Center medians

b. Maintenance bed at 1245 Bedford Road (NW corner)

c. Maintenance bed at 1305 Airport Freeway (NE corner)

d. Maintenance bed at 1220 Airport Freeway (SE corner)

e. Maintenance bed at 1100 Airport Freeway (SW corner)

3. Intersection of Forest Ridge and Airport Freeway

a. Maintenance bed at Center medians

b. Maintenance bed at 1509 Airport Freeway (NW corner)

c. Maintenance bed at 1601 Airport Freeway (NE corner)

d. Maintenance bed at 1600 Airport Freeway (SE corner)

e. Maintenance bed at 1520 Airport Freeway (SW corner)

4. Intersection of Murphy Drive and Hwy 121

a. Maintenance bed at Center median

b. Maintenance bed at 2001 Murphy Drive (NW corner)

c. Maintenance bed at 2000 Murphy Drive (NE corner)

The bed maintenance will consist of removing all weeds and mulching the areas where necessary. It may also consist of removing dead plants and planting new plants per the City's recommendation.

Alternate bid 3. Total cost for one round of maintenance for all areas listed

$ 8340 00/XX

Alternate Bid # 4: Tree trimming and removal from drainage channels

Cost for day rate for trimming and or removing trees located in the creek and drainage areas. Please provide day rate cost for four (4) men, one truck and one chipper that would be included in this cost.

Alternate bid # 4: Day rate cost $ 1690 00/XX

Alternate bid # 5: Cost estimate for Special Requests

Contractor agrees to provide additional mowing service for special requests. The cost will be based per mowing crew hour, as requested by the City of Bedford.

The cost per hour of unscheduled mowing services = $ .38 . per hour.

Note: The Contractor's equipment shall be in good repair and a qualified operator shall be responsible for the care and handling of the equipment. All tractors shall be equipped with an amber Target-Tech Strobe Light (No. 512-551-A) or equal and a Slow Moving Vehicle sign.

EQUIPMENT

	YEAR	Make	Model
2x	2011	ISUZU	NPR
4X	2008-2017	FORD	F-250
9X	2016-2019	JOHN DEERE	ZTR Z930M
1X	2017	JOHN DEERE	1600 TURBO
1X	2018	SCAG	ZTR TRIM
1X	2016	KUBOTA	9960
1X	2016	JOHN DEERE	CX15
24X	2019	STIHL	FS111R
7X	2019	STIHL	FT111R
15X	2019	STIHL	BR 700
4X	2006-2015	WELLS CARGO	EXPRESS WAGON

VERIFICATION OF WORK:

It shall be the responsibility of the Parks Superintendent or designee to guarantee the execution, inspection, and monitoring of the work performed by the contractor in accordance with the terms and conditions of these specifications.

AWARD OF BID:

The City reserves the right to select the bidder that most represents the best value to the interests of the City of Bedford. In that regard, the City's evaluation of each bid shall include not only the dollar amount of each bid, but will also include an assessment of each bidder's capacity to perform. In this regard, the City shall evaluate prior work performance through the checking of references, and an evaluation of the equipment and manpower information provided by the bidder in the submittal bid.

After taking all of the above factors into consideration, the City reserves the right to take one of the following actions:

- Reject any and all bids.
- Award portions of the contract to more than one Contractor.
  Award the entire contract to the lowest responsible bidder.

RESPONSIBILITY FOR CITY PROPERTY DAMAGES:

The Contractor will be responsible for any damage done to desirable plant material, the facility or other facility property during mowing. This list is not all inclusive but includes trees, shrubs, ground covers, light post, and irrigation equipment, electrical, phone, fiber, plumbing damaged or destroyed during the mowing will be reported to the City representative immediately. The repairs to the damaged property will be at the contractor's expense. The contractor may use an outside-qualified contractor for the repairs or ask the city to make the repairs and be billed to the contractor.

CONTRACTOR QUALIFICATIONS:

Contractors submitting bids certify to the City that they possess all necessary equipment, facilities, personnel and work experience to fulfill the terms of the Contract at the time of bid submission, or that they shall have the necessary equipment and personnel and be ready to proceed on the starting date of the initial contract period.

