

**RICHLAND HILLS CITY COUNCIL
REGULAR MEETING
AUGUST 8, 2022
MINUTES**

Roll Call:

Council present

Edward Lopez, Mayor
Curtis A. Bergthold, Mayor Pro Tem
Douglas Knowlton, Place 1
Travis Malone, Place 2

Council absent

Javier Alvarez, Place 4
G.W. Estep, Place 5 (via Zoom, left the meeting at 6:54 p.m.)

Staff present

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

CITY COUNCIL WORK SESSION – 6:02 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. FY 2023 Budget Overview: General Fund and Utility Fund

City Manager Candice Edmondson presented an overview of the General Fund FY 2023 proposed budget. She advised that the proposed budget is based on an ad valorem tax rate of \$0.538885, which is a 3.5 percent reduction from FY 2022, and includes a proposed five percent pay increase for civilian personnel and a 2 STEP (six percent total) pay increase for public safety personnel. The General Fund is the largest and most flexible fund with an expected revenue of \$8.41 million in FY 2023 and funds the majority of city operations and services and comes from sales tax, ad valorem tax, franchise tax, service charges, licenses and permits, and miscellaneous other revenues.

Ms. Edmondson provided a breakdown of General Fund expenditures by department and explained the changes including items such as a new City website, staffing changes, and inflationary changes for goods and services such as gasoline, vehicle maintenance, and uniforms.

Discussion ensued regarding a Strategic Initiative Fund to fund one-time projects such as upgrades to Council Chambers, The Link Fund to replace the gym floor, and proposed salary increases.

FY 2023 General Fund Summary:

Beginning Fund Balance:	\$4,442,373
Ending Fund Balance:	\$2,501,080
90 Day Reserve Requirement:	\$2,071,002
Amount Over/(Under) Reserve:	\$430,076

Next, City Manager Edmondson presented the proposed Utility Fund FY 2023 proposed budget. The Utility Fund is an Enterprise Fund with an expected revenue of \$7.87 million in FY 2023 and receives revenue from water and wastewater sales. She advised of highlights included in the budget such as a salary overlap for the Public Works Director position to allow retiring Director of Neighborhood Services Scott Mitchell to train his replacement. The City hopes to have a new Public Works Director on board some time in October or November 2022.

FY 2023 Water/Wastewater Fund Summary:

Beginning (Unrestricted) Net Position:	\$1,000,000
Transfers Out:	\$2,616,370
Ending (Unrestricted) Net Position:	\$1,715,987
Amount Over/(Under) Reserve:	\$900,383

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.

None.

Mayor Lopez adjourned the work session at 6:54 p.m.

REGULAR SESSION – Mayor Lopez Called to Order – Time 7:00 p.m.

INVOCATION AND PLEDGES OF ALLEGIANCE – Mayor Lopez

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.

Joyce Fiaccone, 3800 Labadie Drive, Richland Hills, requested a community bulletin board for residents to learn about events and bid notices for city projects.

CONSENT AGENDA

- 2A. Approve minutes from the July 25, 2022 City Council Regular Meeting.**
- 2B. Approved Resolution 561-22, supporting a Municipal Setting Designation (MSD) application for Modern Geosciences, LLC, on behalf of Sylvania Industrial Park, to the Texas Commission on Environmental Quality for the property located at 3201 North Sylvania Avenue, Fort Worth, Texas.**

Item 2B was removed from the Consent Agenda for separate discussion and consideration.

- 2C. Approved an Interlocal Cooperation Agreement between the cities of Burleson, Decatur, Haltom City, Haslet, Keller, Richland Hills, Roanoke, Saginaw, Watauga, the Benbrook Library District, and the Forest Hill Library District for reciprocal lending of library materials.**
- 2D. Approved Landscape Maintenance Agreement between the City of Richland Hills and the Texas Department of Transportation for maintenance of the Green Ribbon landscape project along SH 183**

Motion: Motion was made by Councilmember Malone and seconded by Councilmember Knowlton to approve the consent agenda (Agenda Items 2A, 2C, and 2D.)

