

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
JANUARY 8, 2019 AT 5:30 P.M
GATESVILLE COUNCIL 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 December 11, 2018**
- 4. Discussion and possible action regarding an Ordinance of the City of Gatesville, Texas, repealing and abolishing Chapter 22 of the Code of Ordinances of the City of Gatesville as the same exists immediately prior to the adoption of this Ordinance; and adopting a new Chapter 22 of the Code of ordinances relating to Subdivisions (third and final reading of Ordinance 2018-10)**
- 5. Discussion and possible action to establish an application fee for preliminary/final plats for subdivisions when submitted to the City for review and list in the City of Gatesville's fee schedule**
- 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**
- 7. Discussion and possible action regarding support for an age- restricted housing development on South Hwy 36, proposed by Four Corners Development LLC**
- 8. Recess Regular meeting and call a -----**

PUBLIC HEARING

Hear comments concerning a notice of intent to apply for cleanup and the analysis of Brownfields Cleanup Alternatives for the Rotunda property located at 2525 Osage Road, Gatesville, Texas

- 9. End Public Hearing and reconvene Regular Meeting**
- 10. City Manager's Report: Comprehensive Plan, Capital Projects, Budget Report, Future Agenda Topics**
- 11. Adjourn Meeting**

I hereby attest that the above agenda was posted on this the 4th day of January, 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
JANUARY 8, 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 5:36 P.M., THIS 8TH DAY OF JANUARY 2019

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

REGRETS: Councilmember Randy Hitt

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, Brenda Kiphen, Michael Fogel, and Ryan Coggins

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 DECEMBER 11, 2018

RESOLUTION 2019-01 Motion by Dwight Suson, seconded by Bill Robinette, to approve the minutes from the Regular City Council Meeting December 11, 2018; all five Voting "Aye" motion passed.

4) DISCUSSION AND POSSIBLE ACTION REGARDING AN ORDINANCE OF THE CITY OF GATESVILLE, TEXAS, REPEALING AND ABOLISHING CHAPTER 22 OF THE CODE OF ORDINANCES OF THE CITY OF GATESVILLE AS THE SAME EXISTS IMMEDIATELY PRIOR TO THE ADOPTION OF THIS ORDINANCE; AND ADOPTING A NEW CHAPTER 22 OF THE CODE OF ORDINANCES RELATING TO SUBDIVISIONS (THIRD READING OF ORDINANCE 2018-10

City Manager Parry stated that this was the third and final reading of Ordinance 2018-10 and that based on comments made at the last City Council meeting regarding sidewalk requirements, two final changes were included in this final draft:

1. In subdivisions on existing streets where sidewalks are currently present, sidewalks must be maintained;
2. The width of sidewalks on new Minor Collector streets has been reduced from 6 feet in width to 4 feet in width. Local streets would be 4 foot in width.

Mr. Parry recommended that the Council approve these changes to Ordinance 2018-10. Following a brief discussion, Mayor Chumley asked for a motion.

ORDINANCE 2018-10-03: Motion by Meredith Rainer, seconded by Dwight Suson, to approve the third and final reading of Ordinance 2018-10 repealing and abolishing Chapter 22 of the Code of Ordinances of the City of Gatesville as the same exists immediately prior to the adoption of this Ordinance; and adopting a new Chapter 22 of the Code of ordinances relating to Subdivisions; all five Voting "Aye" motion passed.

5) DISCUSSION AND POSSIBLE ACTION TO ESTABLISH AN APPLICATION FEE FOR PRELIMINARY/FINAL PLATS FOR SUBDIVISIONS WHEN SUBMITTED TO THE CITY FOR REVIEW AND LIST IN THE CITY OF GATESVILLE'S FEE SCHEDULE

City Manager Parry explained that in the revised subdivision ordinance it is stipulated that there will be an application fee charged when people come in City Hall to file for preliminary, amended or final plats and this fee shall be established by the City Council.

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Currently, subdividers are billed after the whole procedure is complete for expenses that are incurred during the process. These expenses include newspaper notices for public hearings, postage for certified letters, courthouse filing fees and occasional engineer invoices for a plan review. All these expenses are paid by the City and then invoiced to the developers. The City has not been trying to make money during this process but just trying to cover costs. Periodically, these fees don't get reimbursed to the City because it is after the fact and the City ends up losing this money.

Mr. Parry said that after staff review of other cities fees and consideration of an estimate of costs that the City usually has to charge, the following application fees were presented to the Council and recommended for approval:

- Plan Review \$125
- Preliminary Plat \$250
- Amended Plat \$125
- Final Plat/ Re-plat \$250

Parry stated that these fees would be required to be paid up front and the criteria for each fee would be made clear to every subdivider. Following a lengthy discussion regarding these fees Mayor Chumley asked for a motion.

