

NOTICE

**THIS NOTICE IS POSTED IN COMPLIANCE WITH THE OPEN MEETING ACT
(TEX. GOV'T CODE CHAPTER 551, SEC. 551.041)**

**AGENDA
GATESVILLE CITY COUNCIL REGULAR MEETING
GATESVILLE COUNCIL CHAMBER
110 NORTH 8TH STREET GATESVILLE, TEXAS 76528
AUGUST 13, 2019 AT 5:30 p.m.**

An Open Meeting will be held concerning the following subjects:

1. Call to Order
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.
3. Discussion and possible action regarding the Minutes from the Regular City Council Meeting July 23, 2019
4. Discussion and possible action regarding Resolution 2019-52 supporting an application to the Texas Department of Transportation's 2019 Transportation Alternatives Set-Aside/Safe Routes to School-Infrastructure (SRTS) Program
5. Discussion and possible action regarding Council Meeting Procedure Policy for the City of Gatesville
6. Discussion and possible action regarding the City of Gatesville Employee Handbook
7. Discussion and possible action regarding the first reading of Ordinance 2019-04 amending Chapter 10, Garbage and Trash Collection charges Section 10-6, Code of Ordinance of the City of Gatesville, Texas by changing the garbage rates
8. Briefing/Discussion on Fiscal Year 2020 Proposed Budget- City Manager
9. Recess Regular meeting and call -----
Public Hearing

Hear comments concerning the City of Gatesville proposed budget for Fiscal Year 2020
10. End Public Hearing and reconvene Regular Meeting
11. Discussion and possible action to adopt or defer the decision on the proposed budget.
12. Discussion and possible action to approve the proposed Tax Rate, schedule two Public Hearings on the Tax Rate and set a date to vote on the Tax rate
13. City Manager's Report:
 - Capital Projects Update
 - Comprehensive Plan
 - Budget Report
 - Future Agenda Items
 - Director of Planning and Community Development
14. Adjourn meeting

I hereby attest that the above agenda was posted on this the 9th day of August, 2019, by 5:00 p.m. on the official City of Gatesville website, www.ci.gatesville.tx.us and the official bulletin boards at the Gatesville City Hall, 110 N. 8th Street, Gatesville, Texas.

Wendy Cole, City Secretary

The City of Gatesville council chambers are wheelchair accessible and accessible parking spaces are available at the back entrance of City Hall. Requests for accommodations or interpretive services must be made 24 hours prior to this meeting. Please contact the city secretary's office at 254-865-8951 or FAX 254-865-8320, or eMail wendy.cole@ci.gatesville.tx.us for further information.

REGULAR CITY COUNCIL MEETING
AUGUST 13, 2019 AT 5:30 P.M.
COUNCIL CHAMBER, 110 NORTH 8TH STREET
GATESVILLE, TEXAS 76528

AN OPEN MEETING WAS HELD CONCERNING THE FOLLOWING SUBJECTS:

1) CALL TO ORDER REGULAR CITY COUNCIL MEETING AT 5:31 P.M. THIS 13TH DAY OF AUGUST, 2019

PRESENT: Mayor Gary Chumley, Council Members, Bill Robinette, Randy Hitt, Meredith Rainer, David Mitchell and Dwight Suson

ABSENT: Council Member Ronnie Viss

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, Brenda Kiphen, Nathan Gohlke, Robert Featherston, Billy Vaden, Jim Shepard, Seth Phillips, Patrice Gilbert, Berry Mansell, Robert "Bobby" Buster, Faye Nichols, Rene Ochoa, Tim Woodlock, and Ryan Coggins

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 THE MINUTES FROM REGULAR CITY COUNCIL MEETING JULY 23, 2019

RESOLUTION 2019-51: Motion by Dwight Suson, seconded by David Mitchell, to approve the minutes from the Regular City Council Meeting July 23, 2019; all five Voting "Aye" motion passed.

4) DISCUSSION AND POSSIBLE ACTION REGARDING RESOLUTION 2019-52 SUPPORTING AN APPLICATION TO THE TEXAS DEPARTMENT OF TRANSPORTATION'S 2019 TRANSPORTATION ALTERNATIVES SET-ASIDE/SAFE ROUTES TO SCHOOL INFRASTRUCTURE (SRTS) PROGRAM

City Manager Parry stated that in 2018, the Gatesville Independent School District Administration approached the City regarding the construction of sidewalks adjacent to the school campuses. In February 2019, Texas Department of Transportation (Tx DOT) announced a statewide call for projects known as the "Safe Routes to Schools"; the City and School District agreed to partner on the project, and the City submitted the preliminary application in April 2019. The preliminary application was approved, and the City was invited to submit a detailed application for the project. This grant is 100% funded to provide sidewalks in the campus areas which amounts to approximately 9000 linear feet.

