



City of Richmond

Where History Meets Opportunity

Special Scheduled City Commission Meeting (in person)

600 Morton Street

Richmond, Texas 77406

Tuesday, August 1, 2023 at 3:00 P.M.

Join Zoom Meeting

<https://us06web.zoom.us/j/85346774845>

Meeting ID: 853 4677 4845

One tap mobile

+13462487799,,85346774845# US (Houston)

Dial by your location

• +1 346 248 7799 US (Houston)

Mayor Rebecca K. Haas

Commissioner Terry Gaul
Commissioner Carl Drozd

Commissioner Barry Beard
Commissioner Alex BeMent

AGENDA

- A1. Call to Order, Quorum Determined and Meeting Declared Open.
- A2. Public comments (Public comment is limited to a maximum of 3 minutes per item. No Deliberations with the Commission. Time may not be given to another speaker.)
- A3. Review and discuss FY 2023-24 Annual Budget Workshop to discuss Revenue and Expenditures.
- A4. Review and accept 2023 Certified Appraisal Roll.
- A5. Review and consider taking action on authorizing City Manager to execute a contract for the South Wastewater Treatment Plant expansion.

Any item on this posted agenda may be discussed in Executive Session provided it is within one of the permitted categories under Chapter 551 of the Texas Government Code.

A6. Adjournment.

If, during the course of the meeting covered by this Agenda, the Commission shall determine that an executive session of the Commission, should be held or is required in relation to any item included in this Agenda, then such executive session, as authorized by the Texas Open Meetings Act, will be held by the Board at the date, hour, and place given in this Agenda concerning any and all subjects and for any and all purposes permitted by Sections 551.071-551.090 of the Texas Government Code, including, but not limited to, Section 551.072 – Deliberation regarding Real Property.

NOTICE OF ASSISTANCE AT THE PUBLIC MEETING

The City of Richmond City Commission meetings are available to all persons regardless of disability. This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations, should you require special assistance, must be made 48 hours prior to this meeting. Braille is not available. Please contact the City Secretary's office at (281) 342-5456 ex. 504 for needed accommodations.

If you have any questions, please let me know.
Terri Vela



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- A2. Public comments (Public comment is limited to a maximum of 3 minutes per item. No Deliberations with the Commission. Time may not be given to another speaker.)



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- A3. Review and discuss FY 2023-24 Annual Budget Workshop to discuss Revenue and Expenditures.

FY24 Proposed Budget

Major Operating Funds
General & Utility Funds



RICHMOND
EST. **TEXAS** 1837

General Fund



RICHMOND
EST. **TEXAS** 1837

Overview

- ▶ **Primary operating fund of the City**
 - **Accounts for everything not required to be accounted for in another fund type (Special Revenue, Internal Service, Debt Service, etc.)**
 - **Includes traditional governmental services**
 - **Police**
 - **Fire**
 - **Public Works**
 - **Parks, etc.**



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Key Assumptions

Revenues

- ▶ **Property Tax Rate may decrease upon receipt of certified values and Truth in Taxation calculation**
- ▶ **Sales tax**
 - **Forecast to grow 11.2% over prior year budget**
 - **Sales tax repayment of \$1.43M, completed in July 2023**
- ▶ **Charges for Service**
 - **Fire Protection Increase from districts 2.97% based on CPI**



RICHMOND
EST. TEXAS 1837

Key Assumptions

Expenditures

- ▶ **General Salaries Increase 5.00%**
- ▶ **Increase to health insurance 7.00%**
- ▶ **Increase in Texas Municipal Retirement System (TMRS) from 15.25% to 15.74%**



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Key Assumptions

Expenditures

- ▶ No new positions
- ▶ Contingency
 - Allows flexibility to respond mid-year
 - Transfer to Cash CIP
 - Departmental Requests
 - Reserve for inflationary expenses



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EST. TEXAS 1837

General Fund

Revenues



RICHMOND
EST. **TEXAS** 1837

Property Tax Overview

- ▶ **Property tax is the most stable funding source in the City**
 - **Makes up only about 20% of the total revenue**
 - **Impacted by being the County Seat**
 - **Subject to the 3.5% Voter Approval Rate and De Minimis Tax rate provisions of Senate Bill 2**
- ▶ **Next workshop will cover property tax**



