

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
5:30 P.M
GATESVILLE CITY COUNCIL CHAMBERS
110 NORTH 8TH STREET, GATESVILLE, TEXAS 76528
AUGUST 13, 2024

An Open Meeting will be held concerning the following subjects:

1. Call to Order
2. Quorum check
3. Invocation and Pledge of Allegiance
4. Citizens/Public Comments Forum: Individuals wishing to address the Gatesville City Council may do so during this segment. If you intend to comment on a specific agenda item, please indicate the item(s) on the sign-in sheet before the meeting. Each speaker is allotted a maximum of 3 minutes for their remarks, and speakers are expected to conduct themselves in a respectful & civil manner. In accordance with the Texas Open Meetings Act, the City of Gatesville City Council cannot deliberate or act on items not listed on the meeting agenda.

CONSENT:

5. All consent agenda items are considered routine by the City Council and will be enacted by a single motion. There will be no separate discussion of these items unless a Councilmember requests an item to be removed and considered separately.
- RESOLUTION 2024-82:** Discussion and possible action regarding approval of Minutes from Regular City Council Meeting held on July 23, 2024. (Wendy Cole)
- RESOLUTION 2024-83:** Discussion and possible action regarding approval of Third Quarter FY 23-24 Investment Report. (Mike Halsema)
- RESOLUTION 2024-84:** Discussion and possible action regarding June 2024 Financials. (Mike Halsema)
- RESOLUTION 2024-85:** Discussion and possible action regarding Cyber Liability and Data Breach Response Coverage Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool. (Mike Halsema & Wendy Cole)
- RESOLUTION 2024-86:** Discussion and possible action regarding amending the engineering services agreement for the Stillhouse renovation project. (Halsema)
- RESOLUTION 2024-87:** Discussion and possible action regarding Change Order #5 to the contract for the Lovers Lane Water and Wastewater Improvements Project No. 2-01635. (Mike Halsema)

OTHER BUSINESS:

6. Briefing/Update on the Governor's Community Achievement Award/Keep Gatesville Beautiful Monument (Brad Hunt)
7. Discussion and possible action regarding Change Order #1 for the Stillhouse Wastewater Treatment Facility renovation project. (Mike Halsema)
8. Discussion and possible action regarding a Resolution and Finance Agreement for a Water Distribution replacement vehicle. (Mike Halsema)

9. Consider approval of a grant of an easement to Randall Hitt regarding his property located at 209 N. 7th Street to allow an existing garage built across the property line and encroaching on City property. (Brad Hunt)
10. Discussion and possible action regarding a Resolution by the City Council of the City of Gatesville, Texas providing for the defeasance and calling for redemption certain currently outstanding obligations; directing that the City Secretary, or designee, effectuate the redemption of these obligations; and other matters in connection therewith. (Mike Halsema)
11. Presentation of proposed Fiscal Year 2024-25 Budget (Brad Hunt & Mike Halsema)
12. Discussion and possible action to approve a proposed Fiscal Year 25 ad valorem property tax rate and set date/time/place for a public hearing on adoption of the ad valorem tax rate. (Brad Hunt & Mike Halsema)
13. City Manager's Report
14. Adjourn Meeting

I hereby attest that the above agenda was posted on this the 9th day of August, 2024 by 5:00 p.m. on the official City of Gatesville website, www.gatesvilletx.com and the official bulletin boards at the Gatesville City Hall, 803 E. Main Street and Gatesville Council Chambers, 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 wcole@gatesvilletx.com for further information.

As authorized by section 551.071 of the Texas Government Code, this meeting may be convened into closed, executive session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Gatesville reserves the right to reconvene, recess, or realign the regular session or called executive session or order of business as set forth on the agenda at any time prior to adjournment.

REGULAR CITY COUNCIL MEETING
AUGUST 13, 2024
5:30 P.M.
COUNCIL CHAMBERS, 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 5:32 P.M. THIS 13TH DAY OF AUGUST, 2024

2) QUORUM CHECK/COUNCIL PRESENT: Mayor Gary Chumley, Councilmembers Greg Casey, Aaron Smith, Barbara Burrow, John Westbrook, and Meredith Rainer.

