



STATE OF TEXAS
COUNTY OF FORT BEND
CITY OF RICHMOND

The City Commission for the City of Richmond, Texas met in Workshop/Special Session on August 3, 2020 at 4:30 p.m.

Mayor Moore proceeded to call the meeting to order at 4:30 p.m. via video conference pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the temporary suspension of various provisions thereof effective March 16, 2020, by the Governor of Texas in accordance with the Texas Disaster Act of 1975, all as related to the Governor's proclamation on March 13, 2020, certifying that the COVID-19 pandemic poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas. All members of the public may participate in the meeting via video conference call.

A quorum was present, with the following members in attendance:

Evalyn W. Moore, Mayor
Terry Gaul, Commissioner P1
Barry Beard, Commissioner P2
Carl Drozd, Commissioner P3
Alex BeMent, Commissioner P4 - **Absent**
Terri Vela, City Manager
Howard Christian, Assistant City Manager (ACM)
Gary Smith, City Attorney
Laura Scarlato, City Secretary

Agenda item A2, Public Comments were opened and there were no citizens signed up to speak therefore the agenda item was closed.

Agenda item A3, Review and discuss FY 2020-21 Annual Budget Workshop to discuss Revenue and Expenditures. The Finance Director Justin Alderete provided a presentation to the Commission focusing on the Revenue and Expenses. The two major operating funds are the General Fund and Utility Fund which includes water and sewer. The traditional government services are Police, Fire, Public Works and Parks, etc. There are two categories, operating revenues (taxes and fees for services) and operating expenditures (salaries and contractual services). The non-operating revenues were defined as debt payment transfers, etc. and non-departmental are expenses not tied to a department such as insurance. The budget was built to allow for

flexibility and to ensure that the Cities operation and service levels are maintained. Finance Director Alderete provided the key assumptions which were the following: no increase in the property tax rate, no increase in water and sewer rates, no new positions and no general salary increases. Director Alderete expects a sales tax growth of approximately 3% and health insurance to increase by 7%. Property tax is the City's most stable funding source and allows the City to continue to meet service level commitments. Sales tax is extremely volatile and is impacted by changes in the economy. It makes up approximately 40% of the total operating revenue. The City has adopted the base budget approach. Director Alderete reviewed the budget changes, base budget additions and departmental requests. Police and Fire Departments are the majority of the expenditures by department. The Utility Fund is financed by charges for service and the City receives benefits by acting as the operator for several MUDs. Utility revenues are significantly impacted by rainfall and drought. The capital improvement projects were reviewed with the largest being the water line rehabilitation and the Development Corporation carry-over projects. The upcoming dates were reviewed with the public hearing to adopt the budget being set at September 8, 2020. Commissioner Drozd inquired if the generators budgeted would be several small ones or one large one and which would be more cost effective. ACM Howard Christian stated they would be placing a small generator in the Water Facility which is critical and upgrading the one in the Street Department. It was stated the small generators are very effective and inexpensive. Both were recommendations from the electrical engineer that is contracted with the City. Commissioner Drozd also inquired if the Fleet Replacement Fund would be based on mileage or year of the vehicle. ACM Christian stated it is a combination of both and the type of vehicle. Vehicle Maintenance Department maintains a computer program that tracks the information involved with repairs by the number of work orders. Commissioner Beard questioned the East Wastewater Treatment Plant and the milestones that were put in place when the Plant was approved. City Manager Vela stated there were easement acquisitions among over things that need to be started. ACM Christian stated it is a balance because it would be cheaper to complete now versus in the future. Commissioner Gaul stated he was uncomfortable with the drawdown of the fund balance due to transfers. Director Alderete stated the funds are sufficient and that the proposed drawdown in fund balance and is over and above the minimum fund balance policy requirement of 90 days. The City proposes drawdowns for purchases of one-time expenditures and monitors funds to ensure they are sufficient throughout the year. With no additional questions, the agenda item was closed.

Agenda item A4, Review and accept 2020 Certified Appraisal Roll. Finance Director Aldrete presented the letter from the County Tax Assessor-Collector with a total market value of \$907,931,517 and a total taxable value of \$575,276,327. The New Current Taxable for new improvements totaled \$18.6 million however since receiving the letter a revised statement has been received stating the new improvements were overstated by \$1.753 million. The total tax value with properties being protested added back in at \$14.7 million brings to a total of \$589 million. Commissioner Beard asked

what the value was for 2019 which was \$562,107,243. Therefore, the values are slightly higher this year. Commissioner Drozd inquired about the status of the request for value rollbacks to 2019. City Manager Vela stated the City did send a request to Governor Abbott but is doubtful it will occur. With no more discussion, Commissioner Beard made the motion to accept the 2020 Certified Appraisal Roll and Commissioner Drozd seconded the motion. The vote was unanimous to approve.

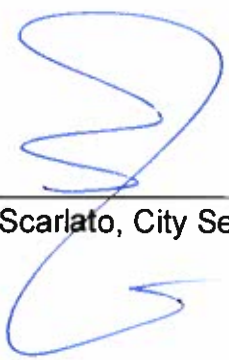
With no further business to discuss, Mayor Moore declared the meeting adjourned at 5:28 p.m.

APPROVED:



Evalyn W. Moore, Mayor

Attest:



Laura Scarlato, City Secretary