



**MINUTES
OF THE
REGULAR MEETING OF THE
BENBROOK CITY COUNCIL
THURSDAY, NOVEMBER 3, 2016**

The regular meeting of the Benbrook City Council was held on Thursday November 3, 2016 at 7:30 p. m. in the Council Chambers at 911 Winscott Road with the following Council members present:

Jerry Dittrich
Renee Franklin
Larry Marshall
Jim Wilson
Mark Washburn
Ron Sauma

Also Present:

Andy Wayman, City Manager
Joanna King, City Secretary
Cathy Morris, EDC Director
Bennett Howell, Public Services Director
Sherri Newhouse, Finance Director
Tommy Davis, Fire Chief
David Babcock, Police Commander

Others Present:

Maddi Schwartz, Accounting Manager
Kent Williams, EDC President
Bill Smith
Tammi Cauthen

I. CALL TO ORDER

Meeting called to order at 7:30 p. m. by Mayor Dittrich.

II. INVOCATION/PLEDGE OF ALLEGIANCE

Invocation given by Councilmember Renee Franklin.
The Pledge of Allegiance was recited.

III. MINUTES

1. Approve Minutes of the Regular Meeting held October 20, 2016

Motion by Dr. Marshall, seconded by Ms. Franklin to approve the minutes of the regular meeting held October 20, 2016.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

IV. PRESENTATION BY BENBROOK ECONOMIC DEVELOPMENT BOARD OF DIRECTORS

EDC-2016-03 Ratify EDC project and budget adjustment to purchase and redevelop property at 9301 Westpark Drive

Cathy Morris gave the following report: The Benbrook Economic Development Corporation (BEDC) adopted a revised EDC Strategic Plan to outline the mission and priorities of the BEDC. As part of that plan, the BEDC identified a desire to review and analyze select properties to consider purchasing to expedite quality development.

The BEDC has approached the Dorothy Loyd Trust (a Texas irrevocable inter vivos [living] trust), to purchase commercial property located at 9301 Westpark Drive, Benbrook, Texas, for the purpose of redeveloping the property to a suitable and desirable commercial use. The site (Lot 1R1, Block C of the Westpark Addition) is 0.54 acres or 23,671 square feet. There exists a retail gas station and convenience store containing 2,080 square feet of gross leasable area. The gas pumps are not functional.

The BEDC conducted a real estate appraisal in March of 2016. The BEDC hired W&M Environmental Group to conduct a Phase I and Phase II Environmental assessment of the property. W&M Environmental Group completed the Phase II study in June 2016, and has made recommendations to the board to mitigate environmental issues that are typical of old gas stations through the TCEQ Leaking Petroleum Storage Tank (LPST) program after sale.

BEDC submitted a contract and an offer to purchase the property for \$400,000. The offer has been accepted by the Dorothy Loyd Trust. BEDC staff has researched potential costs of environmental clean-up, tank removal, and building demolition at approximately \$200,000.

A Type B Economic Development Corporation pursuing new projects must do the following:

1. Publish notice of projects it plans to undertake and conduct at least one public hearing on proposed projects. (Benbrook News project/public hearing notice placed in October 20, 2016 edition for BEDC October 25 special meeting).
2. Obtain City Council approval of the project.
3. Wait 60 days from date of public notice to expend funds. (December 19, 2016)

The BEDC conducted a special meeting and public hearing on October 25, 2016 and approved this item. There was no public comment.

Motion by Mr. Wilson, seconded by Mr. Washburn to approve the purchase of property located at 9301 Westpark Drive (Lot 1R1, Block C of the Westpark Addition) at \$400,000, and direct the BEDC Board President to execute the real estate contract; and approve related costs for environmental clean-up, tank removal, and demolition at \$200,000 for the purpose of preparing the property to sell to a developer to construct a suitable and desirable commercial use. And to approve the amendment of the FY 2017 EDC Budget by adding \$600,000 to be available for this project, with project funding to begin 60 days from legal notice (December 19, 2016).

Vote on the Motion:

Ayes: Dr. Marshall, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma, Ms. Franklin

Noes: None

Motion carries unanimously.

V. REPORTS OF CITY MANAGER

A. GENERAL

G-2267 Approve revised Concessionaire Agreement for Power Play Racing

Bennett Howell gave the following report: From 2005 to 2007, Sandom Baumgardner of Power Play Racing subleased a portion of the existing metal building at 302 Lakeview Drive from the Benbrook Marina to operate a boat repair business.

