

**City Council Minutes**  
**Tuesday, August 27, 2019**

On the 27<sup>th</sup> day of August 2019, 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:

Henry Wilson	)	Mayor
Larry Kitchens	)	Mayor Pro Tem
David Booe	)	Councilmembers
Bill McLendon	)	
Jon McKenzie	)	
Cathy Thompson	)	
Cindy Shepard	)	
Clay Caruthers	)	City Manager
John Boyle	)	City Attorney
Rita Frick	)	City Secretary
Clayton Fulton	)	Assistant City Manager
Malaika Marion Farmer	)	Assistant City Manager
Duane Hengst	)	City Engineer
Kyle Gordon	)	Executive Director of Community Services

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 Cindy Shepard gave the Invocation.

The Pledge of Allegiance was given. The Texas Pledge was given.

**PRESENTATION(S)**

1. Presentation of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award. Assistant City Manager Clayton Fulton reviewed the criteria to receive the Distinguished Budget Award noting this is the 31st consecutive year Hurst has received this award, and there are approximately 36,000 municipal units in the United States with only 1,600 participants in the Budget Award Program. Mr. Fulton read a few of the comments from the reviewers and recognized Budget Director Joni Baldwin, along with all employees in Hurst for the team effort and partnering on development of the budget. City Manager Caruthers also expressed appreciation to Mr. Fulton and Ms. Baldwin noting how much work and effort is involved in preparing the budget.

in the country, with no income tax to help balance the property tax and sales tax. Mr. Fulton reviewed the current tax rate of \$0.580000, proposed tax rate \$0.597299, rollback rate, \$0.597299 and effective tax rate \$0.544839 and explained the proposed tax rate is a two-part rate composed of the Maintenance and Operations (M&O) proposed rate \$0.478236, and the Interest and Sinking (I&S) proposed rate of \$0.119063. He stated statutory requirements specifies language be utilized in the budget, which will show over two million in increased revenue. The effective revenue increase is \$458,556 when factoring in the animal shelter/street reconstruction financing; changes in Criminal Justice System; state mandated revenue losses; sales tax revenue decreases; increased costs from mandates and other economic impacts. Mr. Fulton reviewed a ten-year history of appraised value and tax rate, reflecting over \$25 million in property tax savings since 1992 by the Council lowering the tax rate in fiscally strong years. Reviewed were the Hurst property tax relief exemptions compared to other cities in northeast Tarrant County. Mr. Fulton noted \$1.2 billion in value that is not subject to the City's property tax, which is \$7.6 million returned to the citizens. Mr. Fulton illustrated the value of City services, including street maintenance, public safety, parks, library, aquatics and recreation at a cost of approximately \$2.61 a day by comparing it to how consumers spend their dollars in the private market, such as a cup of coffee for \$5.24. Mr. Fulton noted the overlapping tax rates on the tax bill noting the City's portion is approximately 24% of the total bill. He also reviewed sales tax receipts noting 76% of sales tax goes to the State of Texas, 12% to the General Fund, 6% to the Anti-Crime Fund and 6% to the Community Development Fund. Also reviewed were expenditures by department, noting the majority goes to police, fire and community services.

Mr. Fulton reviewed the Debt Service Fund budget of \$3,860,410, which meets the City's debt policy and includes the animal shelter and adoption center. Mr. Fulton reviewed future obligations and the refunding philosophy. Reviewed was the Enterprise Fund Budget of \$21,388,248 and an operating budget, which is a flat budget. Mr. Fulton noted a proposed 2.0% increase in water rates, noting Hurst has followed a rate smoothing policy to prevent fluctuations due to weather patterns. He reviewed wholesale costs and consumption of water purchased from Fort Worth, which represents 42% of this budget, and is responsible for the increase in recent years. Mr. Fulton reviewed ratepayer impact and average user cost increase noting the value of a gallon of Hurst water purchased for \$0.01 versus a gallon bought at the store for \$1.00.

Mr. Fulton reviewed the Anti-Crime Half Cent Fund, which was adopted by the Crime Control District, August 13, 2019, and stated it provides 15 cents of property tax rate benefit. He also reviewed the Community Services Half Cent Sales Tax Fund, stating this fund provides 15 cents of property tax rate benefit. Mr. Fulton noted the City is responsible for additional funds that account for revenues designated for a specific purpose such as fleet and technology and these funds total \$4,960,726.