The grant application is due August 15, 2019 and one of the requirements is to submit a resolution that is approved by the governing body showing support for the project.

Resolution 2019-52 confirms the City is willing to commit to the project's development, implementation, construction, maintenance, management, and financing; and that the City Council is willing and able to authorize, by resolution the City to enter into an agreement with TxDOT should the project be selected for funding.

Following a brief discussion regarding the location of the sidewalks, Mayor Chumley asked for a motion.

RESOLUTION 2019-52: Motion by Meredith Rainer, seconded by Dwight Suson, to approve Resolution 2019-52 supporting an application to the Texas Department of Transportation's 2019 Transportation Alternatives Set-Aside/Safe Routes to School- Infrastructure (SRTS) Program; all five Voting "Aye" motion passed.

5) DISCUSSION AND POSSIBLE ACTION REGARDING COUNCIL MEETING PROCEDURE POLICY FOR THE CITY OF GATESVILLE

City Manager Parry explained that most cities have a written Council Policy to determine rules of procedure which details how Council will adhere to meeting procedures. City Attorney, Charlie Olson, has reviewed, recommended changes and approved this final proposed draft of the policy. Parry discussed the procedure to place an item on the agenda and also recently passed Senate Bill 1640, which states that a resident can speak during a council workshop.

This policy can be amended anytime that the council determines is appropriate.

There was a brief discussion regarding the procedures for placing an item on the agenda, conduct referred to as a "Walking Quorum", and how all relative topics will be considered.

RESOLUTION 2019-53: Motion by Bill Robinette, seconded by Meredith Rainer, to approve the Council Meeting Procedure Policy for the City of Gatesville; all five Voting "Aye" motion passed.

6) DISCUSSION AND POSSIBLE ACTION REGARDING THE CITY OF GATESVILLE EMPLOYEE HANDBOOK

City Manager Parry said that the Employee Handbook was last updated and approved by the City Council in February 2012 and explained how an update of the handbook is necessary to keep it current with changes in Federal and State labor laws and regulations. Highlighted were changes in the drug and alcohol policies, procedures to handle complaints, employment classifications, Fair Labor Standards Act changes, Family and Medical Leave Act procedures, and social media.

Additions to the handbook were a table of contents, Americans with Disabilities Act policies and reasonable accommodation provisions, employee conduct, and Workplace Violence Prevention. The City Attorney assisted the City Manager and Human Resource Director with the required revisions.

Deletions to the handbook were the Employee Retirement Income Security Act (ERISA) as it is not applicable to the City (defined pension plans such as the Texas Municipal Retirement System were placed in protected status). "Conflicts of Interest and Confidentiality replaced "City Rules".

There was a proposed change to a sentence in the "Lifeguards" section on page 28 : *Lifeguards will wear a swimsuit that is issued by the City.*

City Manager Parry recommended that the Council approve the updated Handbook.

Councilmember Robinette suggested that future amendments or adjustments to this handbook could be made by the City Manager and not necessarily need to be approved by the Council. The Council could just be informed of the amendments. Following a brief discussion, Councilmember Robinette made a motion.

RESOLUTION 2019-54: Motion by Bill Robinette, seconded by Dwight Suson, to approve the City of Gatesville Employee Handbook with the amendment to page 28, first sentence in the "Lifeguard" section to say "*Lifeguards will wear a swimsuit that is issued by the City*"; and to allow the City Manager to make adjustments/amendments to the handbook without the Council's approval; all five Voting "Aye" motion passed.

Changes to the Handbook would be briefed to the Councilmembers when future amendments are made.

7) DISCUSSION AND POSSIBLE ACTION REGARDING THE FIRST READING OF ORDINANCE 2019-04 AMENDING CHAPTER 10, GARBAGE AND TRASH COLLECTION CHARGES SECTION 10-6, CODE OF ORDINANCE OF THE CITY OF GATESVILLE, TEXAS BY CHANGING THE GARBAGE RATES

City Manager Parry said that there is a provision within the City's contractual agreement with Waste Management that allows an annual Urban Consumer Price Index adjustment to be made if determined to be a necessity for their operations. The proposed rate adjustment for residential customers will increase by \$0.20 which will result in a fee of \$12.43. This Ordinance requires three readings so if approved the new fee would pass in September and reflect on the October 1, 2019 billing.

