

NOTICE

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

**AGENDA
REGULAR CITY COUNCIL MEETING
JULY 23, 2019 AT 5:30 P.M.
GATESVILLE COUCIL CHAMBER
110 NORTH 8TH STREET
GATESVILLE, TEXAS 76528**

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 Consent Agenda: (All consent agenda items are considered routine by City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember requests an item be removed and considered separately.)

RESOLUTION 2019-44: Discussion and possible action to approve Minutes from Regular City Council Meeting July 9, 2019.

ORDINANCE 2019-02-03: Discussion and possible action to approve an Ordinance of the City of Gatesville, setting a curfew for Children under the age of 17 years (third and final reading of Ordinance 2019-02).

ORDINANCE 2019-03-03: Discussion and possible action regarding an Ordinance of the City of Gatesville, amending Chapter 5, Buildings and Structures Article II, of the Code of Ordinances of the City of Gatesville, Texas, by changing certain fees for remodeling or alteration of buildings, processing procedures and providing an effective date (third and final reading of Ordinance 2019-03).

RESOLUTION 2019-45: Discussion and possible action to place the Order of Election on the November 5, 2019 General Election ballot

RESOLUTION 2019-46: Discussion and possible action regarding a proclamation honoring Major General Erik C. Peterson
4. Discussion and possible action regarding request from Cruzin Cruzers to hold annual car show around the Coryell County Courthouse and regarding temporary closure of streets
5. Discussion and possible action regarding a Resolution suspending for 45 days the effective date proposed by Atmos Energy, Corporation – MidTex Division (“Atmos Energy”) in its application filed on or about June 13, 2019 pursuant to section 104.301 of the Gas Utility Regulatory Act, sometimes also referred to as the “GRIP” statute.
6. Discussion and possible action to set the date/time/place for the Public Hearing on the 2019-2020 Budget
7. Discussion and possible action to call Special Council Meetings:
- September 3, 2019 - 2nd Public Hearing on the proposed Tax Rate
- September 17, 2019 - 2nd readings of Fiscal Year 2020 Budget Ordinance and the Tax Rate Ordinance
8. Briefing/Discussion on the projected Fiscal Year 2020 Revenues versus Expenses; Budget Goals
9. City Manager's Report: Capital Projects, Comprehensive Plan, Budget Report, Future Council Agenda Topics, Director of Planning and Community Development Recommendation, Department Head Reports: Fire, Finance, Code Enforcement/Building Permits, Utility, Police, Court, Recreation, Convention and Visitors Bureau
10. Adjourn Meeting

I hereby attest that the above agenda was posted on this the 19th day of July, 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
JULY 23, 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 5:30 P.M. THIS 23RD DAY OF JULY, 2019

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

REGRETS: Council Member Ronnie Viss

ABSENT: Council Member Randy Hitt

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, Brenda Kiphen, Max Rudolph, Andy Williams, Richard Shelton, Lavinia Shelton, Nathan Gohlke, J. C. Buster, Bill Barton, and Cheri Shepherd

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.

Bill Barton of State School Road spoke to the Council regarding concerns that he had with the City of Gatesville. Mr. Barton was concerned that the City chose to pave the Civic Center parking lot using tax payer's money instead of re-paving citizen's streets; that guard rails were put up in the park which is in the flood zone and was a big waste of money; and that city employees ran plumbing to another city employee's new house. Mr. Barton requested to be put on the agenda for August 13, 2019.

City Manager Parry asked the Council if they needed clarification on any of Mr. Barton's issues.

No Council member asked for clarification.

3) CONSENT AGENDA (ALL CONSENT AGENDA ITEMS ARE CONSIDERED ROUTINE BY CITY COUNCIL AND WILL BE ENACTED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS COUNCILMEMBER REQUESTS AN ITEM BE REMOVED AND CONSIDERED SEPARATELY.)

RESOLUTION 2019- 44: Discussion and possible action to approve the Minutes from the Regular City Council meeting July 9, 2019

ORDINANCE 2019-02-03: Discussion and possible action to approve an Ordinance of the City of Gatesville, setting a curfew for Children under the age of 17 years (third and final reading of Ordinance 2019-02).

