

**MINUTES
OF THE
MEETING OF THE
BENBROOK CITY COUNCIL
THURSDAY, DECEMBER 1, 2005**

The regular meeting of the Benbrook City Council was held on Thursday, December 1, 2005 at 7:30 p. m. in the Council Chambers at 911 Winscott Road with the following Council members present:

Jerry Dittrich
Rickie Allison
Keith Bailey
John Vander Pan
Ron Sauma
James Schull
Larry Stowe

Also Present:

Cary Conklin, City Manager
Dave Gattis, Assistant City Manager
Sherri Newhouse, Budget Director
Andy Wayman, Assistant City Manager
David Ragsdale, Comptroller

Others Present:

Dorcas Neuman, Benbrook News
Elizabeth Campbell, Fort Worth Star Telegram
Ed Gallagher, City Planner
Sam Horan, Police Chief
James Mills, Police Commander
Tommy Davis, Fire Chief
Ray Parker, Animal Control Officer
Sam Balkum
Bill Smith
Daniel Tully
Tammie Cauthen
Pat Dunkin
Karen Barber
Twenty-Two Students from Nolan High School
Eight Other Citizens

I. CALL TO ORDER

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

**II. INVOCATION
PLEDGE OF ALLEGIANCE**

Invocation was given by Pastor Todd Pylant of First Baptist Church of Benbrook. The Pledge of Allegiance was recited.

III. CONSENT AGENDA

- 1. Minutes of the regular meeting held November 17, 2005**
- 2. Resolution Ratifying Cities Aggregation Power Project (CAPP) Efforts to Secure Coal Capacity for the City of Benbrook's Base Load Electric Capacity Needs**
- 3. Ordinance Amending Chapter 1.12 of the Municipal Code by Revising Section 1.12.020 C – Fees for Public Information and Open Records Requests**
- 4. Approve Emergency Services Contract with Tarrant County**

Mr. Sauma requested that additional information be provided for items 3 and 4. Mr. Conklin explained that State law was changed by the Texas Legislature regarding fees for public information and open records requests; the City was required to abide by State law and adjust fees effective December 1, 2005. Chief Davis explained that the City's contract with Tarrant County for emergency services was last renewed December 2004. He stated that the new contract includes a grant from the district in the amount of \$11,815 to purchase and replace fire hose. He also explained that the annual revenue from the County in the amount of \$60,000 is included in the 2005-06 Budget, that the County provides a \$250,000 super tanker for City use, and that the County supplies a thermal imaging camera to the City.

Motion by Mr. Sauma, seconded by Mr. Schull, to approve the consent agenda as presented.

Vote on the Motion:

Ayes: Mr. Schull, Mr. Bailey, Mr. Allison, Mayor Dittrich, Mr. Vander Pan, Mr. Stowe, and Mr. Sauma.

Noes: None

Motion carries unanimously.

IV. PROCLAMATION/AWARDS/RECOGNITION

- 1. Ray Parker - Animal Control Officer – Warren J. Kilpatrick Award**

Commander Mills presented Animal Control Officer Parker with the Warren J. Kilpatrick Award from the Texas Animal Control Association. The award is the

highest given each year by the association and is presented to an individual recognized as outstanding in his field.

Mr. Parker began his employment with the City of Benbrook in 1988 and has been full-time Animal Control Officer since 1999. He has received many commendations from both citizens and supervisors. Parker is dedicated to his job often going above and beyond the call of duty without complaint. He has a strong work ethic and is considered compassionate, reliable, and a self-motivator in his responsibilities.

In a recent surprise inspection of the animal shelter by the Texas Department of Health, the inspector assigned the highest rating to Benbrook.

V. PRESENTATION BY PLANNING AND ZONING COMMISSION

VI. REPORTS OF CITY MANAGER

A. GENERAL

G-1597 Financial Report for Year Ending September 30, 2005

Mr. Conklin gave the following report: General Fund revenues through the end of the City's fiscal year totaled \$10,615,765. This amount was \$478,932 more than the amount budgeted. Most of the excess came from Use of Money and Property (\$162,163), Building Related Fees (\$131,354), City Sales Tax (\$93,349), and Ambulance Fees (\$79,187). Current revenue collections exceeded the prior year's total by \$676,649.

General fund expenditures through the end of the year were \$10,071,159 or 96.13% of the amount budgeted. Only two departments were over-expended at year end. The City Secretary was over due to the publication of required legal notices. The Municipal Court was over due to an increase in salary for the Municipal Court Judge position, as a result of change in personnel.

General Fund revenues exceeded expenditures by \$539,606.

Debt Service Fund revenues received through the end of the year totaled \$1,605,642 or 101.03% of the budget. Total expenditures on all bonded debt amounted to \$1,579,645.

Revenues for the Economic Development Corporation were \$1,133,871 with about half of this amount coming from the sale of land and the other half coming from sales taxes. EDC expenditures were \$810,370, with the largest expenditures going toward the Texas turn-around project and interest on EDC loans.

Capital Projects revenues amounted to \$2,849,080; \$2,500,000 of this amount came from the sale of the TIF certificates of obligation. Capital Projects

expenditures were \$2,473,352.