RESOLUTION 2019-02 Motion by David Mitchell, seconded by Ronnie Viss, to approve application fees for preliminary/final/re-plat \$250/amended \$125 and plan review/\$125 for subdivisions when submitted to the City of Gatesville for review and list in the City of Gatesville's Fee Schedule; 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

City Manager Parry reminded the Council that there will be no action on this agenda item at this time as city staff is waiting on a decision from The Texas Department of Criminal Justice (TDCJ). TDCJ General Counsel has requested an alternative rate option if the TDCJ paid a separate payment to satisfy their share of the debt service to expand the Stillhouse Branch Wastewater Treatment Plant. NewGen Strategies (the City's rate consultant) has assessed what the new sewer base and volumetric rate would be if debt service were removed from both. Parry explained that he is currently working with NewGen to fully understand their recommendation, and once complete will provide to the City Attorney who is working on the agreement with TDCJ General Counsel. Should the TDCJ elect the option of a separate debt service payment, Sec. 21-16(B)(2)(a) and (b) would need to be amended prior to final passage. Ordinance 2018-11 currently retains the Institutional class sewer base and volumetric rate that includes TDCJ debt service in both, per the consultant's recommendation.

Parry then discussed a question from the last Council meeting- if the proposed meter size rate increases for larger meters were appropriate and if they should be factored into the base rate. Discussed was the outcome if all residents paid the same monthly base rate charge of \$20-regardless of meter size. The rates were presented to show the total decrease in annual revenue if the meter base rates were left the same amount that is currently charged and the proposed volumetric rate that would need to be established and charged to all residents to offset the loss of revenue. Mr. Parry discussed an overview of information that was included in the Council read ahead book regarding water and sewer rates:

1. Revenues (rates) need to adequately cover the cost of providing the service.
2. Current water and sewer rates are "out of balance":
 - a. water rates are currently (until water rights increase in 2021) generating revenue in excess of the breakeven point – which in turn are covering shortfalls in sewer revenues.
 - b. TDCJ subsidies are a major factor – will phase out by 2020
 - c. Technically one customer class – residential and commercial pay same base and volumetric rates.
 - d. Current rate structure is not in accordance with industry standards (AWWA).
3. Rate setting should be cost-based and equitable to serve each class of customer based on usage and facility requirements.
 - a. Industry standard (and the rate study consultant's recommendation) is that base rate (monthly minimum) be based on meter equivalency sizes.
 - b. There are 3,780 residential/commercial water meters:

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- 1) 3,456 (91.4%) are ¾” with a capacity of 30 gpm
- 2) **122** (3.2%) residential meters are 1” with a capacity of 50 gpm (1.67 meter equivalents)
- 3) **4** are 1-1/2” with a capacity of 100 gpm (3.33 meter equivalents)
- 4) **18** (0.4%) are 2” with a capacity of 160 gpm (5.33 meter equivalents) – mostly larger houses built between 1960 and 1980.
- 5) Putting all residential meters in one customer class (same base charge regardless of meter size) results in a revenue shortfall (based on proposed rates) as follows:
 - a) 2019: (\$8, 100)
 - b) 2020: (\$16,188)
 - c) 2021: (\$24,856)
 - d) 2022: (\$32,388.54)
 - e) 2023: (\$40,475.28)
- 6) To offset the revenue loss under this option, the alternatives are:
 - a) increase the base and/or volumetric rates for commercial customers
 - b) make residential base rate the same for all customers at increased level;
 - b) increase the volumetric rate (currently \$3.00/1000 gallons) for all customers:
 - (1) \$0.10/1000 gallons in 2019 (\$3.10)
 - (2) \$0.10/1000 gallons in 2020 (\$3.20)
 - (3) \$0.10/1000 gallons in 2021 (\$3.30)
 - (4) \$0.09/1000 gallons in 2022 (\$3.39)
 - (5) (\$0.10/1000 gallons in 2023 (\$3.49)

Councilmember Viss proposed to increase all the residents base rates over five years instead of the options of:

1. Raising the volumetric rate on all customers; OR
2. Increasing the base rates of meters only larger than 3/4 inches.

Councilmember Rainer asked Mr. Parry to provide information on what the increased revenue would be for a base rate increase for all residents over a five year period as another option to consider.

