

**MINUTES OF THE CITY COUNCIL OF THE
CITY OF NORTH RICHLAND HILLS, TEXAS
HELD IN THE CITY HALL 4301 CITY POINT DRIVE
AUGUST 13, 2020**

Via Webex Video Conference

SPECIAL MEETING

A. CALL TO ORDER

Mayor Trevino stated in accordance with the Texas Governor's March 13, 2020 Disaster Declaration and subsequent suspension of certain Texas Open Meetings Act Provisions, this August 13, 2020 special meeting of the North Richland Hills City Council is hereby called to order at 7:12 p.m.

Mayor Trevino stated that tonight's meeting will be conducted using Webex video conference in order to observe physical distancing to mitigate the spread of COVID-19.

Mayor Trevino conducted a roll call of City Council members to confirm the presence of a quorum.

Present via video conference:

Oscar Trevino, Mayor

Tito Rodriguez, Deputy Mayor Pro Tem, Place 1

Rita Wright Oujesky, Place 2

Suzy Compton, Place 3

Mason Orr, Associate Mayor Pro Tem, Place 4

Mike Benton, Place 5

Absent:

Scott Turnage, Mayor Pro Tem, Place 6

Tim Welch, Place 7

Staff present via video conference:

Mark Hindman, City Manager

Alicia Richardson, City Secretary

Maleshia B. McGinnis, City Attorney

A.1 INVOCATION

Council member Wright Oujesky gave the invocation.

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A.2 PLEDGE

Council member Wright Oujesky led the Pledge of Allegiance to the United States and Texas flags.

A.3 CITIZENS PRESENTATION

There were no requests to speak from the public.

A.4 PUBLIC COMMENTS

There were no requests to speak from the public.

B. PUBLIC HEARINGS

B.1 CONDUCT A PUBLIC HEARING ON FISCAL YEAR 2019/2020 REVISED BUDGET AND FISCAL YEAR 2020/2021 PROPOSED BUDGET.

Mayor Trevino opened the public hearing and called on City Manager Mark Hindman for opening comments.

Mr. Hindman presented City Council the 2020/2021 proposed budget including reductions in services, staff positions, employee training, employee educational assistance, employee recognition programs, cancellations and reductions of special events, and elimination of salary increases. There is one added position to the budget for crimes against children, which is partially funded by a federal grant. Mr. Hindman shared Health and Safety operations make up 78% of our budget, which makes it difficult to decrease the budget.

Director of Budget and Research Robert Myers provided an overview of the budget informing City Council the fiscal year 2019/2020 revised budget saw significant impacts in the City's major funds due to the COVID-19 pandemic, particularly in the general fund, parks fund, and aquatic park fund. These funds saw a combination of significant drops in revenues, cuts in operational expenditures, and impacts in reserves. This fiscal year a \$2.3 million interfund loan is being made to the aquatic fund to mitigate significant impacts to operations from the COVID-19 pandemic.

Mr. Myers reviewed the fiscal year 2020/2021 proposed operating budget. The proposed budget is \$125.9 million and the general fund is approximately 40%. This fund is used to account for the city's primary services including police, fire, emergency medical services, street maintenance, and parks & library services. Approximately 61% of expenditures in the general fund are dedicated towards public safety services. Approximately 61% of revenue in the general fund comes from property and sales taxes,

with the rest of the funding sources coming from fees, fines, charges, miscellaneous revenues and transfers.

Mr. Myers reviewed the special revenue funds. The parks and recreation development fund is \$9.75 million. This fund is used to account for the maintenance of City parks and grounds, the NRH Centre, the NRH Tennis Center, and athletic programs. The primary funding source for this fund comes from a dedicated portion of the sales tax and user fees. This year's budget includes funding \$689,000 in capital projects including funding for the replacement of the Richfield Park Tennis & Pickleball court. The crime control district fund is \$5.6 million. This fund is used to account for crime control and prevention programs including, but not limited to patrol activities, the City's school-resource-officer program, criminal investigations, and community crime prevention. The primary funding source for this fund comes from a dedicated portion of the sales tax.

