

REGULAR CITY COUNCIL MEETING
JULY 14, 2020 AT 6:00 P.M.
COUNCIL CHAMBER, 110 NORTH 8TH STREET
GATESVILLE, TEXAS 76528

In accordance with guidelines of the Office of the Governor, the City Council of the City of Gatesville conducted an in-person meeting while maintaining social distancing to slow the spread of the Coronavirus (COVID-19).

In order to provide a safe and healthy environment for the public attending the meeting, social distance regulations and guidelines were followed.

AN OPEN MEETING WAS HELD CONCERNING THE FOLLOWING SUBJECTS:

1) CALL TO ORDER REGULAR CITY COUNCIL MEETING AT 6:00 P.M. THIS 14TH DAY OF JULY, 2020

PRESENT: Mayor Gary Chumley, Council Members Meredith Rainer, Greg Casey, Bill Robinette, and Randy Hitt

REGRETS: Council Member Jack Doyle

ABSENT: Council Member Robert Kent

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, Rene Ochoa, Seth Phillips, Heather Ashley, Andrew Friedman, Kristi Roberts, and Brenda Kiphen

2) HEAR VISITORS/CITIZENS FORUM: AT THIS TIME, ANY PERSON WITH BUSINESS BEFORE THE COUNCIL NOT SCHEDULED ON THE AGENDA MAY SPEAK TO THE COUNCIL FOR A MAXIMUM OF THREE (3) MINUTES. NO FORMAL ACTION CAN BE TAKEN ON THESE ITEMS AT THIS MEETING.

Visitors present were only concerned with an Agenda item.

3) DISCUSSION AND POSSIBLE ACTION TO APPROVE OF MINUTES FROM
REGULAR CITY COUNCIL MEETING JUNE 23, 2020

RESOLUTION 2020- 49: Motion by Bill Robinette, seconded by Meredith Rainer, to approve the minutes from the Regular City Council Meeting June 23, 2020; all four voting "Aye", motion passed.

4) DISCUSSION AND POSSIBLE ACTION CONCERNING THE REQUEST TO
SUBDIVIDE 5.4 ACRES OUT OF THE ANTONIO AROCHA SURVEY, ABSTRACT NO.
8, AND BEING ALL OF LOT 1 AND LOT 2 IN BLOCK 19, SOUTHEASTERN ANNEX,
IN THE CITY OF GATESVILLE, TEXAS

City Manager William H. Parry III provided a Power Point presentation which included an aerial view and pictures of the 4 structures on the lot. This subdivision proposal has been submitted for consideration of selling the existing single-family dwelling located on Lot 1 Block 1 and to combine the remaining portion of Lot 2 Block 19 of the Southeastern annex with previously un-platted property. The front portion of this property is in the city limits and the back portion is in the county. Kristi Roberts, who is the realtor for this subdivision request, was present if anyone had any questions.

The Planning and Zoning Commission reviewed and unanimously approved the request to subdivide on July 7, 2020.

RESOLUTION 2020- 50: Motion by Randy Hitt, seconded by Greg Casey, to approve the request by Lisa Stalnecker to subdivide 5.4 acres out of the Antonio Arocha Survey, Abstract No. 8, and being all of Lot 1 and Lot 2 in Block 19, Southeastern Annex, in the City of Gatesville, Texas; all four voting "Aye", motion passed.

REGULAR CITY COUNCIL MEETING

JULY 14, 2020

PAGE 2

5) DISCUSSION AND POSSIBLE ACTION REGARDING AN ORDINANCE
AMENDING CHAPTER 21, WATERS AND SEWERS ARTICLE II, SERVICE RATES

AND CHARGES, CODE OF ORDINANCES OF THE CITY OF GATESVILLE, TEXAS,
BY CHANGING CERTAIN WATER AND SEWER BASE AND VOLUMETRIC RATES;
AND PROVIDING AN EFFECTIVE DATE (2ND READING OF ORDINANCE 2020-11)

City Manager Parry stated that there had been no changes to this ordinance. Parry clarified a money amount referred to on the council memorandum regarding the water base rate for residential customers (regardless of meter size) in Fiscal Year 2021 which is proposed to increase 47 cents not 75 cents as indicated on the memo. The base rate is proposed to go up 75 cents in Fiscal Year 2022.

Parry reminded the council that these increases were determined in 2018 when the council approved Ordinance 2018-11 to make incremental increases in base rate regardless of meter size instead of charging a different rate for meters larger than 3/4 inch. These increases are necessary to cover the debt service as was recommended by the City's consultants.

Parry said that he sent a note and a copy of the proposed ordinance to the Chief Financial Officer of Texas Department of Criminal Justice (TDCJ) to make them aware of the proposed increase that is included as a provision in the water/wastewater agreement with TDCJ. There have been no comments from TDCJ.

