

**RICHLAND HILLS CITY COUNCIL
REGULAR MEETING
JULY 10, 2023
MINUTES**

Roll Call:

Council present

G.W. Estep, Mayor Pro Tem
Douglas Knowlton, Place 1
Travis Malone, Place 2
Theresa Bledsoe, Place 3
Javier Alvarez, Place 4
Roland Goveas, Place 6

Council absent

Edward Lopez, Mayor

Staff present

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

REGULAR SESSION – Mayor Pro Tem Estep Called to Order – Time 7:00 p.m.

INVOCATION AND PLEDGES OF ALLEGIANCE – Mayor Pro Tem Estep

PRESENTATIONS

1A. Municipal Clerks Office Achievement of Excellence Award

City Secretary Lindsay Rawlinson advised that the City of Richland Hills has been awarded the Municipal Clerks Office Achievement of Excellence Award for 2023-2024. The program recognizes the statutory requirements and demands for the effective management of resources for proper governance by the municipal clerk's office and of the 595 member cities in the Texas Municipal Clerks Association, only 24 received this award in 2023.

City Manager Candice Edmondson expressed her appreciation to Lindsay and the work her office does for the City.

1B. Citizen Appearances/Public Comments

None.

CONSENT AGENDA

2A. Approved minutes from the June 26, 2023 City Council Regular Meeting

Motion: Motion was made by Councilmember Goveas and seconded by Councilmember Malone to approve the consent agenda.

Motion carried by a vote of 6-0.

PUBLIC HEARINGS, MEETINGS, AND OTHER RELATED ITEMS

3. None.

ORDINANCES & RESOLUTIONS AND OTHER RELATED ITEMS

4A. Approved Ordinance 1475-23 amending the TIRZ Board membership

City Secretary Lindsay Rawlinson advised that the Tax Increment Reinvestment Zone #1 board is currently made up of six members of Council and one Tarrant County representative.

With the recent addition of Council, Place 6, the makeup of the TIRZ board needs to be amended to include the entire Council. Additionally, the ordinance will allow for a citizen member so the board will have an odd number of members. Consideration for the new citizen member position will be considered during the boards and commissions appointment process in September.

Motion: Motion was made by Councilmember Knowlton and seconded by Councilmember Malone to approve Ordinance 1475-23, amending the Tax Increment Reinvestment Zone #1 board of directors.

Motion carried by a vote of 6-0.

4B. Approved Resolution 577-23 directing publication of notice of intention to issue certificates of obligation; directing the preparation of a preliminary official statement and related materials; and providing an effective date

City Manager Candice Edmondson advised that during the April 10, 2023 City Council Budget Workshop, staff provided a presentation on how the City could complete the next 16 street reconstruction projects on a previously prepared project priority list by issuing Certificates of Obligation. The City's financial advisors, Hilltop Securities, suggested a three-cent, three-year tax rate increase to finance the 16 street projects with City Council authorizing debt issues in Summer 2023, Summer 2024 and Summer 2025. The three-cent tax rate increase could be less each year depending on property valuations and the general fund's capacity to cover the additional debt.

Resolution 577-23 provides notice that the City of Richland Hills is preparing to issue Certificates of Obligation in the amount of \$7,000,000 in September 2023 for the following

purposes: designing, equipping, and constructing streets, roads, sidewalks, including related drainage, utility relocation, signalization, landscaping, lighting and signage, and acquisition of land and rights of way therefor; (ii) designing, equipping, and constructing improvements to the City’s water and wastewater system; and (iii) the payment of fiscal, engineering and legal fees associated with the projects.

The Series 2023 Certificates of Obligation are intended to fund the following six street improvement projects:

Street Name	Begin	End	Notes
Jameson St.	Gerome St.	Faye Dr.	Paving, Water, Sewer
Joanne Ct.	Mathews Dr.	Cul-de-sac	Paving, Water
Mary Boaz Dr.	Lavon Dr.	Marceille Ct.	Paving, Water, Sewer
Mary Boaz Dr.	Marceille Ct.	Jameson St.	Paving, Water, Sewer
Brooks Ave.	Rufe Snow Dr.	Holder St.	Paving, Water, Sewer
Oxley Dr.	Evergreen Rd.	Booth Calloway Rd.	Paving, Water, Sewer

Hilltop Securities representative Marti Shew was in attendance to address any questions.

Discussion ensued regarding project inspectors included in the projected costs and if the City Council is obligated to approve issuance of the Certificates of Obligation all three years.

Ms. Edmonson confirmed that inspectors are included in the cost as part of the engineering costs and Council is not obligated to approve the proposed debt issuance in subsequent years.

Marti Shew advised that the City is in a strong financial position and expects the interest rate the City receives in September 2023 to be approximately 3.75 percent.

Motion: Motion was made by Councilmember Knowlton and seconded by Councilmember Bledsoe to approve Resolution 577-23 directing publication of notice of intention to issue certificates of obligation; directing the preparation of a preliminary official statement and related materials; and providing an effective date.

Motion carried by a vote of 6-0.

