

**RICHLAND HILLS CITY COUNCIL
REGULAR MEETING
FEBRUARY 14, 2022
MINUTES**

Roll Call:

Council present

Edward Lopez, Mayor
Douglas Knowlton, Place 1
Curtis A. Bergthold, Mayor Pro Tem
Javier Alvarez, Place 4
G.W. Estep, Place 5

Council absent

Stacey L. Morse, Place 2

Staff present

Candice Edmondson, City Manager
Lindsay Wells, City Secretary
James Donovan, City Attorney

CITY COUNCIL WORK SESSION – 6:03 PM

- 1. Executive Session:** Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sections 551.071, 551.072, 551.073, 551.074, 551.076, 551.087, 418.183(f) and 418.106(d) & (e). Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council meeting.

None.

2. Discuss water meter audit and replacement program

City Manager Candice Edmondson provided a brief overview of the need for a water meter replacement program due to the age and condition of current water meters in the city. With changing meter reading technology and endpoints becoming inoperable, staff must hand read the meter until the endpoint device can be replaced, and endpoints have been difficult to find over the past year. Staff is currently having to read almost 400 meters by hand each month. She advised of program costs and possible funding options for the Citywide transition from existing meters to the newer smart meter technology.

Performance Services, Inc. (PSI) was contracted to perform a preliminary audit of the City's water system. Consultant Ira Nicodemus presented the findings to Council. He provided an overview of the system proposed for replacing the City's current water meters with electronic meters and provided examples of the usage portal for both residential users and City users. He discussed the financial impact to the City, including an estimated project cost of \$1.8 million to \$2.2 million and advised that increased revenues and annual savings would allow for an overall net cost over 20 years of approximately \$900,000.

Mr. Nicodemus provided a proposed timeline for the project including an initial approval of a Letter of Intent allowing an Investment Grade Audit (IGA) to be conducted on the City's infrastructure at a cost of \$29,564. The IGA will take approximately 60-90 days and the process will test the City's meters to confirm current accuracy. Bids on materials and installation will be gathered concurrent to the testing.

Following completion of the IGA and presentation of the findings to City Council, a final contract will be presented for City Council approval and installation will commence. The estimated completion date of the overall project is December 31, 2022.

Discussion ensued regarding complaints and issues from other cities PSI has worked with, types of meters, overall life of the meters, and projected inaccuracies in water loss.

3. Discuss items listed on tonight's City Council agenda. No action will be taken and each item will be considered during the Regular Session.

Agenda Item 4A related to an ordinance calling a special election to reauthorize a local sales and use tax for the maintenance and repair of city streets was discussed. City Attorney James Donovan provided information related to the need to reauthorize the tax every four years.

Discussion ensued regarding the dedicated use of the funds for street repair and maintenance. Since the fund's inception, six streets have been reconstructed, including the infrastructure beneath the street.

Mayor Lopez adjourned the work session at 7:04 p.m.

REGULAR SESSION – Mayor Lopez Called to Order – Time 7:04 p.m.

INVOCATION AND PLEDGES OF ALLEGIANCE – Council Member Douglas Knowlton

PRESENTATIONS

1A. Citizen Appearances/Public Comments

Citizen comments emailed to Lindsay Wells (lwells@richlandhills.com) on an item either listed on this agenda or not listed on this agenda will be heard at this time. Citizens in attendance at the meeting who have signed a card to speak to the City Council will also be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter of the presentation is on the agenda, the city staff and City Council members are prevented from discussion of the subject and may respond only with statements of factual information or existing city policy. Public comment will not be taken on items that the Council has previously considered in a public hearing.

None.

CONSENT AGENDA

2A. Approve minutes from the January 24, 2022 City Council Regular Meeting

Motion: Motion was made by Councilmember Knowlton and seconded by Mayor Pro Tem Bergthold to approve the consent agenda.

Motion carried by a vote of 4-0.

PUBLIC HEARINGS, MEETINGS, AND OTHER RELATED ITEMS

3A. None.

ORDINANCES & RESOLUTIONS AND OTHER RELATED ITEMS

4A. Approved Ordinance 1443-22 ordering a Special Election on May 7, 2022, to submit a proposition on the reauthorization of the local sales and use tax at the rate of three-eighths of one percent to continue providing revenue for the maintenance and repair of city streets.

City Manager Candice Edmondson presented Ordinance No. 1443-22 and advised that in November 2018, Richland Hills voters approved a proposition allocating ½ cent total of sales tax to Street Maintenance (3/8 of one percent) and Type B Economic Development (from the rate of 1/8 to 2/8 of one percent.)

The new tax collection began in April 2019 following the final financial obligations to the Fort Worth Transportation Authority in March 2019. The Street Maintenance portion of the tax is dedicated strictly to repairing and maintaining (including reconstructing) existing street and sidewalks. Chapter 327 of the Texas Tax Code requires that this portion of the local sales and use tax expires on the fourth anniversary of the date of the beginning of the tax collection. The Street Maintenance portion of the tax will expire in April 2023 if not reauthorized.

Council Member Knowlton advised that the proposed reauthorization was a sales tax and not a property tax owed by residents.