Parry said that the Waste Management agreement automatically renews every five years (currently 2021) unless one party contacts the other party in writing that they do not wish to renew. Waste Management has in fact recently contacted city staff to renegotiate the contract.

Mr. Parry recommended that the Council approve the first reading of Ordinance 2019-04.

ORDINANCE 2019-04-01: Motion by David Mitchell, seconded by Meredith Rainer, to approve the first reading of Ordinance 2019-04 amending Chapter 10, Garbage and Trash Collection charges Section 10-6, Code of Ordinance of the City of Gatesville, Texas by changing the garbage rates; all five Voting "Aye" motion passed.

8) BRIEFING/DISCUSSION ON FISCAL YEAR 2020 PROPOSED BUDGET- CITY MANAGER

City Manager Parry said that the Department Heads were present at this meeting to participate and answer any questions that the Council might have during this Budget Briefing for Fiscal Year (FY) 2020. Parry stated that following the proposed budget presentation the Council will be asked to take action to either approve or defer the decision (pending additional information) regarding this budget, not later than September 24, 2019. Following this budget briefing, a mandatory public hearing on the budget will be held. This budget has been posted on the City's website and copies are available in the City Secretary's office. The process of adopting a budget is the most important financial responsibility that the Council and City departments have. The budget is proof that City officials and staff are accountable in how they spend taxpayer's dollars and also helps in planning- specifically for Capital Projects.

After the public hearing on the budget, there will be a discussion on a proposed tax rate and after approval of the rate it will be published in Saturday's newspaper. The Council may lower the tax rate, but cannot adopt a higher rate once the proposed rate has been approved.

Parry provided a power point presentation which started out with an assessment of revenue trends over the last five years-what was actually collected in terms of revenues for both the General and Enterprise Funds; the amount approved last year for FY 2019, and the level of revenue proposed for FY 2020. City Staff is projecting slight increases in Sales Tax allocations and Property Taxes in FY 2020. The three primary revenue drivers for the City of Gatesville are:

- Residential/Commercial/Texas Department of Criminal Justice (TDCJ) water sales
- Wholesale water sales
- Residential/Commercial/ TDCJ sewer sales

Also discussed was how weather plays a significant role in the amount of water that is sold.

There was a discussion on why the revenue trends for water and sewer are down. Of all the water produced by the Gatesville regional water supply, TDCJ consumes 31.6% of the total. While the volumetric rate per 1000 gallons of water will increase with the October 2019 billing for TDCJ from the current \$2.30 to \$3.00- A 20%+ decline in usage has a significant impact on the City's revenue trends. While city staff assumed that TDCJ water sales were less sensitive to weather impacts, beginning in the early summer of 2018 the TDCJ instituted cost-savings measures in their utility accounts- to include water conservation maintenance. City Staff did not realize this until well after the 2019 budget was approved. City Staff has made an assumption that the TDCJ will use 450,000,000 gallons of water in

2020. City staff will monitor consumption as the year progresses. New water base rates for TDCJ have been implemented and will further increase in FY 2020 depending on the meter size.

TDCJ accounts for 69% of all wastewater treated by the City of Gatesville but If TDCJ uses less water, then that translates into less wastewater being treated and less revenue for the city.

In 2020 residents will see an increase in their base rate from \$20.27 to \$20.53- regardless of their meter size- and Commercial accounts will see an increase in 2020 based on their meter size.

Parry reminded the Council that the General fund revenue is primarily funded by property tax and sales tax and reviewed the General Funded Departments: Police Department, Street Department, Recreation Administration, Library, Building & Grounds, Fire Department, Convention & Visitors Bureau, outdoor swimming pool, and the Planning & Community Development Department.

The General Fund Contingent Appropriation, required by the City Charter- is budgeted as an expense item in the Administration Department- and represents 2.9% of total General Fund expenses, but 21.1% of the Administration budget. If the Contingent Appropriation is not required for budgeted or un-forecasted emergencies, then it could be possibly be intended for Capital Purchases.

Parry then spoke of the Enterprise Fund –Funded Departments: Water Distribution, Sewer, Water Production, Sanitation, Fitness Center, and the Airport. These departments are funded by the utilities that the city provides.

This budget is a balanced budget which also includes a multi-year capital improvement plan with many 2020 funded projects. This budget does not include an increase in the current wholesale water rate as city staff is waiting on the results of the wholesale water and sewer rate study. The balanced budget means that with the City’s current revenue and expense projections, the City will not grow the unassigned Fund balance, nor will the City need to use any of the unassigned Fund balance in order to balance the FY 2020 budget.

