

**RICHLAND HILLS CITY COUNCIL
REGULAR MEETING
AUGUST 11, 2025
MINUTES**

Roll Call:

Council present

Curtis Bergthold, Mayor
Mike Witt, Place 1
Travis Malone, Place 2
G.W. Estep, Place 5
Roland Goveas, Place 6

Council absent

John Skier, Mayor Pro Tem
Theresa Bledsoe, Place 3

Staff present

Candice Edmondson, City Manager
Lindsay Rawlinson, City Secretary
Elizabeth Yelverton, City Attorney

CITY COUNCIL WORK SESSION – 6:00 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 2026 Budget Overview**

City Manager Candice Edmondson presented an overview of the FY 2026 proposed budget and stated that staff utilized the citizens survey and the City's strategic plan to focus budget priorities for FY 2026. She advised that the proposed budget is based on an ad valorem tax rate of \$0.504796, which is a 2.7 percent reduction from FY 2025, and includes a proposed three percent STEP increase for sworn public safety personnel and a two percent cost of living adjustment for general government personnel. The budget includes estimated revenues of \$25,010,984 and expenditures of \$29,870,724, representing a 2.5 percent decrease in revenues and a 1.9 percent increase in expenditures compared to the FY 2025 Adopted Budget.

Included in the proposed expenditures is a \$2,000,000 transfer from General Fund cash reserves to the Strategic Initiative Fund for the future construction of the Safe Routes to School project. Excluding this transfer, total expenditures for FY 2026 are \$27,870,724, a five percent decrease from the FY 2025 Adopted Budget. The proposed budget

references a projected 10 percent decrease in sales tax due to current collection trends and the potential vacancy of one of the City's top sales tax contributors.

The General Fund is the largest and most flexible fund with an expected revenue of \$10,530,687 million in FY 2026 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 including increased spending on facility maintenance, project management services, partnership with Serving Our Seniors, and an increase in animal shelter operations. She advised that expected expenditures in the General Fund will be \$11,200,624 and the projected ending fund balance will be \$3,386,133.

Ms. Edmondson presented a breakdown of the Debt Service Fund, which is supported by ad valorem taxes, and advised that in FY 2026 revenues are expected to be \$1,488,290 and expenditures are expected to be \$1,417,576 with a projected ending fund balance of \$741,160. The City's total current debt service requirements are \$30.89 million.

Next, City Manager Edmondson presented the proposed Utility Fund FY 2026 budget. The Utility Fund is an Enterprise Fund broken out between the water/wastewater fund and the drainage fund. The water/wastewater fund is expected to see revenue of \$5,664,200 in FY 2026 and receives revenue from water and wastewater sales. The expected expenditures will be \$6,036,651 with a projected ending (unrestricted) net position of \$3,600,806. She advised that the drainage fund is expected to see revenue of \$925,800 and expenditures of \$966,986 with a projected ending (unrestricted) net position of \$760,843 in FY 2026.

Ms. Edmondson also provided a listing of Special Revenue Funds including the Court Security Fund, Court Technology Fund, Crime Control and Prevention District Fund, Richland Hills Development Corporation Fund, Oil and Gas Fund, Hotel Occupancy Tax Fund, Capital Improvement Projects Fund, Tax Increment Financing (TIF) Fund, Street Improvement Fund, Vehicle Replacement Fund, Keep Richland Hills Beautiful Fund, Link Replacement Fund, American Rescue Plan Fund, Emergency Management Fund, and the Strategic Initiative Fund. She advised of the purpose of each fund and projects within the funds included for FY 2026.

Discussion ensued regarding street sweeping, increased BIG grants, street maintenance, and allocating engineering costs for street projects along Cecil and Ruth.

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 Bergthold adjourned the work session at 7:07 p.m.

REGULAR SESSION – Mayor Bergthold Called to Order – Time 7:12 p.m.

INVOCATION AND PLEDGES OF ALLEGIANCE – Mayor Curtis Bergthold

PRESENTATIONS

1A. Employee Service Awards

Mayor Bergthold announced the employee service award and expressed congratulations to the following employee on reaching an employment milestone with the City of Richland Hills:

5 Years of Service

Police Sergeant Anthony Pratt

1B. Business Spotlight: Royal Bee

Director of Planning and Development Services JP Ducay introduced Deborah Maldonado, owner of Royal Bee Coffee located at 7017 Baker Boulevard, Suite H. Royal Bee received their Certificate of Occupancy in June 2025.

1C. Citizen Appearances/Public Comments

None.

CONSENT AGENDA

2A. Approved minutes from the June 9, 2025 City Council Regular Meeting

2B. Excused the absence of Mayor Pro Tem John Skier from the August 11, 2025 regular City Council meeting

2C. Excused the absence of Councilmember Theresa Bledsoe from the August 11, 2025 regular City Council meeting

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

Motion carried by a vote of 5-0.

