

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
MAY 12, 2020 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 an Ordinance of the City of Gatesville, Texas, amending Ordinance 2020-06 to allow the operation of certain businesses to comply with declarations, regulations and guidelines set forth in future executive orders authorized by the Governor of Texas and until it is rescinded by the Governor of Texas or amended by the City Council and be in full force and effect from and after the final passage of this Ordinance on May 12, 2020**
- 4. Discussion and possible action to approve Minutes from Regular City Council Meeting April 28, 2020**
- 5. Briefing regarding Central Texas Council of Governments Elder and Vulnerable Adult Justice Program- CTCOG Special Projects Coordinator, Anna Barge**
- 6. Discussion and possible action regarding a replat request for .64 acres located on Woodson Street, legally known as Lots 1 and 2, Block 3, River Oaks Estate, Section A, .64 acres**
- 7. Discussion and possible action regarding an Ordinance of the City of Gatesville, Texas adopting a Comprehensive Plan for the City of Gatesville (2nd reading of Ordinance 2020-07)**
- 8. Discussion and possible action regarding the Fiscal Year 2019 Audit**
- 9. Recess Regular Meeting and call a -----**

Public Hearing

Hear comments regarding the proposed annexation of approximately 3.2 acres of land located in the A. Arocha Survey located in Coryell County, Texas legally known as Lot 1, Block 1, Gatesville Trails Subdivision.

- 10. End Public Hearing and reconvene Regular Meeting**
- 11. Discussion and possible action regarding an ordinance annexing territory into the City of Gatesville, Coryell County, Texas, and extending the boundary limits of said city so as to included property within said city limits, and granting to all the inhabitants of said property all the rights and privileges of other citizens and binding said inhabitants by all of the acts, ordinances, resolutions, and regulations of said city; and adopting a service plan. (1st reading of Ordinance 2020-09)**
- 12. Discussion and possible action regarding a Notice of Intent Resolution for the Water Meter Replacement Project**

13. Discussion and possible action regarding an Ordinance of the City of Gatesville, Texas, amending Chapter 13, Article II, Section 13-19 through 13-23 of the Code of Ordinances of the City of Gatesville, establishing regulations for Carnivals and Circuses, requiring of permits; providing for an application and application fee; requiring liability insurance; requiring compliance with laws and codes; providing limitations on days and hours of operation; providing for exceptions; providing for a limitation on proximity to residential areas; and providing for a penalty (3rd reading of Ordinance 2020-04)
14. Discussion and possible action to approve Resolution 2020-39 supporting an application for a Criminal Justice Division Grant made available through the Central Texas Council of Governments for Coronavirus Emergency Supplemental Funding Project
15. Briefing and Discussion on Mid-Year Budget Review – City Manager
16. City Manager's Report:
 - Capital Projects
 - Future Agenda Topics
 - Coronavirus Update
 - FY 2021 Budget Timeline/Key Dates
17. Adjourn Meeting

I hereby attest that the above agenda was posted on this the 8th day of May, 2020 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 12, 2020 AT 5:30 P.M.
COUNCIL CHAMBER, 110 NORTH 8TH STREET
GATESVILLE, TEXAS 76528

In accordance with guidelines of the Office of the Governor, the City Council of the City of Gatesville conducted an in-person meeting while maintaining social distancing to slow the spread of the Coronavirus (COVID-19). In order to provide a safe and healthy environment for the public attending the meeting, social distance regulations and guidelines were followed.