ORDINANCE 2019-03-03: Discussion and possible action regarding an Ordinance of the City of Gatesville, amending Chapter 5, Buildings and Structures Article II, of the Code of Ordinances of the City of Gatesville, Texas, by changing certain fees for remodeling or alteration of buildings, processing procedures and providing an effective date (third and final reading of Ordinance 2019-03).

RESOLUTION 2019-45: Discussion and possible action to place the Order of Election on the November 5, 2019 General Election ballot

RESOLUTION 2019-46: Discussion and possible action regarding a proclamation honoring Major General Erik C. Peterson

Mayor Gary Chumley read the items on the consent agenda and asked if anyone would like to remove any items from the agenda for discussion. No one objected and Mayor Chumley asked for a motion to approve all the items on the consent agenda.

Motion by Meredith Rainer, seconded by Bill Robinette, to approve the consent agenda; Rainer, Suson, Robinette, and Mitchell Voting "Aye"; motion passed.

4) DISCUSSION AND POSSIBLE ACTION REGARDING REQUEST FROM CRUZIN CRUZERS TO HOLD ANNUAL CAR SHOW AROUND THE CORYELL COUNTY COURTHOUSE AND REGARDING TEMPORARY CLOSURE OF STREETS

City Manager Parry said that this will be the 33rd year that the Cruzin Cruzers car show will be held in Gatesville and noted that a letter of request and map of the proposed area that the Cruzin Cruzers wish to use was included in the Council read-ahead book. The car show has traditionally taken place in Faunt LeRoy Park but due to the flood damage and closure to the back road of the park it could be problematic. If the grassy area inside the walking trail was used it could also cause complications if it rained plus there would be nowhere for spectators to park.

Due to these concerns, the car club requests permission to use the area around the Coryell County Courthouse for the car show as well as temporarily close the surrounding streets on Saturday, September 21, 2019.

City staff has no issues with the Cruzin Cruiser's request and recommends approval by the City Council.

Cruzin Cruiser's representative, Lavinia Shelton, was present at the meeting to answer any questions that the council might have. Ms. Shelton said the thought of the car club was that besides the problems at Faunt LeRoy Park, people that might drive down Main Street on that Saturday, would see the car show taking place, and possibly stop and spend some time at the car show and in Gatesville. The car club has already talked to businesses around the courthouse and there were no objections of their proposal. The streets would be closed from 6:00 a.m. to 5:00 p.m. on that day only, and spectator parking would be available at the back of the probation office, swimming pool lot, and the old cotton gin lot. There was a discussion that possibly next year the Spurfest and Cruzin Cruzers car show might be held on the same weekend.

RESOLUTION 2019-47: Motion by David Mitchell, seconded by Dwight Suson, to approve the request from the Cruzin Cruzers Car Club to hold their annual Car Show around the Coryell County Courthouse and approve the closure of streets on September 21, 2019 from 6:00 a.m. to 5:00 p.m.; all four voting "Aye" motion passed.

5) DISCUSSION AND POSSIBLE ACTION REGARDING A RESOLUTION SUSPENDING FOR 45 DAYS THE EFFECTIVE DATE PROPOSED BY ATMOS ENERGY, CORPORATION – MIDTEX DIVISION ("ATMOS ENERGY") IN ITS APPLICATION FILED ON OR ABOUT JUNE 13, 2019 PURSUANT TO SECTION 104.301 OF THE GAS UTILITY REGULATORY ACT, SOMETIMES ALSO REFERRED TO AS THE "GRIP" STATUTE.

City Manager Parry said that Gatesville is one of 54 members of the Atmos Texas Municipalities (ATM). The ATM group was organized by municipalities served by Atmos Energy Corporation – MidTex Division ("Atmos Energy") and has been represented by the law firm of Herrera Law & Associates, PLLC to assist in reviewing applications to change rates submitted by Atmos Energy. The City Council has the authority to set and approve utility rates and rate increases which is the reason this

action is being presented for consideration. On June 13, 2019 Atmos Energy filed a Statement of Intent to raise gas rates with the 54 municipalities (including Gatesville) that are members of the Atmos Texas Municipalities (ATM) effective August 12, 2019. Residential rates would increase \$2.84/month; commercial rates will increase \$8.74/month.

