

**WORK SESSION AGENDA OF THE CITY COUNCIL OF HURST, TEXAS  
CITY HALL, 1505 PRECINCT LINE ROAD  
FIRST FLOOR CONFERENCE ROOM  
TUESDAY, FEBRUARY 27, 2018 – 5:30 P.M.**

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**I. Call to Order**

**II. Informational Items**

- ) Staff update and discussion of Citizen Survey
- ) Presentation of Parks Master Plan

**III. Discussion of Agenda Item(s) 5**

Consider Ordinance 2384, first reading, approving a tariff and authorizing an annual rate review mechanism (RRM) for Atmos Energy Corp., Mid-Tex Division

**Clayton Fulton**

**IV. Discussion of Agenda Item(s) 6**

Consider Resolution 1695 agreeing to meet all match contribution requirements for the expenditures under the Tarrant County Home Investment Partnership Program Year 2018

**Michelle Lazo**

**V. Discussion of Agenda Item(s) 7**

Consider authorizing the city manager to enter into an Annual Purchase Agreement, with Fancon Construction Services, to purchase topsoil, cushion sand and miscellaneous aggregate

**Greg Dickens**

**VI. Discussion of Agenda Item(s) 8**

Consider appointment of new Assistant Chief of Police to the Animal Services Advisory Committee

**Rita Frick**

**EXECUTIVE SESSION in Compliance With the Provisions of the Texas Open Meetings Law, Authorized by Government Code, 551.087 deliberation and conducting of economic development negotiations regarding financial information relative to prospective business expansion in the City and to reconvene in Open Session at the conclusion of the Executive Session**

**VII. Adjournment**

Posted by: \_\_\_\_\_

This the 23rd day of February 2018, by 5:00 p.m., in accordance with Chapter 551, Texas Government Code.

**This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (817) 788-7041 or FAX (817) 788-7054, or call TDD 1-800-RELAY-TX (1-800-735-2989) for information or assistance.**

**REGULAR MEETING AGENDA OF THE CITY COUNCIL OF HURST, TEXAS  
CITY HALL, 1505 PRECINCT LINE ROAD  
TUESDAY, FEBRUARY 27, 2018**

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**AGENDA:**

**5:30 p.m. - Work Session (City Hall, First Floor Conference Room)**

**6:30 p.m. - City Council Meeting (City Hall, Council Chamber)**

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**CALL TO ORDER**

**INVOCATION (Mayor Pro Tem Henry Wilson)**

**PLEDGE OF ALLEGIANCE**

**PRESENTATION(S)**

1. Presentation of the 2017 National Procurement Institute (NPI) Achievement of Excellence in Procurement Award
2. Presentation of the Certificate of Achievement for Excellence in Financial Reporting, Fiscal Year 2015-2016
3. Presentation of Comprehensive Annual Financial Report (CAFR) by Rylander, Clay & Opitz, L.L.C. (RC&O)

**CONSENT AGENDA**

4. Consider approval of the minutes for the February 13, 2018 City Council meetings

**ORDINANCE(S)**

5. Consider Ordinance 2384, first reading, approving a tariff and authorizing an annual rate review mechanism (RRM) for Atmos Energy Corp., Mid-Tex Division

**RESOLUTION(S)**

6. Consider Resolution 1695 agreeing to meet all match contribution requirements for the expenditures under the Tarrant County Home Investment Partnership Program Year 2018

**ACTION ITEM(S)**

- 7. Consider authorizing the city manager to enter into an Annual Purchase Agreement, with Fancon Construction Services, to purchase topsoil, cushion sand and miscellaneous aggregate
- 8. Consider appointment of new Assistant Chief of Police to the Animal Services Advisory Committee

**OTHER BUSINESS**

- 9. Review of the following advisory board meeting minutes:
  - ) Zoning Board of Adjustment
- 10. Review of upcoming calendar items
- 11. City Council Reports - Items of Community Interest

**PUBLIC INVITED TO BE HEARD – A REQUEST TO APPEAR CARD MUST BE COMPLETED AND RETURNED TO THE CITY SECRETARY TO BE RECOGNIZED**

**EXECUTIVE SESSION in Compliance With the Provisions of the Texas Open Meetings Law, Authorized by Government Code, 551.087 deliberation and conducting of economic development negotiations regarding financial information relative to prospective business expansion in the City and to reconvene in Open Session at the conclusion of the Executive Session**

**ADJOURNMENT**

Posted by: \_\_\_\_\_

This 23rd day of February 2018, by 5:00 p.m., in accordance with Chapter 551, Texas Government Code.

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City Council Staff Report

SUBJECT: Presentation of the 2017 National Procurement Institute (NPI) Achievement of Excellence in Procurement Award

Supporting Documents:

Award Certificate

Meeting Date: 2/27/2018

Department: Fiscal and Strategic Services

Reviewed by: Clayton Fulton

City Manager Review:

Background/Analysis:

The Achievement of Excellence in Procurement recognizes organizational excellence in procurement. The criteria are designed to measure innovation, professionalism, e-procurement, productivity, and leadership attributes of the procurement function.

The City of Hurst's Procurement Department has earned the 2017 Achievement in Excellence in Procurement Award. The City of Hurst is one of only 50 agencies in Texas and one of only 68 Cities in the United States and Canada to receive the award.