PUBLIC HEARINGS, MEETINGS, AND OTHER RELATED ITEMS

3. None.

ORDINANCES & RESOLUTIONS AND OTHER RELATED ITEMS**4. None.****CONTRACTS, AGREEMENTS, BID AWARDS AND OTHER RELATED ITEMS****5A. Approved award of bid for the repair of bridge scour on the Big Fossil Creek bridge at Midway Road to Stoic Civil Construction in the amount of \$200,000**

Director of Public Works and Capital Projects Kip Dernovich presented the item to the City Council and advised that in February 2025, the Texas Department of Transportation (TxDOT) Bridge Inspection Division brought to the City's attention the critical scour that had occurred at the Big Fossil Creek bridge that extends over Midway Road. The City is responsible for maintenance and repairs to any bridges that fall within the City limits and are located on City roadways.

Bridge scour is the erosion of soil and sediment around a bridge's foundation, caused by flowing water. Review by the City's Engineering Consultant, Halff Associates, concluded that while the scour did meet the definition of critical, the structural integrity of the bridge was not being compromised. City staff asked Halff to provide a proposal for repairs that was ultimately passed along to the TxDOT Bridge Inspection Division.

The proposal was approved by the TxDOT Bridge Inspection Division in April 2025. Due to Midway Bridge expanding the embankments of Big Fossil Creek, a 408 Permit through the Army Corps of Engineers (ACOE) was also required. A 408 Permit allows entities to have access to the Big Fossil Levee and complete work within the Big Fossil Creek boundaries. 408 Permits can require a large amount of processing time and the requested 408 Permit for the bridge repairs was approved in July 2025.

During the 408 Permit application process, Halff provided bid specifications to multiple vendors. City staff also provided bid specifications to Excel 4 Construction who is the City's unit price contractor for drainage, water, and sanitary sewer repairs. Bid specifications were sent out to approximately eight vendors with a total of three bids received ranging from \$200,000 to \$373,500. Stoic Civil Construction was the recommended bidder by Halff Associates and was determined to be the low bidder with a bid of \$200,000.

The Drainage Fund has sufficient cash reserves to support the \$200,000 expenditure, with a current fund balance of approximately \$800,000.

Discussion ensued regarding choosing the low bidder and repairs preventing future issues.

Mr. Dernovich advised that the city engineer expressed confidence in the low bidder following research and previous experience.

Motion: Motion was made by Councilmember Goveas and seconded by Councilmember Estep to award bid for the repair of bridge scour on the Big Fossil Creek bridge at Midway Road to Stoic Civil Construction in the amount of \$200,000.

Motion carried by a vote of 5-0.

5B. Tabled proposal for the removal and replacement of the gym and weight room floor at the Link Event & Recreation Center to Rubber Flooring Systems, Inc. in the amount of \$235,230 and authorize City Manager to sign proposal

Director of Parks and Recreation Eric Valdez presented the item to the City Council and advised that in March 2022, staff observed bubbling beneath the gym floor at the Link Event & Recreation Center. The affected floor was part of the existing Pulastic 110 polyurethane system. Upon inspection, it was determined that moisture within the slab was causing the adhesive to fail and the floor to lift.

Over the next several years, City staff collaborated with multiple vendors to identify and address the root cause of the issue. This included taking core samples to assess the condition of the vapor barrier, conducting humidity testing, performing leak detection services, and inspecting nearby stormwater infrastructure with assistance from the Public Works team. Despite these efforts, the problem persisted, ultimately requiring full replacement of the gym floor to restore safety and functionality.

In spring 2025, staff contacted three gym floor vendors to evaluate the current Link gym flooring and provide a replacement solution. On June 13, 2025, staff coordinated a Facility Tour for interested council members to inspect and review the various options that were presented. The tour included a visit to the Haltom City Recreation Center with Ponder Company Inc, Lewisville Badminton Center with Athletics Sports Construction, and the Roanoke Recreation Center with Rubber Flooring Systems, Inc. Based on the site inspections, quotes received, and feedback from council members, staff recommends moving forward with the installation the Mondo flooring system proposed by Rubber Flooring Systems, Inc.

Reed Hamilton, representative from Rubber Flooring Systems, was present to address any questions.

Mr. Valdez advised that staff recommended the Mondo flooring system due to the warranty offered and the overall playability of the floor.

Discussion ensued regarding the presented 10-year warranty, the 25-year warranty previously discussed and no longer available, and any annual maintenance.

Mr. Hamilton advised that Mondo no longer offers a 25-year warranty and there are no annual maintenance costs but his company will provide any needed repairs.

Council requested additional negotiations between staff and Mondo for an increased warranty period beyond the offered 10-year period.

Doug Knowlton, 2749 Spruce Park Drive, Richland Hills, expressed his appreciation to the City Council for asking questions about the warranty and the flooring and stated that the City needs a guarantee.

