

**City Council Minutes**  
**Tuesday, August 13, 2024**

On the 13<sup>th</sup> day of August 2024, at 6:30 p.m., the City Council of the City of Hurst, Texas, convened in a Regular Meeting at City Hall, 1505 Precinct Line Road, Hurst, Texas, with the following members present:

Henry Wilson	)	Mayor
John Miller	)	Mayor Pro Tem
Cindy Shepard	)	Councilmembers
Jon McKenzie	)	
Gary N. Waldron	)	
Jimmy Meeks	)	
Clay Caruthers	)	City Manager
Natalie Gullo	)	City Attorney
Clayton Fulton	)	Assistant City Manager
Malaika Marion Farmer	)	Assistant City Manager
Rita Frick	)	City Secretary
Lola Smith	)	Deputy City Secretary
Shelly Klein	)	Assistant to the City Manager
Michelle Lazo	)	Executive Director of Planning and Development
Chris Connolly	)	Executive Director of Economic Development
Kyle Gordon	)	Executive Director of Community Services
Greg Dickens	)	Executive Director of Public Works
Sunny Patel	)	Director of Information Technology
Steve Niekamp	)	Police Chief

With the following Councilmember absent: Cathy Brotherton, constituting a quorum; at which time, the following business was transacted:

The meeting was called to order at 6:30 p.m. and Mayor Pro Tem Miller gave the Invocation.

The Pledge of Allegiance and Texas Pledge were given.

**PRESENTATION(S)**

1. Presentation of Girl Scout Troop 1333 Lemonade Day Achievements

Mayor Wilson and Trasa Cobern with 6 Stones presented bronze patches to Girl Scout Troop 1333 for their Lemonade Day achievement of raising \$333 for local nonprofit, 6 Stones.

2. Presentation of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award

Assistant City Manager Clayton Fulton recognized Managing Director of Finance and Accounting Paul Brown and Assistant to the City Manager Shelly Klein for their hard work in the City achieving the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award, this year being the thirty-sixth consecutive year for said

achievement. The current award was achieved on the FY 2024 Budget, and the process for obtaining the award is for the budget document to be blind reviewed by finance experts using seven criteria. Mr. Fulton further explained this is the first year for special recognition in two of the categories, *Departmental Goals and Objectives* and *Performance Measures*.

### **CONSENT AGENDA**

3. Consider approval of the minutes for the July 9 and July 31, 2024 City Council meetings
4. Consider Resolution 1861 ratifying the actions of the Hurst Community Services Development Corporation
5. Consider Resolution 1862 ratifying the actions of the Hurst Crime Control and Prevention District Board
6. Consider Resolution 1863 endorsing the implementation of a pretreatment program for the Central Regional Wastewater System as required by federal regulations
7. Consider Ordinance 2576, first reading, amending Chapter 26 by modifying Section 26-56 and Section 26-62 concerning wastewater pretreatment standards
8. Consider acknowledging and ratifying the decision of the city manager to enter into a service agreement with LumenServe for radio tower lighting
9. Consider authorizing the city manager to purchase street right-of-way easement Parcel 26UE and all remaining parcels for the Pipeline Road Phase 4 project at or below the city's appraised value plus closing costs
10. Consider authorizing the city manager to execute the agreement for Street Lighting Service and the Street Light Maintenance Authorization with ONCOR Electric Delivery Company LLC
11. Consider authorizing the city manager to enter into a contract for Herbicide Application for Drainage Channel Weed Control
12. Consider authorizing the city manager to negotiate and execute an Interlocal Agreement with the Hurst-Eules-Bedford Independent School District for Secondary School Resource Officers
13. Consider authorizing the city manager to execute the Interlocal Agreement with Trinity River Authority of Texas for temporary construction easements and temporary access easements through Jaycee Baker Park to allow for the replacement and repair of Walker-Calloway Branch wastewater outfall lines

Councilmember Meeks moved to approve the consent agenda. Motion seconded by Councilmember McKenzie. Motion prevailed by the following vote:

Ayes: Councilmembers Miller, Shepard, McKenzie, Waldron, and Meeks

No: None

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

14. Conduct a Public Hearing to consider adopting the Crime Control and Prevention District budget for fiscal year beginning October 1, 2024 and ending September 30, 2025

Mayor Wilson announced the Public Hearing.

Assistant City Manager Clayton Fulton explained the FY 2024-2025 Crime Control and Prevention District (CCPD) Budget was approved earlier tonight by the CCPD Board of Directors and further explained City Council was required to hold a Public Hearing in accordance with law prior to adoption. Mr. Fulton explained the budget is supported by 0.5% sales tax levied within the City of Hurst and generates approximately \$5.7 million in revenue each year, and explained the existence of the anti-crime sales tax is a savings of 13 cents on the tax rate and \$315 savings for the average household. He stated the proposed budget includes a 3.5% cost of living increase for personnel, an increase in sundry for the jail services contract, and an increase for the license plate reader program expansion.