In 2007, Benbrook Marina requested permission to split the concession into two separate leases (marina and boat repair shop). The boat repair business is located just south of Benbrook Marina (white metal building on the hill). The Parks and Recreation Board, City Council and Corps of Engineers all approved the new Concessionaire Agreement. Since that time, Power Play Racing has operated a boat repair business and maintained the area without incident. The current agreement is for ten years and expires on September 31, 2017. The

lease payment to the City is three percent of gross revenues or \$50 per month, whichever is greater.

In addition to extending the current lease, Power Play Racing requests to expand the lease area to include the former Sailing Center space with the option, as budgets allow, to:

- Construct covered storage for the boats waiting for repairs;
- Have a guard shack with a live-in guard for night time and weekend security; and
- Operate the Sailing Center's septic system.

The financial terms of the revised Agreement are unchanged and the term is for ten years. The Parks and Recreation Board recommended approving the agreement at their October 12, 2016 meeting. The Corps of Engineers has conceptually approved the lease extension and boundary adjustment, pending approval by the City Council. The revised Agreement will not become final until the Corps of Engineers provides written approval to the City.

Motion by Ms. Franklin, seconded by Dr. Marshall to approve the revised Concessionaire Agreement with Power Play Racing.

Vote on the Motion:

Ayes: Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma, Ms. Franklin, Dr. Marshall

Noes: None

Motion carries unanimously.

G-2268 Accept finance report for period ending September 30, 2016

Sherri Newhouse gave the following report: The financial data is accurate as of October 27, 2016 and does not include revenue generated in the 2015-16 fiscal year that has not yet been received by the City of Benbrook. Two additional sales tax payments will be included in the total for General Fund revenues for 2015-16; the City has been notified that the first payment will be \$182,565 and the second payment is estimated at \$200,000; however, these funds have not yet been received. Additional revenue is also anticipated from the collection of property taxes by Tarrant County and for ambulance fees billed by the City.

The financial information presented does not include expenditures for items purchased, services rendered, or other costs that were expended in the 2015-16 fiscal year and for which the City has not yet issued payment. The adjustment of the final payroll of the 2015-16 fiscal year is not included in the expenditures.

Revenues, expenditures, and fund balances included within this report will vary from the audited financial data presented in the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2016.

General Fund revenues for the month of September were \$223,466. Property tax collections were \$26,957. Sales tax collected in August 2016 but received by the City and recognized as revenue in September 2016 was \$154,755 for the month. General Fund revenues collected through the end of September were \$16,558,312 or 99.37% of the budget.

General Fund expenditures for the month of September were \$2,078,235. Expenditures through the end of September were \$17,148,156 or 98.03% of the adopted budget. Expenses of \$543,896 for the replacement of one fire engine are reflected in the 2015-16 expenditures.

The 2015-16 General Fund budget includes the use of \$800,000 from reserves for transfers to the Capital Asset Replacement Fund and to establish the Animal Shelter Account in the Capital Projects Funds. These transfers are reflected in the year-to-date expenditure totals.

For the 2015-16 fiscal year-to-date, total General Fund expenditures, transfers, and use of reserves in the amount of \$17,148,156 exceeded General Fund revenues of \$16,558,312 by \$589,844.

Staff anticipates that the General Fund will end the 2015-16 fiscal year with a positive balance after additional revenues are collected from sales taxes, property taxes, and ambulance fees and after appropriate expenditure adjustments are completed. The positive fund balance includes the transfers and fire engine purchase as expenses.

Debt Service revenues collected for the month of September 2016 totaled \$1,065; all revenue was from property taxes. Total revenue collected for 2015-16 was \$409,194. Funds were transferred from the Capital Projects Fund – Stormwater Account and the TIF for principal and interest payments made in 2015-6 for general obligation bonds issued for drainage projects and for TIF certificates of obligation; total transfers were \$1,060,504. Revenues and transfers for 2015-16 totaled \$1,469,698.

There were no Debt Service expenditures for September. Total expenditures for 2015-16 in the amount of \$1,495,107 exceeded total revenues and transfers in the amount of \$1,469,698 by \$25,410. The use of Debt Service reserves was included in the 2015-16 budget; Debt Service reserve funds are restricted for payment of principal, interest, and agent fees only.