REGRETS: Councilmember Joe Patterson

CITY STAFF PRESENT: Interim City Manager Brad Hunt, City Secretary Wendy Cole, Interim Deputy City Manager/Finance Director Mike Halsema, Interim Police Chief Georg Cleverley, City Inspector Miguel Gamez, Wastewater Superintendent Robert Buster, Parks & Recreation Director Seth Phillips, Civic Center Manager Morgan Smart, Human Resource Manager Lori McLaughlin, Public Works Director Chad Newman, Water Production Supervisor Zeb Veazey, and Fire Chief Billy Vaden.

OTHERS: Leo Corona, Diana Barnett, Mason Matthews, Randy Hitt, Cindy Hitt, Jim Scott, Braleen Veazey, Brian Ahara, Sheila Torres, Dusti Morgan, and Gatesville Messenger Staff Writer, Kaylee Dusang.

3) INVOCATION: Councilmember Westbrook/PLEDGE OF ALLEGIANCE: Led by Mayor Chumley

4) CITIZENS/PUBLIC COMMENTS FORUM: INDIVIDUALS WISHING TO ADDRESS THE GATESVILLE CITY COUNCIL MAY DO SO DURING THIS SEGMENT. IF YOU INTEND TO COMMENT ON A SPECIFIC AGENDA ITEM, PLEASE INDICATE THE ITEM(S) ON THE SIGN IN SHEET BEFORE THE MEETING. EACH SPEAKER IS ALLOTTED A MAXIMUM OF 3 MINUTES FOR THEIR REMARKS. AND SPEAKERS ARE EXPECTED TO CONDUCT THEMSELVES IN A RESPECTFUL MANNER. IN ACCORDANCE WITH THE TEXAS OPEN MEETINGS ACT, THE CITY OF GATESVILLE CITY COUNCIL CANNOT DELIBERATE OR ACT ON ITEMS NOT LISTED ON THE MEETING AGENDA.

Visitors present were only concerned with an Agenda item.

5) ALL CONSENT AGENDA ITEMS ARE CONSIDERED ROUTINE BY THE CITY COUNCIL AND WILL BE ENACTED BY A SINGLE MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COUNCILMEMBER REQUESTS AN ITEM TO BE REMOVED AND CONSIDERED SEPARATELY.

RESOLUTION 2024-82: Discussion and possible action regarding approval of Minutes from Regular City Council Meeting held on July 23, 2024. (Wendy Cole)

RESOLUTION 2024-83: Discussion and possible regarding approval of third quarter FY 23-24 Investment report (Mike Halsema)

RESOLUTION 2024-84: Discussion and possible action regarding June 2024 Financials (Mike Halsema)

RESOLUTION 2024-85: Discussion and possible action regarding Cyber Liability and Data Breach Response Coverage Interlocal Agreement with Texas Municipal League Intergovernmental Risk Pool. (Mike Halsema & Wendy Cole)

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RESOLUTION 2024-86: Discussion and possible action regarding amending the engineering services agreement for the Stillhouse renovation project. (Halsema)

RESOLUTION 2024-87: Discussion and possible action regarding Change Order #5 to the contract for the Lovers Lane Water and Wastewater Improvements Project No. 2-01635. (Mike Halsema)

Motion by Meredith Rainer, seconded by John Westbrook, to approve the Consent Agenda; all five voting "Aye", motion passed.

6) BRIEFING/UPDATE ON THE GOVERNOR'S COMMUNITY ACHIEVEMENT AWARD/KEEP GATESVILLE BEAUTIFUL MONUMENT. (BRAD HUNT)

City Manager, Brad Hunt, briefed the Council about the status of the Governor's Community Achievement Award/Keep Gatesville (KGB) Beautiful Monument on the corner of Hwy 36 & Bus 36 Highway.

History:

In May 2021, the City of Gatesville was presented with the Governor's Community Achievement Award and TXDOT awarded a grant for construction of the highway monument at no cost to City.

In October 2023, Council approved by Consent Agenda an agreement between Texas Department of Transportation (TXDOT) and City whereupon City would assume responsibility for care, landscaping, and maintenance of the monument; City agreed to assume this responsibility on August 1, 2024.

Construction was completed in May of 2024 at an estimated cost to TxDOT in the amount of \$291,325, and it is again worth noting the City did not incur any of those costs. TXDOT then maintained the monument from completion date through August 1, 2024.

Current Update:

Prior to assuming responsibility for the monument, Parks Director Seth Phillips worked with TXDOT representatives to ensure the irrigation system, electrical systems, and plant life were in good repair. With follow up work completed to Mr. Phillips' satisfaction prior to August 1, City assumed responsibility for the monument in an as-new state of repair.

