

**Council Minutes September 14, 2016**

**STATE OF TEXAS §**

**COUNTY OF TARRANT §**

**CITY OF BEDFORD §**

**The City Council of the City of Bedford, Texas, met in Special Session at 7:00 p.m. in the Council Chambers of City Hall, 2000 Forest Ridge Drive, on the 14th day of September, 2016 with the following members present:**

Jim Griffin	Mayor
Ray Champney	Council Members
Steve Farco	
Roger Fisher	
Dave Gebhart	
Rusty Sartor	
Roy W. Turner	

constituting a quorum.

Staff present included:

Roger Gibson	City Manager
Kelli Agan	Assistant City Manager
Michael Wells	City Secretary
Cliff Blackwell	Administrative Services Director
Jeff Gibson	Police Chief
Meg Jakubik	Strategic Services Manager
Jill McAdams	Human Resources Director
Kenny Overstreet	Public Works Director
Maria Redburn	Library Director
Bobby Sewell	Interim Fire Chief
Bill Syblon	Development Director

**SPECIAL SESSION 7:00 P.M.**

The Special Session began at 7:06 p.m.

**CALL TO ORDER/GENERAL COMMENTS**

Mayor Griffin called the meeting to order.

**NEW BUSINESS**

- 1. Consider an ordinance adopting the annual budget for the City of Bedford, Texas for the fiscal period of October 1, 2016 through September 30, 2017; providing for intra-fund and/or intra-departmental transfers; providing for investment of idle funds; and declaring an effective date.**

Strategic Services Manager Meg Jakubik stated this item is the culmination of a process that started for Council in July, but started for staff in March. She thanked staff for their efforts, for without the cooperation of all the departments, this budget could not have been put in front of Council. This item is for the approval of the budget as it was presented to Council at their August 5, 2016 budget work session, since Council had not requested any changes. The revenue budget amongst all funds is \$68,910,590, while the expenditure budget is \$69,349,538.

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Councilmember Fisher stated that the City Manager laid out the plan for the budget, and presented to each Council Member what a 12 percent property increase would do to the tax rate. His initial reaction was to stay under the rollback rate. However, after several weeks of discussion and the introduction of a short-term debt mechanism, which is new concept in the budget process, it became clear to him that the tax rate needed to remain the same. By keeping it the same, though taxpayer bills would go up, there would be cash to pay for capital needs, salaries for first responders and other employees, and to maintain quality City services. As the short-term debt was approved by Council by a vote of four to two, it would be irresponsible for Council to move over the rollback rate of \$0.476 per \$100 valuation. It would be seen as a money grab, and where he was once confident that keeping the tax rate the same without the debt would survive a rollback election, he is not near as confident that buying the debt and the higher rate would withstand the scrutiny. He believed that there were items in the budget that could still be discussed, but they should be looked at in the framework of a budget built on the \$0.476 rate. From the first presentation of the budget, he expressed his concerns regarding the short-term debt and he stated that his passion against the mechanism may have gone too far, and he apologized if it was offensive, as it was not a criticism of staff who crafted the budget. In his opposition against the debt, he hoped it was not taken as staff not doing their job, as his first solution was to find a way to avoid a rollback possibility, which they did. He did not like it and proposed a different solution. He will support the budget at \$0.476 and waged his protest the previous evening by voting against the debt. He supports the Bedford team and finds it petty to vote against the budget that he agrees with 99 percent. To his fellow Council Members, he stated that 90 percent of the time they are in agreement, but that not every meeting is going to be like that. They need the ability to discuss issues in the open and have the courage to put all options on the table. He may be oversensitive to the situation, but he is tired of being the odd man out for suggesting non-traditional ways of dealing with the City's issues. Not challenging the status quo and dealing with the people that pay for it, means Council is not doing their job. He stated Council should recommit to the promise that they are going to do right by the people the government affects, regardless of the popularity of the majority opinion, and to respect those that might be in the minority.