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Sale Tax Overview

- ▶ **Sales tax is the largest revenue stream in the General Fund**
- ▶ **Very important revenue stream for the City**
 - **Makes up approximately 31% of the total revenue**
 - **Helps reduce property tax for residents & businesses**
 - **Plays a key role in the comprehensive master plan and the diversification of revenue streams**



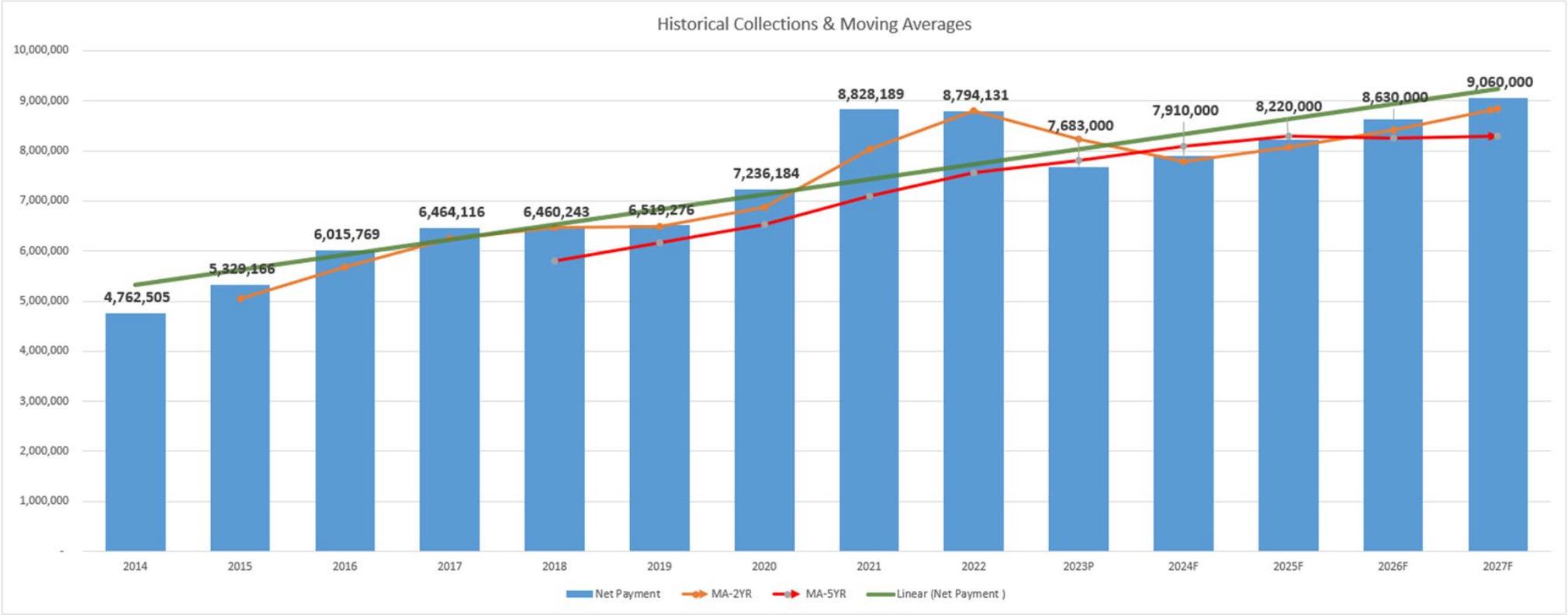
RICHMOND
EST. **TEXAS** 1837

Sales Tax

Fund	Revenue Budget	Sales Tax Assignment Expense	Net Revenue
General Fund	6,161,000	914,000	5,247,000
Economic Development	1,749,000	-	1,749,000
Net Sales Tax Collection	\$7,910,000	\$914,000	\$6,996,000