Maintenance funding for the monument will be taken from the FY 2024-2025 budget, under the Parks Department, at an expected cost of under \$5,000 per year. Keep Gatesville Beautiful also wishes to assist with the upkeep and landscaping of the monument.

Next Steps:

Keep Gatesville Beautiful and City of Gatesville Parks Department will work together to bring improvement suggestions to Council. Wording for a sign on the wall, mounting of the Governor's Community Achievement Award plaque, and a statue or other display in the center portion of the monument are some of the topics that will be considered.

There was a brief discussion regarding the center portion of the monument and Keep Gatesville Beautiful (KGB) President, Dusti Morgan, said that the KGB Committee would like to confirm the TXDOT parameters before considerations are discussed for what could go in the center.

Mayor Chumley noted that previous City Manager William Parry and his wife, Stacye, would like to attend the dedication whenever that would occur, hopefully in cooler weather.

Interim City Manager Hunt said there was no action required on this agenda item.

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7) DISCUSSION AND POSSIBLE ACTION REGARDING CHANGE ORDER #1 FOR THE STILLHOUSE WASTEWATER TREATMENT FACILITY RENOVATION PROJECT. (HALSEMA)

Interim Deputy City Manager Halsema, said that a change order was approved by Council May 14, 2024, however, it was not formally submitted to the Texas Water Development Board for approval before the temporary bypass solution was considered. Hence, the change order presented this evening combines the first change order presented to Council, and a net increase to the contract amount. The change order request has been made by Matous Construction at the cost of \$71,195.43. Staff and Walker Partners have considered the relocation of the RAS motor control to indoors will benefit the equipment and operation of the RAS pumping and the temporary bypass piping as a cost-effective method for temporary bypassing needs in lieu of utilizing diesel powered City owned pumps. The estimated time increase for the Change Order is 30 days. Wastewater Superintendent, Robert Buster, noted that this change should save approximately \$40,000.

RESOLUTION 2024-88: Motion by John Westbrook, seconded by Greg Casey, to approve Change Order #1 for the Stillhouse wastewater Treatment Plant Improvement project in the amount of \$71,195.43; all five voting “Aye”; motion passed.

8) DISCUSSION AND POSSIBLE ACTION REGARDING A RESOLUTION AND FINANCE AGREEMENT FOR A WATER DISTRIBUTION REPLACEMENT VEHICLE. (MIKE HALSEMA)

Interim City Manager, Mike Halsema, said that on June 11, Council approved the purchase of two replacement vehicles; 1 Ford F150 4x4 super cab, and 1 Ford F250 diesel 4x4 crew cab for the Water Distribution Department. The F150 is still in production at the time of this meeting and is approved as a cash purchase. The F250 has arrived at the dealership and is proposed to be financed through Government Capital in the amount of \$59,813.12. The vehicles are priced through the HGAC purchasing co-op contract. Bill Knight Ford is a vendor qualified under the HGAC contract and has provided the quotes for both vehicles. Financing is proposed through Government Capital for 5 years, with annual payments of \$14,284.72 beginning August 23, 2024.

RESOLUTION 2024-89: Motion by Aaron Smith, seconded by Meredith Rainer, to approve the Finance Agreement for a Water Distribution F250 vehicle through Government Capital; all five voting “Aye”; motion passed.

9) CONSIDER APPROVAL OF A GRANT OF AN EASEMENT TO RANDALL HITT REGARDING HIS PROPERTY LOCATED AT 209 N. 7TH STREET TO ALLOW AN EXISTING GARAGE BUILT ACROSS THE PROPERTY LINE AND ENCROACHING ON CITY PROPERTY (BRAD HUNT)

Interim City Manager Hunt explained that Mr. Randy Hitt owns 209 N 7th St. and is trying to sell his property. He notified the city that he has been having issues because the city’s lot line goes through part of the garage, and the title company will not insure it because of that. He further advised that the only way the title company will insure it is if the City will provide an easement saying the city will not hold the title company responsible and that it would be allowed to sit on top of the easement.

City Attorney Thomas has been in contact with Mr. Hitt’s attorney and says that what is needed is an easement granted to him by the City that will allow his garage to remain on the City’s property.