Motion carried by a vote of 3-0.

PUBLIC HEARINGS, MEETINGS, AND OTHER RELATED ITEMS

- 3A. None.**

ORDINANCES & RESOLUTIONS AND OTHER RELATED ITEMS

- 2B. Approved Resolution 561-22, supporting a Municipal Setting Designation (MSD) application for Modern Geosciences, LLC, on behalf of Sylvania Industrial Park, to the Texas Commission on Environmental Quality for the property located at 3201 North Sylvania Avenue, Fort Worth, Texas.**

Item 2B was removed from the Consent Agenda for separate discussion and consideration.

Discussion ensued regarding the Municipal Setting Designation negatively affecting Big Fossil Creek.

Director of Neighborhood Services Scott Mitchell confirmed that Big Fossil Creek nor any other waterways or parks will be affected by the MSD.

Motion: Motion was made by Councilmember Knowlton and seconded by Councilmember Malone to approve Resolution 561-22, supporting a Municipal Setting Designation (MSD) application from Modern Geosciences, LLC, on behalf of Sylvania Industrial Park, to the Texas Commission on Environmental Quality for the property located at 3201 North Sylvania Avenue, Fort Worth, Texas.

Motion carried by a vote of 3-0.

4A. Approved Ordinance 1455-22, amending Section 91-100 “Screening and Fencing” of Chapter 91, Article I “Screening and Fencing Ordinance” of the Richland Hills City Code to include regulations for fencing in areas adjacent to city designated parks.

Assistant to the City Manager Logan Thatcher presented the item to the City Council and advised that Ordinance 1455-22 amends the City’s Code of Ordinances to include regulations for fencing in areas adjacent to the City’s parks and on City property. The current ordinance designates city property as nonresidential and requires masonry or replicating masonry as an allowed material. Ordinance 1455-22 adds language that is specific to city parks to enable screening and fencing materials that will compliment open space and park development.

Joyce Fiaccone, 3800 Labadie Drive, Richland Hills, inquired about fencing along Creek Trail as well as the hike and bike trails.

Motion: Motion was made by Mayor Pro Tem Bergthold and seconded by Councilmember Knowlton to approve Ordinance 1455-22, amending Section 91-100 “Screening and Fencing” of Chapter 91, Article I “Screening and Fencing Ordinance” of the Richland Hills City Code to include regulations for fencing in areas adjacent to city designated parks.

Motion carried by a vote of 3-0.

4B. Approved Resolution 562-22 authorizing the City of Richland Hills to enter into a Performance Guarantee Contract with Performance Services of Texas, Inc. for acquisition and installation of an advanced water meter infrastructure system and to enter into a Public Property Finance Act Lease Purchase Agreement with First Security Finance, Inc. to finance the project and designating the City Manager as an authorized signer for all agreements.

City Manager Candice Edmondson provided background information regarding Resolution 562-22 and advised that on April 11, 2022, the City Council authorized the City Manager to proceed with an investment grade water meter audit with Performance Services, Inc. (PSI). PSI presented the results of the investment grade audit to City Council on June 13, 2022.

With implementation of an Advanced Metering Infrastructure System, PSI's scope of work will include:

- Turnkey replacement of 3,113 existing mechanical meters with new, metal ultrasonic Badger E-series meters (142 meters do not need to be replaced)
- Addition of Badger Orion cellular endpoints on new and existing meters (3,255 total)
- Replacement of up to 900 meter boxes (includes matching composite lid)
- Replacement of up to 300 additional lids (for damaged existing lids)
- Drilling of existing composite lids that do not need replacement
- Leveling existing boxes to ground level as needed
- Collection of data on service line material as required per EPA Revised Lead and Copper Rule guidance
- Implementation of a customer portal for real time water usage information

Based on the project timeline included in the contract, installation of the new smart water meters should begin in January 2023 and be completed by the end of July 2023.