There being no one to speak, Mayor Wilson closed the Public Hearing.

15. Consider Ordinance 2577, first reading, adopting the Crime Control and Prevention District budget for fiscal year beginning October 1, 2024 and ending September 30, 2025

Mayor Pro Tem Miller moved to approve the Ordinance 2577, first reading, adopting the Crime Control and Prevention District budget for fiscal year beginning October 1, 2024 and ending September 30, 2025. Motion seconded by Councilmember Waldron. Motion prevailed by the following vote:

Ayes: Councilmembers Miller, Shepard, McKenzie, Waldron, and Meeks

No: None

16. Conduct a Public Hearing to consider the budget for fiscal year beginning October 1, 2024 and ending September 30, 2025

Mayor Wilson announced the Public Hearing.

Assistant City Manager Clayton Fulton provided an overview of the budget strategic planning process the City follows which starts with the citizen survey at the beginning of each year where citizens are asked about their top priorities in the City. Citizens continue to rank the top three priorities as Public Safety, Infrastructure, and Community and Economic Vitality. The strategic planning process continues with Council work sessions, aligning the budget with citizen strategic priorities, City Council priorities, and maintaining The Hurst Way philosophy, all leading up to tonight's Public Hearing on the proposed budget. Mr. Fulton further provided an overview of legal requirements that govern the budget process and tax rate, including the different allowed fund uses and limitations and budget adoption procedures.

Mr. Fulton explained there continues to be inflationary pressures on the budget and supply-chain issues with receiving products. Mr. Fulton stated the proposed operating budget is \$88.48 million, noting 50% of that is for General Fund services (general government

services), 29% is Enterprise Fund (proprietary fund for water and sewer services), 6% for Anti-Crime Fund (CCPD proprietary fund), and 8% for 4B Fund (HCSDC proprietary fund); all four collectively equaling 93% of the total City operating budget. He noted revenue being 32% Charges for Service, 26% General and Half Cent Fund Sales Tax, 24% Property Taxes and 13% other revenues from fines, fees, and permits. Mr. Fulton reviewed the various funds comprising the total budget including the General Fund total revenue and expenditures of \$44,627,816, which is an increase of 4.57% over fiscal year 2024 budget.

Mr. Fulton reviewed the current proposed tax rate of \$0.591324, which is comprised of \$0.508990 for maintenance and operations (M&O) (to fund operations) and \$0.082334 for interest and sinking (I&S) which funds debt service obligations. He noted over a ten-year history, the City has maintained an average rate below the Municipal Cost Index and Consumer Price Index. Mr. Fulton also noted that the average daily value to citizens for the proposed City tax rate is approximately \$3.89 daily and \$1,420 annually which covers all public services for Hurst citizens. Mr. Fulton reviewed the tax rate history since 1992 noting Hurst has responded well to the community by lowering the rate when they could, giving back about 35 million since 1992. He presented the property tax relief Hurst has offered for over 20 years to include 20% homestead exemption and senior discount and freezes, and also other discounts offered for eligible veterans and disabled persons. Mr. Fulton explained the sales tax is more volatile than property tax and that Hurst's General Fund Sales Tax is 12% of the total sales tax. He reviewed General Fund Services noting about half is public safety (police and fire), 19% community services, 7% public works, and remaining services make up the last portion.

Mr. Fulton reviewed the proposed Debt Service Fund budget of \$3,384,380, a 1% decrease over FY 24. He stated the I&S rate of \$0.082334 per \$100 valuation is a decrease of \$0.003244 per \$100 valuation. He also reviewed the proposed Enterprise Fund budget with revenues of \$25.4 million and an operating budget of \$25.3 million. He noted capital projects of \$1 million and a proposed 3% increase in water/wastewater rates using the City's rate smoothing policy. Staff noted the high volatility of this fund and the City's decision to utilize a rate smoothing policy instead of high 10 to 12 percent increases in some years. Mr. Fulton reviewed fund resources and services noting 45% is wholesale costs. He compared the value of 1 gallon of water purchased at the store for a \$1.37 versus less than \$0.01 per gallon of tap water provided by the City.

Mr. Fulton reviewed the remaining funds noting the Crime Control and Prevention District \$5.7 million operating budget, which was recently adopted by the Board and Council, is a property tax rate equivalent to approximately \$0.13. The Community Services Half Cent Fund is a \$4.3 million operating budget, which is also a property tax equivalent of approximately \$0.13. Lastly, the CIP and Special Projects Funds for fiscal year 2024 were reviewed.