There was a brief discussion on major items that were not included in the FY 2020 proposed budget. Capital purchase requests will be considered and handled through the Contingent Appropriation in both the General and Enterprise Funds- but not until the third quarter of the Fiscal Year.

9) RECESS REGULAR MEETING AT 6:26 P.M. AND CALL A -----

Public Hearing

Hear comments concerning the City of Gatesville proposed budget for Fiscal Year 2020

Mayor Chumley asked if there were any questions from the Council or the public regarding the proposed budget for Fiscal Year 2020 and there were no questions or comments.

10) END PUBLIC HEARING AND RECONVENE REGULAR MEETING AT 6:27 P.M.

11) DISCUSSION AND POSSIBLE ACTION TO ADOPT OR DEFER THE DECISION ON THE PROPOSED BUDGET.

Councilmember Rainer made a motion to adopt the proposed tax rate. Following a brief discussion, Councilmember Rainer withdrew her motion until the discussion on the proposed tax rate was completed. Mayor Chumley announced that the tax rate in agenda item 12 would be discussed before the decision to adopt or defer the proposed budget.

12) DISCUSSION AND POSSIBLE ACTION TO APPROVE THE PROPOSED TAX RATE,
SCHEDULE TWO PUBLIC HEARINGS ON THE TAX RATE AND SET A DATE TO VOTE ON
THE TAX RATE

City Manager Parry stated that once the Council has proposed a tax rate it can be lowered prior to the 24th of September but cannot be increased. Adopting the effective tax rate would raise approximately the same amount of property tax revenue as the current FY due to new properties added to the rolls and slight increases in valuation. This would result in a tax decrease of \$1.16 cents per \$100 valuation which equates to approximately \$48,000 less in budgeted revenues in this proposed budget.

The Council cannot propose a tax rate that exceeds the rollback rate of 60.75 cents per \$100 valuation without triggering a possible rollback election. Adopting the rollback rate would result in approximately \$180,000 in additional General Fund revenue.

The proposed budget is based on retaining the current property tax rate of 56 cents per \$100 valuation. On January 1, 2020, Senate Bill 2 takes effect which will cap tax increases from the current 8% to 3.5% which would make next year's rollback rate 2.5 cents lower.

City Manager Parry reminded the Council that property taxes fund the General Fund activities and cannot be used to recapitalize water or sewer lines. A tax rate should be adopted that sufficiently funds a level of service that Gatesville residents expect and that the city can afford.

Fiscal Year 2020 Budget Goals:

- Maintain Operations with a balanced budget; adopt an ad valorem tax rate sufficient to fund service-level requirements.
- Execute the council-approved capital Improvement Plan (CIP).
- Maximize grant funding to improve city infrastructure and community resources.
- Continue to implement long-range planning.
- Continue efforts to meet council-approved fund balance objectives.

Parry detailed the level of funding that the General Fund departments consume and that if the Council elected to adopt a lower rate - items funded in the budget would have to be removed or re-prioritized.

Some Funded items and contingent appropriation items were discussed:

- Police body cameras and dash cameras- Police Chief Gohlke briefed the Council regarding issues with the current cameras and how the Police Department (PD) prefers entirely compatible equipment. Prefers to defer decision until all the information is collected so the best solution can be determined. Mayor Chumley commented that these cameras are very crucial for the PD to have and will pay for themselves because they would provide evidence to either prevent a lawsuit or win a lawsuit.
- Handicap parking at the sports complex. City staff wants to ensure that this project is done correctly and the proper spots are identified for the best accessibility for handicap mobility at the complex.
- Clarifiers at the Water Treatment Plant. Two of the clarifiers are from the 1980's and are in great need of being refurbished. There was a plan to sandblast and recoat these clarifiers approximately twelve years ago but the project was deferred. It is included in the budget to refurbish one of the two clarifiers in the FY 2020 budget and one in the 2021 budget. There were pictures of the clarifiers included in the power point presentation which showed the rust and deterioration. Water Superintendent, Berry Mansell, was present to answer questions.
- Re-plaster/re-tile the outdoor swimming pool. This pool was built in 1969 and city staff cannot find any records that determine that any significant recapitalization has been done to the pool. Parry provided pictures that showed deterioration and pointed out where repairs needed to occur. Fitness Center Director, Patrice Gilbert, was present to answer any questions.