CONTRACT TERMINATION:

A. Termination for Convenience By Owner – This contract may be terminated for convenience by the City in part or in its' entirety at any time with thirty (30) days written notice. The City agrees to pay the Contractor for work that has been completed and is not in dispute.
B. Termination for Convenience By Contractor - This contract may be terminated for convenience by the Contractor in its' entirety at any time with thirty (30) days written notice.
C. Termination for Default - City reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the interest of the City. City reserves the right to determine a breach of contract and reserves the right to terminate the contract in part or in its' entirety based on the performance of the contractor. Continuing non-performance of the Contractor in terms of specifications shall be basis for the termination of the contract by the City. The Contractor will be given a reasonable opportunity, as stated in this contract, before termination, to correct the deficiencies. This however, shall in no way be construed as negating the basis for termination for non-performance. City reserves the right to terminate the contract immediately for the following reasons:

1. Failure to meet schedules;
2. Failure to pay minimum wages;
3. Failure to maintain required insurance;
4. Failure to pay required taxes;
5. Failure to provide adequate supervision at the facility;
6. Failure to otherwise perform in accordance with these specifications.

NON-DISCRIMINATION:

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

ADDENDUM:

The Owner reserves the right to issue an addendum to the Contract prior to accepting bids for the work. Such addendum(s) shall be hereby made a part of these specifications.

Upon receipt of the addendum(s), the Contractor shall acknowledge their receipt by listing the addendum(s) and signing in the appropriate spaces in the Proposal. A statement acknowledging receipt of each addendum identified by its number should be shown on the bid envelope. The Owner also reserves the right to issue an addendum throughout the term of the Contract. Such addendum(s) shall be, and are hereby made a part of these specifications.

AFFIDAVIT AGAINST PROHIBITED ACTS

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

6-17-19

Signature Date

Attest (if Contractor is a Corporation) Date

ADDITIONAL POLICY ENDORSEMENTS

The City shall be entitled, upon request, and without expense, to receive copies of the policies and all endorsements thereto and may make any reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any of such policies). Upon such request by the City, the successful Bidder shall exercise reasonable efforts to accomplish such changes in policy coverage's, and shall pay the cost thereof.

REQUIRED PROVISIONS

The successful Bidder agrees that with respect to the above required insurance, all insurance contracts and certificate(s) of insurance will contain and state, in writing, on the certificate or its attachment, the following required provisions:

a. Name the City of Bedford and its officers, employees, and elected representatives as additional insured, (as the interest of each insured might appear) as to all applicable coverage;

b. Provide for 30 day's notice to the City for cancellation, nonrenewal, or material change;

Remove all language on the certificate of insurance indicating that the insurance company or agent/broker will endeavor to notify the City but failure to do so shall impose no obligation or liability of any kind upon the company, its agents, or representatives.

c. Provide for notice to the City at the two addresses shown below by registered mail;

d. The successful Bidder agrees to waive subrogation against the City of Bedford, its officers, employees, and elected representatives for injuries, including death, property damage, or any other loss to the extent same may be covered by the proceeds of insurance;

e. Provide that all provisions of this agreement concerning liability, duty, and standard of
care, shall be underwritten by contractual liability coverage sufficient to include such obligations within applicable policies.

f. For coverage's that are only available with claims made policies, the required period of coverage will be determined by the following formula: Continuous coverage for the life of the agreement, plus one year (to provide coverage for the warranty period) and an extended discovery period for a minimum of 5 years which shall begin at the end of the warranty period.

NOTICES

The successful Bidder shall notify the City in the event of any change in coverage and shall give such notices not less than 30 days prior to the change, which notice must be accompanied by a replacement CERTIFICATE OF INSURANCE.

All notices shall be given to the City at the following address:

Don Henderson
Parks Superintendent, City of Bedford
2000 Forest Ridge Drive, Bedford TX 76021

SECTION D.