City Manager Clay Caruthers further summarized key points for the proposed budget. Mr. Caruthers stated, in regards to the 3.11% average increase for the budget over a decade, that he is extremely confident that within that increase the City is living within its means. He further explained conservative budgeting does not mean cutting to the bone but means providing services, public safety, infrastructure needs, and quality of life services. He stated city staff is doing that by providing an excellent level of customized customer service and employees going above and beyond expectations. Mr. Caruthers stated the proposed budget

includes a 3.5% cost of living adjustment for employees to meet inflationary measures, and the City measures the market by using the Northeast Tarrant County group of cities in order to be competitive for both employee recruitment and also employee retention. The cost of living amount could be slightly less as health insurance costs increased and could affect the cost of living adjustment depending on chosen coverage. Mr. Caruthers explained he strongly recommends Council approve the voter approval tax rate as the City needs the full extent of that increase to cover all public services and the inflationary challenges the City is facing.

There being no one to speak, Mayor Wilson closed the Public Hearing.

Councilmembers made comments regarding the inflationary pressures and services provided.

17. Conduct a Public Hearing to consider the tax rate for the City's 2024-2025 Fiscal Year Budget

Mayor Wilson announced the Public Hearing.

Assistant City Manager Clayton Fulton presented the proposed tax rate of \$0.591324 which is the voter approval rate and is effectively a 2.6% increase. The voter approval rate is the highest tax rate the City may adopt without holding an election. City Manager Clay Caruthers explained this increase allows the City to maintain services.

There being no one to speak, Mayor Wilson closed the Public Hearing.

18. Consider Ordinance 2578 (a), first reading, adopting the budget for fiscal year beginning October 1, 2024 and ending September 30, 2025

Mayor Pro Tem Miller moved to approve Ordinance 2578 (a), first reading, adopting the budget for fiscal year beginning October 1, 2024 and ending September 30, 2025. Motion seconded by Councilmember Waldron. Motion prevailed by the following vote:

Ayes: Councilmembers Miller, Shepard, McKenzie, Waldron, and Meeks

No: None

19. Consider Ordinance 2578 (b), first reading, ratifying the Property Tax Revenue Increase reflected in the Fiscal Year 2024-2025 Budget

Councilmember McKenzie moved to approve Ordinance 2578 (b), first reading, ratifying the Property Tax Revenue Increase reflected in the Fiscal Year 2024-2025 Budget. Motion seconded by Councilmember Shepard. Motion prevailed by the following vote:

Ayes: Councilmembers Miller, Shepard, McKenzie, Waldron, and Meeks

No: None

20. Consider Ordinance 2579, first reading, setting the tax rate for the 2024 tax year

Councilmember Shepard moved with the adoption of Ordinance 2579, "I move that the property tax rate be increased by the adoption of a tax rate of 0.591324 which is effectively a 2.6 percent increase in the tax rate." Motion seconded by Councilmember Waldron. Motion

prevailed by the following vote:

Ayes: Councilmembers Miller, Shepard, McKenzie, Waldron, and Meeks

No: None

21. Consider Ordinance 2580, first reading, adopting water and wastewater rates for Fiscal Year 2024-2025

Assistant City Manager Clayton Fulton explained the proposed rate increase is 3% and on the average bill, equates to \$3.14 increase per month. This increase covers wholesale costs passed on to the City by service providers, City of Fort Worth and Trinity River Authority.

Mayor Pro Tem Miller moved to approve Ordinance 2580, first reading, including the proposed Water and Wastewater rates effective October 1, 2024, to be included in all City utility bills processed on, or after, November 1, 2024. Motion seconded by Councilmember Waldron. Motion prevailed by the following vote:

Ayes: Councilmembers Miller, Shepard, McKenzie, Waldron, and Meeks

No: None

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

22. Conduct a Public Hearing and consider Ordinance 2581, first reading, to consider SITE-2024-00023 McDonald's, a Special Use Permit on Lot 3B, Block 1 Uptown Business and Professional Center Addition, being 2.75 acres located at 201 E. Pipeline Road

Mayor Wilson announced the Public Hearing.

Executive Director of Planning and Development Michelle Lazo reviewed the proposed case. Ms. Lazo stated the applicant is looking to develop the parcel on the east side of the property. She further stated the City is requesting to extend the deceleration lane but access points on Pipeline Road will not change, and she reviewed the lighting, floor, and landscape plans. Ms. Lazo stated a replat will come back to Council in the future. She further stated while the site plan only proposed development on the east side, the west side will continue to be maintained until redevelopment occurs. She lastly stated the City has not heard from any neighbors on this development.

