

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
MARCH 26, 2019
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 to approve Minutes from Regular City Council Meeting March 12, 2019**
- 4. Discussion and possible action to amend the interlocal agreement between the City of Gatesville and the Gatesville Independent School District regarding additional School Resource Officers at all the Gatesville Independent School District campuses**
- 5. Discussion and possible action regarding approval of all matters incident and related to the issuance and sale of \$10,000,000 City of Gatesville, Texas Utility System Revenue Bonds, Series 2019, including the adoption of an ordinance authorizing the issuance of such bonds (Ordinance 2019-01)**
- 6. Discussion and possible action regarding an Ordinance of the City of Gatesville, amending Chapter 21, Waters and Sewers Article II, Service Rates and Charges, Code of Ordinances of the City of Gatesville, Texas, by changing certain water and sewer base and volumetric rates and creating an Institutional Customer Class, Article I, for water and sewer charges; and providing an effective date (final reading of Ord. 2018-11)**
- 7. Discussion and possible action to approve a Water and Wastewater agreement between the City of Gatesville and Texas Department of Criminal Justice**
- 8. City Manager's Report: Capital Projects, Comprehensive Plan, Budget Report, Future Agenda Topics, Department Head Reports: Fire, Finance, Code Enforcement/Building Permits, Utility, Police, Court, Recreation, Convention and Visitors Bureau**
- 9. Adjourn Meeting**

I hereby attest that the above agenda was posted on this the 22nd day of March, 2019 by 5:00 p.m. on the official City of Gatesville website, www.ci.gatesville.tx.us and the official bulletin boards at the Gatesville City Hall, 110 N. 8th Street, Gatesville, Texas.

**Wendy Cole
City Secretary**

The City of Gatesville council chambers are wheelchair accessible and accessible parking spaces are available at the back entrance of City Hall. Requests for accommodations or interpretive services must be made 24 hours prior to this meeting. Please contact the city secretary's office at 254-865-8951 or FAX 254-865-8320, or email wendy.cole@ci.gatesville.tx.us for further information.

REGULAR CITY COUNCIL MEETING

MARCH 26, 2019 AT 5:30 P.M.

COUNCIL CHAMBER, 110 NORTH 8TH STREET

GATESVILLE, TEXAS 76528

AN OPEN MEETING WAS HELD CONCERNING THE FOLLOWING SUBJECTS:

1) CALL TO ORDER REGULAR CITY COUNCIL MEETING AT 5:30 P.M. THIS 26TH DAY OF MARCH, 2019

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

REGRETS: Council Member Meredith Rainer

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, Brenda Kiphen, Andy Williams, Max Rudolph, Ryan Coggins, Mark McLiney, Scott Harper, Barrett Pollard, Nathan Gohlke, and Dora De LaTorre

2) HEAR VISITORS/CITIZENS FORUM: AT THIS TIME, ANY PERSON WITH BUSINESS BEFORE THE COUNCIL NOT SCHEDULED ON THE AGENDA MAY SPEAK TO THE COUNCIL FOR A MAXIMUM OF THREE (3) MINUTES. NO FORMAL ACTION CAN BE TAKEN ON THESE ITEMS AT THIS MEETING.

Visitors present were only concerned with an agenda item.

3) DISCUSSION AND POSSIBLE ACTION TO APPROVE THE MINUTES FROM THE REGULAR CITY COUNCIL MEETING MARCH 12, 2019

RESOLUTION 2019-24: Motion by Randy Hitt, seconded by William Robinette, to approve the minutes from the Regular City Council Meeting March 12, 2019; all five Voting "Aye" motion passed.

4) DISCUSSION AND POSSIBLE ACTION TO AMEND THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF GATESVILLE AND THE GATESVILLE INDEPENDENT SCHOOL DISTRICT REGARDING ADDITIONAL SCHOOL RESOURCE OFFICERS AT ALL THE GATESVILLE INDEPENDENT SCHOOL DISTRICT CAMPUSES

City Manager Parry stated that there are two recommendations for the Council to consider:

- Approve amending the interlocal agreement between the City of Gatesville and the Gatesville Independent School District (GISD) to increase the School Resource Officers (SRO) from one to five as approved by the GISD School Board in February of 2019, and,
- Authorize the City Manager to negotiate with the GISD Administration/Board on the term of the agreement and termination provisions which would protect the City's interest.

