

**MINUTES OF THE WORK SESSION AND REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF NORTH RICHLAND HILLS, TEXAS
HELD IN THE CITY HALL, 4301 CITY POINT DRIVE
JULY 10, 2017**

WORK SESSION

The City Council of the City of North Richland Hills, Texas met in work session on the 10th day of July at 4:30 p.m. in the City Council Workroom prior to the 7:00 p.m. regular Council meeting.

Present:	Oscar Trevino	Mayor
	Scott Turnage	Mayor Pro Tem
	Tito Rodriguez	Council, Place 1
	Rita Wright Oujesky	Council, Place 2
	Tom Lombard	Council, Place 3
	Tim Barth	Council, Place 4
	Mike Benton	Council, Place 5
	Tim Welch	Council, Place 7

Staff Members:	Mark Hindman	City Manager
	Karen Bostic	Assistant City Manager
	Paulette Hartman	Assistant City Manager
	Jimmy Perdue	Director of Public Safety
	Mike Curtis	Managing Director
	Alicia Richardson	City Secretary
	Maleshia B. McGinnis	City Attorney

CALL TO ORDER

Mayor Trevino called the meeting to order at 4:33 p.m.

1. FISCAL YEAR 2017/2018 BUDGET WORK SESSION.

City Manager Mark Hindman informed Council that staff is implementing a new process to present the budget. Staff will present sections of the budget at the July 10 and July 24, 2017 work session meetings. This evening staff will provide an overview on the following: economic development, human resources, property values, FY 2017/2018 budget and proposed program additions / modifications. The July 24 work session meeting will include a presentation on the Capital Improvement Project budget and some of the smaller funds. Staff will present the General Fund, Crime Control Prevention District Fund and Park and Recreation Facilities Development Fund at the August 4,

2017 Budget work session.

Director of Economic Development Craig Hulse provided Council with an economic overview. He shared that the first time in a decade the unemployment rates in Texas are higher than the United States. This is the result of loss of jobs in the energy and leisure/tourism sectors. Due to significant addition of new residential, the Tarrant Appraisal District taxable value for a single family home increased 14% with market values by 12% for the second straight year of double digit increases. The average sales price has increased 8% over 2016, which is attributed to appreciation of existing property. It is anticipated the city will have 230 new single family starts in 2017. According to the United States Census American Community Survey, North Richland Hills is just over 70,000 in population.

Director of Human Resources Patrick Hillis provided Council with a Human Resources overview. The city has an annual turnover rate average of 11%. The number of retirements have been trending up for the last four years. The city has three full time pay plans--general services, appointed, and public safety (sworn) step plan. Staff conducted an annual survey among the city's identified benchmark cities to determine what they are proposing for merit increases and pay range movement. The average salary increase for general government pay plans is 3% to 4%. Staff recommends funding for a 4% merit increase and 1% to 2% pay range adjustment for general government pay plans. The survey results for the public safety step plan show a range of being -.23% to -1.75% behind market. Staff is recommending a range adjustment to the step plan to bring positions to market and a 4% step increase, with the effective date of the range adjustment on October 1 and the step increase on April 1. A public safety employee, based on their position within the market would see a 6% increase. Mr. Hillis provided Council with a summary of the city's health insurance plan from 2011/2012 to 2015/2016. The last three years the expenditures associated with health insurance have come in over budget. Currently, he anticipates expenditures for FY 2016/2017 to come in over budget. In looking ahead, staff will recommend additional plan design changes to include: an increase to HRA deductibles and out-of-pocket maximums; an increase of traditional plan co-pays; change to prescription network; and offer dental health maintenance organization as an option. Proposed plan design changes will also include an 8% increase to city and employee contributions. Mr. Hillis provided statistics on the number of employees and retirees on the city's health plan and associated costs. Staff has recognized a trend in the statistics that show a major increase (70%) in costs for retiree health benefits compared to current employees. The number of retired employees has doubled since 2006 and the significant increase in costs is now at the point where the city must examine the benefits.

Council discussed the health insurance costs and current benefit plans. Council directed staff to assemble information on the average length of service, the age employees are

retiring, and the amount the city contributes to the pre-65 and post-65 retiree health insurance plans.

Director of Budget and Research Robert Myers provided Council with an overview of the 2017/2018 property values. He informed Council the city has received two preliminary reports from Tarrant County Appraisal District for the months of May and June. The city will receive the final certified values on Tuesday, July 25. The city's taxable property value based on the June preliminary report for tax year 2017 is 37% commercial, 62% residential, and 1% industrial/mineral/agricultural. The change in net taxable value from the July 2016 certified values of \$4.59 billion includes the addition of \$144.58 million in construction, of which \$107 million is from residential new construction and \$37.55 million is from commercial new construction. The change in existing property is currently estimated at \$488.28 million. The total net taxable value is currently estimated to come in at \$5.23 billion. The average net taxable value for a single family home per the June preliminary report is \$172,025, which is a 13.5% increase over prior year.