Leslie Ford, 1008 Macon Street, Fort Worth -- Ms. Ford represents McDonald's and spoke in favor of the site plan. She stated these "to-go" concepts have shown to be great prospects near neighborhoods because residents in the area can 'grab and go' before heading out to the highway. In response to Council questions about whether it's a 24-hour establishment, Ms. Ford stated that the neighborhood-type locations are generally open until 10:00 p.m. in the lobby on weekdays but until midnight in the drive-thru. On the weekends, they follow customer traffic and could open as late as midnight or 1:00 a.m. in the lobby and drive-thru. In response to Council questions regarding the size of this version compared to a regular McDonald's, Ms. Ford stated its about 1,000 square feet smaller and it just cuts down on the lobby area. She further explained the trend towards third-party deliveries, pick-ups, and app services, and with McDonalds seeing 80% of their business through the drive-thru, they are adapting to that change. She stated with these to-go options, the drive-thru traffic goes up to

85-90% of customer traffic compared to a typical lobby setting.

Mayor Wilson closed the Public Hearing.

Councilmember McKenzie made a motion to approve Ordinance 2581, first reading, to consider SITE-2024-00023 McDonald's, a Special Use Permit on Lot 3B, Block 1 Uptown Business and Professional Center Addition, being 2.75 acres located at 201 E. Pipeline Road. Motion seconded by Councilmember Meeks. Motion prevailed by the following vote:

Ayes: Councilmembers Miller, Shepard, McKenzie, Waldron, and Meeks

No: None

23. Conduct a Public Hearing and consider Ordinance 2582, first reading, to consider Z-2024-00007 Stephan Duplexes, a Zoning Change from R1 to R2-PD with a site plan for Tract 1C1 William T. Jones Survey, being 1.98 acres located at 500 Stephan Drive **(The applicant has requested this item be withdrawn)**

Not discussed as the applicant withdrew.

#### **RESOLUTION(S)**

24. Consider Resolution 1864 calling for a Special Election to be held November 5, 2024 to fill a vacancy for City Council Place 7

Councilmember Cindy Shepard moved to approve Resolution 1864 calling for a Special Election to elect a person to office of City Council Place 7 to serve an unexpired term. Motion seconded by Councilmember Meeks. Motion prevailed by the following vote:

Ayes: Councilmembers Miller, Shepard, McKenzie, Waldron, and Meeks

No: None

#### **OTHER BUSINESS**

25. Consider ordering a Public Hearing to decide whether to order the repair, removal, or demolition of property located at 916 Zelda Drive, legally described as Block 7 Lot 14 of the Glenn View Addition, and whether to cause the cost of such work to be paid and levied as a special assessment against the property

Mayor Wilson announced the Council is withdrawing this item from the agenda.

26. Review of upcoming calendar items – City Manager Clay Caruthers reviewed upcoming events to include City Hall closure on September 2 for Labor Day, October 5 and October 12 bulk collection dates, and the October 12 household hazardous waste collection event at the Service Center.
27. City Council Reports - Items of Community Interest – None.

**PUBLIC INVITED TO BE HEARD – A REQUEST TO APPEAR CARD MUST BE**

**COMPLETED AND RETURNED TO THE CITY SECRETARY TO BE RECOGNIZED. CITIZEN COMMENTS ARE LIMITED TO A MAXIMUM OF 3 MINUTES PER SPEAKER**

None.

**EXECUTIVE SESSION in Compliance with the Provisions of the Texas Open Meetings Law, authorized by Tex. Government Code Section 551.087 deliberation and conducting of economic development negotiations regarding financial information relative to prospective business expansion in the City and Section 551.072, deliberation of the purchase, exchange, lease, or value of real property (Pipeline Road Project) to reconvene in Open Session at the conclusion of the Executive Session**

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

Mayor Pro Tem John Miller moved to empower the City Manager to begin real estate and development negotiations pursuant to the discussion in Executive Session. Motion seconded by Councilmember McKenzie. Motion prevailed by the following vote:

Ayes: Councilmembers Miller, Shepard, McKenzie, Waldron, and Meeks

No: None

**ADJOURNMENT**

The meeting was adjourned at 7:56 pm

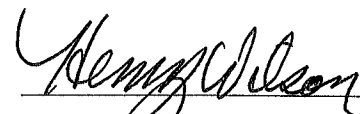
**APPROVED** this the 27<sup>th</sup> day of August 2024.

**ATTEST:**



Rita Frick, City Secretary

**APPROVED:**



Henry Wilson, Mayor