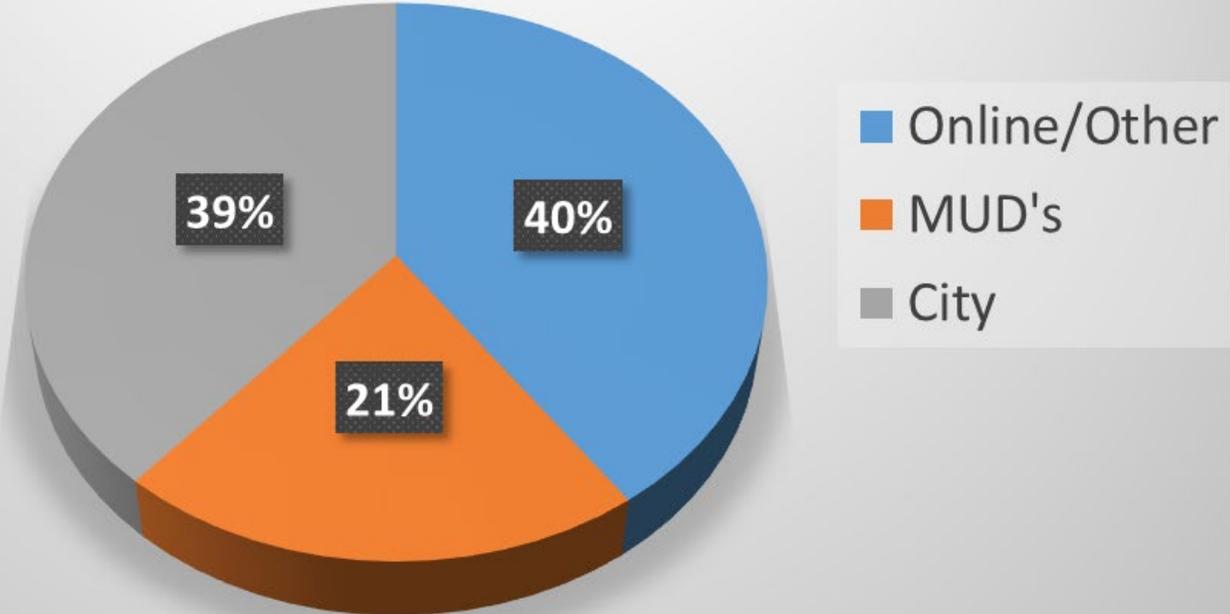


Sales Tax



Sales Tax

Sales Tax Collections By Category From Top Taxpayers



Sale Tax

- ▶ **How does the City hedge against uncertainty?**
 - **Contingency utilized closer to fiscal year-end**
 - **Transfers out to Hi-Tech, Fleet, and Cash CIP**
 - **Conservative collection budget**
 - **Less conservative approach for fiscal year 2024**
 - **Finance monitoring collections**



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FY24 Budget Changes from FY23 Current

Description	Amount
Property Tax*	\$600,000
Sales Tax	622,000
Other Taxes (Franchise Fees)	(14,872)
Charges for Service	300,000
Fines & Forfeitures	-

*Based on assumptions prior to receipt of certified tax roll



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FY24 Budget Changes from FY23 Current

Description	Amount
Licenses\Permits\Fees	(155,442)
Other	(33,812)
Interest	200,000
Transfers In (Cost Allocation/Overhead)	20,392
Intergovernmental	3,000
Total Revenue Changes	\$1,541,266



General Fund

Expenditures



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Overview

- ▶ **The City has adopted the base budget approach**
 - **Lean base budget with no departmental contingencies**
 - **Departmental expenditures fund existing services level commitments**
 - **Central contingency established to better manage the timing and use of funds (Flexible approach)**
 - **Maximizes the use of existing funding by allowing priorities to be addressed throughout the year**



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Current to FY24 Proposed Budget Walk Forward

Description	Amount
Current FY23 Budget	\$19,779,059
FY23 1X Budget Requests	(1,408,614)
FY24 Base Adjustments	1,649,455
FY24 Recurring Additions	181,368
FY24 One-time Additions	1,529,691
FY23 Proposed Budget	\$21,730,959



Utility Fund

Water & Sewer



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City of Richmond, Texas

Overview

- ▶ **The Utility Fund is an enterprise fund, which is operated in a manner similar to a private business**
- ▶ **Services are funded through User Fees**
- ▶ **The City has three Enterprise Funds**
 - **Utility Fund (Water & Sewer)**
 - **Surface Water**
 - **Solid Waste**
- ▶ **These funds are not supported by General Government Taxes**



RICHMOND
EST. **TEXAS** 1837

Key Assumptions

- ▶ **No increase in Water and Sewer Rates**
- ▶ **No new FTEs**
- ▶ **Maintain existing service level expectations**
- ▶ **General Salaries Increase 5.00%**
- ▶ **Increase to health insurance 7.00%**
- ▶ **Increase in Texas Municipal Retirement System (TMRS) from 15.25% to 15.74%**



RICHMOND
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Utility Revenues

- ▶ **Self supporting by charges for service**
 - **Water**
 - **Base rates**
 - **Depend on meter size**
 - **i.e. 5/8” water meter**
 - **Volumetric rate**
 - **Varies depending on user class & consumption block**
 - **Residential**
 - **Commercial**
 - **Irrigation**