City Manager Mark Hindman provided Council with an overview of the planning and program of services proposed for FY 2017/2018. The additions include: building inspector, assistant city attorney, funding for an ISO consultant, public safety training administrative assistant, traffic safety position (police department), ballistic vests for fire department, replacement of compressor for fire air bottles, two (2) part-time kennel technicians, new traffic detector at Davis/Harwood and Lola, and replacement of a siren pole. The total funding for the new additions are approximately \$429,000.

Mayor Trevino recessed the meeting at 6:04 p.m.

Mayor Trevino reconvened the meeting at 6:14 p.m., with the same members present.

2. DISCUSS ITEMS FROM REGULAR CITY COUNCIL MEETING.

Council had no questions for staff.

3. WELCOME AND INTRODUCTION - PUBLIC OFFICIAL, PUBLIC EMPLOYEE OR CITIZEN.

There was no one present to introduce at the meeting.

4. DISCUSS STANDARDS AND REGULATIONS FOR LUMINOUS TUBE LIGHTING.

Principal Planner Clayton Husband informed Council the item before them this evening is to discuss luminous tube lighting and current standards outlined in the City's Code of

Ordinances. Currently, the City's Code exempt luminous tube lighting. The noted concerns associated with luminous tube lighting include: brightness and glare from exposed lighting; flashing or running lights or frequent color changes; and community expectations for building appearance. Staff is seeking Council's direction to either (1) allow luminous tube lighting in all cases; (2) permit luminous tube lighting, subject to standards; or (3) prohibit luminous tube lighting in all cases. Based on Council's direction, staff will bring forward recommended code amendments to Chapters 118 (zoning) and 106 (signs). Mr. Husband commented that the recommended language will be developed by the Development Review Committee, presented to the Planning and Zoning Commission for recommendation and the City Council for final action.

5. DISCUSSION OF POLICE FOUNDATION.

Director of Public Safety Jimmy Perdue presented item. The Police Department is in the process of establishing a Police Foundation to administer the donations (funds and equipment) received from the public for the Police Department. The foundation will be an independent entity and a non-profit IRS 501c3 organization. The necessary Articles of Incorporation and Bylaws have been completed and the Board membership will include ten members, which will include the Chief of Police as a non-voting member. Staff is seeking names from Council for consideration to be placed on the Board of Directors. Mr. Perdue asked Council to forward their recommendations to him.

6. DISCUSS NORTHFIELD PARK PRELIMINARY CONSTRUCTION COSTS AND PROJECT OPTIONS.

Managing Director Vickie Loftice informed Council the purpose of this item is to provide an update on the Northfield Park renovation project. Staff is seeking Council's direction to address the funding shortfall for the project. Ms. Loftice informed Council the initial project funding for the Northfield Park renovation was identified as \$ 4,305,500. The city received a Texas Parks and Wildlife grant in the amount of \$500,000 and a grant from the Barfield Family Foundation in the amount of \$150,000. Staff has worked with design consultant, Dunkin Simms Stoffels and Construction Manager at Risk Dean Construction to reduce the cost of the project to address preliminary cost estimates that came in over budget. Staff has reduced the project cost estimates, which include: elimination of several picnic areas throughout the park, elimination of a proposed trail head adjacent to the parking lot, reduced irrigation, reduced size of the restroom and concession facility, reduced number of retaining walls and reduced internal loop trail connections to amenities throughout the park. The cost estimate, even with the reductions and grants, remains significantly over budget. Staff is seeking Council's direction to either:

- (1) add additional funding to project by way of (1a) park development fund balance or (1b) additional debt issuance;
- (2) further reduce amenities - ballfield lights, playground shade, and pedestrian lights;
- (3) delay the project

Council discussed the project and the importance of moving forward with the Northfield Park renovation. Council directed staff to move forward with option 1a, utilizing the park development fund balance. Council also directed staff to add two of the four picnic areas that were eliminated as part of the project reductions.

EXECUTIVE SESSION

Mayor Trevino announced at 6:55 p.m. that the Council would adjourn into Executive Session as authorized by Chapter 551, Texas Government Code, specifically Section 551.072: deliberate the purchase, exchange, lease or value of real property - (1) 9005 Grand Avenue and (2) 7301 NE Loop 820 and 551.074: personnel matters to deliberate the employment, evaluation, and duties of public employees - Municipal Court Clerk. Executive Session began at 7:15 p.m. and concluded at 7:24 p.m.

REGULAR MEETING

A. CALL TO ORDER

Mayor Trevino called the meeting to order at 7:30 p.m.