Mr. Hitt’s attorney is going to ask their surveyor to provide a legal description for the area of the easement that the City would be granting which would then be used for the description for the easement area. City Attorney Thomas said that after she receives this document, she will then review it to get it finalized. Mr. Hitt alleges he has lost potential sales because of this issue, so City Attorney Thomas and staff are trying to expedite the process to work with Mr. Hitt and his attorney; which is why the easement document was not included in the agenda packet.

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City Attorney Thomas provided two options recommended for consideration by Council:

Option 1. The easement would be granted only for the life of this particular garage and not allow replacement of the garage, if for instance it becomes dilapidated or otherwise is destroyed.

Option 2. An easement that would be permanent which would allow replacement of the garage.

Mr. Hunt said that since the final document had not been provided yet, the motion is recommended to be to allow the Mayor; in consultation with staff and City Attorney Thomas, to grant this easement once all documents are produced to the City Attorney's satisfaction.

Mr. and Mrs. Hitt were present at the meeting if there were any questions and there were none.

RESOLUTION 2024-90: Motion by John Westbrook, seconded by Barbara Burrow, to authorize the Mayor to execute an easement in favor of Randall Hitt for the easement area located at 209 N.7th Street, Gatesville, Coryell County Tx, subject to City Attorney review and approval of the final easement documents; all five voting "Aye", motion passed.

10) DISCUSSION AND POSSIBLE ACTION REGARDING A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF GATESVILLE, TEXAS PROVIDING FOR THE DEFEASANCE AND CALLING FOR REDEMPTION CERTAIN CURRENTLY OUTSTANDING OBLIGATIONS; DIRECTING THAT THE CITY SECRETARY, OR DESIGNEE, EFFECTUATE THE REDEMPTION OF THESE OBLIGATIONS; AND OTHER MATTERS IN CONNECTION THEREWITH.
(MIKE HALSEMA)

In February of 2023 the City Council approved the issuance of a Tax Anticipation Note (TAN) in the amount of \$675,000 for the purchase of two properties: 803 and 805 E Main Street. In Fiscal Year (FY) 2024, the Street Maintenance 2014 General Obligation bonds' final payment was made. Both issuances debt service payments are made through the Interest & Sinking (I&S) portion of the Ad Valorem tax rate (property tax). For FY 2025, staff is recommending a defeasance (extra payment) for the 2023 TAN to maintain the I&S at a level rate until a future project(s) is identified. A review of the Police Department's infrastructure and location needs is planned for this fall, which may be proposed for consideration for a future debt issuance. Street reconstruction projects are another area staff are researching for consideration. The defeasance, if approved, would retire \$175,000 of the TAN early. The proposed overall AV tax is \$00.5600 / \$100 valuation for FY 2025, including the defeasance.

RESOLUTION 2024-91: Motion by Barbara Burrow, seconded by John Westbrook, to approve Redemption Resolution 2024-91 providing for the Defeasance and calling for Redemption certain currently outstanding obligations; directing that the City Secretary, or Designee, effectuate the redemption of these obligations; and other matters in connection therewith; all five voting "Aye", motion passed.

PRESENTATION OF PROPOSED FISCAL YEAR 2024-25 BUDGET (B.HUNT & M.HALSEMA)

Interim City Manager Brad Hunt and Interim Deputy City Manager/Finance Director Mike Halsema, presented a Power Point program regarding the proposed budget for Fiscal Year 2024 which begins October 1, 2024 and ending September 30, 2025.

Mr. Hunt said that this was staff & Council's third overview of the proposed budget and that most of city staff was present if there were any questions that needed further detail:

1. Maintain accountability and improve service levels as funding allows within a balanced budget; adopt an ad valorem tax rate sufficient to fund service-level requirements set forth by Council.
2. Ensure employees are adequately compensated via stepped market adjustments where applicable, or Cost-Of -Living Adjustments COLA(s), to ensure retention and recruitment goals are met; conduct a Classification & Compensation Study for all funded positions.

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3. Execute the council-approved Capital Improvement Plan (CIP).
4. Improve security, safety, and visitor experience at all City of Gatesville facilities.
5. Improve Interoperability and align like tasks within all Public Works departments; align organizational structure to improve span of control and teamwork within all departments.
6. Maximize grant funding to improve city infrastructure and community resources.
7. Ensure the city planning, permitting, and zoning functions align with potential growth opportunities, both short and long-term.
8. Review the 2020 Comprehensive Plan and update for 2025.