There was a discussion on the estimated cost to the City and the School District and discussion on the share/term of weeks that would be paid by the School District and share that would be paid by the City; such as during Christmas, Thanksgiving and Spring Breaks.

City Manager Parry said that it is estimated that each SRO will cost the City a maximum of \$19,860.00 per year with a total cost to the City for 5 SROs being \$98,737.10. The City's annual cost would be reduced to approximately \$78,877 if GISD paid the SROs during these holidays.

While the GISD desire would be to fully implement the 5 SROs for the 2019-2020 school year, this would likely have to be phased in over a minimum two-year period. There is a Contingent Appropriation of about \$47,000 in the City's fund balance that could be used for this purpose.

Following a lengthy period of discussion and questions between City Manager Parry, Police Chief Gohlke, City Council and GISD Superintendent Barrett Pollard; Mayor Chumley asked for a motion.

RESOLUTION 2019-25: Motion by Randy Hitt, seconded by Dwight Suson, to approve to amend the interlocal agreement between the City of Gatesville and the Gatesville Independent School District to increase the School Resource Officers from one to five at all the Gatesville Independent School District campuses and to authorize the City Manager to negotiate the terms and termination provisions on the agreement ; all five Voting “Aye” motion passed.

5) DISCUSSION AND POSSIBLE ACTION REGARDING APPROVAL OF ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF \$10,000,000 CITY OF GATESVILLE, TEXAS UTILITY SYSTEM REVENUE BONDS, SERIES 2019, INCLUDING THE ADOPTION OF AN ORDINANCE AUTHORIZING THE ISSUANCE OF SUCH BONDS (ORDINANCE 2019-01)

City Manager Parry recommended the adoption of Ordinance 2019-01 which authorizes the issuance of \$10,000,000 Utility System Revenue Bonds to expand the Stillhouse Branch Wastewater Treatment Plant. The payment of the \$6.2 million of that debt service is guaranteed by the Texas Department of Criminal Justice and will be discussed and presented as an agreement later in this meeting.

City Manager Parry discussed the Texas Water Development Board (TWDB) process in that the TWDB will buy the bonds issued by the City and then the City’s principal and interest payments (TDCJ makes payment to the City) will replenish the States Clean Water State Revolving Fund which is the source of the funds for this loan. The bonds priced at over 100 basis points lower than the original estimates- which is largely attributable to the Federal Open Market Committees assessment of the national economy. As a result, the final debt service came in \$1,634,133 less over 20 years than was originally estimated when this process started 18 months ago. The highest bond percentage is 1.47%, which is far lower than if the City had gone out to the open market.

Mark McLiney from SAMCO Capital Markets and the City’s Financial Advisor briefed the Council on the next steps in the process leading up to the closing of the loan on April 25th. Mr. McLiney provided handouts to the Council which showed the Final Debt Service timeline regarding TDCJ’s payments and the City’s payments. TDCJ will be paying their portion of 62% of the debt while the City of Gatesville will pay its portion of 38% of the debt. McLiney also noted that no taxes are pledged to this – it is structured to solely be the utility system’s responsibility. The net borrowing cost for this project is 1.35% - which is the fixed rate for the term of this loan.

ORDINANCE 2019-01: Motion by Dwight Suson, seconded by David Mitchell, to approve of all matters incident and related to the issuance and sale of \$10,000,000 City of Gatesville, Texas Utility System Revenue Bonds, Series 2019, for the expansion of the Stillhouse Wastewater Treatment Plant including the adoption of an ordinance (on one reading) authorizing the issuance of such bonds; all five Voting “Aye” motion passed.

6) DISCUSSION AND POSSIBLE ACTION REGARDING AN ORDINANCE OF THE CITY OF GATESVILLE, AMENDING CHAPTER 21, WATERS AND SEWERS ARTICLE II, SERVICE RATES AND CHARGES, CODE OF ORDINANCES OF THE CITY OF GATESVILLE, TEXAS, BY CHANGING CERTAIN WATER AND SEWER BASE AND VOLUMETRIC RATES AND CREATING AN INSTITUTIONAL CUSTOMER CLASS, ARTICLE I, FOR WATER AND SEWER CHARGES; AND PROVIDING AN EFFECTIVE DATE (FINAL READING OF ORD. 2018-11)

City Manager Parry reminded the Council that this is the third and final reading of Ordinance 2018-11 which will set the water and sewer base and volumetric rates, and creating an Institutional Customer class- which at the current time is the Texas Department of Criminal Justice (TDCJ).