This is the third consecutive year the City of Hurst has received this prestigious recognition.

Funding Sources and Community Sustainability:

This award requires a nominal investment in time and financial resources to provide the City with third-party recognition of and certification that our purchasing program meets certain national standards. This award fits within the Hurst Way by furthering our financial sustainability and public service. We can provide assurance to the public that we are making purchases that comply with purchasing law and achieves economies of scale. Finally, this helps staff ensure we contribute to our economic vitality, one of the City's strategic priorities.

Recommendation:

There is no staff recommendation.



July 24, 2017

Mr. Clayton Fulton  
Exec Director Of Strategic & Fiscal Services  
City of Hurst  
1505 Precinct Line Road  
Hurst, TX 76054

Dear Mr. Fulton,

I'm pleased to inform you that your agency's procurement department has earned the 2017 Annual Achievement of Excellence in Procurement® Award. The continuously evolving AEP criteria are designed to measure state of the art in best practices.

The City of Hurst is one of only 50 agencies in TX and one of only 68 Cities in the United States and Canada to receive the award. Your organization has received the award for two consecutive years.

Congratulations on the 2017 Achievement of Excellence in Procurement® Award!

Sincerely,

Brian P. Garrity, CPSM, C.P.M., CPPB  
Achievement of Excellence in Procurement® Award Officer

cc: Mr. Jerry Lewandowski, CPPO, Director of Purchasing and Risk Mgmt

The Achievement of Excellence in Procurement® recognizes organizational excellence in public and non-profit procurement. The award criteria are designed to measure innovation, professionalism, e-procurement, productivity, and leadership attributes of the procurement function. The Achievement of Excellence in Procurement® is sponsored by the National Procurement Institute (NPI), the California Association of Public Procurement Officials (CAPPO), the Florida Association of Public Procurement Officials (FAPPO), the Institute for Supply Management (ISM), NIGP: The Institute for Public Procurement, the National Association of Educational Procurement (NAEP), the Texas Public Purchasing Association (TxPPA), and the Canadian Public Procurement Association / Conseil canadien des marchés publics.

City Council Staff Report

SUBJECT: Presentation of the Government Finance Officers Association’s (GFOA) Certificate of Achievement for Excellence in Financial Reporting, Fiscal Year 2015-2016

Supporting Documents:

Award Certificate

Meeting Date: 2/27/2018

Department: Fiscal and Strategic Services

Reviewed by: Clayton Fulton

City Manager Review:

Background/Analysis:

The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program in 1945, and it has become the highest form of recognition in governmental accounting and financial reporting. Fiscal Year 2015-2016 marks the 43<sup>rd</sup> consecutive year that the City has received this award. Only 56 cities nationwide, including 12 Texas cities, have received the award for at least forty years.

To be eligible for a Certificate of Achievement, the City’s Comprehensive Annual Financial Report (CAFR) must meet the following requirements:

- Include all financial statements presented in conformity with generally accepted accounting principles (GAAP)
- Audited in accordance with generally accepted auditing standards
- Provide a clear and thorough view of the government’s financial condition by demonstrating a “spirit of full disclosure” to clearly communicate its financial story
- Organized efficiently
- Adhere to certain terminology and formatting conventions

Seventeen specific categories are graded and include Management’s Discussion and Analysis, all financial statements, note disclosures, supplemental information, and the statistical section. Hurst received a grade of proficient in all categories.

Funding Sources and Community Sustainability:

Applying for this award requires a nominal investment of time and financial resources. Participating in this program recognizes the efforts of Fiscal Services' staff and is the culmination of the annual audit process.

This award fits within the Hurst Way by furthering our goals of Public Service and Financial Sustainability. The award is based on the City's CAFR, which provides information to the community, Council, and staff about how the City manages resources, including its financial position and results of operations.

Recommendation:

Staff recommends City Council accept the GFOA's Certificate of Achievement for Excellence in Financial Reporting, Fiscal Year 2015-2016.



**Government Finance Officers Association**  
203 North LaSalle Street, Suite 2700  
Chicago, Illinois 60601-1210  
312.977.9700 fax: 312.977.4806

August 2, 2017

Paul Brown  
Managing Director of Finance  
City of Hurst  
1505 Precinct Line Road  
Hurst, TX 76054

Dear Mr. Brown:

We are pleased to notify you that your 2016 fiscal year end comprehensive annual financial report (CAFR) qualifies for GFOA's Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment. Congratulations for having satisfied the high standards of the program. We hope that your example will encourage others in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

A "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements are enclosed. It is strongly encouraged the recommended improvements be implemented into the next report and the report be submitted to the program within six months of your next fiscal year end. Certificate of Achievement Program policy requires that written responses to the comments and suggestions for improvement accompany the next fiscal year's submission. The written responses should provide details about how each item is addressed within this report. These responses will be provided to those Special Review Committee members participating in the review. If a comment is unclear or there appears to be a discrepancy, please contact the Technical Services Center at (312) 977-9700 and ask to speak with a Certificate of Achievement Program in-house reviewer.

When a Certificate of Achievement is awarded to a government, an Award of Financial Reporting Achievement (AFRA) is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the Certificate. An AFRA is enclosed for the preparer as designated on the application.

Continuing participants will find a Certificate and brass medallion enclosed with these results. First-time recipients will find a Certificate enclosed with these results and will receive a plaque in about 10 weeks. You may arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and we hope that appropriate publicity will be given to this notable achievement. A sample news release has been enclosed.