Discussion ensued regarding the replacement schedule, notifying the residents, and hardware.

Performance Services, Inc. (PSI) Consultant Ira Nicodemus advised that, due to continuing supply chain issues, PSI recommends ordering all meters and hardware prior to any installation so the project can be completely in a timely manner. He confirmed that they will notify residents and neighborhoods prior to any installation and stated that any metal salvaged from the old water meter will be given back to the City to sell or repurpose.

Joyce Fiaccone, 3800 Labadie Drive, Richland Hills, expressed concern regarding the possibility of the antenna sticking out of the new meter boxes being damaged and the homeowners liability. She also expressed concern regarding increased water bills.

Mr. Nicodemus advised that the antenna only protrude less than half an inch above the box and will most likely be below the grass line. Additionally, he stated that water bills may increase due to greater accuracy over the current system.

Motion: Motion was made by Councilmember Knowlton and seconded by Councilmember Malone to approve Resolution 562-22 authorizing the City of Richland Hills to enter into a Performance Guarantee Contract with Performance Services of Texas, Inc. for acquisition and installation of an advanced water meter infrastructure system and to enter into a Public Property Finance Act Lease Purchase Agreement with First Security Finance, Inc. to finance the project and designating the City Manager as an authorized signer for all agreements.

Motion carried by a vote of 3-0.

CONTRACTS, AGREEMENTS, BID AWARDS AND OTHER RELATED ITEMS**5A. Approved extension of Agreement for Use of Hotel Motel Revenue between the City of Richland Hills and CN Churchill II LLC and CN Churchill III LLC**

City Manager Candice Edmondson provided a brief overview of the proposed extension of an agreement for the use of Hotel Motel Revenue between the City of Richland Hills and CN Churchill II LLC and CN Churchill III LLC and advised that the City entered into an agreement on October 19, 2019 with CN Churchill II LLC and CN Churchill III LLC, represented by Sanjiv Melwani, who own and operate the La Quinta Inn & Suites and Fairfield Inn & Suites in Richland Hills.

Per the agreement, the City may provide a single Tax Revenue Grant in the amount of \$55,000 payable to the Companies and to be used solely for marketing purposes. The Companies requested the grant funds soon after executing the agreement but have not requested the funds since. On June 28, 2022, Mr. Melwani sent an email to the City Manager requesting the payment of grant funds for both FY 2022 and FY 2023. In reviewing the terms of the agreement, the City Manager noticed that the agreement had expired. City Council will need to approve an extension of the agreement before the Companies can receive payment of the grant funds.

Owner Sanjiv Melwani, 643 NE Loop 820, Hurst, expressed his appreciation to the City Council for their consideration of the extension of the agreement and stated that he considers the City a partner. He explained that the COVID-19 pandemic in 2020 put their plans for marketing on hold and they were trying to survive. Additionally, he explained why their address is listed in Hurst and how it makes it easier for his guests to find them but he is proud to have his business in Richland Hills.

Mayor Lopez stated that the City Council recently approved new branding for the City and requested that the new logo and branding be used in their marketing materials.

Motion: Motion was made by Councilmember Knowlton and seconded by Mayor Pro Tem Bergthold to approve extension of Agreement for Use of Hotel Motel Revenue between the City of Richland Hills and CN Churchill II LLC and CN Churchill III LLC for one year for FY 2022 and FY 2023 in the amount of \$55,000 per year.

Motion carried by a vote of 3-0.

OTHER ITEMS FOR CONSIDERATION**6A. Approved and adopted the 2022 Certified Tax Roll (Fiscal Year 2023/Tax Year 2022)**

Finance Director Patricia Albrecht presented the 2022 Certified Tax Roll to be levied October 1, 2022 (Fiscal Year 2023), in the amount of \$791,107,294. There are outstanding properties under protest with the Appraisal Review Board with an estimated minimum taxable value of \$17,528,824 and incomplete accounts with an estimated

minimum taxable value of \$23,616,041 to be added to the certified total. These amounts equal a total of \$832,252,159 of projected assessed valuation and are the totals that are used to calculate the No-New-Revenue and Voter Approval tax rates. Included in the certified tax roll total is the TIF Zone (Baker Boulevard) incremental value of \$29,231,476.