Present:	Oscar Trevino	Mayor
	Scott Turnage	Mayor Pro Tem
	Tito Rodriguez	Council, Place 1
	Rita Wright Oujesky	Council, Place 2
	Tom Lombard	Council, Place 3
	Tim Barth	Council, Place 4
	Mike Benton	Council, Place 5
	Tim Welch	Council, Place 7

Staff Members:	Mark Hindman	City Manager
	Alicia Richardson	City Secretary
	Maleshia B. McGinnis	City Attorney

A.1 INVOCATION

Mayor Pro Tem Turnage gave the invocation.

A.2 PLEDGE

Mayor Pro Tem Turnage led the pledge of allegiance to the United States and Texas flags.

A.3 SPECIAL PRESENTATION(S) AND RECOGNITION(S)

There were no items for this category.

A.4 CITIZENS PRESENTATION

There were no requests to speak from the public.

A.5 REMOVAL OF ITEM(S) FROM CONSENT AGENDA

No items were removed from the consent agenda.

B. CONSIDER APPROVAL OF CONSENT AGENDA ITEMS

APPROVED

A MOTION WAS MADE BY COUNCIL MEMBER LOMBARD, SECONDED BY COUNCIL MEMBER BENTON TO APPROVE THE CONSENT AGENDA.

MOTION TO APPROVE CARRIED 7-0.

B.1 APPROVE MINUTES OF THE REGULAR JUNE 26, 2017 CITY COUNCIL MEETING.

C. PUBLIC HEARINGS

There were no items for this category.

D. PLANNING AND DEVELOPMENT

There were no items for this category.

E. PUBLIC WORKS

There were no items for this category.

F. GENERAL ITEMS

There were no items for this category.

G.1 EXECUTIVE SESSION ITEMS - CITY COUNCIL MAY TAKE ACTION ON ANY ITEM DISCUSSED IN EXECUTIVE SESSION LISTED ON WORK SESSION AGENDA

APPROVED

Director of Economic Development Craig Hulse presented item. Staff is seeking Council's approval of an agreement with Cromwell Hospitality LP for property located at 9005 Grand Avenue for the purposes of developing a hospitality use within the HomeTown community.

A MOTION WAS MADE BY COUNCIL MEMBER BARTH, SECONDED BY COUNCIL MEMBER WRIGHT OUJESKY TO AUTHORIZE THE CITY MANAGER TO EXECUTE A PURCHASE AND SALE AGREEMENT ALONG WITH ASSOCIATED DOCUMENTS WITH CROMWELL HOSPITALITY LP FOR PROPERTY LOCATED AT 9005 GRAND AVENUE.

MOTION TO APPROVE CARRIED 7-0.

G.2 EXECUTIVE SESSION ITEMS - CITY COUNCIL MAY TAKE ACTION ON ANY ITEM DISCUSSED IN EXECUTIVE SESSION LISTED ON WORK SESSION AGENDA

APPROVED

Director of Economic Development Craig Hulse presented item. Staff is seeking Council's approval of an earnest money contract with Fab 5 Management, LLC for property located at 7301 Northeast Loop 820.

A MOTION WAS MADE BY COUNCIL MEMBER WRIGHT OUJESKY, SECONDED BY COUNCIL MEMBER LOMBARD TO AUTHORIZE THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN EARNEST MONEY CONTRACT WITH FAB 5 MANAGEMENT, LLC, FOR PROPERTY LOCATED AT 7301 NORTHEAST LOOP 820.

MOTION TO APPROVE CARRIED 7-0.

H. INFORMATION AND REPORTS - COUNCIL MEMBER RODRIGUEZ

H.1 ANNOUNCEMENTS

Council member Rodriguez made the following announcements.

Fireworks will light up the sky over NRH2O Family Water Park this Friday, July 14, starting at about 9:15 p.m. They are free with paid admission to the park. Visit NRH2O's

website for more information.

Create and explore all things STEAM with materials from The Perot Museum's TECH Truck, which will be at the NRH Library this Saturday, July 15, from 2:00 p.m. to 4:00 p.m. Children ages 5 and up are invited to explore science, technology engineering and math.

Kudos Korner - Adam Pendergrass in the Fire Department - The chief of the Lampasas Fire Department sent a letter of commendation for Adam, who aided victims at a traffic accident in that city. Adam encountered the accident scene with multiple severely injured patients prior to the Fire Department's arrival. He and another man pulled a child from the vehicle and began treatment. Adam continued to assist Lampasas paramedics after their arrival. The chief stated: "I truly believe the actions of Firefighter Pendergrass saved this young girl's life. He is an example for all firefighters to follow."

I. ADJOURNMENT

Mayor Trevino adjourned the meeting at 7:40 p.m.

Oscar Trevino, Mayor

Alicia Richardson, City Secretary