A current holder of a Certificate of Achievement may include a reproduction of the Certificate in its immediately subsequent CAFR. A camera-ready copy of your Certificate is enclosed for that purpose. If you reproduce your Certificate in your next report, please refer to the enclosed instructions. A Certificate of Achievement is valid for a period of one year.

A Certificate of Achievement Program application is posted on GFOA's website. This application must be completed and accompany your next submission. See sections III and IV of the application for instructions. **The entity's GFOA membership number appears on the attached comments and must be listed on the application.** Your continued interest in and support of the Certificate of Achievement Program is most appreciated. If we may be of any further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink, which appears to read "Todd Buikema".

Todd Buikema  
Acting Director, Technical Services Center

City Council Staff Report

SUBJECT: Presentation of the Comprehensive Annual Financial Report (CAFR) by Rylander, Clay & Opitz, L.L.C. (RC&O)

Supporting Documents:

CAFR for Fiscal Year Ended September 30, 2017

Meeting Date: 2/27/2018

Department: Fiscal and Strategic Services

Reviewed by: Paul Brown

City Manager Review:

Background/Analysis:

The City's audit firm, RC&O, will present the CAFR for fiscal year ended September 30, 2017.

The independent audit was conducted in accordance with Section 5.45 of the City Charter, which states "The council shall cause an independent audit to be made of the books of account, records, and transactions of all the administrative departments of the city at least once yearly."

A draft of the independent audit report was presented to the City Council Finance Committee on February 13, 2018. The Finance Committee recommended that the fiscal year 2017 CAFR be presented to City Council.

Funding Sources and Community Sustainability:

While there is no fiscal impact, the CAFR supports the Hurst Way by furthering our goals of Public Service and Financial Sustainability. The CAFR provides information to the Community, Council, and staff about how the City manages its resources, including financial position and results of operations.

Recommendation:

Staff supports the Finance Committee's recommendation to present the audited CAFR for fiscal year ended September 30, 2017.

**Minutes**  
**Hurst City Council**  
**Work Session**  
**Tuesday, February 13, 2018**

On the 13<sup>th</sup> day of February 2018, at 5:40 p.m., the City Council of the City of Hurst, Texas, convened in Work Session at Hurst City Hall, 1505 Precinct Line Road, Hurst, Texas, with the following members present:

Richard Ward	)	Mayor
Henry Wilson	)	Mayor Pro Tem
Bill McLendon	)	Councilmembers
Nancy Welton	)	
Larry Kitchens	)	
David Booe	)	
Trasa Cobern	)	
Clay Caruthers	)	City Manager
Allan Heindel	)	Deputy City Manager
John Boyle	)	City Attorney
Cynthia Singleton	)	Deputy City Secretary
Greg Dickens	)	Executive Director of Public Works
Clayton Fulton	)	Executive Director of Fiscal and Strategic Services
Malaika Marion Farmer	)	Executive Director of Administration and Customer Service
David Palla	)	Fire Chief
Brent Craft	)	Assistant Fire Chief
Steven Niekamp	)	Police Chief
Mark Schwobel	)	Police Lieutenant
Steve Bowden	)	Economic Development Director
Kristi Weaver	)	Parks Director

With the following Councilmembers absent: none, constituting a quorum; at which time, the following business was transacted:

**I. Informational Items**

) **Staff update and discussion of Town Hall Forum**

Executive Director of Administration and Customer Service Malaika Farmer provided an overview of the proposed March 1, 2018, Town Hall Forum agenda and meeting space design and configuration. Ms. Farmer stated the program and dinner will be held in the ballroom and a designated City Council area and department informational exhibits will be located in the gallery. She further stated the exhibits will include video presentations and emergency service vehicles and equipment.

) **Staff update and discussion of solid waste and recycling program**

Executive Director of Administration and Customer Service Malaika Farmer stated the waste and recycling management contract expires May 31, 2018, and rather than

Soliciting bids for the service, staff surveyed surrounding communities regarding rate structure, services provided and level of service satisfaction. The survey results indicate the City has a competitive rate structure with Republic Services/Allied Waste for waste collection and recycling, Republic Services/Allied Waste is proposing the rates remain the same and will offer convenient bulk trash pickup. Ms. Farmer also stated the hazardous waste disposal service may become a quarterly event held at the City's service center.

) **Staff update and discussion of proposed Animal Control Shelter**

City Manager Clay Caruthers provided information regarding the proposed Animal Control Shelter architecture design and location, and dog park features, and an overview of discussions with Tarrant County College officials regarding the potential location of the shelter on college property. Mr. Caruthers stated discussions are ongoing with college officials regarding the feasibility of the project.

) **Staff update and discussion of police reporting and Police Department's presentation of Annual Racial Profiling Report**

Police Chief Steve Niekamp presented an overview of the Annual Racial Profiling Report statistics, the process for reviewing complaints, and the daytime community population. Chief Niekamp spoke regarding the availability of crime statistics on the City's website and ways to increase public awareness of the search features and information on the City's website. Discussion ensued regarding the types and source of information appearing on the City's social media sites.