Sales tax revenue received by the EDC in September 2016 was \$77,354. Total revenues collected in 2015-16 were \$924,425. EDC expenditures as of September 30, 2016 were \$562,742.

EDC revenues for the year exceeded EDC expenditures by \$361,683.

Total revenues received through September 30, 2016 for the Capital Projects Fund were \$2,190,093. Total revenue received in September 2016 from stormwater utility fees was \$133,168.

Expenditures for the Capital Projects Fund in September 2016 were \$1,141,799. Transfers for payment of debt service for the TIF and for drainage projects funded through general obligation bonds were \$1,060,504. Expenses for drainage projects were \$36,348. Expenses for Vista Way were \$44,414. Legal expenses for the Benbrook Boulevard project were \$533. Total expenditures for the Capital Projects Fund were \$2,069,854 for the 2015-16 fiscal year.

Total revenues of \$2,190,093 exceed total expenditures of \$2,069,854 by \$120,239 for the 2015-16 fiscal year.

On September 30, 2016, the City had \$21,419,383 invested at varying interest rates; the EDC had \$6,490,511 available.

Motion by Mr. Sauma, seconded by Dr. Marshall to accept the finance report for the period ending September 30, 2016.

Vote on the Motion:

Ayes: Mr. Wilson, Mr. Washburn, Mr. Sauma, Ms. Franklin, Dr. Marshall, Mayor Dittrich

Noes: None

Motion carries unanimously.

G-2269 Approve Hotel/Motel Occupancy Tax Report for period ending September 30, 2016

Sherri Newhouse gave the following report: Revenues for the City's hotel/motel occupancy tax fund totaled \$62,197 for the quarter beginning July 1, 2016 and ending September 30, 2016. Revenue from the hotel/motel occupancy tax totaled \$60,444 and included payments received for previous quarters. Heritage Fest revenue for vendor fees and from donations totaled \$1,745. The remainder of the revenue was realized from interest income.

Expenses for this quarter totaled \$34,308. The City Visitor Center expenditures were \$23,278. The Benbrook Area Chamber of Commerce was reimbursed \$1,000 for promotional services. Heritage Fest expenses totaled \$8,450; additional expenses for Heritage Fest will be captured on the next quarterly report. Other expenses were \$1,580.

For the fourth quarter of the 2015-16 fiscal year, the fund balance for the hotel/motel occupancy tax fund increased by \$27,889 from \$278,488 to \$306,377.

Total revenues for the 2015-16 fiscal year of \$148,093 were exceeded by year-to-date expenditures of \$151,617 by \$3,524.

Motion by Ms. Franklin, seconded by Mr. Sauma to approve the Hotel/Motel Tax Report for the period ending September 30, 2016.

Vote on the Motion:

Ayes: Mr. Washburn, Mr. Sauma, Ms. Franklin, Dr. Marshall, Mayor Dittrich, Mr. Wilson

Noes: None

Motion carries unanimously.

G-2270 Approve Hotel/Motel Occupancy Tax Distribution for FY 2016-2017

Sherri Newhouse gave the following report: City Staff received applications for the 2016-17 Hotel/Motel Occupancy Tax budget distributions. Upon review of all requests, Staff has compiled the following list.

<u>Organization</u>	<u>Program</u>	<u>Description</u>	<u>Amount</u>
Benbrook Area Chamber of Commerce	Cook-Off	BBQ Contest	\$ 3,000
Benbrook Area Chamber of Commerce	Promotional Chamber Support	Services	\$ 6,000
City of Benbrook	Visitor Center	Promotion of Benbrook/ Events	\$ 126,399
City of Benbrook	Heritage Fest	Home-Town Festival	\$ 20,000
City of Benbrook	American Veterans Traveling Tribute Recognition of Veterans		\$ 14,500
City of Benbrook	Winter Wonderland Christmas Light Exhibit		<u>\$ 3,000</u>
TOTAL REQUESTS			\$ 172,899

As is standard for Tarrant County, they did not provide this year's contract until after the new fiscal year began. The term of the contract is for one year, from October 1, 2016 to September 30, 2017.