The new residential and commercial base rates will take effect April 2021 and will go out with the May 2021 billing. The monthly volumetric rate will stay the same.

There have been increases to the sewer base rates and volumetric rate in accordance with the City's consultant's recommendations in order to cover the City's portion of the debt service for the expansion of the Stillhouse Wastewater Treatment Plant.

Following a brief discussion, City Manager Parry recommended approval of the second reading of Ordinance 2020-11.

ORDINANCE 2020- 11: Motion by Bill Robinette, seconded by Meredith Rainer, to approve the second reading of Ordinance 2020-11 amending Chapter 21, Waters and Sewers Article II, Service Rates and Charges, Code of Ordinances of the City of Gatesville, Texas by changing certain Water and Sewer Base and Volumetric Rates; and providing an Effective Date; all four voting "Aye", motion passed.

6) DISCUSSION AND POSSIBLE ACTION REGARDING AN ORDINANCE
AUTHORIZING THE ISSUANCE OF "CITY OF GATESVILLE, TEXAS COMBINATION
TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES
2020"; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES BY THE LEVY OF

AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND FURTHER SECURING SAID CERTIFICATES BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES OF THE SYSTEM; AUTHORIZING THE EXECUTION OF ANY NECESSARY ENGAGEMENT AGREEMENT WITH THE CITY'S FINANCIAL ADVISORS; AND PROVIDING AN EFFECTIVE DATE

City Manager Parry said that the process to replace the City's water meters has taken approximately six months. At the end of this project, an automated meter infrastructure (AMI) system will have been implemented which will provide customers the ability to monitor their water usage and detect leaks in their water system in real time.

In December of 2019, City Council approved a Project Development Agreement with Ameresco to conduct an investment-grade audit of 68 of the City's 3280 water meters in five different age classifications which took about three (3) months to complete. 29% of the 3280 water meters were greater than 20 years old and city staff wanted to make sure that it wasn't just old meters that got audited. The water meter replacement plan that the city had been following would only fund about

200 water meters per year which would never allow the City to catch up with all accurate meters. The

mechanical water meters that the city currently has only has an expected life of 15 years. The process of how the meters were tested was discussed and the result was that the city was losing water revenue and

REGULAR CITY COUNCIL MEETING

JULY 14, 2020

PAGE 3

sewer revenue since sewer charges are calculated by how much water a customer uses. The AMI system will remove the human element from the meter reading process which will amount to more accurate readings and billing. One of the two meter readers will be transferred to the water and sewer maintenance crew in the Water Distribution Department.

Andrew Friedman, Managing Director of SAMCO Capital Markets, was present at the meeting and discussed the Certificate of Obligation (CO) process, debt financing and the four (4) bidders that submitted proposals for the City's meter replacement project. Mr. Friedman provided a handout to the Mayor and Council and discussed:

• Sources of funds = a par amount of 2,570,000.00 with an accrued interest of 7,790.00 and a premium

from the winning bidder of 231,623.70.

ÿ Uses = Upon closing on August 12, 2020 (if approved) the projects funds deposit will be

2,7000,000.00. Other Fund deposits, cost of issuance, underwriter's discount, and other delivery date

expenses will bring the Uses total to 2,809,413.70.

ÿ Bond pricing- the city will pay on this CO in a range of 2% to 4% in various years.

ÿ Bond Debt Service- which amounts to one (1) principal payment and two (2) interest payments

annually for fifteen (15) years.

City Manager Parry discussed the City of Gatesville's A+ rating (which is in the middle) and how the City's rating was enhanced by an issuance of bond insurance which brought the City's rating up to a AA rating which made the opinion of the City's credit more favorable in regards to debt issuance.

Parry recommended approval of issuance of \$2.7 million in Certificates of Obligation with a bond debt service of 15 years to fund the water meter replacement project to low bidder Hilltop Securities.

State mandates that this ordinance can be approved and passed on one reading of the ordinance instead of the usual three readings since this deals with debt service issuance.

ORDINANCE 2020- 12: Motion by Meredith Rainer, seconded by Randy Hitt, to approve Ordinance 2020-12 authorizing the issuance of "City of Gatesville, Texas combination tax and limited pledge revenue certificates of obligation, series 2020" in the amount of \$2.7 million; providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the city and further securing said certificates by a lien on and pledge of the pledged revenues of the system; authorizing the execution of any necessary engagement agreement with the city's financial advisors; and providing an effective date; bond debt service for fifteen (15) years, and award the project to Hilltop Securities; all four voting "Aye", motion passed.