Additionally, this budget is submitted based on the following general assumptions:

Wages for most personnel will be adjusted to reach better alignment with market if approved by Council in this budget.

- General Fund
 - Adjustments range from 5% COLAs to Market Adjustments of 7% to 10%. The overall adjustments equate to an estimated 7% increase in salaries for the Water/Wastewater Fund.
 - Health insurance rates are not yet known but are budgeted at a 6% increase and hope to know for sure within two (2) weeks.
 - Costs of material, fuel, and services will continue to increase in next FY, and a general assumption of 5% on most items is assumed.
 - Fiber internet, along with lower general real estate costs as compared to Bell and McLennan counties, will spur growth opportunities in the next several fiscal years.
 - Infrastructure improvement challenges will require creative solutions in long-term planning, assessment of fees, and diverse grant funding opportunities.

Overview:

The total budget for the City is \$28,574,450 down from \$30,292,030 for FY 2024. The decrease is due to reduced capital projects budgeted in FY 25.

Budget Development Process:

Staff worked diligently and with a high level of input from all Department Heads to develop a proposed budget that fits within the revenue expectations and key department goals. As a team, City of Gatesville leadership staff considers the budget to be not only an accounting tool for the year ahead, but also a guide for leadership and planning for the coming several years.

Staff is proposing to maintain the Total Tax Rate at 56.0000, which has been the tax rate for several previous years. For the first time in several years, the proposed tax rate does not exceed the Voter Approval rate for the coming Fiscal Year.

A table was presented and brief discussion regarding a general overview of the proposed revenues and expenditures for the FY 2025 budget compared to the FY 2024 approved budget:

Total Revenues: Adopted FY24: \$30,292,030 *and* Proposed FY25: \$28,585,277 Change (\$1,706,753)
Water & Sewer is down because the City is funding fewer grants.
Total Expenditures: Adopted FY24: \$30,292,030 *and* Proposed FY25: \$28,574,450 Change (\$1,717,580).

Economic Outlook for FY 2025: City -wide introduction of fiber internet has now grown to three different providers in -progress or planned to begin within the year. Staff has seen notable retail and residential development inquiries in the brief time of the Interim City Manager and Interim Deputy City Manager tenures. Staff has taken steps toward focusing on sustaining existing business while attracting new business-commercial development to Gatesville.

Recent alignment of the City of Gatesville Organizational Chart was briefly discussed and that the changes should improve the span of control and teamwork within all city departments. Planning & Zoning and other City Boards will be added to the organizational chart added in the future.

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General Fund Revenues highlighted were:

- Intergovernmental: "North Ft. Cavazos Recreation Center" is still on hold. Revenue would be equal to the cost.
- Property Taxes: The city's tax rate of .56000 remains the same but the county's valuations for most properties have gone up
- Licenses & Permits: Expected to go up from \$35,000 to \$61,000.
- Transfers from Water to Sewer Funds are expected to go down slightly.

General Fund Expenditures are expected to go up slightly or remain equal.

Library: Proposed increases include map storage, additional scanners, shelves, dispenser, library cards, more training for staff, and Library Association memberships.

Administration: Contract Services will decrease because of elimination of: Debt Book software, Retail Coach, and some software were moved to other line items in the Software Maintenance Agreement category. Non-Departmental is anticipated to have no transfers to other departments (Funds).

Planning: Salaries were dropped because Bureau Veritas and Freese & Nichols, Inc. are contracted to perform functions as the same cost as personnel. As of this date, this model for the Planning Department is working for the city. There was a brief discussion regarding the continuation of conducting the Planning Department with the contract services or hiring a person to be on city staff.

Police: Overtime salaries are proposed to increase mostly due to staff shortage. Equipment purchase is expected to go up slightly as there are equipment needs for the narcotics officer. Animal Control expenses are proposed to increase because of the Trap-Neuter-Release (TNR) feral cat program. Possible additional proposal to purchase "Power DMS" software, which aids in administration and field training documentation at an estimated cost of \$11,000 the first year and \$3,600 recurring after that and will fit in the budget.

There was a discussion regarding the use of a local veterinarian for the TNR program and also how moving Code Enforcement to Administration has impacted the budget. The funds are still in the Police Department budget but the chain of command is in Administration.

Court: Plan to do more training and Contract Services includes Judge Place's portion of salary which used to be in a different line item.