Councilmember Gebhart stated that the Council has been put in tough position by the excellent work of staff on the budget, which followed the direction of Council in seeking to preserve the City's ability to keep employees well-paid and provide for the future. It is not an extravagant budget, but there are some things that can be changed. He labored long over this vote and he has been vocal about his specific opposition to the line item for City money going to a non-profit organization. He considered his role as a Councilman and making sure his vote is not based strictly on personal preferences. There are other things in the budget on which he could differ, such as what the payback is for certain memberships, for community and civic organizations, and certain types of training, including from the Texas Municipal League; however, those are items of personal preference. He still has to oppose the designation of public money for private individuals, and even though it is listed as a line item for contract services, City money is being given to a charity to do charitable work in the City, which is wrong. Parks and libraries are open for all citizens, so even if they are not needs, they are open and available to all. When money is given to private charities to do individual works, even for homes in Bedford, it is still using public money for private needs. He quoted James Madison regarding his inability to find an article in the Constitution that granted the right of Congress of expending the money of their constituents on objects of benevolence; and that charity has no part of the legislative duty of government. Councilmember Gebhart stated they are the lowest form of legislative government in the country, and this item goes beyond personal preference. Limited government is a transcendent principle of the United States but years of looking and falling away from a commitment to those absolute principles has taken the country to where it is now, where they bear no resemblance to their dedication to the principles of the Constitution. So much of the government is running without any Constitutional direction or authority, which is felt by citizens and businesses through taxes and regulations. If he could make a motion, he would strike that particular line item from the budget for the reasons he stated. Council would be better served to use their bully pulpit to encourage the willful donation of the public, and by passing this item, the City is essentially going door-to-door and taking money by force to give to a charity. He stated 6Stones could be added to the choices on the water bill so residents could choose to donate. He made the motion to approve the expansion of the 6Stones garden because it is a good role of the government to encourage private charity. He felt that if the role and responsibility of the

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government cannot be controlled at the smallest level, there is no hope to claim any Constitutional boundaries for the state or federal government.

Councilmember Champney stated that going back to what Councilmember Fisher had to say demonstrates that each member of Council has their own opinions and mindsets. The agreement referred to by Councilmember Gebhart was fully reviewed and vetted at the time it took place, and it was determined that it was to the advantage of the citizens of Bedford. He has been a proponent of the budget based on the \$0.476 tax rate from the beginning. He fully appreciates what Councilmember Fisher had to say about being able to voice opinions. The following year, if it is determined that there would be funds needed for the Police and Fire Departments, and other necessities for the City, and it is found they have a shortfall to do so, he would have no objections to putting together a comprehensive plan and coming to the citizens about what the Council wants to do, why they would need the money, and why taxes would need to be increased.

Councilmember Turner stated that he appreciates the eloquence and passion of his colleagues in these matters. He shared the concern about public money being dispensed to private entities. After a long period of time, he justified it on the basis that there was public good coming from public money. He is concerned about the tax rate and had been leaning toward the \$0.495 tax rate in order to fund necessary things to keep the City moving forward and to begin paying first responders an adequate salary. The step plan is a five-step process, which can be funded for the first year based on the \$0.476 tax rate, but not beyond that. Next year, they will have to look for funds for the second step in the staged process. He will reluctantly vote for the \$0.476 tax rate, though his first choice would be to keep the tax rate the same, which would have an impact of \$31 a year. The \$600,000 the City could get from the two cent increase in the tax rate would be well used for Police and Fire, as well as other necessary things. The City has been through troubling times during the rollback election in 2004 and is just now getting back to semblance of normality. He believes there is significant risk associated with going above the rollback rate and does not wish to put the City in that position of creating further division. He will, therefore, reluctantly support the \$0.476 tax rate knowing the first responders will be funded for the first year and with the pledge that he will do what he can do to fund it for the rest of the four years.

Councilmember Farco stated that he supported the \$0.495 tax rate and the City has done a great job keeping the tax rate the same when it could have been increased. A bond election was passed for the Boys Ranch and was absorbed in the budget as opposed to raising taxes. In looking forward, the first priority is staff, and he is glad the City is funding what needs to be funded. He is worried about the future and the steps that need to be taken to make sure the City moves forward. There are people that ask why the City does not have better facilities, and the City wants to provide those, but they cost money. There are positions in the Police and Fire Departments that are frozen, that need to be added but are not. The City is still growing and there is going to be a need for additional services. The next year, Council will need to figure out how to get ahead. He will reluctantly vote for the rollback rate due to the fact the rest of his colleagues will vote that way. He wanted everybody to know that he was for \$0.495, but staff is being taken care of, and he thanked them for the job they have done and continue to do.