7) DISCUSSION AND POSSIBLE ACTION TO APPROVE NOTICE TO PROCEED WITH WATER METER REPLACEMENT

City Manager Parry said that since the Council approved the issuance of \$2.7 million in Certificates of Obligation to finance the water meter replacement project, a Notice To Proceed document is required and must be approved by the City Council which

authorizes Ameresco to begin with the project. Periodic updates will be provided to Council as this project commences.

RESOLUTION 2020- 51: Motion by Greg Casey, seconded by Randy Hitt, to approve the Notice to Proceed with the Water Meter Replacement Project and authorize the City Manager to execute the document for Ameresco to proceed; all four voting “Aye”, motion passed.

8) DISCUSSION AND POSSIBLE ACTION TO APPROVE AN ENGINEERING FIRM FOR THE 2020 COMMUNITY DEVELOPMENT BLOCK GRANT- DOWNTOWN REVITALIZATION FUND PROJECT

City Manager Parry provided the Council an updated Information Memorandum and an Evaluation of

Proposals form as replacements in their read ahead council books for the 2020 Community Development

Block Grant (CDBG)- Downtown Revitalization Fund Project. This CDBG –if funded- would be used

to demolish/construct/repair sidewalks, construct ADA- compliant ramps, replace curb/gutter, replace

water and sewer lines, and reconstruct Leon Street between 7th and 8th Streets.

REGULAR CITY COUNCIL MEETING

JULY 14, 2020

PAGE 4

The Request for Qualifications were e-mailed to six engineering firms; one proposal was received from Walker Partners Engineers by the deadline date of July 13, 2020.

The firm was independently evaluated by the City Manager, Councilmember Rainer, and Planning/Community Development Director, Rene Ochoa, using Texas CDBG criteria and evaluation forms:

ENGINEERING SERVICES: Rainer Parry Ochoa Average

Walker Partners Engineers	100	98	100	99.3
---------------------------	-----	----	-----	------

City Manager Parry said that Walker Partners Engineers submitted a very good proposal and recommended that their bid be awarded to be the engineering firm for the 2020 Downtown Development Fund Project.

RESOLUTION 2020- 52: Motion by Meredith Rainer, seconded by Bill Robinette, to approve Walker Partner Engineers as the engineering firm for the 2020 Community Development Block Grant- Downtown Revitalization Fund; all four voting “Aye”, motion passed.

Council Member Randy Hitt departed the meeting at 6:34 P.M.

9) CITY MANAGER’S REPORT:

BUDGET/FINANCIAL REPORT: Briefly discussed the City’s cash balances and said staff is confident that in the ten weeks left of the fiscal year there will be plenty of cash on hand to take care of expenses.

FEMA DISASTER DECLARATION 4416-FALL 2018 FLOODING (Update): Working on setting up a conference call with LJA Engineering to discuss improved/alternate project options regarding Faunt Le Roy Park. Once drafted, TDEM and FEMA must approve.

COVID -19/ CARES (Coronavirus Aid, Relief (CRF) and Economic Security (CESF) ACT FUNDING:

Discussed the issue of City youth sports, the Governor’s Executive Orders/checklist for outdoor sports and how COVID-19 might affect the ability to conduct the whole process of playing baseball/softball and youth flag football while protecting the sports participants and individuals that come to watch. City Manager Parry and Sports Director, Seth Phillips asked the council to think about this issue and assist them in interpreting the guidelines when it comes time to make a decision.

CRF and CESF grants are still “Pending Office of the Governor Review”.

Texas State Library & Archives Commission (TSLAC) CARES Act funding: Library Director Faye Nichols applied for a TSLAC grant and has been recommended for funding. Planned items to spend funds on: Hot spots and laptops for library patrons to check out, 2 self -check kiosks, book trucks to quarantine returned items, and software that will allow air printing from the computer.

FUTURE COUNCIL MEETING AGENDA TOPICS: Coming up at the next meeting: CDBG Downtown Revitalization Public Hearing, projected FY 2021 Revenues vs. Expenses and convene into Executive Session to discuss calling a Special Council meeting for August 4, 2020 to discuss the vacancy of council seat Ward 1, Place 1 and consider calling a Special Election.

WATER CUTOFFS: The City suspended late fees and cutoffs when Governor Abbott published Executive Order GA-08. Gatesville has 95 delinquent accounts (which have no late fees imposed) from February through June totaling \$11,658.57. Asked the Council to think about this issue and if they want to start begin assessing late fees and cut-offs for non-payment within the next 30 days. Will be discussed at the next City Council meeting.

10) ADJOURN MEETING AT 6:57 P.M., THIS 14TH DAY OF JULY, 2020

ATTEST:

APPROVED:

Wendy Cole, City Secretary

Gary M. Chumley, Mayor