Revenue from Special Assessments totaled \$82,286. There were no expenditures.

At September 30, 2005, the City had \$10,879,076 invested at varying interest rates. The EDC had a total of \$796,507 available.

Staff recommends that City Council accept the year-ending financial report for the year-ended September 30, 2005.

Motion by Mr. Vander Pan, seconded by Mr. Schull, to accept the year-ending financial report for the year-ended September 30, 2005.

Vote on the motion:

Ayes: Mr. Bailey, Mr. Allison, Mayor Dittrich, Mr. Vander Pan, Mr. Stowe, Mr. Sauma, and Mr. Schull.

Noes: None

Motion carries unanimously.

G-1598 Financial Report for Month Ending October 31, 2005

Mr. Conklin gave the following report: General Fund revenues for the month of October totaled \$323,576. The major source of revenue came from Property Taxes (\$158,344). General fund expenditures totaled \$778,465. General Fund expenditures exceeded revenues by \$454,889.

Revenues for the Economic Development Corporation were \$3,509 whereas expenditures were \$37,617.

Investments were \$10,010,477 at October 31, 2005. The entire amount is available immediately if needed.

Staff recommends that City Council accept the monthly financial report for the month of October 2005.

Motion by Mr. Bailey, seconded by Mr. Stowe, to accept the monthly financial report for the month of October 2005.

Vote on the motion:

Ayes: Mr. Allison, Mayor Dittrich, Mr. Vander Pan, Mr. Stowe, Mr. Sauma, Mr. Schull, and Mr. Bailey.

Noes: None

Motion carries unanimously.

G-1599 Quarterly Hotel/Motel Bed Tax Report

Mr. Ragsdale gave the following report: City Council has received, for their information and consideration, copies of the quarterly HMT report for the quarter ending September 30, 2005. The opening balance on July 1, 2005 was \$188,639.72 with quarterly revenue collections of \$26,927.60. Total funds available amounted to \$215,567.32.

The Benbrook Area Chamber of Commerce submitted receipts totaling \$12,427.52. Most of this amount was for the salary and shared overhead of the Tourism Director (\$7,555.24) and for the Information Booklets (\$4,808.04).

Benbrook Sister Cities submitted receipts totaling \$8,647.46. A total of \$3,302.73, for the Arts Program and Scholarships, was included in the full funding category. Partial funding expenses totaling \$5,344.73 (\$3,563.33 to be refunded) were also submitted. The total refund to Benbrook Sister Cities will be \$6,866.06.

The City also purchased 100 cooler bags to be given to visitors at a cost of \$523.

Staff recommends that City Council approve the Quarterly HMT report and authorize Staff to make the reimbursements requested.

Motion by Mr. Stowe, seconded by Mr. Allison, to approve the Quarterly HMT report and authorize Staff to make the reimbursements requested.

Vote on the motion:

Ayes: Mayor Dittrich, Mr. Vander Pan, Mr. Stowe, Mr. Schull, Mr. Bailey, and Mr. Allison.

Noes: Mr. Sauma

Motion carries 6 to 1.

**G-1600 Consider Projects and Call Public Hearing on 32nd Year
Community Development Block Grant (CDBG) Award**

Mr. Gattis gave the following report: the City's application for the 32nd Year Community Development Block Grant (CDBG) is due on February 6, 2006. The Council is required to hold a public hearing to receive public comment prior to that time.

The Community Development Block Grant is a federal grant designed to benefit low or moderate-income neighborhoods. Benbrook has received over \$2.8 million dollars through this program since 1975. Mr. Gattis provided a list of the projects and the project funding amounts for years 1 through 31.

Projects must benefit low or moderate-income residents, either by being located within a CDGB Target Area or benefiting a target population, such as the elderly or handicapped. Among the types of projects that may be funded are: acquisition, public facilities and improvements, public services, rehabilitation activities, code enforcement, and economic development.

A target area is an area where the majority of residents meet the definition of low or moderate income. As a result of the 2000 Census, Census Block Group 1109.061 has been determined to qualify as a block group, thus allowing Benbrook to construct infrastructure improvements in this area. The area is roughly bounded by Benbrook Boulevard to the west, the I-20 frontage road to the north, Warden Street to the east, and Childers Avenue to the south. The City may use CDBG funds to construct streets, drainage improvements, alleys, and sidewalks within this area. The funds must only be used to benefit residential areas, as the County has rejected proposals that would benefit commercial or non-residential property.

Annual funding levels have stabilized at approximately \$120,000, of which approximately 10 percent is usually allocated to architectural/engineering services. Projects must be usable at the end of each year's construction, so it is not possible to fund partial construction or to carry money forward to the next year. Therefore, the normal project should cost approximately \$110,000. However, in recent years, the City has budgeted \$10,000 as matching funds. Thus, the maximum project should be about \$120,000.