AN OPEN MEETING WAS HELD CONCERNING THE FOLLOWING SUBJECTS:

1) CALL TO ORDER REGULAR CITY COUNCIL MEETING AT 5:32 P.M. THIS 12TH DAY OF MAY, 2020

PRESENT: Mayor Gary Chumley, Council Members Meredith Rainer, Greg Casey, Bill Robinette, and Jack Doyle

REGRETS: Council Member Randy Hitt

ABSENT: Council Member Robert Kent

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, Rene Ochoa Heather Ashley, Andrew Friedman, Dane Legg, Brenda Kiphen, Kim Hill, Nathan Gohlke, CTCOG briefing presenter, Anna Barge (by-way-of GoToMeeting), Steve Buckner (by-way-of GoToMeeting), Michael Fogel & Tom Barnes (by-way-of GoToMeeting)

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 REGARDING AN ORDINANCE OF THE CITY OF GATESVILLE, TEXAS, AMENDING ORDINANCE 2020-06 TO ALLOW THE OPERATION OF CERTAIN BUSINESSES TO COMPLY WITH DECLARATIONS, REGULATIONS AND GUIDELINES SET FORTH IN FUTURE EXECUTIVE ORDERS AUTHORIZED BY THE GOVERNOR OF TEXAS AND UNTIL IT IS RESCINDED BY THE GOVERNOR OF TEXAS OR AMENDED BY THE CITY COUNCIL AND BE IN FULL FORCE AND EFFECT FROM AND AFTER THE FINAL PASSAGE OF THIS ORDINANCE ON MAY 12, 2020

City Manager Parry said that this ordinance will align with Governor Abbott's Executive orders going forward and is recommended for council approval. City Attorney Olson has reviewed and approved this Ordinance.

ORDINANCE 2020-08: Motion by Bill Robinette, seconded by Greg Casey, to approve Ordinance 2020-08 of the City of Gatesville, Texas, amending Ordinance 2020-06 to allow the operation of certain businesses to comply with declarations, regulations and guidelines set forth in future executive orders authorized by the Governor of Texas and until it is rescinded by the Governor of Texas or amended by the City Council and be in full force and effect from and after the final passage of this Ordinance on May 12, 2020; all four voting "Aye" motion passed.

City of Gatesville Charter mandates that this ordinance can be approved and passed on one reading of the ordinance instead of readings on three (3) several days, since this relates to health, safety, and public welfare.

4) DISCUSSION AND POSSIBLE ACTION TO APPROVE OF MINUTES FROM REGULAR CITY COUNCIL MEETING APRIL 28, 2020

RESOLUTION 2020- 35: Motion by Meredith Rainer, seconded by Bill Robinette, to approve the minutes from the Regular City Council Meeting April 28, 2020; all four voting “Aye”, motion passed.

5) BRIEFING REGARDING CENTRAL TEXAS COUNCIL OF GOVERNMENTS ELDER AND VULNERABLE ADULT JUSTICE PROGRAM- CTCOG SPECIAL PROJECTS COORDINATOR, ANNA BARGE

Ms. Barge presented her Power Point/briefing by videoconference as she could not attend the meeting due to the COVID-19 Pandemic.

Ms. Barge stated that in October 2019, the Central Texas Council of Government (CTCOG) received a \$300,000 grant from the Office of the Governor, Criminal Justice Division, Victim of Crimes Act but the grant had recently been cut statewide and repurposed. Ms. Barge said as funding may be available in the future, CTCOG is continuing to educate organizations and law enforcement stakeholders and proceeded to present the objectives of the program. Tracking elder abuse is difficult because unlike other crimes, elder abuse is not tracked separately from other crimes. Examples of elder abuse include exploitation and neglect which many affected adults do not want to admit because they possibly know their perpetrators and are afraid of retaliation.

The initial program activities were highlighted:

- a. Obtain a software to better track cases and services provided
- b. Establish a regional board who informs policy development
- c. Establish county level multidisciplinary teams who perform complex case coordination
- d. Complete county level Community Needs Assessments to evaluate victim services
- e. Train medical professionals, law enforcement, clergy, social workers, caregivers, and general citizens how to recognize, prevent, and respond to elder and vulnerable adult abuse

Since there is no funding currently available, CTCOG will try to conduct a training session in the fall of this year. Next steps will be to attempt to complete community needs assessment, establish the regional board, and possibly hold the multi-disciplinary meetings. The Adult Protective Services and law enforcement workshops are still on track to be completed with the goal of being able to facilitate joint investigations regarding elder abuse cases.