Fire Department: Equipment Purchases is proposed to increase due to the need of hoses and other necessary items. There was a discussion with Fire Chief Vaden regarding a budget increase in the Firemen Incentive Pay and the process for volunteer firemen to receive this pay. Volunteers are desperately needed and offering more pay may help.

Street Department: Decrease of School, Travel & Membership funds due to no need for Commercial Driver's License (CDL) at this time as several employees acquired CDL's. No change to the Street Repair & Maintenance funds. Staff now has a new employee that has experience crowning streets and laying down asphalt so some of the needed road work will not need to be contracted out. Many open holes have already been taken care of. An interlocal agreement with the County may be considered in the future which would be for purchasing street materials.

Fleet Services: This department has an employee that is responsible for assessing all city vehicles and does routine maintenance and needs more tools to take care of the diverse fleet. Fleetio is a newly implemented user-friendly software maintenance program that will assist in maintaining vehicles & associated equipment.

Building Inspection: Salaries are reduced because there is only one employee in this division which overlaps with agreements with Bureau Veritas and Freese & Nichols LLC. Vehicle Lease has also gone down because of the need for only one vehicle in this department.

Park & Recreation: Contract Services are expecting to increase due to the much-utilized lightning alert system at the ballfield, official's salaries, and mowing contracts for the parks & cemeteries. Equipment

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Purchases include more picnic tables. Fields also need improvements including drainage at one of the ballfields. Additional vehicles are needed for this department as sharing vehicles have become a deterrent to getting much needed jobs completed on the scheduled timeframe. Request for Concession Stand Bids for vendors is about to be posted with the new Concessionaire to commence in the fall. Upgrades to the concession stand include two new refrigerators and repair of the air-conditioner

Civic Center: Salaries have decreased due to currently only one employee. Last year the Eclipse Coordinator was paid from this fund. Materials, supplies & printing has increased due to the Civic Center being much busier. Repairs & Maintenance is needed for continued improvements including the HVAC system.

Swimming Pool: Increase in Equipment Purchases include pool slide, commercial picnic table, extra rescue equipment, and upgrades to various other equipment. Repairs & Maintenance increases are attributed to pool supplies, ADA pool lifts, and pool leak detection & repairs.

Fitness Center: Equipment Lease increase is due to the 3- year cycle of the cardio replacement equipment plan.

Water & Sewer Fund Revenues: Grant revenues have decreased due to the expectation of less expenditures in the coming year. Residential in town revenue is expected to increase.

Water and Sewer Fund Expenditures: Based on grants; water distribution and water production is expected to go down. However, sewer is expected to go up based on several sewer projects. Total expenditures are expected to go down from \$21,635,743 to \$19,415,936.

Water Distribution: Contract Services and Credit Card Fees are expected to be zero. Lab Fees are expected to have a cost increase. Capital Outlays are expected to decrease based on year- to -year expenditures and existing projects. Repairs and Maintenance are expected to increase also.

Water Production: Contract Services will increase due to work station upgrades and to the Supervisory Control And Data Acquisition (SCADA) system. Material, Supplies & Expenses will change in the final draft because of chemical costs. School, Travel, & Membership will decrease slightly. Equipment Purchase has a slight increase due to the lawn mower and Buy Board boat purchase. Lab Fees will increase significantly. Capital Outlays is a little lower as projects are in completion. The Lagoon rehabilitation is still ongoing.

Sewer & Wastewater: Salaries are projected to increase due to overtime and in reflection of previous historical averages. Contract Services increase is due to chlorine processes and increase to Texas Commission on Environmental Quality permits. Chemicals for the Stillhouse & Leon wastewater plants have now been combined into one line item. Mailing expenses will be combined with another line item. Uniforms have increased. Repairs & Maintenance are proposed to increase to adjust to reflect the historic averages of the past years. Ft. Cavazos expenses have been moved to Repairs & Maintenance. Grants for the expansion project at the Stillhouse Plant and small project by the Leon Plant will increase from \$250,000 to \$1,109, 200. Also of note: the Coryell County Commissioner's Court requested that Council consider assisting in offsetting the cost of a sewer line installed during new jail facility construction. That estimated cost of \$56,000, is included in the Water & Sewer Fund.

Solid Waste: Garbage collection contract is expected to increase from \$780,000 to \$864,000.