Mr. Myers reviewed the enterprise funds. The utility fund is \$38.4 million. This fund is used to account for the operation and maintenance of the city's water and sewer system. The utility fund is supported through user fees for water and sewer treatment services. Roughly 48% of the expenses in this fund are for fixed costs, which includes water purchases, sewer treatment services, and debt service. Water purchases and sewer treatment services are direct charges from the Trinity River Authority and the City of Fort Worth who serve as the City's suppliers. Due to the estimated performance of the fund for fiscal year 2020/2021, the proposed budget does not include utility rate increases this fiscal year. The aquatic fund is \$4.2 million. This fund accounts for the operation of the City's water park, NRH20, and related capital projects. The aquatic park fund is supported through user fees. The proposed budget includes \$100,000 for cash funded capital projects. The golf course fund budget is \$2.7 million. This fund is for the operation and maintenance of the Iron Horse Golf Course. The golf course fund is supported through user fees. The fund this year reflects a return to normal operation levels with the expected grand re-opening of the Iron Horse Golf Course in September after the completion of significant renovations and improvements to the course made during the current fiscal year.

Lastly, Mr. Myers shared the capital budget is \$19.3 million. The majority of the projects included in this year's proposed budget are related to public works projects. Proposed street projects include funding for the reconstruction of Glenview Drive East from Boulevard 26 to Flory Street, a traffic signal at Davis Boulevard and Hightower Drive, and reconstruction of Iron Horse Boulevard from York Street to Browning Drive, which is proposed to be 80% funded through a federal grant in the amount of \$7.3 million. Mr. Myers was available to answer questions from the City Council.

Mayor Trevino asked Assistant City Secretary Traci Henderson to call on those who completed a public meeting appearance form to speak during the public hearing. Mayor

Trevino announced the date of the next meeting on the budget will be August 17, 2020. There being no one wishing to speak, Mayor Trevino closed the public hearing.

B.2 CONDUCT A PUBLIC HEARING ON THE TAX YEAR 2020 (FISCAL YEAR 2020/2021) PROPOSED TAX RATE.

Mayor Trevino opened the public hearing and called on Director of Budget and Research Robert Myers to present the item.

Mr. Myers informed City Council the purpose of this item is to hold a public hearing on the tax year 2020 tax rate as required by State law. The proposed tax rate for tax year 2020 is \$0.5757 cents per \$100 of value, which will be used to fund the fiscal year 2020/2021 proposed budget. The proposed tax rate is an increase of \$0.0037 cents or a 0.65% increase from the tax year 2019 adopted tax rate. The City's proposed tax rate this fiscal year is below both the no-new-revenue tax rate and voter-approval tax rate. Tax year 2020 taxable values total \$6.34 billion. This reflects an increase of 2.6% over tax year 2019 net taxable values. The increase in value for tax year 2020 was driven by increases from new construction and appreciation in existing property values. Residential values account for 65% of the taxable value, commercial accounts for roughly 34% of the taxable value and 1% is mixed between industrial, minerals, and agriculture. The City tax bill for an average single-family home in North Richland Hills with a value of \$206,645 and based on the tax year 2020 proposed tax rate of \$0.5757 cents would be \$1,189.66, which is equivalent to \$99.14 per month.

Mr. Myers shared with City Council there are a number of exemptions eligible to residents to reduce their tax burden. A homestead exemption of 15% or a senior or disabled person tax ceiling. The City's property tax rate accounts for roughly 22% of the total tax rate before factoring exemptions and the senior tax ceiling. The bulk of the total property tax rate goes to the school district and Tarrant County. Mr. Myers was available to answer questions.

Mayor Trevino asked Assistant City Secretary Traci Henderson to call on those who completed a public meeting appearance form to speak during the public hearing. There being no one wishing to speak, Mayor Trevino closed the public hearing.

EXECUTIVE SESSION

C. EXECUTIVE SESSION ITEMS - CITY COUNCIL MAY TAKE ACTION ON ANY ITEM DISCUSSED IN EXECUTIVE SESSION LISTED ON WORK SESSION AGENDA

Mayor Trevino announced that City Council did not convene into Executive Session.

D. ADJOURNMENT

Mayor Trevino adjourned the meeting at 7:42 p.m.

Oscar Trevino, Mayor

Alicia Richardson, City Secretary