A tax rate of \$0.538885 per \$100 valuation has been proposed by the governing body of the City of Richland Hills which represents a decrease of 3.5 percent over last fiscal year’s tax rate and is the tax rate that will be used to budget ad valorem tax revenue projections.

PROPOSED TAX RATE	\$ 0.538885 per \$100
NO-NEW-REVENUE TAX RATE	\$ 0.517570 per \$100
VOTER-APPROVAL TAX RATE	\$ 0.540096 per \$100

The no-new-revenue tax rate is the tax rate for the 2022 tax year that will raise the same amount of property tax revenue for the City of Richland Hills from the same properties in both the 2020 tax year and the 2021 tax year.

Motion: Motion was made by Councilmember Malone and seconded by Mayor Pro Tem Bergthold to approve and adopt the 2022 Certified Tax Roll (Fiscal Year 2023/Tax Year 2022).

Motion carried by a vote of 3-0.

6B. Set proposed tax rate for Fiscal Year 2023 and public hearing date for tax rate adoption

Finance Director Patricia Albrecht advised that the City of Richland Hills’ proposed tax rate for Fiscal Year 2023 is \$0.538885/\$100 which is lower than the current property tax rate of \$0.558551/\$100.

Tax Code 26.05(d), states: “The governing body of a taxing unit other than a school district may not adopt a tax rate that exceeds the lower of the Voter-Approval Tax Rate or the No-New-Revenue Tax Rate calculated as provided by this chapter until the governing body has held a public hearing on the proposed tax rate and has otherwise complied with Section 26.06 and Section 26.065.”

PROPOSED TAX RATE	\$ 0.538885 per \$100
NO-NEW-REVENUE TAX RATE	\$ 0.517570 per \$100
VOTER-APPROVAL TAX RATE	\$ 0.540096 per \$100

The No-New-Revenue Rate is 3.96 percent lower than the proposed tax rate of \$0.538885.

The proposed tax rate public hearing is set to be held on September 12, 2022.

Motion: Motion was made by Mayor Pro Tem Bergthold and seconded by Councilmember Knowlton to set the proposed Fiscal Year 2023 property tax rate at \$0.538885/\$100, which is effectively a 3.96 percent increase in the tax rate and set the public hearing on the tax rate for September 12, 2022.

Motion carried by a vote of 3-0.

REPORTS & DISCUSSIONS

7A. None.

COMMUNITY INTEREST ITEMS

8. Mayor Pro Tem Bergthold advised of several upcoming events:

- Tuesday, August 9, 2022, Richland Hills Literary Society, Richland Hills Public Library, 6:30 p.m.;
- Thursday, August 11, 2022,
 - Senior Lunch Bunch and Bingo, The Link, 12:00 to 2:00 p.m.;
 - Tarrant County Food Pantry, The Link Parking Lot, 5:30 p.m. to 7:00 p.m.;
- Thursday, August 16, 2022, Vision Board Workshop, Richland Hills Public Library, 6:30 p.m.;
- Every Thursday, Coffee Talk, Richland Hills Public Library, 10:00 to 11:30 a.m.;
- 1st and 3rd Thursday of the month, Storytime at the library, 6:30 p.m.;
- August 2022, National Clear the Shelter Event, free adoptions and free registrations for cats and dogs, Richland Hills Animal Shelter; and
- Tuesday, October 4, 2022, Annual Texas Night Out, see the website for more details on hosting a block party.

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 Councilmember Malone and seconded by Mayor Pro Tem Bergthold to adjourn.

Motion carried by a vote of 3-0.

There being no further business to come before the City Council, Mayor Lopez declared the meeting adjourned at 8:28 p.m.

ATTEST:

APPROVED:

Lindsay Wells, City Secretary

Edward Lopez, Mayor