

REGULAR CITY COUNCIL MEETING

SEPTEMBER 27, 2016

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 5:30 P.M. THIS 27<sup>th</sup> DAY OF SEPTEMBER, 2016

REGRETS: Councilmembers Ollie Inmon and Sandra Shepherd-Cain

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

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, City Attorney Sandy Gately, Brenda Kiphen, Larry Kennedy, Nathan Gohlke, Berry Mansell, Dwight Suson, Richard Gibbens, Larry Jones, Jerry Catron, Sherry Catron, K. C. Johnson, Michael Street, and Billy Vaden

2) APPROVAL OF MINUTES FROM PREVIOUS MEETING

Motion by Viss, seconded by Mitchell, all voting "Aye" to approve Resolution Number 2016-72

RESOLUTION NUMBER 2016-72 - approve Minutes of September 13, 2016 Regular City Council Meeting.

3) 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.

Jerry Catron of 701 Straws Mill Road (which is at the corner of Straws Mill Road and Rocky Branch) spoke about speeding by his house. He thanked the City for improvements in this area, but now he and residents by his house are experiencing extensive speeding at all hours of day and night. The speed limit sign was removed when the improvements were made but was never put back up. He and his neighbors have complained to the Police Department but nothing has happened. Mr. Catron requested the 30 mile per hour speed limit sign be reinstalled and a "slow – curve" sign and speedbumps be positioned at this location also.

City Manager William H. Parry III and Mayor Chumley thanked Mr. Catron for bringing this matter to their attention. Mr. Parry said he would go there personally and look at the location and would also have police patrol the area more often. Mr. Parry said it would be no problem to reinstall the sign. Mr. Catron gave a description of one of the more problematic vehicles.

4) CONSIDER FIRST READING OF ORDINANCE NUMBER 2016-05 GRANTING TO ATMOS ENERGY CORPORATION, A TEXAS AND VIRGINIA CORPORATION, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE TO CONSTRUCT, MAINTAIN, AND OPERATE PIPELINES AND EQUIPMENT IN THE CITY OF GATESVILLE, CORYELL COUNTY, TEXAS, FOR THE TRANSPORTATION, DELIVERY, SALE, AND DISTRIBUTION OF GAS IN, OUT OF, AND THROUGH SAID CITY FOR ALL PURPOSES; PROVIDING FOR THE PAYMENT OF A FEE OR CHARGE FOR THE USE OF THE PUBLIC RIGHTS-OF-WAYS; AND PROVIDING THAT SUCH FEE SHALL BE IN LIEU OF OTHER FEES AND CHARGES, EXCEPTING AD VALOREM TAXES; AND REPEALING ALL PREVIOUS GAS FRANCHISE ORDINANCES.

City Manager Parry stated that the City of Gatesville's charter requires Council approval of franchise agreements with Utility Companies by ordinance. The current Atmos franchise contract expires December 31, 2016.

All utility companies with service in Gatesville pay the franchise fees to use the City right-of-ways. Atmos has requested to lengthen the agreement to fifteen years with a five year automatic term option. Mr. Parry compared five other recently adopted agreements in surrounding cities and pointed out that Gatesville's proposed term is less than several of them. Atmos is proposing a renewal of 5% which is an increase of 1% over the current fee.

Atmos has already invested a significant amount to upgrade Gatesville's gas lines and has paid a little over \$92,000 to the City of Gatesville in the current Fiscal Year in franchise fees. Staff recommends approval of Ordinance Number 2016-05 to renew the Atmos Energy Corporation franchise contract.

Motion by Mitchell, seconded by Doyle, all voting "Aye" to approve Resolution Number 2016-73

RESOLUTION NUMBER 2016-73 - approve the first reading of Ordinance Number 2016-05 to renew the contract to Atmos Energy Corporation, a Texas and Virginia Corporation, its Successors and Assigns, a franchise to construct, maintain, and operate pipelines and equipment in the City Of Gatesville, Coryell County, Texas, for the transportation, delivery, sale, and distribution of gas in, out of, and through said city for all purposes; providing for the payment of a fee or charge for the use of the public rights-of-ways; and providing that such fee shall be in lieu of other fees and charges, excepting Ad Valorem Taxes; and repealing all previous Gas Franchise Ordinances.

#### 5) CONSIDER ENERGY SAVINGS PERFORMANCE CONTRACT

City Manager Parry reminded the Council that this discussion concerning an energy savings performance contract has been ongoing for about six months and that it is time to make a decision. The principal purpose behind this is that it is authorized and allowed by State Statute and designed for cities that have low revenue generation capabilities to enter into self-funding energy savings contracts with authorized Energy Saving Contractors (ESCO) using The Interlocal Purchasing System (TIPS). In the City of Gatesville's particular case there has been no established capital reserve fund to be able to replace items that reached the end of their useful life which could include pumps or motors at the Wastewater Treatment Plant to a vehicle in the Police Department, to an air conditioning unit. Significant energy savings are possible and recapitalization cost savings can be achieved which would create a positive cash flow to the City; generating funds for capital purchases, accelerating repayment of the debt service or creation of a capital fund to replace infrastructure when it fails.