To allow for a limited review of Atmos Energy's Gas Reliability Infrastructure Program (GRIP) application, Herrera Law & Associates recommend that the City suspend Atmos Energy's proposed effective date of August 12, 2019 for forty-five days as allowed by State law, so that the City may evaluate whether the data and calculations in Atmos Energy's rate application are correctly done.

The Texas Railroad Commission is the deciding agency on Atmos' rate increases but by suspending the proposed effective date, rates could not be increased until September 26, 2019.

City Manager Parry recommended that City Council approve Resolution 2019-48 suspending by 45 days the proposed rate increase sought by Atmos Energy Mid-Tex Division to allow time for the ATM Attorneys to review the application.

Following a brief discussion, Mayor Chumley asked for a motion.

RESOLUTION 2019-48: Motion by Meredith Rainer, seconded by Dwight Suson, to approve Resolution 2019-48 suspending for 45 days the effective date proposed by Atmos Energy, Corporation – MidTex Division (“Atmos Energy”) in its application filed on or about June 13, 2019 pursuant to section 104.301 of the Gas Utility Regulatory Act, sometimes also referred to as the “GRIP” statute; all four voting “Aye” motion passed.

6) DISCUSSION AND POSSIBLE ACTION TO SET THE DATE/TIME/PLACE FOR THE PUBLIC HEARING ON THE 2019-2020 BUDGET

City Manager Parry stated that it is required by state law to hold a public hearing before the Council makes its tax levy. The Public Hearing on the Fiscal Year 2020 budget will take place at the regularly scheduled city council meeting on August 13, 2019. It will be published in the newspaper and posted on the city's website so residents will have the opportunity to attend if they desire.

RESOLUTION 2019-49: Motion by Bill Robinette, seconded by David Mitchell; all four voting “Aye”, motion passed; to approve the Public Hearing on the 2019-2020 Budget to be held August 13, 2019 at 5:30 p.m. in the City Council Chambers, 110 North 8th Street, Gatesville, with the notice of the Hearing to be published in the local newspaper July 31, 2019.

7) DISCUSSION AND POSSIBLE ACTION TO CALL SPECIAL COUNCIL MEETINGS: SEPTEMBER 3, 2019 - 2ND PUBLIC HEARING ON THE PROPOSED TAX RATE SEPTEMBER 17, 2019 - 2ND READINGS OF FISCAL YEAR 2020 BUDGET ORDINANCE AND THE TAX RATE ORDINANCE

City Manager Parry said that because of the timing of dates, to be able to do all things necessary to adopt the Budget and Tax Rate by the required date of September 29, 2019, there will be a need to hold several Special Council meetings in September:

September 3, 2019 (2nd Public Hearing on proposed Tax Rate - if needed) and;
September 17, 2019 (2nd readings of FY 2019 Budget Ordinance & Tax Rate Ordinance)

After city staff gets the tax rate calculation sheets from the County Assessor Collector, it will then be determined if the September 3rd meeting will be needed or not. Two Public Hearings on the Tax Rate are required only if an entity exceeds the effective tax rate. These would be short meetings but are required since the Budget and Tax Rate have to be passed by ordinances and the City of Gatesville charter states that ordinances have to be read on three several days and the City Charter requires three readings of Ordinances.