Utility Revenues

- ▶ **Rainfall**
 - **Significantly impacts annual revenues**
 - **Drought increases consumption and revenues**
 - **Prolonged rainfall decrease consumption and revenues**
 - **Drives the need for fund balance to mitigate shifts in weather patterns**
 - **Drives variable costs**
 - **Chemical usage**
 - **Electricity charges**
 - **Rainfall can increase WW demand 2 to 3 times during the rain event**



FY24 Revenue Changes

Description	Amount
FY23 Budget	\$10,264,530
Charges for Services	512,000
Interest	90,000
License\Permits\Fees	-
Other	-
Transfers In	-
FY24 Budget	\$10,866,530



Current to FY24 Proposed Budget Walk Forward

Description	Amount
Current FY23 Budget	\$10,782,045
Base Adjustments	17,893
Transfers Out	(35,078)
Non-Departmental	662
Recurring Additions	36,992
One-time Additions	63,388
Total Budget Changes	\$10,865,902



Utility Rate Model

Category	FY23	FY24
Rate Increase		
Water	3.00%	0.00%
Wastewater	3.00%	0.00%
Surface Water	11.00%	0.00%
Average Water, Sewer, Surface Water Bill		
(5,000 Water, 3,000 Sewer) Monthly Costs	\$67.74	\$67.74
Increase YOY		\$0.00



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Key Dates

Date	Description
August 1st	Workshop #1 Major Fund Revenues & Expenditures
August 22nd	Workshop #2 Tax Rate & Additional Budget Discussion
September 12th	Public Hearing on Budget & Adoption
September 18th	Adopt Budget, Public Hearing on Tax Rate, Adopt Tax Rate, Ratify Tax Rate (if there is an increase)



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Questions, Discussion or Comments



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Tuesday, August 1, 2023 at 3:00 P.M.

- A4. Review and accept 2023 Certified Appraisal Roll.



FORT BEND CENTRAL APPRAISAL DISTRICT

2801 B.F. Terry Blvd. Rosenberg, Texas 77471-5600

Phone (281) 344-8623 www.fbcad.org

Fort Bend County, Texas

Certification Statement:

In accordance with and pursuant to Tax Code Section 26.01, on this 25 day of July, I, Jordan T. Wise, Chief Appraiser for the Fort Bend Central Appraisal District, do hereby certify to the tax assessor for CITY OF RICHMOND the appraisal roll and other required information for CITY OF RICHMOND.

The value of all property in, C15 ; CITY OF RICHMOND as shown by the certified appraisal roll for 2023, after being submitted to and approved by the appraisal review board is:

Total Market Value \$1,495,670,209

Total Assessed Value \$973,748,986

Witness my hand, July 25, 2023

Jordan T. Wise

Jordan T. Wise
Chief Appraiser



FORT BEND CENTRAL APPRAISAL DISTRICT

2801 B.F. Terry Blvd. Rosenberg, Texas 77471-5600

Phone (281) 344-8623 www.fbcad.org

**Appraisal Review Board
Fort Bend County, Texas**

Order Approving Appraisal Records

After review of the appraisal records of the Fort Bend Central Appraisal District and hearing and determining all or substantially all taxpayer protests and all taxing unit challenges which were properly brought before the Appraisal Review Board in accordance with the Texas Property Tax Code, the Board, with a quorum present, has determined that the appraisal records should be approved as changed by Board orders duly submitted to the Chief Appraiser.

It is therefore ordered that the appraisal records, as changed, are approved and constitute the appraisal roll for the Fort Bend Central Appraisal District for the tax year 2023.

The approved appraisal records are attached to this Order and are incorporated herein by reference the same as if fully copied and set forth at length.

Total Value for C15 ; CITY OF RICHMOND

Total Market Value	<u>\$1,495,670,209</u>
Total Assessed Value	<u>\$973,748,986</u>
Total Net Taxable Value	<u>\$952,309,737</u>

Signed this 14th day of July, 2023

A handwritten signature in blue ink, appearing to read "Joseph Grace", written over a horizontal line.