Motion by Dr. Marshall, seconded by Ms. Franklin to approve the proposed contract for fire and EMS services for the assigned area of Tarrant County Emergency Services District #1 for fiscal year 2016-2017.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

C-303 Award contract for employee dental insurance

Sherri Newhouse gave the following report: Since November 2015, Aetna has provided dental insurance to full-time City employees and their dependents. The current rates are \$22.93 per month per employee. Dependent premiums are available on a three-tier system and currently cost an additional \$52.18 for family coverage, \$26.25 for spouse coverage, and \$27.30 for children coverage; the dependent rates do not include the employee premium.

Retirees of the City of Benbrook are eligible to participate in the dental insurance plan; retirees are responsible for the premium payment. Thirteen retirees currently have coverage.

The Benbrook Library District (BLD) also participates in the City's group dental plan and reimburses the City for the costs of premiums.

In September 2016, Aetna notified the City that monthly dental insurance premiums would increase by 7.50 percent based upon claims. The City's agent of record requested that Aetna review the rate adjustment and negotiated an increase of 5.50 percent for all of the premiums effective November 1, 2016. These rates reflect no change in benefits from the current plan.

Aetna's proposed monthly premiums are \$24.19 per employee plus an additional \$27.69 for spouse coverage, \$28.80 for children coverage, and \$55.05 for family coverage.

Staff recommends renewing with Aetna at an estimated annual cost to the City of \$35,124 for premiums for the 121 employees included in the 2016-17 Budget. These costs are based on an employee premium of \$24.19 per month. Staff recommends adjusting the dependent subsidy to cover the rate increase. Based on seventy employees with dependent coverage, this annual cost is approximately \$11,800. The City's total costs for group dental insurance for 2016-17 are approximately \$46,924.

The 2016-17 Budget includes \$48,281 for dental insurance premiums for 121 employees and for the subsidy of dependent premiums; this allocation was based on a 10.00% increase in rates.

Based upon Aetna's proposed renewal, the City's total annual cost for dental insurance for 2016-17 is estimated to be \$46,924. The City's projected costs are approximately \$1,357 below the 2016-17 Budget allocation for group dental insurance.

Motion by Mr. Sauma, seconded by Ms. Franklin to approve a one-year contract with Aetna for provision of the City's dental insurance as noted above to be effective November 1, 2016.

Vote on the Motion:

Ayes: Dr. Marshall, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma, Ms. Franklin

Noes: None

Motion carries unanimously.

C-304 Award contract for employee health insurance

Sherri Newhouse gave the following report: Aetna provides group health insurance coverage for full-time City employees and their eligible dependents through a Preferred Provider Organization (PPO) plan. The City pays the employee premium for full-time employees. Optional coverage is available for eligible dependents. Employees are responsible for payment of dependent premiums; the City subsidizes a portion of the dependent premium.

Retirees of the City of Benbrook are eligible to participate in the health insurance plan; retirees are responsible for the premium payment. Nine retirees currently have coverage.

The Benbrook Library District (BLD) also participates in the City's group health plan and reimburses the City for the costs of premiums.

The current monthly rates are: \$608.98 for an employee, an additional \$846.50 for a spouse, an additional \$566.37 for children, and an additional \$1,260.59 for family coverage.

The City has subsidized dependent coverage for over twenty-six years. The current monthly dependent subsidy amounts are: \$558.43 for spouse-only coverage, \$357.24 for children-only coverage, and \$782.42 for family coverage.

The current reimbursement rate for out-patient procedures and surgery is a maximum of \$1,000 per occurrence. The reimbursement rate for hospitalization is a maximum of \$2,000 per admission. Employees and covered dependents are

eligible for the reimbursements. The maximum annual reimbursement is \$3,000 for an employee and \$6,000 for an employee with dependent health coverage.

The City contributes up to \$300 to the Section 125 plan account for full-time employees who do not have dependent health insurance coverage through the City of Benbrook.

The 2016-17 Budget allocation for group insurance in the amount of \$1,652,750 reflects a ten percent increase over the amount estimated in 2015-16. This total also includes health insurance premium, subsidy, and reimbursement costs for the three new employees in the Fire Department and the one new employee in the Police Department.

In September 2016, Aetna proposed a renewal rate of 26.10 percent based upon claims. The City's Agent of Record negotiated a rate increase of 15.00 percent with no changes in services, benefits, co-payments, and deductibles.