RESOLUTION 2019-50: Motion by Dwight Suson, seconded by Meredith Rainer, all four voting “Aye”, motion passed; to approve two Special City Council Meetings in September: September 3, 2019 (2nd Public Hearing on proposed Tax Rate-if needed) and; September 17, 2019 (2nd readings of FY 2020 Budget Ordinance & Tax Rate Ordinance)

8) BRIEFING/DISCUSSION ON THE PROJECTED FISCAL YEAR 2020 REVENUES VERSUS EXPENSES; BUDGET GOALS

City Manager Parry distributed an information hand-out to the Council regarding the projected Fiscal Year (FY) 2020 Revenues versus Expenses Budget Goals. Parry presented a power point program which highlighted the topics in the handout. Parry said that the proposed budget is nearly completed and staff will give each council member a copy as soon as possible so they could begin reviewing. Parry said that he and Finance Director, Brenda Kiphen, met individually with Department Heads July 2nd through July 18th and the guidance was to limit their requests to the funding level that was approved based on the Fiscal Year 2019 budget. The Department Heads will be present at the next Council meeting on August 13th to defend or answer any questions that the Council may have regarding their requests. The Department Heads were also directed to review the Capital Improvement Plan (CIP) regarding the five year plan for water, sewer and other infrastructure replacement. A CIP update will be included in the FY 2020 proposed Budget discussion.

Other items taken into account as the proposed budget is being prepared is that the new water and sewer rates went into effect in May; the loan from Texas Water Development Board for the expansion of the Stillhouse Wastewater Treatment Plant was approved; and the Texas Department of Criminal Justice’s portion of the debt service will be due September 1st.

The General Fund is mostly funded by Sales Tax and Property Taxes with the primary drivers of this fund being: Library, Administration, Street Department, Recreation Program, Police Department, Fire Department, and the outdoor swimming pool.

There was further General Fund discussion regarding:

- Property tax assessment. The certified roles were received from the County Tax-Assessor Collector last Friday afternoon. These tax rate calculations will allow the proposed budget to be completed. The tax rate formula for the tax rate was discussed. Parry said that the proposed budget is based on the current tax rate of \$0.56/\$100 with no assumption on how the Council will set the rate. The projected total levy for FY 2020 is \$2,408,511.92. Historically, the city will only receive 97% of the property taxes so that is what city staff budgeted. Parry showed how the property tax rates continue to rise every year with the 2019 value up 3.7%.

- Sales Tax Allocation. Parry highlighted a chart that compared the sales tax from the last five years. It is difficult to predict how tax sales will go as staff doesn’t want to base budget calculations on an over or under estimation of sales tax. The sales tax allocations are currently strong with a 2% increase over the FY 2019 levels and city staff is confident that projecting a 2% increase in the 2020 FY Budget will be met.

Also discussed was the FY 2018 Actual Versus the FY 2019 Budget as the City is 75% through the Fiscal Year and the FY 2020 Initial Projection of revenues and expenses. Revenue of approximately \$5,889,746.00 is projected in the 2020 Budget and is based on no increase in current property tax rate of \$0.56/\$100. The projected expenses in the 2020 Budget are \$5,819,096.00. The City is currently within budget because the Department Heads have been diligent in curtailing their spending. Parry discussed items that were included in the budget and items that are not included in department budgets but could be considered in the contingent appropriation category as needed. Parry asked that the council fill out the budget questionnaire that was included in their books and return to him as soon as possible so Council budget goals and priorities can be incorporated into the proposed budget.

Next, City Manager Parry discussed the Enterprise Fund Revenue projections. Parry stated that the water and sewer projections are difficult to predict each year because the climate has such an impact on water sales which then dictates the customer’s sewer rates. Parry said that he traditionally studies the Climate Prediction Center’s projections for the coming year and explained the methodology of predicting water sales by looking at previous years; comparing La Nina years (water sales tend to be higher) to

El Nino years (water sales tend to be lower) and that it projects to be a neutral year going into FY 2020.

The Enterprise Fund FY 2020 projections are approximately \$150,000.00 more than what was in the FY 2019 budget largely due to the sewer rates that are being charged to Texas Department of Criminal Justice (TDCJ). Parry briefly discussed revenue and expenses in wholesale water production, retail water distribution, sewer, and projects to be implemented in the Capital Improvement Plan. Total expenses are less than total revenues so these Capital Improvement Plan projects should be easily covered.