City Administration reached an agreement with TDCJ last Friday afternoon on their request to make

separate payments to the City for debt service on the Stillhouse expansion- as opposed to spreading those across the base and volumetric rates for sewer, as recommended by the City's rate consultant. The residents of Gatesville will pay as part of the sewer rates the debt service piece that the City is responsible for.

Council passed the first reading of this Ordinance on November 13, 2018 and approved the second reading on December 11, 2018 as written - with one amendment to the TDCJ agreement. Section 21-16(B)(2)(a) & (b) have been modified to reflect the agreement with TDCJ on the sewer debt service. While alternatives for residential water rates have been discussed subsequent to passage on second reading on December 13th, the Ordinance still reflects what the Council approved on the second reading in December which is what the rate consultant recommended to the Council.

Councilmember Viss asked for a reminder of what had previously been presented to the Council. Mr. Parry passed out a document that provided the background information that had been discussed at previous meetings. Following a briefing on the previous information, Parry recommended that the Council pass the final reading of Ordinance 2018-11 as written and recommended by the rate consultants.

Councilmembers Robinette and Mitchell each stated that in fairness to all involved, they thought the base rate should be amended to the \$20.27 for 2019 and then \$20.53 in 2020 across the board. Councilmember Robinette made the motion to amend Ordinance 2018-11 to change 21-16 (A) (1) (a) as it currently reads to eliminate monthly fixed rates determined by meter size and amend to \$20.27 for all meters in 2019 and then \$20.53 in 2020. Councilmember Mitchell seconded the motion. Mayor Chumley asked if there were further questions or discussion. Mr. Parry confirmed that this motion would eliminate the monthly fixed rate determined by meter size for commercial accounts as well. Councilmember Robinette said that he interpreted from the discussion at the last meeting that if this option was approved that commercial customers would still be charged the monthly fixed rate according to meter size. Mr. Parry said that is not how the motion was made.

Mayor Chumley said that there was a first and second motion to amend Ordinance 2018-11 to change 21-16 (A) (1) (a) as it currently reads to eliminate monthly fixed rates determined by meter size and amend to \$20.27 for all meters in 2019 and then \$20.53 in 2020. Mayor Chumley asked for a vote: zero voting "Aye", all five voting "Nay", motion denied.

Discussion and questions ensued regarding the rate study results and what the rates would need to be to overcome the revenue shortfall, operate the water and sewer system and to also replace antiquated infrastructure. Parry noted that putting all residential meters in one customer class and paying the same base charge regardless of meter size would result in a revenue shortfall. Parry also indicated that to meet the increasing cost of the water rights in 2021, the volumetric rate or the base rate would need to be raised every year for the next five years if Council changed the rate consultant's recommendation.

Councilmember Suson said that he thought the Council should approve the rates that the consultants recommended.

ORDINANCE 2018-11: Motion by Ronnie Viss, seconded by David Mitchell, to amend and approve the third and final reading of Ordinance 2018-11 of the City of Gatesville, amending Chapter 21, Waters and Sewers Article II, Service Rates and Charges, Code of Ordinances of the City of Gatesville, Texas, by changing certain water and sewer base and volumetric rates and creating an Institutional Customer Class, Article I, for water and sewer charges; and further amending 21-16 (A) (1)(a) to 21-16 (A) (1): charge residential monthly fixed rates inside the City Limits for all size meters to \$20.27 in 2019 and then \$20.53 in 2020 and 21-16 (A) (2): charge only Commercial Monthly fixed rates inside the city limits by meter size. Section 21-16(B)(2)(a) & (b) are amended to reflect the agreement with TDCJ on the sewer debt service which will be monthly fixed rate per sewer connection of \$300.72 in 2019 and 2020 and the monthly volumetric rate per 1000 gallons of metered sewerage to be \$2.29 in 2019 and \$2.29 in 2020.

Councilmembers Viss, Mitchell, Robinette, and Hitt Voting “Aye” and Councilmember Suson voting “Nay”, motion passed.