Motion: Motion was made by Mayor Pro Tem Bergthold and seconded by Councilmember Estep approving Ordinance No. 1443-22, ordering a Special Election on May 7, 2022, to submit a proposition on the reauthorization of the local sales and use tax at the rate of three-eighths of one percent to continue providing revenue for the maintenance and repair of city streets.

Motion carried by a vote of 4-0.

CONTRACTS, AGREEMENTS, BID AWARDS AND OTHER RELATED ITEMS

5A. None.

OTHER ITEMS FOR CONSIDERATION

6A. Approved payment to the Texas Department of Transportation for construction costs associated with the Baker Boulevard Corridor Improvements Project in the amount of \$162,651.52

City Manager Candice Edmondson presented the item to Council and advised that on March 29, 2012, the City of Richland Hills executed an Advance Funding Agreement with the Texas Department of Transportation (TxDOT) for surface transportation improvements along Baker Boulevard. The scope of work included the reconstruction of three intersections on Baker Boulevard at Rufe Snow Drive, Handley Ederville Road and Vance/Ash Park, and consisted of adding right turn lanes, curb and gutter, and sidewalks. The original project budget estimate was \$3,550,531 with the local entity (City of Richland Hills) being responsible for 20 percent of project costs.

Amendments to the Advanced Funding Agreement were approved August 29, 2012 (Amendment #1) and a second and final amendment approved June 9, 2016 (Amendment #2.) Amendment #2 revised the scope of work to include corridor improvements along Baker Boulevard/SH 183 including sidewalks and curb and gutter; realign intersection at Ash Park and Baker Boulevard; add westbound right turn lanes at Rufe Snow and Baker Boulevard; add eastbound right turn lanes at Handley Ederville Road and Baker Boulevard. Amendment #2 also included a revised project budget estimate which increased the total estimated project costs to \$4,611,058. The City of Richland Hills remained responsible for 20 percent of project costs.

The Baker Boulevard corridor improvements was bid in August 2017 and the project was considered substantially complete in June 2019. On October 12, 2020, the City of Richland Hills received an invoice indicating the City owed TxDOT an additional \$837,281.92 for the project, an amount above what the City was obligated to pay per the Advanced Funding Agreement.

City staff held several meetings with TxDOT over the past year and a half to reconcile the project costs. There were two major costs the City did not agree with. One was that the Green Ribbon funding the City had been granted for Baker Boulevard median improvements had not been applied to the project. TxDOT rectified that issue in June 2021 reducing the amount TxDOT showed the City owed to \$427,281.92.

The other issue was the increased construction engineering costs. Of the \$427,281 being requested, \$264,630.40 was construction engineering. While the City is bound per the Advanced Funding Agreement to cover additional costs beyond the agreed upon amounts, Item 12.G in the Master Agreement says that *"in the event the State determines that additional funding is required by the Local Government is required at any time during the Project, the State will notify the Local Government in writing."*

The first time the City was made aware of the overages in construction engineering was on the October 12, 2020 statement of costs invoice. Staff requested proof from TxDOT that prior notice of the additional funding requirements had been sent to the City, but TxDOT was unable to obtain any communication regarding the change in construction engineering costs. As such, TxDOT agreed to pay the \$264,630.40 in construction engineering leaving a balance of \$162,651.52.

Based on project documentation, staff has confirmed increases in construction costs equating to \$162,651. Part of the increase was due to rising construction costs at the time the project and part was due to utility replacements that were added to the project during construction, so that there would be new utilities under the newly paved areas.

Motion: Motion was made by Mayor Pro Tem Bergthold and seconded by Councilmember Estep approving payment to the Texas Department of Transportation for construction costs associated with the Baker Boulevard Corridor Improvements Project in the amount of \$162,651.52 paid from the General Fund.

Motion carried by a vote of 4-0.

REPORTS & DISCUSSIONS

7A. None.

COMMUNITY INTEREST ITEMS

8. Mayor Pro Tem Bergthold advised of several upcoming events:
- Early registration now open, Summer Camp Connect, The Link;
 - Tuesday, March 8, 2022, Richland Hills Book Club, Richland Hills Public Library, 6:30 p.m.
 - Thursday, March 10, 2022,
 - Senior Lunch Bunch, The Link, 12:00 to 1:00 p.m.; and
 - Tarrant County Food Pantry, The Link Parking Lot, 5:30 to 7:00 p.m.

Additionally, he wished Council Member Estep and his wife, Lisa, a happy anniversary.

EXECUTIVE SESSION

9. **Executive Session:** Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sec. 551.071, Sec. 551.072, Sec. 551.073, Sec. 551.074, Sec. 551.076, Sec. 551.087 and Sec. 418.0183 (f) and 418.106 (d) & (e) of the Texas Government Code (Texas Disaster Act).

None.

ADJOURNMENT

10. A motion was made by Mayor Pro Tem Bergthold and seconded by Councilmember Estep to adjourn.

Motion carried by a vote of 4-0.

There being no further business to come before the City Council, Mayor Lopez declared the meeting adjourned at 7:28 p.m.

ATTEST:

APPROVED:

Lindsay Wells, City Secretary

Edward Lopez, Mayor