

**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  
AUGUST 3, 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 3, 2020 special meeting of the North Richland Hills City Council is hereby called to order at 7:00 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  
Scott Turnage, Mayor Pro Tem, Place 6  
Tito Rodriguez, Deputy Mayor Pro Tem, Place 1  
Suzy Compton, Place 3  
Mason Orr, Associate Mayor Pro Tem, Place 4  
Mike Benton, Place 5

Absent:

Rita Wright Oujesky, Place 2  
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**

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 PUBLIC COMMENTS**

There were no requests to speak from the public.

## **B. GENERAL ITEMS**

### **B.1 SUBMISSION OF THE JULY 24, 2020 APPRAISAL ROLL AND THE CERTIFIED COLLECTION RATES TO THE GOVERNING BODY.**

Director of Finance Mark Mills informed City Council that Chapter 26.04 (b) of the Texas Tax Code requires the assessor to submit the appraisal roll for a taxing unit to the governing body of the taxing unit by August 1, or as soon thereafter as practicable. In addition, the assessor shall certify the anticipated collection rate as calculated for the current year of the governing body. On Friday, July 24, 2020, City staff received the certified tax roll from the Tarrant Appraisal District ("TAD"). Mr. Mills provided a summary for the certified property information.

|                                     |                 |
|-------------------------------------|-----------------|
| Appraised value                     | \$7,872,103,109 |
| Net taxable value                   | \$5,956,423,464 |
| Estimated net taxable value         | \$6,349,193,884 |
| Total taxable value of new property | \$71,101,736    |
| Average single family market value  | \$259,021       |
| Average single family taxable value | \$206,645       |

Mr. Mills also stated that the assessor is required to provide the excess debt collection for tax year 2019 and provided the below summary.

|   |         |
|---|---------|
| Tax year 2017 actual collection rate      | 100.04% |
| Tax year 2018 actual collection rate      | 99.96%  |
| Tax year 2019 actual collection rate      | 98.45%  |
| Tax year 2020 anticipated collection rate | 100.00% |

Tax year 2019 excess debt collection                      \$0.00

No action from City Council was required for this item.

**B.2     SETTING AUGUST 13, 2020 AS THE DATE FOR THE TAX RATE PUBLIC HEARING AND VOTE ON PLACING THE TAX RATE ADOPTION ON THE AGENDA OF THE AUGUST 17, 2020 CITY COUNCIL MEETING.**

**APPROVED**

Director of Budget and Research Robert Myers informed City Council this agenda item is for City Council to set the public hearing date on the proposed tax rate on August 13, 2020 and place the adoption of the tax rate on a future agenda item as an action item.

Mr. Myers continued that there are two tax rate options provided tonight for consideration by the City Council.

Option #1 - total tax rate of \$0.572000 per \$100 of valuation. This would be the same tax rate as what was adopted in fiscal year 2019/2020 and is staff's recommendation. The amount of property tax generated would decrease by approximately \$176,000 from the amount included in the fiscal year 2020/2021 proposed budget. Staff would offset the loss in revenue by increasing the amount pulled from reserves and by increasing the amount transferred from the fleet internal service fund.

Option #2 - total tax rate of \$0.575700 per \$100 of valuation. This tax rate is the rate currently included in the fiscal year 2020/2021 proposed budget and reflects an increase of \$0.0037 from the fiscal year 2019/2020 adopted tax rate of \$0.572000.

Both of the proposed tax rate options fall below this year's no-new-revenue tax rate of \$0.580542 and voter-approval tax rate of \$0.584901. This year the public hearing for the tax year 2020 proposed tax rate is proposed for Thursday August 13, 2020 at 7:00 p.m. Mr. Myers was available to answer questions.

Mayor Trevino clarified the proposed fiscal year 2020/2021 budget reflects no salary increase for city employees and reduced and/or eliminated city events. Mayor Trevino expressed his concern with the City drawing down reserves and increasing expenditures in other areas to address COVID-19. He does not want the City to rely too heavily on reserves and not be able to address another downturn in the economy. He expressed his concern with the City's reserves not being sufficient to address expenditures related to COVID-19. The funds received from the CARES ACT have already been allocated and the City is not certain it will receive additional federal funding. Due to the uncertainties, the City Council will need to adjust the tax rate this year or in the near future so as not to fall behind.

In response to Mayor Trevino's comments, Mr. Hindman informed City Council that before the tax values came in; the City had a shortfall of \$260,000 less than last year. As a result, the budget includes a number of cuts to special events, employee training, positions being frozen and consideration to freeze any future positions that become vacant. The City is seeing a drop in revenue from a variety of sources including ambulance call revenue, fine revenue, sales tax revenue and concerns with building permit revenue related to construction rebounding being a major concern. Mr. Hindman agreed with Mayor Trevino regarding the tax rate, appropriate timing for a tax rate increase and conveying the necessity for the increase to the citizens.

City Council discussed options for continued citizen services, drawing on reserves, and future tax increase.

**A MOTION WAS MADE BY COUNCIL MEMBER COMPTON, SECONDED BY COUNCIL MEMBER BENTON TO APPROVE THE PROPOSED TAX RATE OF \$0.572 PER \$100 OF VALUATION WITH \$0.339911 BEING USED FOR MAINTENANCE & OPERATIONS AND \$0.232089 BEING USED FOR DEBT SERVICE AND THAT ADOPTION OF THE PROPOSED TAX RATE OF \$0.572 PER \$100 OF VALUATION BE INCLUDED ON THE MONDAY AUGUST 17, 2020 MEETING AS AN ACTION ITEM FOR COUNCIL'S CONSIDERATION OF ADOPTING THE PROPOSED TAX RATE.**

**THE MOTION FAILED 2-3; WITH COUNCIL MEMBER COMPTON AND COUNCIL MEMBER BENTON VOTING IN FAVOR AND MAYOR PRO TEM TURNAGE, DEPUTY MAYOR PRO TEM RODRIGUEZ AND ASSOCIATE MAYOR PRO TEM ORR VOTING AGAINST THE MOTION.**

**A MOTION WAS MADE BY MAYOR PRO TEM TURNAGE, SECONDED BY DEPUTY MAYOR PRO TEM RODRIGUEZ TO SET THURSDAY AUGUST 13, 2020 AS THE DATE FOR A PUBLIC HEARING ON THE PROPOSED TAX RATE OF \$0.5757 PER \$100 OF VALUATION WITH \$0.343611 BEING USED FOR MAINTENANCE & OPERATIONS AND \$0.232089 BEING USED FOR DEBT SERVICE AND THAT ADOPTION OF THE PROPOSED TAX RATE OF \$0.5757 PER \$100 OF VALUATION BE INCLUDED ON THE MONDAY AUGUST 17, 2020 MEETING AS AN ACTION ITEM FOR COUNCIL'S CONSIDERATION OF ADOPTING THE PROPOSED TAX RATE.**

**MOTION TO APPROVE CARRIED 3-2; WITH MAYOR PRO TEM TURNAGE, DEPUTY MAYOR PRO TEM RODRIGUEZ AND ASSOCIATE MAYOR PRO TEM ORR VOTING IN FAVOR AND COUNCIL COMPTON AND COUNCIL MEMBER BENTON VOTING AGAINST THE MOTION.**

## **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 7:39 p.m.

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Oscar Trevino, Mayor

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Alicia Richardson, City Secretary