

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
MAY 14, 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 to approve minutes from Regular City Council meeting April 23, 2019.**
- 4. Discussion and possible action to approve proclamation declaring May 15, 2019 as H-E-B Day**
- 5. Briefing and Discussion on Mid-year Budget Review – City Manager**
- 6. Briefing and possible action to approve a leasing agreement for the City's Public Works equipment**
- 7. City Manager's Report:**
 - Capital Projects**
 - Comprehensive Plan**
 - Financial Report**
 - Future Council Agenda Topics**
 - FY 2020 Budget Timeline/Key Dates**
- 8. Adjourn meeting**

I hereby attest that the above agenda was posted on this the 10th day of May, 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
MAY 14, 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 14TH DAY OF MAY, 2019

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

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, Andy Williams, Max Rudolph, and HEB representative, Michael Wiley (arrived at the meeting at 5:51 p.m. after agenda item #4 was discussed and approved).

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 APRIL 23, 2019

RESOLUTION 2019-36: Motion by Suson, seconded by Robinette, to approve the minutes from the Regular City Council Meeting April 23, 2019; all six Voting "Aye" motion passed.

4) DISCUSSION AND POSSIBLE ACTION TO APPROVE PROCLAMATION DECLARING MAY 15, 2019 AS H-E-B DAY

Mayor Chumley said that H-E-B will be celebrating their store's 50th anniversary on Wednesday, May 15, 2019 at 3:00 p.m. Mayor Chumley stated that he will be there to present this proposed proclamation and that HEB has extended an invitation to the council to attend.

Mayor Chumley asked for a motion to proclaim May 15, 2019 as H-E-B Day in the city of Gatesville recognizing 50 years of service to our community.

RESOLUTION 2019-37: Motion by Viss, seconded by Mitchell, to approve the Proclamation declaring May 15, 2019 as H-E-B Day; all six Voting "Aye" motion passed.

Prior to the next agenda item, City Manager Parry pointed out a Central Texas-Fort Hood Chapter Association of the United States Army plaque that was recently placed in the City Council room display case. This Roy J. Smith award was presented to the City of Gatesville at the last general membership meeting which recognized outstanding corporate member support given throughout the 2017-2018 program year. Parry also noted that only four of these awards are presented annually.

5) BRIEFING AND DISCUSSION ON MID-YEAR BUDGET REVIEW- CITY MANAGER

City Manager Parry said that while there is no charter requirement to conduct a mid-year review, it provides a beneficial starting point as the 2020 budget is prepared. A complete set of financial statements as of the end of March 2019- which is the mid-point of the city's fiscal year- was included in the council read ahead books. Providing the full financials allows comparison of revenues and expenses for each account- for both funds to the budget that was approved in September.

The following points were discussed in detail:
General Fund (which is the chief operating fund for the City) and the

Enterprise Fund (which is the account for the City's "business activities" that receive a major portion of their funding from charges).

Only three sources make up 85.8% of the General Fund revenue: Sales Tax allocations, Ad Valorem (property) taxes, and Franchise Fees. The General Fund funds the Police Department, Volunteer Fire Department, Street Department, City Administration, Building & Grounds Department, Library, Code Enforcement, Municipal Court, Parks & Recreation, Civic Center, and the outdoor swimming pool.

83.7% of Enterprise Funds are derived from water sales to five water supply corporations, residents/businesses in Gatesville, the Texas Department of Criminal Justice (TDCJ) and North Fort Hood- and charges to treat wastewater from residents, businesses, TDCJ, and North Fort Hood. The Enterprise Fund funds the Water Distribution, Sewer Department, Water Production, Solid Waste Collection (which is a pass-through), Fitness Center, and the Airport.

Parry discussed the year-to-date performance of the General Fund Revenue in detail and said that currently the City is at straight line projections of where it should be and anticipated a small surplus for the remaining six months in the General Fund revenues. The General Fund expenses were discussed and are less than 1% above straight- line in the General Fund departments.

Parry then discussed the year-to date performance of the Enterprise Fund. Water sales are expected to pick up following the wetter and cooler (than average) winter and spring Gatesville has experienced and are anticipated to meet budget projections. Additionally, with the new water base rate structure that went into effect May 1st, the City should see retail water revenues increase. Parry noted that a rate study for the wholesale water is currently being analyzed and anticipated results soon. Budget targets for both water and sewer revenues are expected to be met.

Parry noted that the NOAA climate prediction center forecasts have proven to be very accurate and effect water sales, so prudent planning and monitoring the forecasts is very important as city staff proceeds with the fiscal year 2020 budget preparation.