There being no one to speak, Mayor Wilson closed the public hearing.

City Manager Caruthers highlighted the challenges for the general fund, mainly due to the life cycle, Hurst is built out and maturing and the City is having to invest dollars to ensure the community remains sustainable. He stated the 4B and Crime Funds are twenty

five years old and basically tapped out with the use of dollars at the sales tax level; leaning heavier on the general fund. He stated the general fund relief from these funds has lowered from 23 cents to 15 cents. Mr. Caruthers explained how growth in the area becomes challenging in the enterprise fund due to rising wholesale cost for water and that growth increases competition for the NE Mall. Also noted is complicated legislation increasing challenges for the City. Mr. Caruthers stated he appreciates the community and Council providing the opportunity for the City to continue to be competitive in the market for employees to provide excellent services and believes staff has been conservative in the approach to the budget. Mayor Wilson stated Council will consider the budget ordinance at the September 10, 2019 City Council meeting.

7. Conducted a Public Hearing to consider tax rate for the City's 2019-2020 Fiscal Year Budget.

Mayor Wilson announced a public hearing to consider tax rate for the City's 2019-2020 Fiscal Year budget and Assistant City Manager Clayton Fulton stated publications had been made in accordance with state law. The budget will be supported by a proposed tax rate of \$0.597299 per \$100. Reviewed were the following rates: proposed tax rate \$0.597299 per \$100, preceding year's tax rate \$0.58 per \$100, effective tax rate \$0.544839 per \$100 and rollback tax rate \$0.597299 per \$100.

There being no one to speak, Mayor Wilson closed the public hearing.

Mayor Wilson stated the Council had the hearing this evening and again on September 3, 2019, 5:00 p.m. He stated the Council will vote on the adoption of a tax rate at public meetings to be held September 10, 2019 and September 24, 2019 at 6:30 p.m. at Hurst City Hall.

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

8. Conducted a Public Hearing to consider SP-19-06 Take 5 Oil Change, a site plan for a portion of Lot 2R1, Block 2, Woodbridge Plaza Addition, being 1.27 acres located at 400 Grapevine Highway.

Mayor Wilson announced a public hearing to consider SP-19-06 Take 5 Oil Change, a site plan for a portion of Lot 2R1, Block 2, Woodbridge Plaza Addition, being 1.27 acres located at 400 Grapevine Highway and recognized Executive Director of Development Michelle Lazo who reviewed the proposed site plan noting the applicant is requesting to construct a new Take 5 Oil Change with 1,462 square feet. That they plan to maintain access to the north and an entrance to the north, with no additional driveways being proposed. Ms. Lazo reviewed the landscape plans noting the applicant will mitigate some trees. The plan indicates a masonry building with added stone veneer accents on the pilasters. She reviewed the proposed signage on each elevation and a new monument sign on Grapevine Highway with an angled oil can cabinet. Mayor Wilson recognized applicant Keith Mohamad, 5507 Commodore, near Houston, who stated he would answer any questions.

There being no one to speak, Mayor Wilson closed the public hearing.

9. Considered Ordinance 2425, first reading, approving a site plan for a portion of Lot 2R1, Block 2, Woodbridge Plaza Addition, being 1.27 acres located at 400 Grapevine Highway.

Councilmember Shepard moved to approve SP-19-06, Take 5 Oil Change, a site plan for a portion of Lot 2R1, Block 2, Woodbridge Plaza Addition, and Ordinance 2425. Motion seconded by Councilmember Kitchens. Motion prevailed by the following vote:

Ayes: Councilmembers Booe, Kitchens, McKenzie, Thompson, McLendon and Shepard  
No: None

10. Conducted a Public Hearing to consider Z-19-02 Norwood Addition, a zoning change from GB to R-1 for Lot 11, Block A, Norwood Subdivision, being .97 acre located at 129 Norwood Drive.

Mayor Wilson announced a public hearing to consider Z-19-02 Norwood Addition, a zoning change from GB to R-1 for Lot 11, Block A, Norwood Subdivision, being .97 acre located at 129 Norwood Drive and recognized Executive Director of Development Michelle Lazo who reviewed the proposed case noting the applicant, Mr. Ivan Lelus is requesting the change to construct a single-family home with access to Norwood Drive. She stated Harrison Lane behind the lot does not currently go through and the applicant is aware of the road. She stated he plans to build a log cabin type home.

