

REGULAR CITY COUNCIL MEETING AND WORKSHOP

APRIL 25, 2017

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 AT 5:35 P.M. THIS 25th DAY OF APRIL, 2017

PRESENT: Mayor Chumley, Council Members, Mitchell, Rainer, Suson, Hitt, Doyle, and Viss

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, City Attorney Sandy Gately, Mark McLiney, Jim Shepard, Cheri Shepherd, Roger Miller, Bob Brown, Nathan Gohlke, Billy Vaden, 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) 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

2017-29

APPROVAL OF MINUTES FROM PREVIOUS MEETING

2017-30

CONSIDER APPOINTMENT/RE-APPOINTMENT OF TWO GATESVILLE HOUSING AUTHORITY BOARD COMMISSIONERS

2017-31

CONSIDER APPOINTMENT/RE-APPOINTMENT OF MEMBERS TO THE PLANNING AND ZONING COMMISSION

2017-32

CONSIDER REVIEWING AND ADOPTING THE CITY OF GATESVILLE'S INVESTMENT POLICY AND STRATEGY AND APPROVE SUPPORTING RESOLUTION 2017-32

Motion by Suson, seconded by Rainer, all voting "Aye" to approve:

Resolution Number 2017-29 approval of Minutes from previous meeting.

Approve Resolution 2017-30 Appointment/Re-appointment of two Gatesville Housing Authority Board Commissioners; Lance Lanham and Robert S. Edwards for two (2) year terms expiring May 3, 2019.

Approve Resolution 2017-31 Appointment/Re-appointment of members to the Planning and Zoning Commission; Roger Miller, John Clawson, Bob Brown, to Places 3, 5, and 7 respectively for two (2) year terms expiring April 30, 2019 and re-appoint Kaleb Hitt, Angie Martin and Shawn Yates to Places 1, 6 and 4 respectively for one (1) year terms expiring April 30, 2018 and re-appointing Dicky Brown to Place 2 expiring April 30, 2019.

Approve Resolution 2017-32 adopting The City of Gatesville's Investment Policy and Strategy.

4) CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF CITY OF GATESVILLE, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2017, INCLUDING THE ADOPTION OF AN ORDINANCE 2017-03 AUTHORIZING THE ISSUANCE OF SUCH BONDS AND PROVIDING FOR THE REDEMPTION OF THE BONDS BEING REFUNDED

City Manager, William H. Parry III, said that a draft ordinance was included in the read ahead book with the finalized ordinance to be presented at this meeting by SAMCO Capital Markets, Inc., Senior Managing Director, Mark McLiney. Mr. McLiney was also available to answer any questions.

Mr. Parry reminded the Council that on March 14, 2017, the Council authorized the City Manager to begin work with the City's Financial Advisor (SAMCO) to work on possibly refunding the 2008 bonds in order to achieve a significant interest rate savings. According to the interest rates at that time, the City staff anticipated the savings to be approximately \$30,000 per year but actually now the numbers look to be much better. Mark McLiney provided the Council with a handout summarizing the savings the City could achieve on refunding the Series 2017 bonds. Mr. McLiney said that what has recently been going on politically in North Korea, China, and the election in France has driven the interest rates down. The Federal Reserve controls the overnight rates that banks borrow. A month ago the ten year treasury fund that is driven by the market was at 2.60. With all the turmoil going on around the world that rate has gone down to 2.19 which amounted to a forty basis point improvement. Arrangements have been made to sell the 2008 bonds at the 2.19 rate level subject to Council approval. Mr. McLiney then discussed the known obligations if the Council does nothing and what the existing debt service amounts look like. Mr. McLiney then compared what would happen if the callable amounts were taken out now and new bonds were re-issued in their place with the savings to the City being \$1,035,389 over the life of the debt service. One month ago the savings looked to be six hundred thousand dollars. The rate today is back up to 2.30 but the 2.19 that was specified on Friday when the City's refunding process was completed is locked in and will be finalized pending Council approval. These rates would be fixed until 2036. The investment bank, Raymond James, has bought the bonds and will sell to their customers pending Council approval. Mr. McLiney stated that the savings is well worth pursuing and encouraged the Council to approve authorizing the issuance of refunding the bonds.