Joseph Grace
Appraisal Review Board Chairman
Fort Bend County, Texas



COUNTY TAX ASSESSOR-COLLECTOR

Fort Bend County, Texas

Carmen P. Turner, MPA
County Tax Assessor-Collector

(281) 341-3710
Fax (832) 471-1830
www.fbctx.gov

SUBMISSION OF 2023 TAX YEAR APPRAISAL ROLL AND NEW PROPERTY VALUE

I, Carmen P. Turner, Tax Assessor Collector for City of Richmond submit the following information from the 2023 Certified Appraisal Roll for your review:

- Taxable Value of New Property is \$75,754,166
- Appraised Value of All Property is \$1,495,670,209
- Taxable Value of All Property is \$952,309,737

Please record receipt of the above information into the minutes of your next meeting.

Carmen P. Turner, MPA
Fort Bend County Tax Assessor/Collector

F B C JUL 27 2023 T A X

Date



COUNTY TAX ASSESSOR-COLLECTOR
Fort Bend County, Texas

Carmen P. Turner, MPA
County Tax Assessor-Collector

(281) 341-3710
Fax (832) 471-1830
www.fbctx.gov

July 7, 2023

2023 Truth in Taxation Calculations

The following information is provided for **City of Richmond's** 2023 Truth in Taxation calculations.

Per Section 26.04(b) of the Texas Property Tax Code, I, Carmen P. Turner, Tax Assessor-Collector for **City of Richmond**, certify that:

The 2023 Anticipated Tax Collection Rate is **100.72%**.

2022 Actual Collection Rate **100.72%**

2021 Actual Collection Rate **103.67%**

2020 Actual Collection Rate **101.78%**

The 2022 Debt Tax Collections were **\$-55,323**

Please record this certification into the minutes of your next governing body meeting.

Carmen P. Turner, MPA, PCC, CTOP

Fort Bend County Tax Assessor-Collector

Date



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- A5. Review and consider taking action on authorizing City Manager to execute a contract for the South Wastewater Treatment Plant expansion.



**CITY COMMISSION
AGENDA ITEM COVER MEMO**

DATE: August 1, 2023

Staff Review:

City Manager _____
City Attorney _____
Finance _____
Fire Department _____
Police Department _____
Public Works _____

AGENDA ITEM: South Wastewater Treatment Plant (WWTP) Expansion and Improvements

SUBMITTED BY: Howard Christian, Assistant City Manager

SYNOPSIS

This project will provide City water and wastewater services to the southwest corner of HWY 59 and Williams Way, and surrounding area for current and future development. The interim capacity increase the city recently obtained for the South WWTP is not adequate to serve the existing development at full buildout. The expansion will add approximately 1.0 MGD of capacity to the South WWTP and be enough to accommodate all future development within the planning area and all of Fort Bend County Municipal Utility District 116.

COMPREHENSIVE PLAN GOALS ADDRESSED

Leverage public investments to enhance the existing community and promote growth.

BACKGROUND

The city has planned to provide utility services to the development south of HWY 59 and mostly west of Williams Way Blvd to FM 762. On July 13th one bid was received for the proposed South WWTP expansion. The lone qualified bidder was Caprock Construction with a bid of \$3,699,460. The major scope of the project includes:

- Renovation of the existing headworks to include a new bar screen.
- Construction of a 64-foot diameter clarifier.
- Upgrades to the disinfection system.
- Installation of de-chlorination equipment.

Receiving a lone bid for the work was a concern and the consultant spent a considerable amount of time determining the cause. As indicated in their letter of recommendation, the market is saturated with work and reliable local contractors are committed to other projects for the next 12 – 24 months. The relatively small scope of work for this project reduced the number of contractors willing to bid.

Caprock Construction is from the Bryan/College Station area and after careful consideration and vetting, the consultant recommends that the city accept the bid. With the market

saturation the belief is that rebidding the project would not return better pricing or number of bidders.

BUDGET ANALYSIS

FUNDING SOURCE	ACCOUNT NUMBER	PROJECT CODE/NAME	FY 2023 FUNDS BUDGETED	FY 2023 FUNDS AVAILABLE	AMOUNT REQUESTED

BUDGET AMENDMENT REQUIRED? YES _____ NO _____

Purchasing Review:

Financial/Budget Review:

FORM CIQ: _____

FORM 1295 _____

SUPPORTING MATERIALS

Engineer's bid tab and letter of recommendation

Project Location Map

STAFF'S RECOMMENDATION

It is Staff's recommendation that the City Commission authorize the City Manager to execute a Construction Services Contract with CRT GC, Inc., DBA Caprock Construction for the South Wastewater Treatment Plant Expansion and Improvements in the amount of \$3,699,460.