There being no one to speak, Mayor Wilson closed the public hearing.

11. Considered Ordinance 2426, first reading, Z-19-02 Norwood Addition, a zoning change from GB to R-1 for Lot 11, Block A, Norwood Subdivision, being .97 acre located at 129 Norwood Drive.

Councilmember Kitchens moved to approve Z-19-02 and Ordinance 2426 on first reading. Motion seconded by Councilmember Booe. Motion prevailed by the following vote:

Ayes: Councilmembers Booe, Kitchens, McKenzie, Thompson, McLendon and Shepard  
No: None

#### **PLAT(S)**

12. Considered P-18-03 Lucas Estates, a final plat of Tract 2C1 and 2C2 William Wallace Survey to Tract C Lucas Estates Addition, being 2.01 acres located at Bedford Eules Road.

Mayor Wilson recognized Executive Director of Development Michelle Lazo who stated

Mr. Lucas is here this evening to answer questions. She stated this is a final plat of Tract 2C1 and 2C2 to tract Lucas Estates Addition and the developer is requesting the final plat to expand and remodel the Lucas Funeral Home. She noted additional parking area and a possible future event center, and that the applicant is dedicating a large drainage easement by separate instrument. In response to Council questions, City Engineer Duane Hengst stated engineering is order.

Councilmember McKenzie moved to approve P-18-03 Lucas Estates Addition. Motion seconded by Councilmember Thompson. Motion prevailed by the following vote:

Ayes: Councilmembers Booe, Kitchens, McKenzie, Thompson, McLendon and Shepard  
No: None

13. Considered P-19-05 Shady Oaks Addition, a replat of Lot 2R2 to Lots 2R2-2R6, Block A, Shady Oaks Addition, being .55 acre located at 1244 Hurstview Drive.

Mayor Wilson recognized Executive Director of Development Michelle Lazo who stated the proposed replat is being requested to develop four (4) single-family homes. That the zoning change was approved several months ago. Also noted was a small retaining wall toward the back of the property due to grade changes. In response to Council questions, City Engineer Duane Hengst stated engineering is order.

Councilmember Thompson moved to approve P-19-05 Shady Oaks Addition, with the stipulation that engineering plans address the long term maintenance of the sanitary sewer easement. Motion seconded by Councilmember McLendon. Motion prevailed by the following vote:

Ayes: Councilmembers Booe, Kitchens, McKenzie, Thompson, McLendon and Shepard  
No: None

#### **ORDINANCE(S)**

14. Considered Ordinance 2427, first reading, approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the company's 2019 rate review mechanism filing.

Assistant City Manager Clayton Fulton reviewed the proposed ordinance noting the City of Hurst, along with 171 other Mid-Texas Cities served by Atmos Energy Corporation, Mid-Tex Division, is a member of the steering committee of cities served by Atmos. He noted the 2007 interim rate adjustment settlement, and the creation of a substitute rate review process referred to as Rate Review Mechanism (RRM) for future filings under the new Gas Reliability Infrastructure Program legislation. Mr. Fulton reviewed the most recent request and negotiation noting the consortium looks at all revenues and requests and the reasonableness of the request. He explained if the City was not part of the negotiated settlement agreement and chose to simply deny the request, Atmos would probably ultimately obtain their original request, which is higher than the proposed

settlement through the consortium. Mr. Fulton stated the average impact to the consumer will be \$2.05 per month.

Councilmember Thompson moved to approve Ordinance 2427, first reading accepting the updated RRM process for Atmos Energy Corp., Mid-Tex division. Motion seconded by Councilmember Booe. Motion prevailed by the following vote:

Ayes: Councilmembers Booe, Kitchens, McKenzie, Thompson, McLendon and Shepard  
No: None

### **RESOLUTION(S)**

15. Considered Resolution 1742 to adopt the City of Hurst Investment Policy.

Assistant City Manager Clayton Fulton stated Section 2256.005 of the Texas Government Code requires the City Council to review the investment policy and investment strategies not less than annually. He stated there are only minor non substantial changes this year. He reviewed the five investment objectives including safety, liquidity, diversification, yield and public trust.