Twelve projects were presented for consideration:

- a. Construct Culvert Improvements at Childers Avenue
- b. Contract with Fort Worth Transportation Authority for Elderly and Handicapped Transit Services
- c. Construct additional sidewalks and wheelchair ramps within the Target Area
- d. Pave alley between Mercedes and Cozby North Street
- e. Improve handicapped access within Dutch Branch Park
- f. Reconstruct Estes Street from Childers to Davidson
- g. Reconstruct Bryant Street from Childers to Davidson
- h. Build handicapped access across U. S. 377 to Dutch Branch Park
- i. Use CDBG funds to reduce user fees at Benbrook Community Center/YMCA
- j. Pay salary of Senior Citizens Coordinator
- k. Allocate funds for gang intervention and graffiti control
- l. Allocate funds to Meals on Wheels Program

The City Council may have other projects that it may want to consider as well.

Staff recommends that City Council: (1) tentatively designate the enlargement of the Timber Creek culvert at Childers Avenue in the Target Area as the 32nd Year CDBG project; and (2) schedule a public hearing for January 5, 2006 to receive public comment.

Motion by Mr. Vander Pan, seconded by Mr. Sauma, to tentatively designate the enlargement of the Timber Creek culvert at Childers Avenue in the Target Area as the 32nd Year CDBG project and schedule a public hearing for January 5, 2006 to receive public comment.

Vote on the motion:

Ayes: Mr. Vander Pan, Mr. Stowe, Mr. Sauma, Mr. Schull, Mr. Bailey, Mr. Allison, and Mayor Dittrich

Noes: None

Motion carries unanimously.

G-1601 Accept Proposal for Natural Gas and Oil Lease

Mr. Wayman gave the following report: the City of Benbrook owns approximately 211 acres of land with mineral rights in the Whitestone Ranch area. The land includes Whitestone Golf Course, two undeveloped park sites, and the fire station site. City Staff has verified ownership of all mineral rights via a certified petroleum landman.

The gas play in the Southwest Tarrant/Parker County Barnett Shale has increased over the past six months. As a result, City Staff has requested proposals (RFP) to lease the 211 acres.

In order to maximize the attractiveness of the lease area, the City formed a strategic alliance with the adjoining mineral rights owner. In total, the collaboration represents approximately 400 mineral acres. Both the City and the adjoining land owner have potential drilling sites that are appropriately removed from surrounding residences.

According to State law, all public entities must follow a Request for Proposal system to bid natural gas and oil leases. Therefore, City Staff developed, advertised, and received RFPs. RFP packets were direct mailed to six gas and oil exploration companies that focus on Barnett Shale gas exploration. City Staff also actively called companies to generate interest and market the RFPs.

The City received proposals from the following companies; all proposals are for a two year lease term for the 211 acre gas and oil lease:

	<u>Bonus/Acre</u>	<u>Total Bonus</u>	<u>Royalty</u>
Snow Operating	\$110/Acre	\$ 23,298	20%
Mike Martinez	\$1,000/Acre	\$ 211,800	22%
Carrizo	\$1,250/Acre	\$ 264,750	22%
XTO Energy	\$1,502/Acre	\$ 318,124	25%
Chesapeake	\$5,700/Acre	\$1,207,260	25%

The bid by Chesapeake Energy Corporation is the most favorable to the City of Benbrook. Chesapeake Energy Corporation is a major player in the natural gas industry and is traded on the New York Stock Exchange (CHK). Since 1998, Chesapeake has invested approximately \$10 billion in the acquisition of proven natural gas and oil reserves. The company is reportedly determined to establish a dominant presence in the north Texas gas play.

Logistically, the Chesapeake bid would provide the City of Benbrook with a bonus payment (cash for lease based on acreage) when the lease is executed. Thereafter, the City would receive 25% of gross well revenue. Should Chesapeake elect not to drill within the two year term, the City of Benbrook would keep the bonus payment and re-lease the land at the end of two years.

All major gas and oil drilling companies use standardized lease documents to establish the terms and conditions of a lease. The City Attorney is currently evaluating the Chesapeake lease document and will negotiate minor changes and revisions to protect the interests of the City of Benbrook. The City Attorney has previously negotiated with Chesapeake on behalf of other municipal clients and does not anticipate any significant difficulties. City Staff will bring the final lease document to Council for formal ratification.

Staff recommends that City Council accept Chesapeake Energy Corporation's proposal for an oil and gas lease and direct the City Attorney to negotiate final terms and conditions of the lease document for City Council consideration on December 15, 2005.

Motion by Mr. Allison, seconded by Mr. Vander Pan, to accept Chesapeake Energy Corporation's proposal for an oil and gas lease and direct the City Attorney to negotiate final terms and conditions of the lease document for City Council consideration on December 15, 2005.

Vote on the motion:

Ayes: Mr. Stowe, Mr. Sauma, Mr. Schull, Mr. Bailey, Mr. Allison, Mayor Dittrich, and Mr. Vander Pan.

Noes: None

Motion carries unanimously.

VII. OTHER MATTERS OF BUSINESS

VIII. INFORMAL CITIZEN PRESENTATION

IX. ADJOURNMENT

Meeting adjourned at 8:00 p.m.

APPROVED:

Jerry B. Dittrich, Mayor

ATTEST:

Joanna King, City Secretary