- Gatesville Civic Center digital sign. This is an authorized expense according to the Texas Hotel & Lodging Association. State law requires that cities that levy a 7% hotel tax must use at least 1/7 of the tax proceeds to be spent on advertising and promoting the city which would directly impact tourism and the hotel and convention industry. The city used funds from the hotel occupancy tax to purchase the banners that spanned across Main Street for both the Shivaree and the Rodeo. Hotel occupancy tax funds were also used to buy advertising for both of these events on the radio, WACO -100. People that come from out of town have complained that they can't see the Civic Center since it sits off the road so a digital sign would be very beneficial.

Mr. Parry provided the Council with a data sheet regarding travel impact. This report tracked direct travel spending in tourism regions in Texas including Gatesville.

Following the budgeted project discussion, there was a chart provided that depicted relative property tax rates for Gatesville compared to other cities in our region. Gatesville's final tax rate should not be based on what other cities adopt but to provide the level of service of municipal services Gatesville's citizens deserve.

Two public hearings are required should Council propose a tax rate that exceeds the effective rate of 54.84 cents per \$100 valuation. If a lower rate is proposed no public hearings are required.

A date to vote on the tax rate must be also approved at this meeting.

City Manager Parry recommended:

- A proposed tax rate of 56 cents- the same as the current rate
- Tax rate public hearings on August 27th and September 3rd
- Council vote to approve the tax rate on September 24th

RESOLUTION 2019-55: Motion by Bill Robinette, seconded by David Mitchell, to approve a tax rate of \$0.5600 per \$100 valuation; all five Voting "Aye" motion passed.

RESOLUTION 2019-56: Motion by Meredith Rainer, seconded by Dwight Suson, to schedule the two public hearings on the tax rate for the City of Gatesville on August 27, 2019 and September 3, 2019; all five Voting "Aye" motion passed.

RESOLUTION 2019-57: Motion by Dwight Suson, seconded by Randy Hitt, to schedule the date to vote on the tax rate for the City of Gatesville on September 24, 2019; all five Voting "Aye" motion passed.

11) DISCUSSION AND POSSIBLE ACTION TO ADOPT OR DEFER THE DECISION ON THE PROPOSED BUDGET.

Mayor Chumley returned to Agenda item 11 and asked for a motion.

RESOLUTION 2019-58: Motion by Meredith Rainer, seconded by Dwight Suson, to adopt the Fiscal Year 2020 proposed budget for the City of Gatesville; all five Voting "Aye" motion passed.

13) CITY MANAGER'S REPORT:

Other activities/dates of note: - August 20th: FEMA re-inspection of Faunt Le Roy and Brown Parks.

BUDGET/FINANCIAL REPORT: The City remains in good cash position.

FUTURE COUNCIL MEETING AGENDA TOPICS: Highlighted upcoming agenda topics.

Parry reminded the Council of the several special meetings to be held in September that are scheduled in order to pass the budget and tax rate by end of the fiscal year.

ROTUNDA ABATEMENT BROWNSFIELD GRANT (Update): The City was notified on June 5th by the EPA Office of Brownfields & Land Revitalization that of 438 grant requests submitted, the City's grant application was not approved for funding. Parry has requested a grant debrief from Environmental Protection Agency PA Region 6.

The debrief occurred on August 5th with the EPA and it was recommended that the city implement more community engagement planning on the next application.

GATESVILLE TRAILS DEVELOPMENT: On 8 January 2019, City Council passed a Resolution of Support (2019-05) for an age-restricted 48-unit development using Texas Department of Housing and Community Affairs 2019 tax credits on SH 36 to be known as "Gatesville Trails". The City has been informed by the developer (4 Corners Development) that the State has approved the issuance of tax credits for this development. As this development is in Fort Gates Water Supply Corporation's Certificate of Convenience and Necessity, the developer will need to secure adequate water service to proceed.

Mayor Chumley thanked Mr. Parry and all the Department Heads for all their input and hard work that was put into preparation of the budget.

City Manager Parry introduced new Gatesville employee, Rene Ochoa, who is the Director of Planning and Community Development. Mr. Ochoa was an intern for the City of Gatesville in the summer of last year. He worked on the subdivision ordinance that was passed recently. He is currently working on the TxDOT grant for the schools.

14) ADJOURN MEETING AT 7:25 P.M., THIS 13TH DAY OF AUGUST, 2019

ATTEST:

APPROVED:

Wendy Cole, City Secretary

Gary M. Chumley, Mayor