**II. Discussion of Agenda Item(s) 4**

Conduct a public hearing to consider SUP-18-01, Virtuoso Tattoo, a Special Use Permit to operate a tattoo studio on Lot 12A, Block 14 Bellvue Addition, being .25 acre located at 117 W. Pipeline Road. **(The applicant has requested this item be withdrawn)**

There was no discussion of this item.

**III. Discussion of Agenda Item(s) 5**

Consider authorizing the city manager to proceed with the replacement of the Jaycee- Baker Park playground

There was no discussion of this item.

**IV. Discussion of Agenda Item(s) 6**

Consider authorizing the city manager to purchase six MSA G1 self-contained breathing apparatus from Casco Industries, Inc., for the fire department

There was no discussion of this item.

**EXECUTIVE SESSION in Compliance With the Provisions of the Texas Open Meetings Law, Authorized by Government Code, 551.087 deliberation and conducting of economic development negotiations regarding financial information relative to prospective business expansion in the City and to reconvene in Open Session at the conclusion of the Executive Session**

City Council did not convene Executive Session.

**V. Adjournment** – The meeting adjourned at 6:26 p.m.

**APPROVED** this the 27<sup>th</sup> day of February 2018.

**ATTEST:**

**APPROVED:**

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Rita Frick, City Secretary

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Richard Ward, Mayor

**City of Hurst  
City Council Minutes  
Tuesday, February 13, 2018**

On the 13th day of February 2018, at 6:30 p.m., the City Council of the City of Hurst, Texas, convened in Regular Meeting at City Hall, 1505 Precinct Line Road, Hurst, Texas, with the following members present:

Richard Ward	)	Mayor
Henry Wilson	)	Mayor Pro Tem
Bill McLendon	)	Councilmembers
Nancy Welton	)	
Larry Kitchens	)	
David Booe	)	
Trasa Cobern	)	
Clay Caruthers	)	City Manager
Allan Heindel	)	Deputy City Manager
John Boyle	)	City Attorney
Rita Frick	)	City Secretary
Greg Dickens	)	Executive Director of Public Works
Clayton Fulton	)	Executive Director of Fiscal and Strategic Services
Malaika Marion Farmer	)	Executive Director of Administration and Customer Service
Michelle Lazo	)	Managing Director of Development
David Palla	)	Fire Chief
Brent Craft	)	Assistant Fire Chief
Kristi Weaver	)	Parks Director

With the following Councilmembers absent: none, constituting a quorum; at which time, the following business was transacted:

The meeting was called to order at 6:30 p.m.

Councilmember Cobern gave the Invocation.

The Pledge of Allegiance was given.

**PRESENTATION(S)**

1. Presentation and Introduction of Hurst 101 Citizen's Academy Class of 2018.

Mayor Ward recognized Executive Director of Administration and Customer Service Malaika Marion Farmer who introduced the 2018 Hurst 101 Citizen's Academy members, noting the class provides a behind-the-scene view of the City's governmental processes and activities. She stated the class is attending the City Council meeting tonight and the Town Hall Forum, Thursday, March 1, 2018, at 6:00 p.m. Ms. Farmer welcomed

all citizens to attend the Town Hall Forum and learn more about the City.

### **CONSENT AGENDA**

2. Considered approval of the minutes for the January 23, 2018 City Council meetings.
3. Considered canceling the March 13, 2018 City Council meeting.

Councilmember Booe moved to approve the consent agenda. Motion seconded by Councilmember Welton. Motion prevailed by the following vote:

Ayes: Councilmembers McLendon, Booe, Kitchens, Cobern, Wilson, and Welton

No: None

### **PUBLIC HEARING AND RELATED ITEM(S)**

4. Conduct a public hearing to consider SUP-18-01, Virtuoso Tattoo, a Special Use Permit to operate a tattoo studio on Lot 12A, Block 14 Bellvue Addition, being .25 acre located at 117 W. Pipeline Road. **(The applicant has requested this item be withdrawn)**

No action was taken on this item.

### **ACTION ITEM(S)**

5. Considered authorizing the city manager to proceed with the replacement of the Jaycee-Baker Park playground.

Mayor Ward recognized Parks Director Kristi Weaver who reviewed the proposed playground replacement project. Ms. Weaver stated the current playground is twenty years old, showing signs of high usage and is difficult to maintain. She showed pictures of the concept equipment, which will have a more modern feel, and challenge children of all ages. She stated, in addition to the equipment replacement, the project also includes upgrades to several site amenities. In response to Councilmembers' questions, Ms. Weaver stated there is a newly installed pavilion at the park, the footprint of the playground is not being expanded, most of the playground area is in the shade and reviewed the ground surfaces under the equipment.

Councilmember Booe moved to authorize the city manager to proceed with the replacement of the Jaycee-Baker Park playground, for an amount not to exceed \$300,000, with funding from the Half Cent Sales Tax Fund and the Park Donation Fund. Motion seconded by Councilmember Kitchens. Motion prevailed by the following vote:

Ayes: Councilmembers McLendon, Booe, Kitchens, Cobern, Wilson, and Welton

No: None

6. Considered authorizing the city manager to purchase six MSA G1 self-contained breathing apparatus from Casco Industries, Inc., for the fire department.