Motion: Motion was made by Councilmember Goveas and seconded by Councilmember Malone to table consideration of the proposal for the removal and replacement of the gym and weight room floor at the Link Event & Recreation Center by Rubber Flooring Systems, Inc. until the August 25, 2025 City Council meeting to allow additional time to negotiate a longer warranty period.

Motion carried by a vote of 5-0.

OTHER ITEMS FOR CONSIDERATION

6A. Approved and adopted the 2025 Certified Tax Roll (Fiscal Year 2026/Tax Year 2025)

City Manager Candice Edmondson presented the 2025 Certified Tax Roll to be levied October 1, 2025 (Fiscal Year 2026), in the amount of \$1,154,986,763. There are outstanding properties under protest with the Appraisal Review Board with an estimated minimum taxable value of \$16,414,551 and incomplete accounts with an estimated minimum taxable value of \$2,965,417 and properties still in process with an estimated net taxable value of \$2,990 to be added to the certified total. These amounts equal a total of \$1,174,369,721 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 \$63,535,874.

A tax rate of \$0.518879 per \$100 valuation has been proposed by the governing body of the City of Richland Hills which represents a decrease of 0.73 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	\$0.504796	per \$100
NO-NEW-REVENUE TAX RATE	\$0.465266	per \$100
VOTER-APPROVAL TAX RATE	\$0.462579	per \$100
DE MINIMIS TAX RATE	\$0.504796	per \$100

The no-new-revenue tax rate is the tax rate for the 2025 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 2024 tax year and the 2025 tax year.

Motion: Motion was made by Councilmember Goveas and seconded by Councilmember Estep to approve and adopt the 2025 Certified Tax Roll (Fiscal Year 2026/Tax Year 2025).

Motion carried by a vote of 5-0.

6B. Set proposed tax rate for Fiscal Year 2026 and public hearing date for tax rate adoption

City Manager Candice Edmondson advised that the City of Richland Hills' proposed tax rate for Fiscal Year 2026 is \$0.504796/\$100 which is 2.71 percent lower than the current property tax rate of \$0.518879/\$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	\$0.504796	per \$100
NO-NEW-REVENUE TAX RATE	\$0.465266	per \$100
VOTER-APPROVAL TAX RATE	\$0.462579	per \$100
DE MINIMIS TAX RATE	\$0.504796	per \$100

Finance Director Sean Smith advised of the impact to property owners at the different tax rates presented and encouraged the City Council to move forward with approving the De Minimis rate.

The proposed tax rate public hearing is set to be held on August 25, 2025.

Motion: Motion was made by Councilmember Estep and seconded by Councilmember Malone to set the proposed Fiscal Year 2025-2026 property tax rate at \$0.504796/100, which is effectively an 8.49% increase in the tax rate AND set the public hearing on the tax rate for August 25, 2025.

Motion carried by a vote of 5-0.

REPORTS & DISCUSSIONS

7A. 3rd Quarter Financial Report

Finance Director Sean Smith provided the 3rd Quarter Financial Report for FY2025 and advised that the City is in a strong financial position.

7B. 3rd Quarter Investment Report

Finance Director Sean Smith provided the 3rd Quarter Investment Report for FY2025 and advised that the City is in a strong financial position.

COMMUNITY INTEREST ITEMS

8. Councilmember Estep advised of several upcoming events:

- Now accepting applications for Citizens Police Academy Class #14;
- Now through August 8, 2025, After School Program Registration, The Link;
- Tuesday, August 12, 2025, Richland Hills Literary Club, Public Library, 6:30 p.m.;
- Thursday, August 14, 2025,
 - Senior Lunch Bunch and Bingo, The Link, 12:00 to 2:00 p.m.;
 - Tarrant County Food Pantry, Richland Hills Baptist Church, 5:30 to 7:00 p.m.;
- Thursday, August 21, 2025, Gone With the Wind Museum, Cleburne, TX, 9:00 a.m. to 2:30 p.m.;
- Friday, September 19, 2025, Music in the Park, The Link Plaza;
- Thursday, October 2, 2025, Crochet and Knitting Club, The Link, 10:00 a.m.;
- Every Thursday, Coffee Talk, Public Library, 10:00 to 11:30 a.m.;

Councilmember Travis Malone advised that Birdville Independent School District schools first day of school will be Wednesday, August 13, 2025.

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).

1. Section 551.074: Deliberation regarding Personnel Matters
City Manager Employment Agreement

Motion: Motion was made by Councilmember Estep and seconded by Councilmember Goveas to adjourn into Executive Session at 8:50 p.m.

Motion carried by a vote of 5-0.

Mayor Bergthold reconvened into open session at 9:01 p.m. with no action taken.

ADJOURNMENT

- 10.** There being no further business to come before the City Council, Mayor Bergthold declared the meeting adjourned at 9:02 p.m.

ATTEST:

APPROVED:

Lindsay Rawlinson, City Secretary

Curtis Bergthold, Mayor