Recommended scope of projects include:

- The Fitness Center pool dehumidifier
- Many of the City's HVAC units which are 15 years old
- Replacing half of the motors at the Water Treatment Plant – those which are 28 years old.
- Replacing fluorescent lights with LED fixtures

Mr. Parry discussed the financial course of action and stated that the energy savings over the fifteen year time frame would more than cover the debt service required to do this project. The contractor will guarantee the annual savings (in kWh) and pay the City the difference if the guarantee is not achieved. Following the request for qualifications process, two contractors have been identified as capable and able to achieve this project. It is recommended that the Council authorize the City Manager to pursue an energy savings performance contract pending completion and certification of all engineering, financial, and legal requirements.

City Manager Parry said that he would keep the Council updated as this project goes forward if Council does in fact approve this project.

Motion by Rainer, seconded by Doyle, all voting "Aye" to approve Resolution Number 2016-74

RESOLUTION NUMBER 2016-74 - approve and authorize the City Manager to pursue an energy savings contract limited to the scope of projects discussed and pending completion and certification of all engineering , financial, and legal requirements.

#### 6) CONSIDER HOLDING ONLY ONE CITY COUNCIL MEETING IN NOVEMBER AND DECEMBER 2016

City Manager Parry said that traditionally only one Council meeting is held in November and December due to the holidays. Since the first regularly scheduled council meeting would normally be held on November 8<sup>th</sup> which is election day, and would not be a good option, it is recommended to schedule the meeting on the 22<sup>nd</sup> which would allow the votes to be canvassed.

It is recommended to schedule the November meeting on the 22<sup>nd</sup> and the December meeting on the 13<sup>th</sup>.

Motion by Doyle, seconded by Rainer, all voting "Aye" to approve Resolution Number 2016-75

RESOLUTION NUMBER 2016-75 - approve scheduling one City Council Meeting in November on the 22<sup>nd</sup> and one meeting in December on the 13<sup>th</sup>.

7) CITY MANAGERS REPORT

- Financial Report. The City is in the last week of the 2016 Fiscal Year with the 2017 Fiscal Year beginning October 1<sup>st</sup>. The General and Enterprise Funds are in the black and approximately \$400,000 in the Enterprise Fund will be forwarded to the Live Oak water and sewer line rehabilitation project. \$120,000 is currently in the reserve account. At the October 25<sup>th</sup> meeting city staff will propose transferring additional funds into the reserve account, after determining that all bills are paid and there are uncommitted funds available to transfer, or if the Council chooses to, the loan from last year could be paid down.
- Next week the Mayor and City Manager will be in Washington D. C. at the Association of the United States Army's (AUSA) annual meeting and it is also the Texas Municipal League's annual conference in Austin which Finance Director Brenda Kiphen and City Secretary Wendy Cole will attend representing the City of Gatesville.
- Ronnie Viss asked for an update from the Waste Management meeting that City Manager Parry had scheduled today. Waste Management requested the meeting to discuss increasing the City's garbage rates which haven't been raised in five years. They are recommending a slight increase and so an ordinance proposal will be presented to the Council at a future council meeting.

8) RECESS REGULAR MEETING AND CALL AN EXECUTIVE SESSION AT 5:51 P.M.

CLOSED MEETING

- SECTION 551.074 – PERSONNEL MATTERS – CITY MANAGER'S ANNUAL PERFORMANCE EVALUATION
- DISCUSS PERFORMANCE EVALUATION PROCESS FOR THE CITY ATTORNEY AND CITY MUNICIPAL JUDGE

9) END CLOSED SESSION AND RECONVENE REGULAR MEETING AT 7:01 P. M.

10) CONSIDER ANY ACTION REQUIRED FROM EXECUTIVE SESSION CONCERNING PERSONNEL MATTERS – CITY MANAGER'S EVALUATION.

Councilmember Viss made a motion based upon the discussion in the Executive Session to approve a 3% salary increase to City Manager William H. Parry III.

Motion by Viss, seconded by Rainer, all voting "Aye" to approve Resolution Number 2016-76

RESOLUTION NUMBER 2016-76 - approve a 3% salary increase to City Manager William H. Parry III.

11) ADJOURN CITY COUNCIL MEETING AT 7:03 P.M. THIS 27<sup>th</sup> DAY OF SEPTEMBER, 2016

ATTEST:

APPROVED:

\_\_\_\_\_  
Wendy Cole  
City Secretary

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Gary M. Chumley  
Mayor