Councilmember McLendon moved to approve the City of Hurst Investment Policy by Resolution 1742, as required by Section 2256.005, Texas Government Code. Motion seconded by Councilmember Shepard. Motion prevailed by the following vote:

Ayes: Councilmembers Booe, Kitchens, McKenzie, Thompson, McLendon and Shepard  
No: None

### **OTHER BUSINESS**

16. Considered authorizing the city manager to enter into a contract for construction of the 2019 Miscellaneous Sanitary Sewer Pipe Bursting Improvements.

City Engineer Duane Hengst reviewed the proposed contract with Leetech Solutions, LLC, for the 2019 Miscellaneous Sanitary Sewer Pipe Bursting Improvements, noting the total cost not to exceed \$300,000. He reviewed the base bid of the six highest priority segments with five additional segments issued as alternates and the low bid received was by Leetech Solutions, LLC. In response to Council questions, Mr. Hengst stated after the contract is signed the work would start in a few months.

Councilmember McKenzie moved to authorize the city manager to enter into a contract with Leetech Solutions, LLC, for the 2019 miscellaneous Sanitary Sewer Pipe Bursting Improvements, in the amount of \$256,430.00, with a contingency of \$43,570.00, for a total amount not to exceed \$300,000.00. Motion seconded by Councilmember Thompson. Motion prevailed by the following vote:

Ayes: Councilmembers Booe, Kitchens, McKenzie, Thompson, McLendon and Shepard  
No: None

17. Considered annual appointments to Boards, Commissions and Committees.

Mayor Wilson stated Council in in the process of appointments, but there is no action on this item.

18. Council reviewed the following board, commission and committee meeting minutes:

- Animal Services Advisory Committee

19. Review of upcoming calendar items - City Manager Caruthers reviewed calendar items noted in the packet and Assistant City Manager Malaika Marion Farmer provided information on the new National Night Out event.

20. 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**

Mayor Wilson recognized Charles Mercer, 6101 Terrace Oaks Lane, Fort Worth, who expressed his concerns regarding code enforcement actions on his property, Dakota Apartments. Mayor Wilson advised Council could not discuss this item since it is not on the agenda. City Manager Caruthers advised Mr. Mercer this issue is scheduled for a public hearing on the City Council's September 24, 2019 agenda.

**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 551.072, deliberation of the purchase, exchange, lease, or value of real property identified as situated in the Susan McDaniel Survey, Abstract No. 1407, in the City of Hurst, Tarrant County, Texas, being a part of that Tract of Land described in Deed of Trust to Ronnie W. Trusty and Becky Trusty, as recorded in Volume 8773, Page 394 of the Deed Records of Tarrant County, Texas and to reconvene in Open Session at the conclusion of the Executive Session

Mayor Wilson recessed the meeting to Executive Session at 8:10 p.m. pursuant 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 551.072, deliberation of the purchase, exchange, lease, or value of real property identified as situated in the Susan McDaniel Survey, Abstract No. 1407, in the City of Hurst, Tarrant County, Texas, being a part of that Tract of Land described in Deed of Trust to Ronnie W. Trusty and Becky Trusty, as recorded in Volume 8773, Page 394 of the Deed Records of Tarrant County, Texas and reconvened Open Session at 9:02 p.m.

21. Take any and all action necessary ensuing from Executive Session.

Councilmember McKenzie moved to approve Resolution 1744. Motion seconded by Councilmember Thomsson. Motion prevailed by the following vote:

Ayes: Councilmembers Booe, Kitchens, McKenzie, Thompson, McLendon and Shepard  
No: None

Councilmember Kitchens moved to authorize the city manager and city attorney, and other legal financial representatives to work on a memo of understanding between the City and Prudentia, Development for Gala at Central Park. City Attorney John Boyle clarified this is a non-binding agreement and Mayor Wilson clarified the motion is to authorize the city manager to execute the non-binding agreement as presented, after legal counsel review and approval. Motion seconded by Councilmember Booe. Motion prevailed by the following vote:

Ayes: Councilmembers Booe, Kitchens, McKenzie, Thompson, McLendon and Shepard  
No: None

**ADJOURNMENT**

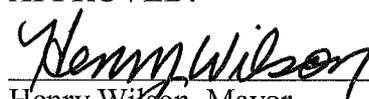
The meeting adjourned at 9:06 p.m.

**APPROVED** this the 10<sup>th</sup> day of September 2019.

**ATTEST:**

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

**APPROVED:**

  
\_\_\_\_\_  
Henry Wilson, Mayor