Councilmember Sartor stated that had he been at the meeting the previous evening, he would have voted against the debt, and would have voted for the \$0.495 tax rate without the debt. That would have given the City the necessary funds to be forward-thinking, and to take care of staff, Police and Fire for future pay raises without having the associated debt. He respected Council's vote to fund the debt. He stated it was obvious the \$0.495 tax rate would not pass the Council and he will support the \$0.476 tax rate, mostly due to the debt component being added to the budget. He wanted to make clear to staff, Police and Fire, that when next year comes around and it is time to fund pay raises, he will do everything in his power to make sure the next part of the step plan is funded in order to keep staff in a salary range that is competitive with regional cities.

Mayor Griffin stated that the budget was built around the \$0.476 tax rate, but was not dictated by the tax rate. In listening to his colleagues, it is apparent they tied the budget to the tax rate, and are comfortable with what that number should be. He believes the Council has worked hard with staff. They have

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consistently tried to manage their debt, finances and costs, and the tax rate has been kept the same the previous four years. Council, along with staff, has done an excellent job in balancing the needs and desires of the residents and getting everything done the City needs to have done. There was a unique dilemma this year as appraisals greatly increased, which created a large gap with the tax rate. In regard to the way the budget was constructed, a fantastic job was done in addressing specific needs in the Police and Fire Departments with the step plan. Council has to look beyond this year to make sure the process is taken care of and they also have to look at taking care of the rest of the employees. There was a 38 percent increase in insurance costs, which Council needed to figure out how to pay for, and was done so by sharing those costs with the employees. The City needs to keep moving forward and work together as a team to make the City better. Staying at the current tax rate was a way of looking forward as any residual funds could have been earmarked for future insurance and employee costs, without having to get to the point of needing a tax increase the following year. He did not agree that the debt component authorized the previous evening damaged that situation, and that there was no way anybody could predict whether doing so would create a similar circumstance to what happened in 2004. He stated it looked like the majority of Council knew where they wanted to go and he applauded staff for the hard work they put into the budget.

Motioned by Councilmember Gebhart, to approve an ordinance adopting the annual budget for the City of Bedford, Texas for the fiscal period of October 1, 2016 through September 30, 2017 and eliminating the line item for \$60,000 of public money to the 6Stones charity.

Councilmember Gebhart stated the \$60,000 could be pay for another Police Officer or paramedic. Councilmember Fisher discussed that if all non-profit money were to be taken out, it would include the Northeast Transportation Service, which provides rides to the elderly and disabled.

The motion failed for the lack of a second.

Councilmember Fisher stated that 6Stones is a collaboration of the public school system, local businesses and the cities of Hurst, Euless and Bedford. The success of the one city hinges on the success of the other cities. The organization provides backpacks for over 6,000 students in HEB ISD, a district where 54 percent of the community is economically disadvantaged. They provide gifts and dinners at Christmastime. In the interest of full disclosure, he stated that he sits on the board of 6Stones. He discussed the program that includes the City's contribution, which involves the homes of the elderly, disabled, veterans, widows and widowers, including those with code violations. He stated the City can either continue to cite these people or it can contribute seed money to allow 6Stones to evaluate the homes and homeowners to see if they are eligible for 6Stones to come in and do a home makeover. There is statistical data that there are increased home values in neighborhoods in which 6Stones has been active. He stated \$25,000 is used twice a year for 6Stones to evaluate the homes and homeowners, while the rest is used for a match the City pays back in supplies to rehab homes. It makes the neighborhoods better and stronger, and makes some peoples' lives better. He is proud of the organization and the courage Council had to get involved with them. There was discussion on the number of cities across Texas and the country using the program as a model.