Aetna provided a variety of plan options - with changes in deductibles, co-insurance, co-payments, and maximum annual out-of-pocket totals - to enable the City to reduce the rate adjustment. Aetna also proposed switching from a Preferred Provider Organization (PPO) plan to an Exclusive Provider Organization (EPO) plan. The EPO plan proposed by Aetna uses the identical network as Aetna's current PPO; however, the EPO does not cover out-of-network services except for emergency services.

These plan options were presented to a group of City employees for review and consideration. Staff also analyzed the potential impact of excluding out-of-network services for coverage and determined that very few employees had ventured out from Aetna's network of physicians, hospitals, facilities, and pharmacies.

The City's agent also requested proposals from Blue Cross of Texas, CIGNA, and United HealthCare. Proposals from CIGNA and United HealthCare were competitive but not sufficient in savings to justify a change in coverage. These favorable proposals did provide leverage in rate negotiations for the proposed renewal and for plan options.

Aetna's final proposal included an option to replicate the current PPO with two changes: (1) changing to an EPO plan with no coverage for out-of-network services except for emergency services and (2) implementing pre-certification and step therapy for prescription drugs. The co-payments, deductible, co-insurance rates, and maximum out-of-pocket amounts remain the same as in the current PPO plan. The proposed EPO plan includes rates that are 7.40 percent higher than the current rates.

The revised rates are: \$653.95 for an employee. The additional monthly premium costs for dependents are: \$909.02 for spouse-only coverage, \$608.21 for coverage for children, and \$1,353.69 for family coverage.

Continuation of current coverage is estimated to cost \$949,535 for premiums for the one-hundred-twenty-one employees included in the City's 2016-17 Budget based on the monthly employee rate of \$653.95.

Continuation of the reimbursement programs is projected to cost \$30,000. Continuation of the dependent subsidy, including an adjustment to cover the cost of the dependent premium increase, is estimated at \$530,168. The total City cost is estimated at \$1,509,703; this amount is below the 2016-17 Budget allocation by \$143,047.

Motion by Ms. Franklin, seconded by Mr. Wilson to:

1. Approve a one-year contract, effective November 1, 2016, with Aetna for provision of the City of Benbrook's group health insurance.
2. Increase the subsidy for employees with dependent coverage to offset the increase in premiums.
3. Continue the reimbursement programs

Vote on the Motion:

Ayes: Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma, Ms. Franklin, Dr. Marshall

Noes: None

Motion carries unanimously.

C. PURCHASE

P-272 Approve purchase of four (4) police vehicles

David Babcock gave the following report: The 2016/2017 budget allocates \$148,000 for the purchase of four (4) police package patrol vehicles (2017 Chevrolet Tahoe).

Through cooperative purchasing programs, the City received bids from Tarrant County Cooperative Joint Venture, Texas Buy Board, and Texas Smart Buy. The bids include all purchasing fees.

	<u>Make/Model</u>	<u>Cost/Unit</u>	<u>Total</u>
Tarrant County Cooperative Joint Venture	Chevrolet Tahoe 9C1	\$34,572.20	\$138,288.80

Texas Smart Buy	Chevrolet Tahoe 9C1	\$33,460.00	\$133,840.00
Texas Buy Board	Chevrolet Tahoe 9C1	\$32,944.00	\$131,776.00

Texas Buy Board provided the lowest bid, which is \$16,224 below the approved budget.

Motion by Dr. Marshall, seconded by Mr. Wilson to approve the purchase of four (4) police package vehicles from the low bidder, Texas Buy Board, in the total amount of \$131,776.00.

Vote on the Motion:

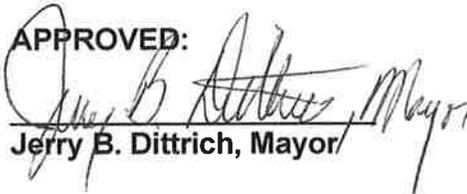
Ayes: Mr. Wilson, Mr. Washburn, Mr. Sauma, Ms. Franklin, Dr. Marshall, Mayor Dittrich

Noes: None

Motion carries unanimously.

- VI. **INFORMAL CITIZEN COMMENTS**
- VII. **COUNCIL MEMBER AND STAFF COMMENTS**
- IX. **ADJOURNMENT**

Meeting adjourned at 8:25 p.m.

APPROVED:

 Jerry B. Dittrich, Mayor

ATTEST:


 Joanna King, City Secretary