While water and sewer revenues have not quite met the target of 50%, the enterprise expenses have been held under the 50% straight line- with the exception of the Fitness Center.

Parry showed a chart that depicted the current cash on-hand at the mid-year point for the current and the past six fiscal years. The chart indicated that the financial condition at the mid-year point continues to improve each year. It also reflected that the City manager's policy of spending on capital outlays are withheld until the mid-year data is analyzed. The General Fund cash includes the Council- adopted reserve.

A survey was provided to the council asking for their feedback and comments regarding the budget and guidance on how the council would like funds and projects prioritized going forward.

Following the briefing, there were questions and discussion regarding:

- Fitness Center expenses which included a carry-over from the Energy Savings Contract.
- 1904 Leon River Bridge status- more inspections are upcoming before the City can make a decision.
- Additional staff members such as an Information Technology Specialist, Public Works Director or Assistant City Manager
- Outdoor City Pool assessment- although the pool operation is not cost effective- it is a quality of life issue.
- Civic Center/Ball Park parking lot renovation- will be chip sealed/asphalted/re-stripped after the youth ball games are completed- probably the first few weeks in July.
- City- owned green area on Main Street- projects to be considered.

6) BRIEFING AND POSSIBLE ACTION TO APPROVE A LEASING AGREEMENT FOR THE CITY'S PUBLIC WORKS EQUIPMENT

City Manager Parry stated that the City's Public Works Departments (Street, Water Production, Water Distribution, Wastewater Treatment) rely on specialized, heavy equipment to perform their daily missions. In some, but not all circumstances, multiple departments can use the same piece of equipment

and the combined inventory of equipment has a replacement value of \$750,250. The equipment deemed mission-essential (2 backhoes, mini-excavator) are beyond its useful life at an average of 16 years old, present some safety concerns – and will require significant expense to rebuild/refurbish. Additionally, City depreciation policy for equipment is 5-15 years –anything older than 2004 has no residual financial value for audit purposes. The lease program that the city has been utilizing the last three years for non-emergency and now a few Police Department vehicles has worked out well.

There was a discussion regarding short term vs. annual rental costs and cost avoidance (Repair & Maintenance, Equipment Rental, & Equipment Purchase). Mayor Chumley asked the Council if the cost of fuel and repair/maintenance spent on old vehicles is worth the expense and time lost on completing a project or repairing a water break.

City Staff solicited proposals from three companies: Holt Caterpillar from Waco, RDO (John Deere), and ASCO (Case). Holt Caterpillar and RDO (John Deere) submitted bids and Holt Caterpillar in Waco met all criteria and had the best overall equipment.

Lease terms (5/7 year lease) were discussed for a skid steer, mini-excavator, 2 backhoes, dozer, motor grader, and wheel loader. Disposition of the old equipment could either be sold on Govdeals.com or used as trade-ins. There would be no penalty if staff decided that a piece of equipment is not useful and wanted to return or replace with something else (as long as it is within the allotted used hours).

City Manager Parry recommended that the council approve replacing the City-owned public works equipment using a lease agreement with Holt Caterpillar, and authorize the City Manager to execute the required leasing agreements.

RESOLUTION 2019-38: Motion by Hitt, seconded by Suson, to approve a leasing agreement with Holt Caterpillar of Waco for the City’s Public Work’s Equipment and authorize the City Manager to execute the required leasing agreements; all six Voting “Aye” motion passed.

7) CITY MANAGER’S REPORT:

1. CITY MANAGER INITIATIVES:

FUTURE COUNCIL MEETING AGENDA TOPICS: Currently there are no topics for the meeting scheduled on June 11th.

2. FEMA DISASTER DECLARATION 4416- FALL FLOODING (Update): Met with FEMA today

3. WHOLESALE WATER STUDY RATE STUDY: Meeting with NewGen tomorrow, May 15th.

4. CITY EMPLOYEE CLASSIFICATION AND COMPESATION STUDY: Meeting with the firm that is assisting the City with this study.

City Manager Parry noted that behind the City Manager Report is the outdoor Gatesville City Pool Schedule and behind that is the City of Gatesville Budget Timeline for Fiscal Year 2019-2020. Councilmember Viss said that he will not be at the meeting on July 23rd.

Councilmember Viss stated that he appreciated the work Mr. Parry has done on the Rotunda Abatement Brownsfield Grant. There was a brief discussion on this grant and a grant that has been submitted for sidewalks for the school.

8) ADJOURN MEETING AT 7:10 P.M., THIS 14TH DAY OF MAY, 2019

ATTEST:

Wendy Cole, City Secretary

APPROVED:

Gary M. Chumley, Mayor