Approval, disapproval, or failure to act by the City regarding any insurance supplied by the successful Bidder shall not relieve the successful Bidder of full responsibility or liability for damages and accidents as set forth in the agreement documents. Neither shall the bankruptcy, insolvency, or denial of liability by the insurance company exonerate the successful Bidder from liability.

AFFIRMATION OF BID

V IDASCAPES **(Name of Company) hereby submits the attached bid for performing CITY WIDE MOWING & TRIMMING SERVICES RFB: 2019-05 for the City of Bedford, as specified in Contract documents and attachments that have been provided.**

In submitting this bid, VIDASCAPES (name of company) affirms that they have the capacity, manpower and equipment to perform all of the acts and services specified in the bid package of materials that have been provided.

Total Cost of bid:

$_____

After fully evaluating the data provided, we hereby submit the bid in good faith on this day the 18TH (day) of JUNE (month), 2019 (year).

Company Name VIDASCAPES

Company Address P.O. Box 189 Colleyville TX 76034

Company Phone No. 817-797-4573

Company Fax No. N/A

Name of Company Official
Signing the bid for this company

JENSON GAINER
(print name)

Signature of Company Official

VENDOR COMPLIANCE WITH STATE LAW

The 1985 Session of the Texas Legislature passed House Bill 620 relative to the award of Contracts to non-resident bidders. This law provided for non-resident bidders to bid projects for construction,

improvements, supplies or services in Texas. To be awarded these Contracts, non-resident bidder must bid an amount lower than the lowest Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid a non-resident bidder to obtain a comparable Contract in the state of the non-resident's principal place of business.

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

Item A: ALL BIDDERS

I hereby certify that our principal place of business is in the State of Texas.

YES X NO_____

Item B: NON-RESIDENT BIDDERS

Non-resident vendors in _____ (State), our principal place of business, are required to bid _____% lower than resident bidders by State Law.

Non-resident vendors in _____ (State), our principal place of business, are not required to underbid resident bidders.

AFFIDAVIT AGAINST PROHIBITED ACTS

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

_____ 6-17-19

Signature Date

_____ _____

Attest (if Contractor is a Corporation) Date

CONFLICT OF INTEREST QUESTIONNAIRE

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code went into effect which requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the City Secretary of the City of Bedford not less than the 7th business day after the person becomes aware of facts that require the statement to be filed.

A recent amendment to this state law that went into effect on September 1, 2007 now allows for two changes to the original statute:

1. The Conflict of Interest Questionnaire only needs to be filled out and returned with your bid if you or your company are aware of a conflict, and,
2. If the amount of the conflict exceeds $2,500

It is the responsibility of every vendor filling out and returning this bid to determine if there is a conflict meeting the parameters listed above. If so, **the City of Bedford requires that this Questionnaire be completed and turned in with your bid.** If there is no conflict, or if the amount of the conflict is less than $2,500, then you are not required to submit the Questionnaire with your bid.

See Section 176.006, Local Government Code which reads "A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor."

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

Page 1

This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person doing business with the governmental entity.

By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person violates Section 176.006, Local Government Code. An Offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 **Name of person doing business with local governmental entity.**

VIDASCAPES, JENSON GAINER

2

☐ 5 **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than September 1 of the year for which an activity described in Section 176.006(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 **Name each employee or contractor of the local government entity who makes recommendations to a local government officer of the governmental entity with respect to expenditures of money AND describe the affiliation or business relationship.**

4 Name each local government officer who appoints or employs local government officers of the governmental entity for which this questionnaire is filed AND describe the affiliation or business relationship.

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ
Page 2

For vendor or other person doing business with local governmental entity

5

Name of local government officer with whom filer has affiliation or business relationship. (Complete this section only f the answer to A, B, or C is YES.

This section, item 5 including subparts A, B, C & D, must be completed for each officer with whom the filer has affiliation or other 'elationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire?

☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the local government Officer named in this section AND the taxable income is not from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire affiliated with a corporation or other business entity that the local government officer serves? As an officer or director, or holds an ownership of 10 percent or more?