Mayor Ward recognized Assistant Fire Chief Brent Craft who reviewed the request to purchase six spare MSA G1 units Self Contained Breathing Apparatus (SCBA). He explained the difficulty in utilizing two separate types of units, including training on two different types of units and stated two separate face-pieces is difficult to manage and presents safety problems. In response to Councilmembers' questions, Chief Craft stated the units have a full fifteen-year warranty, reviewed the upgraded features and cost of \$27,900.00, with funding in the Fire Grant Fund.

Councilmember McLendon moved to approve the purchase of six MSA G1 self-contained breathing apparatus, from Casco Industries, Inc., for a total purchase price, not to exceed \$27,900.00. Motion seconded by Councilmember Welton. Motion prevailed by the following vote:

Ayes: Councilmembers McLendon, Booe, Kitchens, Cobern, Wilson, and Welton  
No: None

### **OTHER BUSINESS**

7. Councilmembers reviewed the following advisory board meeting minutes:

- Ñ Library Board - December 19, 2017 and January 16, 2018
- Ñ HEB Teen Court Advisory Board
- Ñ Senior Citizens Advisory Board
- Ñ Parks and Recreation Board

Councilmember Cobern stated the speaker for the April 12, 2018, Teen Court Banquet to be held at the Hurst Conference Center, at 6:00 p.m., will be Anthony Hardy, a very inspirational person, who received the HEB ISD Life Changer Award.

8. Review of upcoming calendar items – City Manager Clay Caruthers reviewed the following calendar items:

- ) Thursday, March 1, 2018, 6:00 p.m., Town Hall Forum, Hurst Conference Center
- ) Saturday, March 24, 2018, Noon until 2:00 p.m. – Eggstravaganza, Hurst Community Park
- ) Friday, March 30, 2018, City Offices Closed, Holiday

9. City Council Reports - Items of Community Interest

Councilmember Kitchens provided an overview of his recent trip to Washington D.C., with the Texas Municipal League (TML), to meet with the federal representatives and the Federal Communication Commission regarding local control and neutrality. He explained the differences in the model report and the minority reports and how it appears to be a very one-sided discussion at this point. He noted a lawsuit proceeding through the courts, which will probably take some time, and though the meeting was cordial with the FCC, it was clear the TML concerns were not taken seriously. He expressed the hope that at least the meeting made Congress representatives aware of local concerns.

**PUBLIC INVITED TO BE HEARD – A REQUEST TO APPEAR CARD MUST BE COMPLETED AND RETURNED TO THE CITY SECRETARY TO BE RECOGNIZED**

No one spoke.

**EXECUTIVE SESSION in Compliance With the Provisions of the Texas Open Meetings Law, Authorized by Government Code, 551.087 deliberation and conducting of economic development negotiations regarding financial information relative to prospective business expansion in the City and to reconvene in Open Session at the conclusion of the Executive Session**

Mayor Ward recessed the meeting to Executive Session at 7:13 p.m. in compliance with the provisions of the Texas Open Meetings Law, authorized by Government Code, 551.087 deliberation and conducting of economic development negotiations regarding financial information relative to prospective business expansion in the City and to reconvened Open Session at 7:48 p.m.

**ADJOURNMENT**

The meeting adjourned at 7:48 p.m.

**APPROVED** this the 27th day of February 2018.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Rita L. Frick, City Secretary

\_\_\_\_\_  
Richard Ward, Mayor

City Council Staff Report

SUBJECT: Adoption of an Ordinance 2384, first reading, approving a tariff and authorizing an annual rate review mechanism (RRM) for Atmos Energy Corp., Mid-Tex Division

Supporting Documents:

Ordinance 2384  
 RRM Tariff

Meeting Date: 2/27/2018  
 Department: Fiscal and Strategic Service  
 Reviewed by: Clayton Fulton  
 City Manager Review:

Background/Analysis:

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

Since 2007, there have been several modifications to the original RRM Tariff. The Ordinance we passed in 2017 resolved the Atmos's application under the RRM Tariff but also terminated the existing RRM Tariff and required a renegotiation of the terms of that tariff. Negotiations have taken place over the past several months, and have resulted in a revised RRM Tariff that Atmos has agreed to. The Executive Committee of the Atmos Cities' Steering Committee has recommended accepting the attached Ordinance which will revise the RRM Tariff.

Cities strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues and rewarding Atmos for increasing capital investment. The GRIP process does not allow any review of the reasonableness of capital investment, nor does it allow cities to participate in the Railroad Commission's review of annual GRIP filings or recover their rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In the Steering Committee's view, the GRIP process unfairly raises

customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

The RRM Tariff on which the 2017 rates were based allowed a rate of return on equity of 10.50%. The revised RRM Tariff reduces that to 9.8%. The revised RRM Tariff also captures the reduction in federal income tax rates from 35% to 21%, and should result in a rate reduction effective by mid-March 2018. Prior RRM tariffs allowed Cities only three months to review Atmos's filing. The new revised Tariff expands that time period by two months. New applications by Atmos should be made on or about April 1 of each year, with new rates effective October 1. A rate order from the Railroad Commission in an Atmos Texas Pipeline rate case adopted the position of Cities with regard to incentive compensation related to Atmos' Shared Services Unit that reduced allowed expenses, and that reduced level of expenses will be applicable under the new RRM Tariff.

Funding Sources and Community Sustainability:

No funding is required for this item. We believe this item fits well within our Strategic Priorities and the Hurst Way. Through approving the RRM, the City will maintain its ability to influence the actions of Atmos and provide greater Public Service to our community by ensuring proposed rate changes get fully reviewed.