Councilmember Gebhart stated that the organization is worthy of support and did not accuse them of being shady or doing things that are unworthy. He discussed the overall purpose of government and public money being for public efforts. He stated that many people point to the general welfare, which has been overly abused at the federal level, but can be applied in this situation. He has seen what they do and he fully supports it, but he has seen many homes where they have come and done their work, and several months later the homes are back to looking ramshackle. Effective change has to be done through local community organizations and churches, and has to be persistent and ongoing. He stated he has a philosophical disagreement with feel-good activities, even if they have tangential benefits. Though he supports what they do, he asked if this is the right use of City money.

Councilmember Champney stated that he is a big supporter of 6Stones, has been involved with them from the beginning, and has worked on many of the houses. When this issue was discussed several years ago, there was conversation on if this is something with which the City should get involved. There was debate,

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and analysis of the value to be received, which far exceeded the investment from the standpoint of economic development. By improving the homes, the entire area was improved. He is a proponent of putting together a marketing plan in order to position the older sections of the City as the ideal place for young families to come in, and this kind of program encourages that. Fixing up a neighborhood makes it economically attractive, and helps the City attract new residents. It is an economic development investment in addition to the other benefits.

Councilmember Farco discussed making a huge change in the community with the program. As the Council is not paid, he feels that making the change in the community is his payment. A lot of employees from Police and Fire work on and improve those houses. He has worked side-by-side with members of staff and the Council to improve both houses and community relations. This is done all the time such as through block parties, where the City is giving back and spending money on the citizens. He asked how somebody can be 99 percent for something, there be just one area they are not for, and vote against it.

Councilmember Turner stated it is a requirement by the State for the City to pass the budget before it passes a tax rate.

Motioned by Councilmember Turner, seconded by Councilmember Champney, an ordinance adopting the annual budget for the City of Bedford, Texas for the fiscal period of October 1, 2016 through September 30, 2017.

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

Voting in favor of the motion: Mayor Griffin, Councilmember Sartor, Councilmember Champney, Councilmember Farco, Councilmember Turner and Councilmember Fisher.

Voting in opposition to the motion: Councilmember Gebhart

### **2. Consider a resolution to ratify the property tax increase as reflected in the FY 2016-2017 City of Bedford Program of Services (Budget).**

Ms. Jakubik stated that this item is a procedural requirement of the State Legislature. If the Council approves a budget that incorporates into it a property tax revenue increase, a secondary vote is required to ratify the increase.

Motioned by Councilmember Farco, seconded by Councilmember Turner, to approve a resolution to ratify the property tax increase as reflected in the FY 2016-2017 City of Bedford Program of Services (Budget).

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

### **3. Consider an ordinance levying taxes for the Tax Year 2016 for the City of Bedford, Texas; establishing the Ad Valorem Tax Rate of \_\_\_\_\_ per one hundred dollars valuation; providing for the apportionment of taxes for interest and sinking and for general operating needs; providing penalties and interest for delinquent taxes; and providing an effective date.**

Ms. Jakubik stated the budget as proposed by staff and adopted by Council was built upon a rate of \$0.476509 per \$100 valuation. This is the highest rate that could be adopted before it could be subjected to rollback proceedings. If this is the rate Council chooses to adopt, it would equate to a 6.3 percent increase in the tax rate. If Council chooses the current tax rate, it equates to a 10.4 percent increase. After the approval of the debt component the previous evening, the debt rate is set at \$0.172762 per \$100 valuation. The balance between that and whatever totality of rate Council chooses is the operating component of the tax rate. She confirmed that even with the approval of the debt component, the debt rate has been reduced by two cents.

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There was discussion that the City cut the tax rate by two cents but the State requires the City to say it is a tax increase.

Motioned by Councilmember Champney, seconded by Councilmember Gebhart, that the property tax rate be increased by the adoption of a tax rate of \$0.476509, which is effectively a 6.3 percent increase in the tax rate.

Mayor Griffin stated that he would have been comfortable staying at the current tax rate, which could have been used for a number of things. The Council can only affect the rate, though he recognizes that everybody has to pay more because appraisals increased. Even though multiple entities affect taxes, the City always gets targeted for raising taxes. He would be comfortable staying at the current tax rate, but hearing the input from his colleagues, he wants to be a team player.

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

### **ADJOURNMENT**

Mayor Griffin adjourned the meeting at 7:59 p.m.

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Jim Griffin, Mayor

ATTEST:

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Michael Wells, City Secretary