City Manager Parry said that even though funding currently is not available, he will do whatever is needed to make the Gatesville Police Department available to participate in this program.

Mayor Chumley commented that as a banker, he has seen financial exploitation and that the banks have training to help banking staff identify the signs of this abuse and exploitation. Mayor Chumley said that when things get back to some semblance of normalcy, he would like Ms. Barge to come and speak at the Lion’s Club and Exchange Club.

6) DISCUSSION AND POSSIBLE ACTION REGARDING A REPLAT REQUEST FOR .64 ACRES LOCATED ON WOODSON STREET, LEGALLY KNOWN AS LOTS 1 AND 2, BLOCK 3, RIVER OAKS ESTATE, SECTION A, .64 ACRES

City Manager Parry said that property owner, Steve Buckner, had joined the meeting remotely and was available to answer any questions if needed. City Planner, Rene Ochoa discussed the plat request and stated that Mr. Buckner’s application request was to subdivide two contiguous lots located in the Extraterritorial Jurisdiction (ETJ) into four lots to develop single-family homes. There was a discussion regarding the potential drainage and Ochoa said that a study was submitted and reviewed and approved by the City Engineer and also approved by the County. The development agreement and all other provisions of Gatesville’s subdivision ordinance had been met by the developer to the City’s satisfaction.

The sewer line will be extended and after completion, the as-builts and the drainage study will be provided to the City. The Planning and Zoning Commission reviewed this application and approved it unanimously on May 4, 2020.

RESOLUTION 2020-36: : Motion by Jack Doyle, seconded by Meredith Rainer, to approve the re-plat request for .64 acres located on Woodson Street, legally known as Lots 1 and 2, Block 3, River Oaks Estate, Section A, .64 acres; all four voting “Aye” motion passed.

7) DISCUSSION AND POSSIBLE ACTION REGARDING AN ORDINANCE OF THE CITY OF GATESVILLE, TEXAS ADOPTING A COMPREHENSIVE PLAN FOR THE CITY OF GATESVILLE (2ND READING OF ORDINANCE 2020-07)

City Manager Parry noted that this was the second reading of the ordinance adopting the Comprehensive Plan for the City and city staff had not received any additional comments since the last meeting. Parry said that he would provide the comments made by the public in the next City Council book so that they would get an opportunity to review any of the comments that were presented by members of the public before Council votes on the third and final to adopt the Comprehensive Plan. There were no additional comments from the Council regarding the plan and Mr. Parry said that he would set up a virtual town hall meeting in the next ten days and would send out a GoToMeeting invitation for the meeting.

ORDINANCE 2020-07: Motion by Meredith Rainer, seconded by Greg Casey, to approve the second reading of Ordinance 2020-07 adopting a Comprehensive Plan for the City of Gatesville; all four voting “Aye” motion passed.

8) DISCUSSION AND POSSIBLE ACTION REGARDING THE FISCAL YEAR 2019 AUDIT

City Manager Parry said that the firm of Lott, Vernon & Company, P.C. had reviewed the City of Gatesville Finance operations for fiscal year 2019 (October 2018 – September 2019) and that the audit reviews areas in the financial department that deal with accounts payable, accounts receivable, payroll, bonds, grant related items or any other financial transactions. The auditor also reviews actual operations and procedures of the city’s financial accounting system.

Lott Vernon representative, Dane Legg, was present at the meeting and provided the Council two reports that summarized/ highlighted items in the audit and offered to answer any questions that the Council might have.

Discussion and points were made on the following:

Balance Sheet- Governmental Funds: Total assets for the city are 2.5 million dollars for this fiscal year – up \$600,000.00 (31%) from last year. The majority of that increase is in cash which is up \$700,000.00 from the previous year. Total Fund Balances are up \$470,000.00 (35%) from last year. Also noted was the unrestricted/unassigned fund balance (reserve) which includes 3.4 months of operating expenditures.

