



**MINUTES
OF THE
MEETING OF THE
BENBROOK CITY COUNCIL
THURSDAY, AUGUST 1, 2019**

The interview session with candidates for the Benbrook Zoning Board of Adjustments/Appeals Commission was held on Thursday, August 1, 2019 in the Central Conference Room at 911 Winscott Road at 6:30 p.m. The regular meeting of the Benbrook City Council was held at 7:30 p. m. in the Council Chambers with the following Council members present:

Jerry Dittrich, Mayor
Larry Marshall
Dustin Phillips
Jim Wilson
Laura Mackey
Ron Sauma

Also Present:

Andy Wayman, City Manager
Joanna King, City Secretary
Jim Hinderaker, Assistant City Manager
Amanda Valdez, Management Analyst
Rick Overgaard, Finance Director
Bennett Howell, Public Services Director

Others Present:

Bill Smith
Lynette Spence
Teri Davis
Denis Greer
Barbara Greet
Bob Putnam
and 7 other citizens

I. CALL TO ORDER

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

II. INVOCATION/PLEDGE OF ALLEGIANCE

Invocation given by Reverend Don Petty with Benbrook United Methodist Church
The Pledge of Allegiance was recited.

III. INFORMAL CITIZEN COMMENTS AND COMMENTS ON ANY AGENDA ITEM

IV. MINUTES

1. Minutes of the regular meeting held July 18, 2019

Motion by Dr. Marshall seconded by Mr. Sauma to approve the minutes of the regular meeting held July 18, 2019

Vote on the Motion:

Ayes: Dr. Marshall, Mr. Phillips, Mayor Dittrich, Ms. Mackey, Mr. Sauma

Noes: None

Abstain: Mr. Wilson

Motion carries 5-0-1.

V. CITIZEN PRESENTATION

1. Denis Greer – Request Ordinance amendment as it pertains to parking on Rolling Hills Drive

Mr. Denis Greer stated that City Ordinance No. 1060 was adopted in 2000 to prohibit parking along portions of Rolling Hills Drive due to the large horse trailers parking along the roadway around an Equestrian Center that is no longer in existence. However, with the parking restriction still in place, parking around his home as well as the two new residences under construction causes visitors to park a distance away.

Mr. Greer requested City Council adopt an ordinance removing the parking restriction in the area as it is no longer needed.

Mayor Dittrich advised Mr. Greer that City Council would take the matter under advisement.

2. Bob Putnam – Request Ordinance requiring pet owners to collect and remove their animal's waste

Mr. Putnam stated he is requesting the City to adopt an ordinance requiring pet owners walking their animals in neighborhoods to collect and remove their animal's waste. He advised that it is becoming a problem in several neighborhoods and becoming intense between residents and violators.

Mayor Dittrich advised Mr. Greer that City Council would take the matter under advisement.

VI. REPORTS FROM CITY MANAGER

A. GENERAL

G-2418 Accept Finance Report for period ending June 30, 2019

Rick Overgaard gave the following report: General Fund revenues for the month of June were \$602,795. Property tax collections were \$179,224, and Building Permits were \$99,094. Sales tax collected and recognized as revenue in June was \$235,611. Fiscal year to date sales tax is \$2,088,926, an increase of 19.1% over last year at this time. General Fund revenues collected through the end of June were \$17,111,373 or 84.6 percent of the budget.

General Fund expenditures for the month of June were \$1,617,614. This includes a transfer to the Capital Projects Fund of \$214,804 for the Animal Shelter. As a reminder, transfers to other funds of \$1,670,000 and the TIF transfer of \$908,903 have already occurred this fiscal year. Last fiscal year, these transfers (a combined \$2.75 million) were made in July and August. Expenditures through June were \$15,978,360 or 75.3 percent of the adopted budget.

Fiscal year-to-date, total General Fund revenues of \$17,111,373 exceeded General Fund expenditures of \$15,978,360 by \$1,133,013.

Debt Service revenues for the month of June totaled \$9,588 and all were from property tax. There were no expenditures for June. The next debt service payments will occur in July 2019. Fiscal year to date revenues of \$1,713,915, exceeded fiscal year to date expenditures of \$1,472,671, by \$241,244.

EDC revenues as of June 30, 2019, were \$1,792,511. EDC expenditures through the end of June were \$2,173,623, which includes the purchase of land. Total expenditures exceeded total revenues by \$381,112.