City Manager Parry said that city staff will identify what commercial customers have a meter larger than 3/4” and he will send a letter to those commercial customers informing them of the rate change.

7) DISCUSSION AND POSSIBLE ACTION TO APPROVE A WATER AND WASTEWATER AGREEMENT BETWEEN THE CITY OF GATESVILLE AND TEXAS DEPARTMENT OF CRIMINAL JUSTICE

This agreement between the City of Gatesville and Texas Department of Criminal Justice (TDCJ) will supersede all other existing agreements between these two entities. TDCJ will now be classified as an Institutional Class and will receive a monthly base rate determined by meter size. The volumetric rate for fiscal year 2019 will be \$2.30 per 1,000 gallons and for fiscal year 2020 the volumetric rate will be \$3.00 per 1,000 gallons. On, or after October 1, 2020, both the water and wastewater base rates and volumetric rates will be set by the City Council of the City of Gatesville in the regular course of business in accordance with its ordinary practices relating to the setting of water and wastewater rates.

This agreement also addresses the debt service for the Stillhouse Wastewater Plant expansion project. City Manager Parry said that TDCJ contacted his office last Friday and approved the agreement and Parry recommended that the Council approve the agreement also and supporting Resolution 2019-26.

RESOLUTION 2019-26: Motion by Randy Hitt, seconded by William Robinette, to approve a Resolution supporting a Water and Wastewater agreement between the City of Gatesville and the Texas Department of Criminal Justice; all five Voting “Aye” motion passed.

Resolution 2019-26

Whereas, the Texas Department of Criminal Justice is a valued and respected institution in Gatesville, Texas;

Whereas, the Texas Department of Criminal Justice provides a large number of jobs for persons living in the Gatesville region;

Whereas, the Texas Department of Criminal Justice provides a significant impact on the economic environment of the Gatesville area;

Whereas, the Texas Department of Criminal Justice and the City of Gatesville have worked together to solve problems and promote a better community;

Therefore, the City Council of the City of Gatesville approves the Water and Wastewater Agreement with Texas Department of Criminal Justice relating to the provision of water and wastewater services to the Texas Department of Criminal Justice by the City of Gatesville, setting rates for both services, and the cost-sharing related to the expansion of the Stillhouse Branch Wastewater Treatment Plant.

Passed and Approved: March 26, 2019

8) CITY MANAGER’S REPORT:

1. CITY MANAGER INITIATIVES:

-CAPITAL PROJECTS:

- CDBG Community Enhancement Fund Grant for Leon WWTP Solar Array (Update):
City Manager will set up an official ribbon cutting ceremony and let the Council know when it will be. Councilmembers indicated that they would attend.

REGULAR CITY COUNCIL MEETING
MARCH 26, 2019
PAGE 5

Other activities/dates of note:

- Monday, April 8, 2019: Get Involved Gatesville (GIG) Volunteer Fair: This is open to City of Gatesville Departments where they can visit with people that might like to volunteer within the city. Would also like to get a few Councilmembers to volunteer and sit at a table to engage citizens that might be interested in volunteering to run for City Council and letting them know what being on the Council entails.

2. BUDGET/FINANCIAL REPORT: The Fiscal Year 2018 Audit Report /Briefing will be conducted at the next council meeting. The auditors need more time to work on the GASB related reports.

3. FEMA DISASTER DECLARATION 4416- FALL 2018 FLOODING: City Manager attended the Applicant Briefing for Public Assistance conducted by the Texas Department of Emergency Management on 19 March 2019. This Disaster Declaration is for the flood damage in Faunt Le Roy Park, Raby Park, and Brown Park in the fall of 2018. FEMA will fund 75% of eligible projects; there is a 25% match from the City. The FEMA account has been created and the Request for Public Assistance has been submitted. The next steps are an exploratory call and a recovery scoping meeting with the assigned FEMA Program Delivery Manager.

4. DEPARTMENT HEAD REPORTS: Mr. Parry noted the Convention and Visitor's Bureau report on Gatesville's 150th Birthday celebration in 2020 (in the read ahead book) and pointed out the calendar of activities and events.

9) ADJOURN MEETING AT 6:41 P.M., THIS 26TH DAY OF MARCH, 2019

ATTEST:

APPROVED:

Wendy Cole, City Secretary

Gary M. Chumley, Mayor