Enterprise Contingent Funds were discussed. A City needs to be prepared for unexpected situations even though it is a low probability of occurrence. Part of these projections are based upon year 2 of the water/sewer rate increases (per the rate study) that largely impacts the TDCJ and their rate increase on the first of October. All the CIP projects are funded and the Wholesale Water Rate Study is progressing well with initial results to be ready in a few weeks, and will give city staff guidance going forward.

The FY 2020 Goals are to:

- 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.

City Manager Parry explained the method of contributing funds to the Fund Balance with the goal of reaching two months operating expenses. At the end of June the City is at 75% through the FY 2019. The General Fund Revenues are at 90.27% and Expenses are at 70.46%. The Water and Sewer Fund Revenues are at 69.54% and Expenses are at 66.81%.

City Manager Parry reminded the Council to return the Budget questionnaire as soon as possible so Council input can be implemented in the proposed budget.

9) CITY MANAGER'S REPORT:

1. CITY MANAGER INITIATIVES:

SUBSTANDARD STRUCTURES: There are three houses budgeted this year for substandard structure abatement and as of July 22nd a company called Salvage Shelters has started demolition/recycling of the City- owned house at 1808 E. Leon Street. It is the city's intent to advertise the vacant lot for sale when demolition is complete as was approved by the Council about one year ago. This company will salvage some of the lumber to reuse elsewhere. There are about four other houses in town that they are interested in demolishing which would help accomplish the City's objective to clean up the town with less cost to the City. There was a brief discussion regarding other substandard structures the City might consider for demolition.

2. FUTURE COUNCIL MEETING AGENDA TOPICS: The Ambulance Service Agreement with Coryell Health is still tentative for August 13th. Mr. Parry and Mayor Chumley met with David Byrom and staff and there seemed to be no issues. Coryell Memorial's lawyer is writing an agreement plan.

3. WHOLESALE WATER RATE UPDATE: Mr. Parry met with Joe Jones of Coryell City Water Supply on Monday and there was a discussion on how and why the Brazos River Authority and the City both invoice the Coryell City Water Supply. He acknowledged that the wholesale customers need to participate in the capital replacement of the system.

4. DEPARTMENT HEAD REPORTS: Water Distribution: Parry explained that almost as many meter leaks (4) as water main breaks (5). Over 50% (1909) of the City's residential water meters are more

than 20 years old. For the past three years, we have budgeted replacement of 325 meters per year, but at that rate, we will never “catch up”. I have asked Core & Main (our meter supplier) to do a cost-benefit analysis of a wholesale meter replacement system with radio-read meters.

COUNCILMEMBERS COMMENTS:

MEREDITH RAINER: Asked for information on the Safe Routes to Schools grant that is being coordinated with Gatesville Independent School District.

PARRY: Explained that TxDOT has a Safe Routes to School Program which has a component that the school is interested in regarding sidewalks. This program is 100% funded by TxDOT and initially City staff was told by TxDOT that the City had to apply on behalf of the school district. Later it was discovered that the school could have applied for the grant but since the City started the initial application, the City must follow through and will be recognized as the sponsoring agency. The school district has proposed a plan to build sidewalks that connects the Kindergarten to Eighth Grade campuses and then connect to some surrounding neighborhoods. The preliminary application has been approved with the final application due on August 15th.

BILL ROBINETTE: Inquired about the status of the Flat Water Supply Corporation issue.

PARRY: The action that was taken by the City Council had the exact intended effect that was wanted. Council Member Hitt talked to some residents at Flat as well. Carlos Webb has stepped up and is attempting to get a Board formed. A message on the Flat water bills that is mailing out in a few days has a notice on it that says a meeting will be held at the Flat Community Center, August 10, 2019 at 10:00 a.m. for the citizens of Flat. The Texas Rural Water Association is assisting Mr. Webb in the steps that need to be taken to become a legal water supply corporation again and become legal with the State of Texas.

10) ADJOURN MEETING AT 7:05 P.M., THIS 23RD DAY OF JULY, 2019

ATTEST:

APPROVED:

Wendy Cole, City Secretary

Gary M. Chumley, Mayor