Motion by Doyle, seconded by Suson, all voting "Aye" to approve Resolution Number 2017-33

RESOLUTION NUMBER 2017-33 - approve all matters incident and related to the issuance and sale of City of Gatesville, Texas General Obligation Refunding Bonds, Taxable Series 2017, including the adoption of an Ordinance 2017-03 authorizing the issuance of such bonds and providing for the redemption of the bonds being refunded.

5) CONSIDER APPROVAL OF RESOLUTION 2017-34 AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS REGARDING THE SALE OF .85 ACRES OF PROPERTY LOCATED AT SOUTH 10TH STREET, LEGALLY KNOWN AS PART OF BLOCK 103 ORIGINAL TOWN GATESVILLE, EAST OF RABY PARK

City Manager Parry reminded the Council that this issue was discussed in Executive Session at the last meeting and no action was taken. The two weeks since that meeting everyone has had the opportunity to go look over the property to see if it would be feasible for either a park or a sports field as was mentioned in the Executive Session.

Mr. Parry said that he and Recreation Director, Seth Phillips, went to assess the property the day after the last Council meeting to determine its suitability for future recreational use and the following shortfalls were identified:

- No fencing-estimated 550 feet required.
- There is a ten foot elevation drop from the east to the west side of the property that would require an estimated 9,000 cubic yards of dirt to level that area.
- Parking space is limited.
- No lights.

Based upon these limitations, staff recommends the Council to approve Resolution 2017-34 authorizing the City Manager to execute documents to place the property for sale in the Multiple Listing Service and execute all documents regarding the sale of this property.

Motion by Hitt, seconded by Mitchell, all voting "Aye" to approve Resolution Number 2017-34

RESOLUTION NUMBER 2017-34 - approve Resolution 2017-34 authorizing the City Manager to execute all documents regarding the sale of 0.85 acres of property located at South10th Street (formally the old City Gym).

6) CITY MANAGERS REPORT

- Fort Hood Joint Land Use Study Implementation Plan. Mr. Parry said he sat on the technical committee and Councilmember Viss sat on the policy committee representing the City of Gatesville. The study was completed and approved in December 2016. The next phase was to move forward in implementing the joint land use study. The grant funding is anticipated to be approved tomorrow. One of the next "first" tasks is that Gatesville will be assisted with the creation of a Comprehensive Plan.
- Stillhouse WWTP Expansion. Request for Qualifications (RFQ) for Bond Counsel, Financial Advisor, and Engineering Services, should we pursue expansion to the Stillhouse Wastewater Treatment Plant have been completed. City staff has received responses for RFQS from 1 Bond Counsel, 1 Financial Advisor, and 4 Engineering Firms. Mr. Parry invited any councilmember that would be interested in sitting with him on a panel to go through the Engineering qualifications to please let him know. He would welcome the assistance.
- Live Oak Infrastructure Rehabilitation. This project is ready to go next week weather permitting. The contractor will begin replacing the water line beginning at the intersection of Park and South Street and work around Oak Park Circle. The plan has now been amended to replace the sewer line on Park Street.
- Energy Savings Performance Contract. All the lighting projects should be completed early next week. HVAC replacement will then begin at the Civic Center (small portion) and then the Fitness Center.
- Budget/Financial Report. Reconciled Financial Statements will be provided at the next City Council meeting as part of the mid-year budget review.
- Agenda Topics. Audit Contract Approval will be pulled from the agenda as City Staff received zero submissions when advertised for Request for Proposals. Staff will now send personal letters to local firms.
- Department Head Report Highlights. There are 700 children registered to play baseball and softball this year which is approximately 100 more than last year. Mr. Parry said he would answer any questions concerning Department Head Reports.

Councilmember Comments:

Viss: Will Recreation Director, Seth Phillips need more help next year?

Parry: Yes. The main issue is for maintenance. The City used to rely on inmate assistance in past years but it has become harder and harder to get inmates. This year the City hired five high school students to help with the mowing and they have all quit.

Part time help is just needed from about the middle of March through July. The City may have to just contract with a mowing service. Assistance is needed in both the Street Dept. mowing and ballpark maintenance so more funds may need to be added to the budget in these areas.

Rainer: A citizen called her today and said the new lighting at the Fitness Center was amazing and really makes a difference.