Revenues and Expenses – Governmental Funds: Total Revenues are 5.6 million dollars which was up \$445,000.00 (8.5%) from last year. Expenditures are 5.6 million dollars also which is up 548,000.00 (10.8%) from last year. Noted loan proceeds from the street sweeper. The net change in the Fund Balance was a 35% increase.

Enterprise Funds: Included water and sewer funds and Airport funds. Total assets are \$38.2 million which is up 9.1 million from last year. Cash is up 9.3 million from last year which is an increase of 1.8 million. Cash operations came in at an increase of 3.1 million and 1.6 million was spent on debt payments and transfers to the General Fund. 1.9 million was spent on Capital Assets acquisitions and the new bond money came in at a net 9.6 million influx and then \$100,000.00 in investment income to make up that 9.6 million increase.

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Total liabilities were \$26.7 million with part of that being the new bond issue and Total Net position was 12.2 million which is down \$100,000.00 from last year.

Total operating revenues were \$8.5 million with water and sewer revenues down about \$400,000.00 from last year, however, the new solar panel at the Leon Wastewater Treatment Plant did offset this.

Total operating expenses totaled \$7.5 million which was down \$7,000.00 from last year.

After non-operating revenues (expenses) were totaled left an income before transfers at \$75,000.00.

After transfers are completed the net position ending is \$12,182,659.00

Mr. Legg pointed out the summary of recorded audit adjustments for Council review.

Commented that the Finance Department should enter construction in progress and capital assets into the system in a timely manner. The Finance Department and Department Heads are in the process of updating the fixed assets so depreciation can be correctly factored into our future audits.

City Manager Parry said that the objective of the audit is to look at the financial processes and the City of Gatesville is making progress. The Fund Balance is up and the Reserve is up from prior years.

Mr. Legg said that the City of Gatesville has a strong Financial Statement.

RESOLUTION 2020-37: : Motion by Greg Casey, seconded by Jack Doyle, to approve the Fiscal Year 2019 Audit for the City of Gatesville; all four voting "Aye" motion passed.

9) RECESS REGULAR MEETING AND CALL A -----

PUBLIC HEARING

Hear comments regarding the proposed annexation of approximately 3.2 acres of land located in the A. Arocha Survey located in Coryell County, Texas legally known as Lot 1, Block 1, Gatesville Trails Subdivision

City Manager Parry said that this public hearing concerns the Gatesville Trails development that Council reviewed and accepted the annexation petition in March of 2020. The front part of the property is in the city limits and 3.2 acres of the back part of the property is outside the city limits. The site Development Plan and Drainage Plan has been approved by the City engineer and show adequate access, sewer, and water facilities to adequately supply the annexation area. A Service Plan is also included in the proposed annexation ordinance.

City Planner, Rene Ochoa, stated that this property will need to be rezoned as it is currently residential/ single family and will be proposed at the next Council meeting.

There were no comments from the public.

10) END PUBLIC HEARING AND RECONVENE REGULAR MEETING AT 6:20 P.M.

11) DISCUSSION AND POSSIBLE ACTION REGARDING AN ORDINANCE ANNEXING TERRITORY INTO THE CITY OF GATESVILLE, CORYELL COUNTY, TEXAS, AND EXTENDING THE BOUNDARY LIMITS OF SAID CITY SO AS TO INCLUDED PROPERTY WITHIN SAID CITY LIMITS, AND GRANTING TO ALL THE INHABITANTS OF SAID PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING SAID INHABITANTS BY ALL OF THE ACTS, ORDINANCES, RESOLUTIONS, AND REGULATIONS OF SAID CITY; AND ADOPTING A SERVICE PLAN. (1ST READING OF ORDINANCE 2020-09)

ORDINANCE 2020-09: Motion by Bill Robinette, seconded by Meredith Rainer, to approve the first reading of Ordinance 2020-09 annexing territory into the City of Gatesville, Coryell County, Texas, and extending the boundary limits of said city so as to included property within said city limits, and granting

to all the inhabitants of said property all the rights and privileges of other citizens and binding said inhabitants by all of the acts, ordinances, resolutions, and regulations of said city; and adopting a service plan; all four voting “Aye” motion passed.