☐ Yes

No

D. Describe each affiliation or business relationship.

6

Signature of person doing business with the governmental entity

6-17-19
Date

Texas Ethics Commission – Form 1295

The Texas Ethics Commission has a new ethics law. It prohibits a governmental entity or state agency from entering into certain contracts with a business entity unless the business entity submits a disclosure of interested parties Form 1295.

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties (Form 1295) to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

A business entity must file Form 1295 electronically with the Texas Ethics Commission using the https://www.ethics.state.tx.us/

https://www.ethics.state.tx.us/whatsnew/FAQ_Form1295.html

The City of Bedford must acknowledge the receipt of the filed Form 1295 not later than the 30th day after the date the contract binds all parties to the contract. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

The Commission's rules provide that the business entity must include on the form an "identification number used by the [city] . . . to track or identify the contract for which the form is being filed."

Bid Reference Number: RFB 2019-05

CITY OF
BEDFORD
Discover the Center

Form TCG 2270

VERIFICATION REQUIRED BY TEXAS GOVERNMENT CODE CHAPTER 2270

By signing below, Company herby verifies the following:
1. Company does not boycott Israel; and
2. Company will not boycott Israel during the term of the contract.

SIGNED BY:

Government Code § 2270.002.

Printed Name/Title: JENSON GAINER GM

Company Name: VIDASCAPES

Date signed: 6-17-19

Provision Required in Contract Effective: **September 1, 2017**

A governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:
(1) does not boycott Israel; and
(2) will not boycott Israel during the term of the contract; and

AGENDA

EXHIBIT A

Pricing Worksheet Several Locations

Name of Bidder:

WORKSHEET SUMMARY	Totals	
FACILITIES	$ 2,153.00	x33 = 71049
VACANT LOTS	$ 210.00	x33 = 6930
BULK/BW MOWS	$ 820.00	V = 8815
RIGHTS-OF-WAY	$ 1,695.00	V = 36285
MEDIANS	$ 2,240.00	x33 = 73920
DRAINAGE CHANNELS	$ 3,175.00	V = 23825
GRAND TOTAL	$ 10,293.00	220,824

AGENDA

EXHIBIT A

Pricing Worksheet Several Locations

VIDASCAPES

Name of Bidder:

WORKSHEET SUMMARY	Totals
FACILITIES	$ 2,153.00
VACANT LOTS	$ 210.00
BULK/BW MOWS	$ 820.00
RIGHTS-OF-WAY	$ 1,695.00
MEDIANS	$ 2,240.00
DRAINAGE CHANNELS	$ 3,175.00
GRAND TOTAL	$ 10,293.00

#220824 00/XX

FACILITIES	AREA SIZE		MOWING AND TRIMMING SERVICES														
			CYCLES	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	BID
City Hall			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
2000 Forest Ridge Drive	Sq Yds	16,753	Cost per mow													$ 231.00
Former Library Building			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
1805 L Don Dodson Drive	Sq Yds	7,193	Cost per mow													$ 60.00
Fire Station 1			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
1816 Bedford Rd	Sq Yds	1,463	Cost per mow													$ 40.00
Fire Station 2			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
541 Bedford Rd	Sq Yds	4,811	Cost per mow													$ 60.00
Fire Station 3			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
3810 Martin	Sq Yds	2,919	Cost per mow													$ 40.00
Old Bedford School			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
2400 School Lane	Sq Yds	11,895	Cost per mow													$ 213.00
Bedford Public Library			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
2424 Forest Ridge Drive	Sq Yds	36,480	Cost per mow													$ 387.00
Bedford Law Enforcement Center			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
2121 L Don Dodson Drive	Sq Yds	19,825	Cost per mow													$ 322.00
Bedford Animal Shelter			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
1809 Reliance Parkway	Sq Yds	1,355	Cost per mow													$ 40.00
Bedford Linear Trails			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
(From McLain Rd - to - Woodpark Ln)	Sq Yds	0	Cost per mow													$ 900.00