Recommendation:

Staff recommends City Council approve Ordinance 2384 accepting the updated RRM process for Atmos Energy Corp., Mid-Tex Division.

## ORDINANCE 2384

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

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

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

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

WHEREAS, pursuant to the terms of a November 2007 agreement between the Steering Committee and Atmos Mid-Tex that settled the Company’s interim rate filing under Section 104.301 of the Texas Utilities Code (a “GRIP” rate case), the Steering Committee and the Company collaboratively developed a Rate Review Mechanism (“RRM”) Tariff, ultimately

authorized by the City in 2008, that allows for an expedited rate review process as a substitute for the GRIP process; and

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

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

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

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

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

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

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

**Section 2.** That the attached RRM Tariff (Exhibit "1") re-establishing a form of Rate Review Mechanism is just and reasonable and in the public interest, and is hereby adopted.

**Section 3.** That Atmos Mid-Tex shall reimburse the Cities' reasonable expenses associated with adoption of this Ordinance and the attached RRM Tariff and in processing future RRM Tariff applications filed pursuant to the attached tariff.

**Section 4.** That to the extent any resolution or ordinance previously adopted by the City is inconsistent with this Ordinance, it is hereby repealed.

**Section 5.** That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

**Section 6.** That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance , and the remaining provisions of this Ordinance shall be interpreted as if the offending section or clause never existed.

**Section 7.** That this Ordinance shall become effective from and after its passage.

**Section 8.** That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs, Atmos Energy Corporation, Mid-Tex Division, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to Mid-Tex Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

**AND IT IS SO ORDERED.**

Passed on first reading on the \_\_\_ day of \_\_\_\_\_ 2018, by a vote of \_\_\_ to \_\_\_.

Approved on second reading on the \_\_\_ day of \_\_\_\_\_ 2018, by a vote of \_\_\_ to \_\_\_\_.

**ATTEST:**

**CITY OF HURST**

\_\_\_\_\_  
Rita Frick, City Secretary

\_\_\_\_\_  
Richard Ward, Mayor

**Approved as to form and legality:**

\_\_\_\_\_  
City Attorney

## Exhibit 1

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

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

**I. Applicability**

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

**II. Definitions**

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

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

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

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

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

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

**III. Calculation**

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

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

Where:

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

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

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

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

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

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

<b>RATE SCHEDULE:</b>	<b>RRM – Rate Review Mechanism</b>	
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<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on and after 04/01/2018</b>	<b>PAGE: 3</b>

and other postemployment benefits recovered in rates.

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

**CD** = interest on customer deposits.

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

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

#### **V. Filing**

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

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

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

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

**VI. Evaluation Procedures**

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

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

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

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

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

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

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

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

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

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

<b>RATE SCHEDULE:</b>	<b>RRM – Rate Review Mechanism</b>	
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**VII. Reconsideration, Appeal and Unresolved Items**

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

**VIII. Notice**

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

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

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

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## Exhibit A

### ACSC Cities

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

**ATMOS ENERGY CORPORATION  
MID-TEX DIVISION**

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

City Council Staff Report

SUBJECT: Approval of Resolution 1695 agreeing to meet match requirements for expenditures under the Tarrant County Home Investment Partnership Program

Supporting Documents:

Resolution 1695

Meeting Date: 2/27/2018

Department: Development

Reviewed by: Steve Bowden

City Manager Review:

Background/Analysis:

Department of Housing and Urban Development (HUD) appropriates funds to entitlement communities through the HOME Investment Partnership Grant (HOME) Program. These funds are targeted to benefit low to moderate income persons. Funds for 2018 will be used for homeowner rehabilitation only.

The applicant must agree to a 10 year mechanical lien on the property for Homeowner Rehabilitation. The maximum amount available per unit is \$28,000. The average construction budget per unit is between \$18,000 and \$23,000.

The City Council has approved the matching funds since 2007, and 33 homes have been completed, to this date, with a total cost to the City, of \$189,874 or just over \$5,750 per home from City funds. There are applications pending approval from residents in the City of Hurst, about 80 percent of those from senior citizens. The County cannot approve these applications without matching funds from the City.

This year HUD is requiring 30% matching funds on all HOME expenditures. This match can be generated by City funds, permit fee waivers, impact fee waivers and other ways subject to approval by County staff. The matching funds do not have to be paid until each project is approved and the County funds are allocated.

The funds must be used to repair major system failures, such as roof, structure, including exterior wall surfaces, if necessary, foundation, plumbing, HVAC, or electrical. These funds are not used for remodeling or aesthetics alone.

In March 2018, the City will apply for a HOME Program grant. The City of Hurst request is for \$200,000 in HOME funding to be expended on HOME eligible activities within the City's jurisdiction. The City must commit \$60,000 in match contribution, including eligible in-kind contributions and fee waivers to affordable housing, for all activities undertaken through the HOME program even though the full amount is unlikely to be drawn down.

If a portion of the grant funds are not utilized, the City is not liable for payment. The County will administer all aspects of the program, but construction work done in Hurst will be permitted and inspected by the City.

Funding Sources and Community Sustainability:

This program is funded through Special Projects. The program is a direct representation of Council's goal for Economic Vitality.