Total revenues received through June 30, 2019 were \$3,009,585 from stormwater utility fees, mineral lease revenue, TIF revenue, and interest earnings. Total expenditures for the Capital Projects Fund were \$3,584,669 through the end of June. June expenditures included the following projects: Van Deman Road Drainage, Vista Way, and Clearfork Emergency Access Bridge. Total expenditures exceeded total revenues by \$575,084. Sufficient funds are available in the current fund balances of the Capital Projects Fund. This fund operates on a project basis rather than a specific fiscal year.

A number of planned capital projects have occurred or are ongoing including the Vista Way extension (\$2.33 million), 800 MHz radio system (\$560,000), Animal

Shelter (\$2.2 million), and multiple drainage projects. These projects, in combination with the end of the fiscal year, have incrementally decreased the total “all funds” balance to \$18,737,755. This planned decrease is consistent with the adopted capital improvement plan and ongoing cash flow requirements. General Fund reserves are still projected in excess of \$8,000,000.

On June 30, 2019, the City had \$18,737,755 invested at varying interest rates; the EDC had \$4,372,761 available.

Motion by Mr. Wilson, seconded by Dr. Marshall to accept the finance report for the period ending June 30, 2019.

Vote on the Motion:

Ayes: Dr. Marshall, Mr. Phillips, Mayor Dittrich, Mr. Wilson, Ms. Mackey, Mr. Sauma

Noes: None

Motion carries unanimously.

G-2419 Approve Investment Report for quarter ending June 30, 2019

Rick Overgaard gave the following report: The Public Funds Investment Act (PFIA), Texas Government Code and the City’s Investment Policy require that an Investment Report be presented to City Council.

The Investment Committee met on July 23, 2019, to review the report and ensure compliance with the City’s investment policy. A copy of the Investment Report is attached and highlights are presented below.

- The total portfolio for the City and EDC at June 30, 2019 is \$23,110,516, with 81% or \$18,737,755 belonging to the City, and 19% or \$4,372,761 to the EDC.
- 22% of the combined portfolio is in bank accounts, with 58% in local government investment pools, and 20% in certificates of deposit.
- The weighted average maturity on the combined portfolio is 67 days with a 1.73% average yield to maturity.

Motion by Ms. Mackey, seconded by Mr. Sauma to accept the Investment Report for the quarter ending June 30, 2019.

Vote on the Motion:

Ayes: Dr. Marshall, Mr. Phillips, Mayor Dittrich, Mr. Wilson, Ms. Mackey, Mr. Sauma

Noes: None

Motion carries unanimously.

G-2420 Accept 2019 Certified Appraisal Roll, set Anticipated Collection Rate, and appoint an officer to calculate the Effective Tax Rate and Roll Back Tax Rate

Rick Overgaard gave the following report: Staff has received the 2019 Certified Appraisal Roll from the Tarrant Appraisal District (TAD). The report "Information on the 2019 Appraisal Roll" contains the State-mandated information on appraised value, adjustments, exemptions, and the taxable value of property.

To comply with "Truth-in-Taxation" (TNT) requirements of Texas law, the City Council must accept the Certified Appraisal Roll as presented by TAD, set the anticipated collection rate for FY 2019-20, and appoint an officer to calculate and publish the Effective Tax Rate (ETR) and the Rollback Tax Rate (RTR).

The "Information on the 2019 Certified Appraisal Roll" indicates that the City of Benbrook will realize an overall increase in the maintenance and operations (M & O) property tax revenues of 9.63 percent or approximately \$1,221,802.

This year, the Benbrook City Council will be required to take a roll call vote to increase property tax revenue and set the anticipated property tax rate. The vote is mandatory because the City's Effective Tax Rate of \$0.587345 falls below the current property tax rate of \$0.6400. As a reminder, Texas law requires municipalities to conduct a vote "to raise taxes" even if the City Council leaves the tax rate at the same (current year's) rate.

Texas law focuses only on property taxes and does not take into consideration any other revenue sources.

In addition, State law does not recognize the intricacies of the property tax roll. The 2019 Appraisal Roll Information Valuation Summary includes \$39,680,605 for properties under protest. Section 25.01 (c) of the State Property Tax Code directs the Chief Appraiser to prepare a list of all properties under protest with the Appraisal Review Board and pending disposition at the time of value roll certification. The estimated minimum taxable value for these properties is \$27,776,424.

State law does not take into consideration the cumulative impact of taxable values over multiple years and instead only compares the current year to the past year.