CONTRACTS, AGREEMENTS, BID AWARDS AND OTHER RELATED ITEMS

5A. Approved First Amendment to TIRZ Development Agreement between the City of Richland Hills, Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas and RC 51 Townhome Lots, LTD

City Manager Candice Edmondson presented the item to the City Council and advised that on July 25, 2022, the Tax Increment Reinvestment Zone (TIRZ) Board and City Council approved a Development Agreement for the Richland Crossing Planned Development located at the northwest corner of Baker Boulevard and Popplewell Street.

The developer, RC 51 Townhome Lots, has recently engaged DR Horton to build the homes. RC 51 Townhome Lots and DR Horton have both indicated that, under the new partnership, they do not plan to seek the annual reimbursement grant from project generated TIRZ revenue as outlined in the original agreement. This would reduce the City's contribution to the project by \$324,619. RC 51 Townhome Lots is still requesting the \$400,000 infrastructure grant to be paid once the City has approved and accepted all public infrastructure within the project.

The amendment allows for the \$400,000 infrastructure grant but does not include the \$324,619 annual reimbursement grant. Section 3.5 of the amendment includes language on the automatic termination and reversion back to the original agreement should RC 51 Townhome Lots and DR Horton terminate their contract. This section allows the developer to seek the annual reimbursement grant as originally approved if the partnership with DR Horton is terminated.

The Tax Increment Reinvestment Zone #1 approved the amendment to the agreement at their meeting held Monday, July 10, 2023.

Robert Maxey, RC Townhome Lots, provided additional details regarding the partnership between RC Townhome Lots and DR Horton. Additionally, he discussed the timeline of the partnership and when the partnership would terminate following the completion of the project.

City Attorney James Donovan recommended the City Council adjourn into Executive Session to discuss the amendment further.

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).

- Section 551.071: Consultation with Attorney

Motion: Motion was made by Councilmember Knowlton and seconded by Councilmember Malone to adjourn into Executive Session at 7:38 p.m.

Motion carried by a vote of 6-0.

Mayor Pro Tem Estep reconvened into open session at 8:11 p.m.

Motion: Motion was made by Councilmember Bledsoe and seconded by Councilmember Alvarez to approve First Amendment to TIRZ Development Agreement between the City of Richland Hills, Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas and RC 51 Townhome Lots, LTD subject to the City Attorney's recommended revisions.

Motion carried by a vote of 6-0.

OTHER ITEMS FOR CONSIDERATION**6A. Consider appointments to City Council Committees**

City Manager Candice Edmondson advised that on May 22, 2023, City Council made annual appointments to the City Council Committees and currently Mayor Pro Tem GW Estep sits on two committees, Infrastructure and Finance. With Roland Goveas' appointment to Council, Place 6, City Council will need to consider his appointment to a Council Committee.

Motion: Motion was made by Councilmember Knowlton and seconded by Councilmember Bledsoe to appoint Roland Goveas to the Infrastructure Committee in place of GW Estep.

Motion carried by a vote of 6-0.

REPORTS & DISCUSSIONS**7A. Richland Hills 2022 Annual Drinking Water Quality Report**

Director of Public Works and Capital Projects Kip Dernovich presented the Richland Hills 2022 Annual Drinking Water Quality Report and advised that the City is rated as a superior water system.

Discussion ensued regarding the differences between hard and soft water and the different water sources utilized by the City.

COMMUNITY INTEREST ITEMS

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

- Tuesday, July 11, 2023, Richland Hills Literary Club, Public Library, 6:30 p.m.;
- Thursday, July 13, 2023,
 - Senior Lunch Bunch and Bingo, The Link, 12:00 to 2:00 p.m.;
 - The Creature Teacher, The Link, 4:00 p.m.;
 - Tarrant County Food Pantry, The Link parking lot, 5:30 to 7:00 p.m.;
- Thursday, July 20, 2023,
 - Senior Social Time with guest Logan Thatcher, Public Library, 10:30 a.m.;
 - Brett Roberts Magic Show, The Link, 4:00 p.m.;
- Every Thursday, Coffee Talk, Public Library, 10:00 to 11:30 a.m.; and
- Thursday, July 27, 2023, Summer Reading Finale, Public Library, 5:00 to 7:00 p.m.

Councilmember Knowlton expressed his appreciation to Director of Parks and Recreation Jason Brown for a wonderful Red, White, & YOU! 4th of July event.

Mayor Pro Tem Estep expressed his appreciation to Keith and Gwen Albee, Curtis Bergthold, Joyce Fiaccone, and Jenny Clark along with many others who went door to

door in the heat circulating a local option petition to allow the subject of liquor stores in Richland Hills to be on the ballot for consideration in November.

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 Bledsoe and seconded by Councilmember Goveas to adjourn.

Motion carried by a vote of 6-0.

There being no further business to come before the City Council, Mayor Pro Tem Estep declared the meeting adjourned at 8:29 p.m.

ATTEST:

APPROVED:

Lindsay Rawlinson, City Secretary

Edward Lopez, Mayor