7) DISCUSSION AND POSSIBLE ACTION REGARDING SUPPORT FOR AN AGE- RESTRICTED HOUSING DEVELOPMENT ON SOUTH HWY 36, PROPOSED BY FOUR CORNERS DEVELOPMENT LLC

City Manager Parry informed the Council that this is just a presentation and no action would be taken tonight. Parry explained that if supported, Four Corners Development, LLC (headquartered in Springfield, MO), will apply to the Texas Department of Housing and Community Affairs for 2019 Housing Tax Credits to develop an age-restricted (55+) and income-restricted 48-unit complex (24 one bedroom/24 two bedroom 4-plex units) with a Community Space building on an 11.475-acre property located at 3807 S. SH 36 which is next to the “Welcome to Gatesville” sign. The project would be partially financed through the sale of 9% Housing Tax Credits.

Mr. Parry introduced Michael Fogel of Four Corners Development who presented concept information regarding this development. Qualifications to be able to live here would be: Age 55 and older, income no more than \$28,000 to \$35,000, and must pass a background check. Residents would be qualified/verified annually. There would be four (4) units per acre and Four Corners Development LLC would maintain the entire property for a thirty (30) years minimum term. Mr. Fogel discussed in detail all the amenities regarding these units and said that this development would be an asset to the City of Gatesville.

Parry said that if the Council favors supporting this development, a Resolution of Support would be presented and discussed for action at the next council meeting. Mr. Fogel said that the application to the state is due by the 1st of March.

8) RECESS REGULAR MEETING AT 7:05 P.M. AND CALL A -----

PUBLIC HEARING

Hear comments concerning a notice of intent to apply for cleanup and the analysis of Brownfields Cleanup Alternatives for the Rotunda property located at 2525 Osage Road, Gatesville, Texas

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City Manager Parry stated that The Environmental Protection Agency (EPA) released the guidelines for the 2019 Grant cycle on the 30th of November with application for grants due back to the EPA by the 31st of January. Parry discussed the Brownfields grant timeline and application requirements for the applicant cities. This hearing will provide the community the opportunity to comment on the City of Gatesville's intent to apply for an EPA Brownfields Cleanup Grant for the Rotunda property located at 2525 Osage Road and also to comment on the draft proposal. The City of Gatesville notified the community of this meeting by printing a message on the January 2019 water bills, submitting a notice in the local newspaper, and placing on the City of Gatesville website.

Parry explained that a cleanup analysis is necessary to address contamination at the site. An evaluation of the cleanup standards were presented with detailed discussion regarding: cleanup alternatives considered, the cost of cleanup alternatives, effectiveness of the three (3) alternatives considered, and implementability of the three (3) alternatives. Cleanup Alternative #2 was recommended: Abatement and Offsite Disposal and then return to green space.

Mayor Chumley asked for any public comments and there were no comments.

9) END PUBLIC HEARING AND RECONVENE REGULAR MEETING AT 7:17 P.M.

10) CITY MANAGER'S REPORT:

1. CITY MANAGER INITIATIVES:

-CAPITAL PROJECTS:

- Park Street Infrastructure Replacement (Update): B-Corp has about 300 more feet of sewer line to replace on Park Street. There have been constant challenges with this project and because of this, Project Manager, Wyllis Ament will present a briefing on this project at the next council meeting, January 22nd. The new curbing has been started on the south end of the street.

Other activities/dates of note:

- Saturday, January 26, 2019: Gatesville Chamber of Commerce banquet will be held at the Civic Center and the City will have a table if anyone is interested in attending.

2. ZONING ORDINANCE REVISION: Pending receipt of the Comprehensive Plan to shape the Zoning Ordinance, work has begun on updating the administrative sections of the 1995 Zoning Ordinance. The City Manager will brief the Planning & Zoning Commission during their 4 February 2019 meeting. Council participation in the process is encouraged. The third of the 3 interns, Andy Williams, who is from Nolanville, will start work next week, January 14th. He will be working on the Zoning Ordinance.

3. CLASSIFICATION AND COMPENSATION STUDY: The City has engaged Springsted Public Sector Advisors to assist with a study that will result in consistent and objective job descriptions, confirm our market competitiveness compared to benchmarks (who the City competes with for talent), and recommend pay structures (scales) that reflect the new job classification structure. Springsted has over 25 years of experience in HR/organizational development consulting nationwide. The professional services agreement is not to exceed \$23,800 and the study should be complete by the end of June 2019 – in time for incorporation into the FY 2020 budget.

Mayor Chumley asked if any Councilmembers have a request for a future agenda item.

Councilmember Robinette said that in a few months he would like to discuss making Freedom Park more of a Veterans Memorial Park.

11) ADJOURN MEETING AT 7:30 P.M., THIS 8TH DAY OF JANUARY, 2019

ATTEST:

APPROVED:

Wendy Cole, City Secretary

Gary M. Chumley, Mayor