Other Funds: TxDot is assisting city staff with a grant to replace and upgrade the airport underground fuel tank.

Municipal Court Security & Technology Fund: Is expected to decrease.

Cemetery: Proposed increases in fees will be more detailed at the next Council meeting. These changes will reflect the intent to increase the expenditure in software licensing, to promote a more user-friendly experience for visitors and those wishing to purchase a plot.

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Hotel Occupancy Tax (HOT) Funds: Interest is expected to increase to \$8,000. Transfers to General Fund is expected to be lower at \$29,610. HOT funds are not expected to be spent to support the Civic Center in the proposed 2025 budget. Not reflected in the proposed budget is the Chamber of Commerce recent request of \$30,000 of HOT funds to support its commitment to the Shivaree, Corks & Kegs, and other community events. The City has proposed up to \$10,000. Mr. Hunt said that the Chamber has done a great job of supporting and promoting Gatesville with their events.

Mr. Hunt introduced Chamber of Commerce, Mason Matthews, who spoke to the Council about the Chamber's request to receive HOT funds. The Chamber has received HOT funds in the past but has not for several years now. Mr. Matthews requested funds for future operations which would promote the city of Gatesville and local businesses in town. The HOT funds would help offset expenses for businesses that wish to sponsor events or be involved to promote their businesses to bring people to Gatesville.

The Historical Preservation item was briefly discussed and is in reference to the downtown project with the Texas Historical Commission and are waiting to hear back from them. This will also include renovation of the Auditorium.

Capital Improvement Projects Expected in FY 2025 were briefly discussed with a few projects highlighted:

- 2024 FEMA DR4781 Flooding Parks & Streets (Grant 75% & 25% City match). TDEM deadline has been met.
- Replace Airport Fuel System: TxDOT Aviation Grant (Grant 90% & 10% City match).
- Water Production & Wholesale System Rehabilitation Phase 1 is still to be determined.
- Brown Park sewer line relocation (FEMA 75/25 funding grant match). Will ask up to \$550,00.

Interim City Manager Hunt said that it was his hope that the Mayor and Council, as well as Gatesville's citizens, find the proposed budget to be responsible and priority-driven and will exhibit a successful path meeting all the goals. Staff is pleased to propose no new levy on taxes and to maintain the current property tax rate of 0.56000, below the Voter-Approval Rate. While Council and staff address the many challenges ahead, the wish is to ensure that the level of service is maintained and to be what Gatesville's citizens expect and deserve, all while continuing sound fiscal management practices to guide planning for the future. Mr. Hunt said that it was his honor to collaborate with the staff, Mayor, and Council on the budget process and thanked everyone for their valuable input, time, and effort in developing and adopting the FY 2025 Budget.

12) DISCUSSION AND POSSIBLE ACTION TO APPROVE A PROPOSED FISCAL YEAR 25 AD VALOREM PROPERTY TAX RATE AND SET DATE/TIME/PLACE FOR A PUBLIC HEARING ON ADOPTION OF THE AD VALOREM TAX RATE. (BRAD HUNT & MIKE HALSEMA)

Interim Deputy City Manager, Mike Halsema, said that staff is recommending and proposing consideration this evening a proposed ad valorem property tax rate of \$0.5600 per \$100 of valuation, the same rate as last year. This rate exceeds the no-new-revenue rate.

Under state law, if the tax rate to be adopted exceeds the No-New-Revenue rate, a public hearing on the tax rate must be conducted before adoption of the ad valorem property tax rate. Per the City's attorney, a roll call vote is required.

RESOLUTION 2024-92: Motion by Barbara Burrow, seconded by Greg Casey, to approve the rate of \$0.5600 per \$100 valuation as the City's proposed property tax rate for Fiscal Year 2025; and to schedule a public hearing for September 10, 2024, at 5:30 p.m. to consider adoption of the fiscal year 2025 property tax rate; motion passed; majority vote as follows:

Aaron Smith, Ward 1, Place 1	"Aye"
Barbara Burrow, Ward 1, Place 2	"Aye"
Meredith Rainer, Ward 1, Place 3	"Aye"
Joe Patterson, Ward 2, Place 4	Absent
Greg Casey, Ward 2, Place 5	"Aye"
John Westbrook, Ward 2, Place 6	"Aye"

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13) CITY MANAGER REPORT:
DEPARTMENT UPDATES:

Staffing: 3 total openings city-wide, down from 10 last month.