City Manager Parry said that the developers asked if the Council could accelerate the annexation process. Parry said that a Special Council meeting may be considered if the Council desires.

12) DISCUSSION AND POSSIBLE ACTION REGARDING A NOTICE OF INTENT RESOLUTION FOR THE WATER METER REPLACEMENT PROJECT

City Manager Parry said that this agenda item is in regards to the water meter replacement project and the issuance of debt. Andrew Friedman, representing SAMCO Capital was present at the meeting to brief the Council and answer any questions.

Parry said that the City had not officially issued debt issuance either through bonds, revenue bonds, certificates of obligation, or general obligation bonds since 2014 for the street bond.

Parry stated that there is a statutory timeline calendar included in the council books. Finance Director, Brenda Kiphen, is working on the Request for Information documents that SAMCO delivered this week.

The first step is that the City Council authorizes the notice of Intention Resolution to issue certificates of obligation which will begin the process for the issuance of debt, which is about a 45 day process until the final approval of the ordinance to issue the debt. If the intent resolution is approved, it will then be posted on the city website. It also must be published in the newspaper, for two consecutive weeks, that indicates the city council wishes to issue certificates of obligation to replace water meters.

The timeline is such so that if citizens object to the issuance of certificates of obligation and demand that it be done by some other means or fashion, this gives time for the process for them to start a petition to present to the City Council to go a different direction.

Mr. Friedman pointed out that the Notice of Intent that will be published in the paper and posted on the website that says the Certificates of Obligation will not exceed the amount of 2.7 million dollars. It also sets the date of July 14, 2020 at which time the council will consider the bids and approval of an ordinance selling those Certificates of Obligation.

RESOLUTION 2020-38: : Motion by Meredith Rainer, seconded by Jack Doyle , to approve the Notice for Intent Resolution for the Water Replacement Project; all four voting “Aye” motion passed.

13) DISCUSSION AND POSSIBLE ACTION REGARDING AN ORDINANCE OF THE CITY OF GATESVILLE, TEXAS, AMENDING CHAPTER 13, ARTICLE II, SECTION 13-19 THROUGH 13-23 OF THE CODE OF ORDINANCES OF THE CITY OF GATESVILLE, ESTABLISHING REGULATIONS FOR CARNIVALS AND CIRCUSES, REQUIRING OF PERMITS; PROVIDING FOR AN APPLICATION AND APPLICATION FEE; REQUIRING LIABILITY INSURANCE; REQUIRING COMPLIANCE WITH LAWS AND CODES; PROVIDING LIMITATIONS ON DAYS AND HOURS OF OPERATION; PROVIDING FOR EXCEPTIONS; PROVIDING FOR A LIMITATION ON PROXIMITY TO RESIDENTIAL AREAS; AND PROVIDING FOR A PENALTY (3RD & FINAL READING OF ORDINANCE 2020-04)

City Manager Parry reminded the Council that on April 14, 2020 and April 28, 2020, Council approved the first and second readings of Ordinance 2020-04 and that there were no changes to the ordinance since that time. Staff recommends City Council approve the second reading of Ordinance 2020-04.

ORDINANCE 2020-04: Motion by Jack Doyle, seconded by Greg Casey, to approve the third and final reading of Ordinance 2020-04 of the City of Gatesville, Texas, amending Chapter 13, Article II, Section 13-19 through 13-23 of the Code of Ordinances of the City of Gatesville, establishing regulations for Carnivals and Circuses, requiring of permits; providing for an application and application fee; requiring liability insurance; requiring compliance with laws and codes; providing limitations on days and hours of operation;

providing for exceptions; providing for a limitation on proximity to residential areas; and providing for a penalty; all four voting “Aye” motion passed.

14) DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION 2020-39 SUPPORTING AN APPLICATION FOR A CRIMINAL JUSTICE DIVISION GRANT MADE AVAILABLE THROUGH THE CENTRAL TEXAS COUNCIL OF GOVERNMENTS FOR CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROJECT

Mr. Parry said that Police Chief Gohlke was present at the meeting to brief the Council about this grant program, the Cares Act, which is in phase three right now. Essentially, so far the Cares Act has not provided any funding to cities or communities of population less than 500,000, but there are several portions of federal money that are available for grant funding, specifically, as it relates to needs as a result of COVID-19. City staff was notified by the Governor's office that there is in fact funds from the Department of Treasury for cities to tap into for COVID-19 response. Receiving funds from the Department of Justice are based on certain criteria of cities based upon population and crime rate. Either because of Gatesville's population or crime rate, Gatesville did not qualify for direct funding from the Department of Justice. The cities of Copperas Cove and Killeen received direct funding as did Coryell County.

However, funding at the state level is now starting to open up for multiple federal appropriations under the Cares Act. Chief Gohlke is going to apply for the grant, under the Corona Emergency Supplemental Funding (CESF) program, which was funded by the Department of Justice, and was the first one that staff was notified about under the Cares Act.

Chief Gohlke has put together a grant application to submit and one requirement is that the Council must approve a resolution to support the application.

Chief Gohlke said that this grant will cover personal protective equipment (PPE) for law enforcement officers when they are dealing with the Coronavirus Pandemic. This grant could also possibly cover some salaries. The Gatesville Police Department has received quite a bit of PPE from the state through the Emergency Management Department (Coryell County). Chief Gohlke said that other types of equipment will be applied for and requests could also include travel expenses, staffing, and training. Funds will be administered through the Central Texas Council of Governments.

RESOLUTION 2020-39: : Motion by Bill Robinette, seconded by Meredith Rainer, to approve Resolution 2020-39 supporting an application for a Criminal Justice Division Grant made available through the Central Texas Council of Governments for Coronavirus Emergency Supplemental Funding Project; all four voting “Aye” motion passed.

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

City Manager Parry reminded the Council that at the last meeting they were provided a copy of the reconciled financial statements for the City of Gatesville as of the end of March 2020, which is the midpoint of the city's fiscal year. Each month Council is provided an abbreviated set of financial statements, but at the midpoint of the year, full financials are provided so Council can compare revenues and expenses for each department and for both funds that the city operates under. There is no charter requirement that a financial review must be conducted, but staff has determined that it is beneficial not only as a starting point, as Council and staff prepares for the fiscal year 2021 budget, but also to review how money is being spent and what is the condition of the revenues.

Parry discussed the two primary funds that the city operates from:

- The General Fund which is the chief operating fund for the city with revenue sources being 83% from property taxes, sales tax allocation, and franchise fees.
- The Enterprise Fund which accounts for the City's “business activities” that receive 84.5% of their funding from charges: retail water sales, wholesale water sales, and sewer charges.

Parry said that he monitors sales tax and property taxes closely and also the Enterprise activities in case city staff needs to make an adjustment or change.

Parry presented a power point program and started with a brief overview of the General Fund Revenues and expenses for the first six months of fiscal year 2021. Parry reported that while there are shortfalls in revenue that need to be made up, staff is relatively confident that the revenues will come in. Staff traditionally budgets property taxes at 97% of the total amount of taxes due just based on historical averages and the city is currently at the approximate 97% total budgeted.

General Fund Revenues were discussed: the budgeted revenue, actual revenue to-date, % budgeted and the difference of the budgeted and the actual. Included in the discussion was property taxes, prior year & penalties for taxes, sales tax allocations, fines and forfeitures, franchise fees, Civic Center rentals, outdoor pool receipts, liquor tax, and interest. Although Gatesville's economy will probably not be impacted as much as other cities since our community does not rely on a lot of tourism or heavy retail sales; the COVID-19 Pandemic could impact several of Gatesville's activities because Court has not been held for several months, Civic Center has cancelled events and staff is not clear on the options to open the outdoor pool due to the COVID-19 restrictions.