TOTAL FACILITIES $ 2,153.00

AGENDA

VACANT LOTS	AREA SIZE		MOWING AND TRIMMING SERVICES													
			CYCLES	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	BID
1100 Shady Oak Ct			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
1100 Shady Oak Ct	Sq Yds	1,369	Cost per mow													$ 30.00
1101 Shady Oak Ct			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
1101 Shady Oak Ct	Sq Yds	1,985	Cost per mow													$ 30.00
1105 Shady Oak Ct			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
1105 Shady Oak Ct	Sq Yds	1,212	Cost per mow													$ 30.00
2057 Shady Brook Dr			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
2057 Shady Brook Dr	Sq Yds	2,131	Cost per mow													$ 30.00
2061 Shady Brook Dr			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
2061 Shady Brook Dr	Sq Yds	1,374	Cost per mow													$ 30.00
1412 Donna Lane			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
1412 Donna Lane	Sq Yds	2,671	Cost per mow													$ 30.00
1413 Donna Lane			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
1413 Donna Lane	Sq Yds	1,558	Cost per mow													$ 30.00
1421 Donna Lane			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
1421 Donna Lane	Sq Yds	1,244	Cost per mow													$ 30.00
96 Regents Park			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
Hwy 183 abandoned lot	Sq Yds	0	Cost per mow													$ 30.00
152 Stonegate Ct			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
Hwy 183 abandoned lot	Sq Yds	0	Cost per mow													$ 30.00
149 Stonegate Ct			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
Hwy 183 abandoned lot	Sq Yds	0	Cost per mow													$ 30.00
38 Kingston Ct			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
Hwy 183 abandoned lot	Sq Yds	0	Cost per mow													$ 30.00
33 Kingston Ct			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
Hwy 183 abandoned lot	Sq Yds	0	Cost per mow													$ 30.00
Somerset Cir			# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
270 - 282 Somerset Cir	Sq Yds	0	Cost per mow													$ 30.00

TOTAL VACANT LOTS $210.00

AGENDA

BULK AND BI-WEEKLY MOWS	AREA SIZE		CYCLES	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	BID
				MOWING AND TRIMMING SERVICES												
Undeveloped Blues Fest Site			# of mows	0	1	0	0	1	1	1	1	1	1	1	1	9
1845 L Don Dodson	Sq Yds	38,479	Cost per mow													$ 615.00
Undeveloped, TW Williams, TR 3C A-1735			# of mows	0	1	0	0	1	2	2	2	2	2	2	2	16
1910 Bedford Rd	Sq Yds	4,840	Cost per mow													$ 90.00
Stonegate Pool site			# of mows	0	1	0	0	1	2	2	2	2	2	2	2	16
533 Bedford Rd	Sq Yds	4,075	Cost per mow													$ 115.00
			# of mows			0	0									0
	Sq Yds	0	Cost per mow													$ -

TOTAL BULK & BIWEEKLY MOWS $ 820.00

AGENDA

RIGHT-OF-WAYS

MOWING AND TRIMMING SERVICES

	CYCLES	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	BID
Martin Drive ROW	# of mows	1	1	0	0	1	2	3	3	3	3	3	3	23
(From Cheek Sparger - to - Blessing Ct)	Cost per mow													$ 200.00
Harwood Road ROW	# of mows	1	1	0	0	1	2	3	3	3	3	3	3	23
(From Norwood - to - N. Industrial Blvd)	Cost per mow													$ 445.00
Central Drive ROW	# of mows	1	1	0	0	1	2	3	3	3	3	3	3	23
(From Cheek Sparger - to - Bedford Rd)	Cost per mow													$ 200.00
Cheek Sparger ROW (Bedford city limits only)	# of mows	1	1	0	0	1	2	3	3	3	3	3	3	23
(From McLain Rd - to - Hwy 121)	Cost per mow													$ 400.00
Other rights-of-way (ROW)	# of mows	1	1	0	0	1	2	2	2	2	2	2	2	17
(see map for locations of all ROW)	Cost per mow													$ 450.00
														0
														$ -