Recommendation:

Staff recommends the City Council approve Resolution 1695 authorizing the city manager to allocate up to \$60,000, as matching funds for the HOME program administered by the Tarrant County Community Development and Housing Department, for projects in Hurst.

RESOLUTION 1695

A RESOLUTION AGREEING TO MEET ALL MATCH CONTRIBUTION REQUIREMENTS FOR THE EXPENDITURES UNDER THE TARRANT COUNTY HOME INVESTMENT PARTNERSHIP PROGRAM YEAR 2018

WHEREAS, the Home Program was created by the National Affordable Housing Act of 1990 (NAHA) and is intended to provide decent affordable housing to lower income households; expand the capacity of non-profit housing providers; strengthen the ability of state and local government to provide housing and leverage private section participation; and

WHEREAS, Tarrant County is a participating jurisdiction in the Home Investment Program in accordance with §92.105; and

WHEREAS, the City of Hurst is a member of the Tarrant County Urban County Development Community Development/Home Consortium and is eligible to participate in the Home Program; and

WHEREAS, the City of Hurst has requested \$200,000 in Home Funding to be expended on home eligible activities within the City's jurisdiction and has agreed to provide a 30% matching contribution for all of the Home Funds expended within the City of Hurst in accordance with §92.218; §92.219; and §92.220.

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

Section 1: THAT the City Council of the City of Hurst hereby agree to commit \$60,000 in matching contribution, including eligible non-cash in-kind contributions and fee waivers to affordable housing for all activities undertaken through the Home Program.

AND IT IS SO RESOLVED.

Approved this the 27th day of February 2018 by a vote of            to            .

ATTEST:

CITY OF HURST

---

Rita Frick, City Secretary

---

Richard Ward, Mayor

Approved as to form and legality:

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City Attorney

City Council Staff Report

SUBJECT: Consider authorizing the city manager to enter into an Annual Purchase Agreement, with Fancon Construction Services, to purchase topsoil, cushion sand and miscellaneous aggregate	
Supporting Documents:	
Bid Tab Sheet	<p>Meeting Date: 2/27/2018</p> <p>Department: Public Works</p> <p>Reviewed by: Greg Dickens</p> <p>City Manager Review:</p>
Background/Analysis:	
<p>The City advertised for an Annual Purchase Agreement to purchase top soil, cushion sand and chat aggregate. The advertisement was sent to the Fort Worth Star Telegram, directly to participating vendors, and other social resources on January 17, 2018. The City spends approximately \$25,000 per year during more demanding seasons for backfill and topsoil materials. Sealed bids were received and opened on February 1, 2018 at 2:00 pm. Bids were accepted from Fancon Construction Services, DFW Materials, CJA Enterprises, and Lowery Sand &amp; Gravel. Fancon Construction Services is the low responsive bidder, in the amount of \$32,692.50.</p> <p>Since this is a purchase agreement, no contracts need to be signed.</p>	
Funding Sources and Community Sustainability:	
<p>Funding for this purchase agreement has been established within the FY17-18 budget. Taking public bids on annual material purchases is directly representative of the Council's goal of Financial Sustainability.</p>	
Recommendation:	
<p>Staff recommends Council authorize the city manager to enter into Annual Purchase Agreement with Fancon Construction Services, and include the option to renew for four additional 12-month periods, in the amount of \$32,692.50, and that DFW Materials, CJA Enterprises, and Lowery Sand &amp; Gravel be named as secondary vendors.</p>	



18-003 Miscellaneous Soil, Sand and Rocks  
 City of Hurst

February 1, 2018 at 2:00 PM

Lowery Sand & Gravel Co. Inc.	DFW Materials	FanCon Construction Services L.P.	CJA Enterprises
\$ 43,942.50	\$ 34,326.00	\$ 32,692.50	\$ 37,572.00

"Bid Tabulation Statement"

All bids submitted for the designated project are reflected on this bid tab sheet. However, the listing of a bid on this sheet should not be construed as a comment on the responsiveness of such bid or as any indication that the city accepts such bid as responsive. The City will make a determination as to the responsiveness of bids submitted based upon compliance with all applicable laws, City of Hurst guidelines, project documents, including but not limited to the project specifications and contract documents. The City will notify the successful bidder upon award of the contract and, according to law, all bids received will be available for inspection at that time.

City Council Staff Report

SUBJECT: Consider appointment of new Assistant Chief of Police to the Animal Services Advisory Committee	
Supporting Documents:	
Resignation Letter	Meeting Date: 2/27/2018 Department: City Secretary Reviewed by: Rita Frick City Manager Review:
Background/Analysis:	
<p>This item provides for City Council to consider an appointment to the Animal Services Advisory Committee. Former Assistant Police Chief Steve Niekamp served as the police department representative on the Animal Services Advisory Committee. With his promotion to Police Chief, Chief Niekamp is resigning his position on the Committee.</p> <p>Staff recommends the appointment of Assistant Police Chief Billy Keadle to the Animal Services Advisory Committee with a term expiring 2019.</p>	
Funding Sources and Community Sustainability:	
There is no financial impact.	
Recommendation:	
Staff recommends City Council move to appoint Assistant Police Chief Billy Keadle to the Animal Services Advisory Committee with a term expiring 2019.	



# Police Department

*Excellence Through Teamwork*



February 22, 2018

Mayor Richard Ward  
1505 Precinct Line Road  
Hurst, Texas 76054

Mayor Ward,

I have been selected as the Chief of Police for the Hurst Police Department.