Sales tax allocations were compared from 2014 through April of 2020 and all indications showed that sales tax allocations would likely meet the budgeted amount.

General Fund revenues and expenses were reviewed at the mid-year point: Library, Administration, Police Department, Municipal Court, Gatesville Fire Department, Street Department, Recreation Department, Civic Center, Swimming Pool, Building & Grounds, and Planning. Most departments were running on track but there were a few departments running slightly below the 50% mark.

Parry said that there was sufficient funds in the General Fund Contingent Appropriation if budget shortfalls would occur. Some budgeted travel expenses (cancelled conferences) had been eliminated due to COVID-19.

Enterprise Revenue performance to-date and budgeted revenue, actual to-date revenue, and percent budgeted were discussed for retail / wholesale water sales and sewer charges. The month of May has been a wet month but higher than normal temperatures are predicted for July through September which will drive more demand for water. New water and sewer rates went into effect on October 1, 2019 for Texas Department of Criminal Justice and May 1, 2020 for residential/commercial customers. The wholesale water rate study is still under analysis and will hopefully be ready soon.

Enterprise Fund Revenues and expenses were reviewed at the mid-year point: Water Distribution, Wastewater Treatment, Water Production, Sanitation, Fitness Center, and the Airport. Most departments were running below the 50% mark.

Cash on hand for the General and Enterprise Funds (as of March 31st) were depicted on a chart and spanned in comparison from Fiscal Year 2013 to Fiscal Year 2020. Parry discussed in detail and noted that the cash on hand has improved significantly through the years.

Parry said that at the mid-year point of Fiscal Year 2020, revenues and expenses are consistent with the approved 2020 budget and he also noted that the City has not furloughed any city employee nor cut any essential municipal services due to the Pandemic and felt confident that the budget projections would be met. Capital spending would be closely scrutinized with expenditures approved by the City Manager.

Capital spending has been prioritized in the 5-year capital improvement plan to reflect true "needs" as opposed to "wants", and have been able to set aside funding for small water and wastewater capital projects each year. The City has many years of deferred infrastructure maintenance to address but are moving toward the most urgent needs in a planned way.

Following the mid-year budget review briefing, City Manager Parry distributed a questionnaire to the councilmembers and requested their input on city expenditures, budget goals and funding priorities. Budget Goals for Fiscal Year 2021 were presented to the Council and discussed at length and Parry asked them to consider these topics as they were filling out their questionnaires.

16) CITY MANAGER’S REPORT:

CITY OF GATESVILLE BUDGET TIMELINE FOR FISCAL YEAR 2021:
City Manager Parry said that he had begun to calculate the effects of Senate Bill 2 and what it will do to Gatesville’s tax rate. There is a tax rate webinar on May 28th that will hopefully assist staff as we move through the budget/tax timeline. Most cities are moving their tax rate adoptions up several months because of a requirement that if the proposed tax rate is above the voter approval tax rate, they will have to go to the voters in November to get the tax rate approved. Parry pointed out that Gatesville’s timeline showed that the tax rate wouldn’t be approved until September 22, 2020.

There's a program for small cities under 30,000 that allows cities to enact what is called the de minimus rate which would provide funding for up to \$500,000 more in property tax revenues as a result of Senate Bill 2. That would technically make the city’s effective tax rate \$1.07/\$100, as opposed to the \$0.56/\$100 it is right now. It is doubtful that residents are going to approve \$1.07 tax rate. There is no anticipation that Council will approve a tax rate that's higher than the Senate Bill 2 restrictions, so the timeline should be fine. Staff will keep Council posted if there are any changes.

17) ADJOURN MEETING AT 7:30 P.M., THIS 12TH DAY OF MAY, 2020

ATTEST:

APPROVED:

Wendy Cole, City Secretary

Gary M. Chumley, Mayor