City Manager Approval: _____



July 20, 2023

Mr. Howard Christian
Assistant City Manager
City of Richmond
600 Morton St
Richmond, TX 77469

Re: South Wastewater Treatment Plant Expansion and Improvements
Bid Tabulation and Recommendation of Bid Award

Dear Mr. Christian:

On July 13, 2023, one bid was received by the City of Richmond (City) for the above referenced project. All the submitted bid costs were tabulated and reviewed for mathematical errors. A typographic error resulted in a discrepancy in the total for the one bidder, but upon review and coordination with the bidder the discrepancy was resolved, and is presented correctly below. A complete Bid Tabulation is included as an attachment.

Bid Item	CRT GC, Inc., DBA Caprock Construction
Base Bid Items	\$3,699,460.00

Civitas Engineering Group, Inc. (CEG) has spoken with several Contractors in our area to understand the current market conditions. CEG also reached out to other potential bidders to understand reasons for not bidding and determined that many of the general contractors are simply at capacity with the number of projects they are delivering and are currently incapable of taking on additional work due to lack of resources such as additional personnel, bonding, equipment and other. Rebidding the project will not lead to additional bidders due to this issue as many of these Contractors mentioned they are covered with work for the next 12-24 months.

Cities have been experiencing similar problems on recent bid projects where only 1-2 bidders are bidding on projects and most bid prices continue to exceed engineer's estimates due to market conditions. The high market demand is creating difficult conditions to accurately assess and predict bidders' pricing.

Additionally, CEG analyzed the bidder's tabulation to determine where differences occurred in the bid price as compared to the Engineer's Estimate. A few discrepancies led to increased pricing:





- Unlike a large WWTP renovation or expansion project, the reduced scope limited the number of vendors capable of bidding on the equipment. The reduced amount of equipment decreased the competitive pricing anticipated to be received on the bids.
- The stairs, grating and handrails were modified via addendum from galvanized steel to aluminum. It was noted during the pre-bid meeting that the existing materials of construction were aluminum. The materials were changed to match existing and ensure a longer life at the headworks due to the high concentrations of hydrogen sulfide gas.
- There was a large increase in the clarifier bid item. A few reasons accounted for this difference:
 - The geotech material determined that select fill must be utilized to backfill around the proposed clarifier to provide a solid foundation. The existing material must be removed and replaced with compatible material to prevent settlement of the clarifier. This is a large amount of material for the clarifier (65' Dia x 20' Deep). CEG did not account for this material replacement in its estimate.
 - CEG based its estimate upon the original equipment manufacturer of the existing clarifiers. During design, the equipment material was re-evaluated to determine the best options to provide long term value and some materials were modified as it was noted the existing clarifiers showed signs of wear. CEG did not update the material quotes from the vendors for equipment which accounted for some differences.
 - CEG estimated low for the price for in-place concrete of the clarifier and under clarifier piping. There are larger ongoing demands for piping and concrete than available supply which has resulted in significant increases in both price and delivery times.

CEG has spoken with the references to the lone bidder and they have received positive reviews for their performance. CEG recommends that the City award the construction contract to CRT GC, Inc., as the low bidder to maintain this project on schedule to meet the pressing needs as rebidding is unlikely to yield different results.

We appreciate the continued opportunity to work with the City. If you have any questions or need additional information, please do not hesitate to contact me at 713-416-3716.

Sincerely,

Keith O'Connor, P.E.
Senior Associate/Project Manager

Attachment: Bid Tabulation



BID TABULATION
 CITY OF RICHMOND
 SOUTH WASTEWATER TREATMENT PLANT EXPANSION AND IMPROVEMENTS

OF BIDS: 1

OF ITEMS: 5

**CRT GC, DBA Caprock
 Construction**

Item	Description	Unit	Quantity	Unit Price	Total Price
A. BASE BID ITEMS					
1	Mobilization	LS	1	\$185,370.00	\$185,370.00
2	Headwork Improvements	LS	1	\$886,100.00	\$886,100.00
3	Clarifier Improvements	LS	1	\$1,970,410.00	\$1,970,410.00
4	Disinfection System Improvements	LS	1	\$587,280.00	\$587,280.00
5	All Other Improvements Not Covered in Other Bid Items	LS	1	\$70,300.00	\$70,300.00
TOTAL BASE BID ITEMS					\$3,699,460.00





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