Prioritization of Tasks:

1. Projects that were in progress as of May 14 are 99% sorted and being addressed. South sewer line capacity study by FNI- cost estimate is \$5,500. This study is related to all the lift stations and lines that go south from Wal-Mart all the way to the river down through Fort Gates. The lines are at capacity or near capacity so this study will help to know if future businesses can currently build in that area. FNI has completed an estimate on the cost to upgrade the lift stations and to relocate some sewer lines on the south side of town and the estimated cost is over one million dollars to fix some issues with grinder pumps at businesses near FM 107 & Veazey Street. Over 4 million would be the cost to relocate everything to a more feasible and better handling of capacity from Wal-Mart south to the river.
2. Development Interest as of May 14 to July 2024:
 - 3-4 residential developments between 10 and 40+ houses or apartments.
 - 9 commercial/retail developments including car wash, small shopping centers, others.
 It was noted that none of this interest came directly from the Retail Coach. Research that was done by Retail Coach will remain the City's property and will stay on line for reference purposes.
3. New City Secretary will begin August 26th and will be at the next Council Meeting on the 27th. Her name is Holly Owens and she is currently the City Secretary at Bellmead. She has approximately 15 years experience as a City Secretary, as well as Planning & Zoning and permit experience.
4. Listing of all City -owned property, schedule to mow/maintain was presented and discussed. Both the Street Department & Parks and Recreation Department will be doing the mowing.
5. City Facebook has been active about 2-3 weeks and already has 500 followers.

Flood Damage Sites: 15 locations of damage from recent storms/flooding were presented & discussed as well as the plan to fix the damage and the various estimated costs.

Water Distribution & Street Maintenance: Mill Street final overlay will occur later this month and should be done by August 21st.

Wastewater Department: Inflow & Infiltration "Smoke Test" will begin August 26th.

Police Department/Public Safety: There have been three new candidates since the pay adjustment was implemented. Alarm management software will have a soft launch on August 22nd. This software makes alarm permits, fees, and fine payment management much better.

Fire Department: Bunker gear washer/ dryer cabinet has been received.

Parks & Recreation Department: The walking trail clean -up at Faunt LeRoy Park was completed July 8th; currently working on safety measures on the lower loop portion, including fence and signage. City Pool closed August 3rd; Splash Pad closes August 31 and will receive a resurface in September.

Library, Civic Center, & Auditorium: The library "kids room" computers were replaced under the budget adjustment, Civic Center & Auditorium HVAC solutions are approved. New rental contracts for renters with new fees will be presented at the next Council meeting. Options for the Auditorium conditions will be discussed in the future.

City Hall: HR implemented the new section of the Employee Handbook with the Grievance Procedure. Employee benefits/insurance quotes are still under discussion. Courts are still working on a School Zone Ordinance amendment to make all school signage and times standardized. List of permits were presented & briefly highlighted.

Project updates: Sewer easement on SH 36 across from Walmart is about finalized with the involved parties' lawyers. PD Building RFQ will be issued this month regarding either a new PD building or a remodel of the current PD. Chlorine conversion completed in July. "Mini" CIP Water Master Plan projects are being identified for immediate consideration.

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Budget:

Current FY: Purchases approved via budget adjustments are under way. Total expenditures will come in under total revenue for FY 23-24.

FY 24-24: On track for the published Budget Calendar.

Long-Term (5-Year Plan): All Department Heads will receive guidance on developing a 5-year plan for the budget.

Upcoming Community Events:

- September 20-22- Spurfest & Cruizin' Cruizers
- September 28- Bridgerton Ball, presented by the Gatesville Public Library
- October 1- National Night Out
- October 26- Boozaar

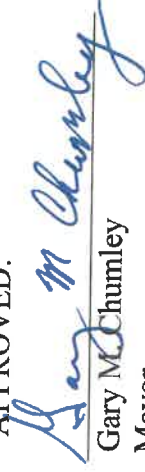
Following the agenda topics, Mayor Cumley introduced Water Production Supervisor, Zeb Veazey's son; Bralen Veazey. Bralen just graduated from Gatesville High School and will soon be attending college on a baseball scholarship.

14) ADJOURN MEETING AT 7:34 P.M. THIS 13TH DAY OF AUGUST, 2024

ATTEST:


Wendy Cole
City Secretary

APPROVED:


Gary M. Chumley
Mayor