Mayor Chumley: Reported that this last Saturday morning he went to Central Texas College and accepted an award recognizing Gatesville as a Great American Defense Community. Mayor displayed a folded flag showcased in a wooden case he received on the behalf of the City of Gatesville. Congressmen Williams and Carter attended also. The unveiling dedication presentation of the signs for Interstate 14 also was included in this ceremony. City Manager Parry, who is Vice President of the Association of Defense Communities presented the award to Mayor Chumley as the President was unable to attend. Mr. Parry presented the Great American Defense Community Flags to seven cities and three counties around Fort Hood as well as one to Fort Hood.

Viss: Recognized the Keep Gatesville Beautiful (KGB) members who worked around the Courthouse square this last Saturday, on Earth Day. This first KGB project was a huge success. There are before and after pictures on Facebook.

Parry: There is a young man who is the grandson of General retired Ben Griffin who needs to do a community service project and wants to repaint the boots on the square. He is putting together his plan and resource list to present to City Staff before he proceeds. He is an eighth grader and is involved in a leadership camp during the summer.

7) ADJOURN CITY COUNCIL MEETING AT 6:00 P.M. THIS 25TH DAY OF APRIL, 2017
AND CALL THE WORKSHOP TO ORDER

City Attorney Sandy Gately departed the meeting at 6:00 p.m.

Workshop:

1. Discuss Revision options to the 1995 Zoning Ordinance

City Manager Parry presented a power point slide show regarding the Zoning Ordinance/Zoning basics and reminded the Council that no decisions would be taken at this meeting. First he discussed population demographics showing Gatesville, the State of Texas, and the United States based on the latest data from the Census Bureau from 2015. Noted was median household income and median housing value which was lower than the State of Texas average and the average across the United States. This information impacted the City's Bond refunding issue because Bond rating agencies look at the entire housing stock and divide by population to show the median value per capita. Gatesville's media value per capita is about \$25,000 per house which results in a bond rating of A+ and normally municipal bonds are issued at AA which means the City has to buy insurance to ensure a rating until the City's media value per capita goes up. Educational attainment and health insurance numbers are starting to improve in Gatesville but pointed out that Gatesville's population includes the prison units.

Gatesville's Zoning Ordinance has not been substantially evaluated or updated in 22 years and is not grounded in a City Comprehensive Plan, however the City will be taking steps toward a plan with the Joint Land Use Study Implementation Plan. Another challenge is that currently in the City's zoning ordinance there is only one Single Family Residential Zoning District:

- Requires a minimum lot size of 8,000 square feet .
- Minimum square foot building area of 3,750 square feet .
- Requires a 25-foot front setback, 10 foot rear setback and 6-10 feet side setbacks.

There are several areas zoned 2-4 Family Residential because lots are less than 8,000 square feet. There are substandard structures that if demolished or destroyed, the property owner could not rebuild a single family residence on the lot because it is less than 8,000 square feet.

Also discussed was the purpose of a Zoning Ordinance which allows a governing body the ability to create districts and govern the uses and structures inside those districts. Mr. Parry discussed the duties and authorities of the Planning and Zoning Commission. Mr. Parry said he would like the City Council to provide guidance to the Planning and Zoning as they move forward.

There was a lengthy discussion regarding the cumulative zoning. The City's Zoning Ordinance is Cumulative-any less intensive use is permitted in higher intensive zone. Also pointed out was that according to the State Zoning Enabling Act that zoning is required to be done in accordance with a comprehensive plan.

Following the presentation there was discussion and questions regarding:

- Non-Conforming Use which is any use, structure, or building that doesn't comply with the applicable zoning regulations. Where the use was originally in compliance, but a regulations change made it non-compliant becoming a lawful prior non-conforming use.
- Comprehensive Plan
- Reviewing lot size requirements.
- Possibly taking on the residential piece of the zoning first and then commercial zoning.
- Property Taxes and Senate Bill 2 and the ability to generate funds for the City to work with.
- Deed Restrictions.
- Board of Adjustments – does not go to Council – is final decision – must go to court of records for issues after decision.

After hearing the Council's thoughts, City Manager Parry suggested the following areas for the Planning and Zoning to review:

- If Cumulative Zoning needs to be changed to a modified cumulative zoning.
- Sign Ordinance.
- Off Street Parking.
- Examine lot size.
- Review Residential Zoning first.

Need to make sure that definitions reflect current realities and environment.

8) ADJOURN WORKSHOP AT 6:45 P.M. THIS 25TH DAY OF APRIL, 2017

ATTEST:

APPROVED:

Wendy Cole
City Secretary

Gary M. Chumley
Mayor