The current property tax rate of \$0.6400 is above the Roll-Back-Tax-Rate (RTR) of \$0.62777; so, the maximum proposed rate for FY 2019-20 is \$0.62777.

Staff recommends that the City Council set the property tax rate at a proposed tax rate of \$0.62777 for the 2019-20 fiscal year; this rate is lower than the current property tax rate of \$0.6400. The public vote, as well as the additional advertisements and notices, does not mean that the City of Benbrook will increase the property tax rate. As mandated by the City Charter, the final property tax rate will be approved by the City Council during the budget process and adopted by an ordinance. The adopted property tax rate may be lower than the preliminary property tax rate approved on August 1, 2019.

Motion by Mr. Wilson, seconded by Dr. Marshall to:

1. Accept the 2019 Certified Appraisal Roll as presented;
2. Set 100.00 percent as the anticipated property tax collection rate for FY 2019-20;
3. Appoint the Finance Director to calculate and to publish the Effective Tax Rate (ETR) and the Rollback Tax Rate (RTR);
4. Set the preliminary property tax rate for FY 2019-20 at the rate of \$0.62777; and,
5. Take a roll call vote to increase property tax revenue.

Vote on the Motion:

Ayes: Dr. Marshall, Mr. Phillips, Mayor Dittrich, Mr. Wilson, Ms. Mackey, Mr. Sauma

Noes: None

Motion carries unanimously.

G-2421 Authorize Interlocal Agreement with Benbrook Water Authority for Street Cut Repair Services

Bennett Howell gave the following report: When Benbrook Water Authority (BWA) has a water or sewer line failure under a street, the street must be cut open to repair the line. After the line is repaired, the BWA is responsible for restoring the damaged street. These street repairs are commonly referred to as "street cuts". In lieu of having BWA contract with an outside contractor, the City of Benbrook has repaired street cuts on asphalt streets for the BWA through an Interlocal Agreement (ILA) since 2000.

The proposed ILA renews the longstanding agreement with BWA allowing the City of Benbrook to complete street cuts for the BWA. The repair cost to the BWA is \$8.91/square foot, which is identical to last year. The term of the proposed ILA is one year, beginning October 1, 2019 and ending September 30, 2020.

BWA street cuts constitute approximately 30% of the total street cuts repaired by the City each year. Because of the economies of scale associated with the City

completing street cuts, the repairs are easily absorbed into the City's work load without significantly impacting operations.

Motion by Dr .Marshall, seconded by Mr. Phillips to authorize the Interlocal Agreement with the Benbrook Water Authority for street cut repair services on asphalt streets.

Vote on the Motion:

Ayes: Dr. Marshall, Mr. Phillips, Mayor Dittrich, Mr. Wilson, Ms. Mackey, Mr. Sauma

Noes: None

Motion carries unanimously.

G-2422 Authorize Interlocal Agreement with Benbrook Water Authority for Residential Refuser and Storm Water Utility Fee Billing and Payment Collection Services

Bennett Howell gave the following report: Through an Interlocal Agreement (ILA), the City of Benbrook contracts with the Benbrook Water Authority (BWA) to bill and collect residential refuse and storm water utility accounts. Because the BWA already bills these customers for water and sewer service, an economies of scale is created that benefits the City, the Authority, and ultimately the citizens of Benbrook.

The proposed ILA establishes a reimbursement to the BWA of 49.58 cents per bill. This amount is identical to last year.

In addition, the City is assessed its proportionate share of the credit card processing fee for residents paying with credit cards. BWA processes credit card payments through a merchant services provider. The provider charges a percentage (normally between 1.5% and 3%) on each transaction based on the type of card and transaction.

The term of the proposed ILA is one year, beginning October 1, 2019 and ending September 30, 2020.

Motion by Mr. Sauma, seconded by Dr. Marshall to authorize the Interlocal Agreement with the Benbrook Water Authority for residential refuse and storm water utility fee billing and payment collection services.

Vote on the Motion:

Ayes: Dr. Marshall, Mr. Phillips, Mayor Dittrich, Mr. Wilson, Ms. Mackey, Mr. Sauma

Noes: None

Motion carries unanimously.

VII. COUNCIL MEMBER AND STAFF COMMENTS

VIII. ADJOURNMENT

Meeting adjourned at 8:05 p.m. followed by worksession to:

1. Review of HB 2439 regarding municipal regulations of certain building products, materials and methods
2. Discuss FY 2019-2020 Budget

ATTEST:


Joanna King, City Secretary

APPROVED:


Jerry B. Dittrich, Mayor