Due to this change, it is in the best interest of the police department and the City of Hurst that I tender my resignation as a member of the City of Hurst Animal Services Advisory Committee. With your approval, the effective date of my resignation will be the date my replacement to the committee is completed.

It was my honor to serve the citizens of Hurst, the City Council, and my fellow committee members.

Sincerely,

A handwritten signature in cursive script that reads "S. R. Niekamp".

Steve Niekamp  
Chief of Police

**MINUTES  
CITY OF HURST  
ZONING BOARD OF ADJUSTMENT  
MONDAY, JUNE 12, 2017**

On the 12<sup>th</sup> day of June, 2017 at 6:30 p.m., the Zoning Board of Adjustment of the City of Hurst, Texas, convened in regular meeting at Hurst City Hall, 1505 Precinct Line Road, Hurst, Texas, with the following members and staff present:

Bruce Wertz	)Chair
Jeffrey Barnes	)Member
Richard Granvedt	)Member
Mike Kelley	)Member
Bill McClure	)Alternate
Bud Dodson	)Alternate
Vince King	)Building Official
Matthew Butler	)City Attorney
Sandra Volkert	)Permit Tech/Building Inspections

The following members were absent: Bien Camungol, constituting a quorum. The board agreed that alternate member Bud Dodson would be voting on this variance. The following business was transacted:

Call to order: The meeting convened at 6:31 p.m.

- I. Jeffrey Barnes moved to approve the minutes for the August 10, 2016 meeting. Bruce Wertz seconded the motion. The motion prevailed by a vote of 5-0.
- II. Conduct a Public Hearing for ZB-17-03, to consider a variance request by Sozo Properties LLC, owner of the property located at 505 Quail Cove Ct., Hurst, Texas 76054 and legally described as Lot 6R, Block 9, of the Woodbridge 1<sup>st</sup> Install Addition, to Sections 27-4 (e) (3) of the City of Hurst Comprehensive Zoning Ordinance having to do with exterior yard requirements in R1 Dwelling District.

Bruce Wertz swore Jeff Marshall, Lu Marshall, Lillian Bargas and City of Hurst Building Official Vince King to testify in front of the Zoning Board of Adjustment.

Bruce Wertz opened the public hearing for ZB-17-03.

Jeff Marshall, owner of Sozo Properties LLC, presented a request to extend the home they would like to build 5 feet beyond the front building line. Mr. Marshall explained that the additional 5 feet is needed to be able to park cars in the homes garage. He illustrated, using a measuring tape, how long 5 feet is. Mr. Marshall showed the board members a front elevation illustration of how the 5 foot variance would affect the front building line.

Lillian Bargas addressed the board in objection to granting the requested variance. She advised that the applicant has not, in her opinion, met the requirement of a hardship if the variance is not granted. She provided the board members with a letter that had been sent to the neighboring properties, by the applicant. She claimed that the letter stated that an alternate set of building plans had been created, to be used in the event that the variance was denied.

Mr. Wertz asked Mr. Marshall if they do have alternate building plans, in the event that the variance is denied, and Mr. Marshall advised that they do not. Mr. Wertz asked the applicant if they plan to reside in the new home and the applicant said that they will. Mr. Wertz discussed with Mr. Marshall the requirement that the property would have to be built in compliance with all building codes and address any potential drainage issues. Mr. Marshall advised that he understands. He also advised that he intends to match the fences of the neighbors on both sides of his property and understands that his fence must be at least 54 feet and 6 inches from the curb.

Mike Kelley made a motion to close the public hearing and Richard Granvedt seconded the motion. Bruce The board voted 5-0 to close the public hearing. Mr. Wertz closed the public hearing for ZB-17-03.

Mike Kelley recapped the variance request and advised that in his opinion it is a simple request.

Mr. Wertz advised Mr. Marshall that if the variance is granted, the extension beyond the front building line must be 5 feet or less and Mr. Marshall said that he understood.

Mr. Wertz explained the requirement to pass the variance and that alternate member Bill McClure will not be voting.

Mike Kelley made a motion to poll the board on the required questions. Richard Grandvedt seconded the motion. The motion passed with a vote of 5-0.

Mr. Wertz then polled the board on each of the 4 questions required to approve or deny the variance.

Richard Grandvedt made a motion to vote on the variance. Bud Dodson seconded the motion. The motion passed with a vote of 5-0 to grant the variance.

Mr. Wertz explained that the variance will convey with the property permanently.

Jeff Barnes made a motion to adjourn the meeting. Mike Kelley seconded the motion. The motion passed by a vote of 5-0

III. Other Business – none

IV. The meeting adjourned at 7:02 p.m.

**APPROVED this the 12<sup>th</sup> day of February 2018.**

**Bruce Wertz – Chair  
Zoning Board of Adjustment**

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**ATTEST:**

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**Recording Secretary**

## Future Event Calendar

February 27, 2018

*Regular City Council meetings are held on the second and fourth Tuesday of each month. Following are additional meetings, canceled meetings and public event dates.*

<b><u>DATE AND TIME</u></b>	<b><u>ACTIVITY</u></b>
Thursday, March 1, 2018 6:00 p.m.	Town Hall Forum Hurst Conference Center
Friday, March 30, 2018	Holiday – City Hall Closed