TOTAL ROW & MEDIANS $ 1,695.00

AGENDA

MEDIANS

MOWING AND TRIMMING SERVICES

	CYCLES	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	BID
Harwood Road Medians	# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
(From Norwood - to - N. Industrial Blvd)	Cost per mow													$ 1,030.00
Central Drive Medians	# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
(from Cheek Sparger - to - Harwood)	Cost per mow													$ 515.00
Central Drive Medians	# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
(from Harwood - to - Bedford Rd)	Cost per mow													$ 515.00
Central Drive Medians	# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
(corner of Central Drive & Hwy 183)	Cost per mow													$ 60.00
Park Place Blvd Median	# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
(corner of Park Place Blvd & Hwy 183)	Cost per mow													$ 60.00
Forest Ridge Dr Medians	# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
(corner of Forest Ridge Dr & Hwy 183)	Cost per mow													$ 60.00
Bedford Rd Medians	# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
(corner of Bedford Rd & Hwy 183)	Cost per mow													$ 60.00
Plaza Parkway	# of mows	3	2	0	0	2	3	3	4	4	4	4	4	33
(2317 - 2398 Plaza Pkwy)	Cost per mow													$ 60.00

TOTAL ROW & MEDIANS $ 2,240.00

AGENDA

DRAINAGE CHANNELS	MOWING AND TRIMMING SERVICES													
	CYCLES	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	BID
Brookside Channel	# of mows	0	0	0	0	1	0	1	1	2	2	1	1	9
(From Cheek Sparger - to - Cummings)	Cost per mow													$ 400.00
South Channel (east of Forest Ridge)	# of mows	0	0	0	0	1	0	1	1	2	2	1	1	9
(From Circle Lane - to - Rankin Dr)	Cost per mow													$ 400.00
Other Drainage areas	# of mows	0	0	0	0	1	0	1	1	1	1	1	1	7
(see map for locations of all Drainage areas)	Cost per mow													$ 2,375.00
	# of mows													0
	Cost per mow													$ -

TOTAL ROW & MEDIANS $ 3,175.00

AGENDA

AGENDA

Council Agenda Background

PRESENTER: Michael Boyter, Councilmember **DATE:** 08/27/19

Council Request

ITEM:

Discussion and possible action regarding instructing staff to formally review all City codes and ordinances, the Master Plan, Comprehensive Plan and all other related matters as determined by Council. **This item requested by Councilmember Boyter.

City Attorney Review: N/A

DISCUSSION:

Councilmembers Boyter requested this item be placed on the agenda for discussion and possible action.

ATTACHMENTS:

Letter of Request

AGENDA

Jacobs, Amanda

From: Wells, Michael
Sent: Wednesday, August 7, 2019 8:38 AM
To: Jacobs, Amanda
Subject: FW: Tuesday, August 13, 2019 Council Meeting Agenda Item Request

--
Michael Wells
Office: 817-952-2104

From: Boyter, Michael <Michael.Boyter@bedfordtx.gov>
Sent: Wednesday, August 7, 2019 8:38 AM
To: Wells, Michael <Michael.Wells@bedfordtx.gov>; Bosshardt, Brian <Brian.Bosshardt@bedfordtx.gov>
Cc: Boyter, Michael <Michael.Boyter@bedfordtx.gov>
Subject: Tuesday, August 13, 2019 Council Meeting Agenda Item Request

Mr. Wells,

By means of this correspondence, I would like to request an item be added to the Regular Session/New Business portion of the Tuesday, August 13, 2019 City Council agenda. I request an item be added to discuss and possibly take action regarding instructing staff to formally review all City codes and ordinances, the Master Plan, Comprehensive Plan and all other related matters as determined by Council. I would like to ask that staff (in particular Emilio Sanchez, Kenny Overstreet, and the City Attorney) be made available to answer questions related to such.

Thank you for your attention to this matter. Feel free to call me if you have any questions or comments regarding this.

Michael

--
Michael Boyter
Council Member
City of Bedford
2000 Forest Ridge Drive, Bedford, TX 76021-5713
Office: 817-952-2173 | Fax: 817-952-2103 | Michael.Boyter@bedfordtx.gov