

REGULAR CITY COUNCIL MEETING

NOVEMBER 22, 2016

5:30 P.M.

COUNCIL CHAMBER, 110 NORTH 8TH STREET
GATESVILLE, TEXAS 76528

AN OPEN MEETING WAS HELD CONCERNING THE FOLLOWING SUBJECTS

1) CALL TO ORDER AT 5:30 P.M. THIS 22nd DAY OF NOVEMBER, 2016

PRESENT: Mayor Chumley, Council Members, Viss, Mitchell, Rainer, Doyle, Shepherd-Cain, Inmon, Council Member Elect Suson, and Council Member Elect Hitt

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, City Attorney Sandy Gately, Liz Reinhardt, Seth Phillips, Lindsey Suson, Nancy Suson, Kaleb Hitt, Brenda Kipphen, Kirby Watson, Nathan Gohlke, Bobby Buster, Jim Shepard, Larry Kennedy, Bob Brown, Kathy Harte, Roger Miller, and Billy Vaden

2) APPROVAL OF MINUTES FROM PREVIOUS MEETING

Motion by Doyle, seconded by Shepherd-Cain, all voting "Aye" to approve Resolution Number 2016-87

RESOLUTION NUMBER 2016-87 - approve Minutes of October 25, 2016 Regular City Council Meeting.

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

Visitors present were only concerned with an Agenda item.

4) CONSIDER THIRD AND FINAL READING OF ORDINANCE NUMBER 2016-06 AMENDING CHAPTER 10, GARBAGE AND TRASH COLLECTION CHARGES SECTION 10-1 CODE OF ORDINANCE OF THE CITY OF GATESVILLE, TEXAS BY CHANGING THE GARBAGE RATES

City Manager William H. Parry III stated this Ordinance will raise the Waste Management garbage fees by thirty-six cents (3%) and is recommended for Council approval. This new charge for a one family dwelling will be \$11.89 per month – plus tax.

City Manager Parry reminded the Council that there has not been an increase in fees in five years even though Waste Management's contract allows a fee adjustment every year through the Urban Consumer Price Index of United States Cities Average. Mr. Parry said that there have been no changes to this ordinance since it was presented and approved at the first two readings. Ordinance Number 2016-06 is recommended for approval on this third and final reading.

Motion by Inmon, seconded by Viss, all voting "Aye" to approve Resolution Number 2016-88

RESOLUTION NUMBER 2016-88 – approve third and final reading of Ordinance Number 2016-06 amending Chapter 10, garbage and trash collection charges, Section 10-1 Code of Ordinance of the City of Gatesville, Texas by increasing the garbage rates by 3% for one family dwellings and commercial customers.

5) RECOGNIZE OUTGOING PLANNING AND ZONING COMMISSION MEMBER DWIGHT SUSON

Mayor Gary Chumley presented Dwight Suson a plaque and thanked him on behalf of the City of Gatesville for his service on the Planning and Zoning Commission from May 1, 2016 through November 21, 2016.

6) CONSIDER APPOINTMENT OF SHAWN YATES TO PLACE #4 OF THE PLANNING AND ZONING COMMISSION

City Manager Parry said that Shawn Yates is recommended to be appointed to Place #4 of the Planning and Zoning Commission to replace departing member, Dwight Suson.

Mr. Yates is the new administrator of the Hillside Medical Lodge and has been in the city for six months. Mr. Yates was unable to attend this meeting but was excited to be considered as an appointee to the Planning and Zoning Commission.

Motion by Shepherd-Cain, seconded by Inmon, all voting "Aye" to approve Resolution Number 2016-89

RESOLUTION NUMBER 2016-89 – approve the appointment of Shawn Yates to Place #4 of the Planning and Zoning Commission as a partial term beginning November 22, 2016 through April 30, 2017.

7) CONSIDER ALL THINGS NECESSARY IN REGARD TO THE NOVEMBER 8, 2016 ELECTION

- A. CANVASS VOTES
- B. DECLARE ELECTION RESULTS
- C. SWEAR IN NEWLY ELECTED OFFICIALS
- D. ISSUE CERTIFICATES OF ELECTION

Mayor Gary Chumley canvassed the votes and announced the election results:

Mayor:

Gary M. Chumley: 1582 (unopposed)

Council Member Ward 1, Place 2:

Randy Hitt: 1465 (unopposed)

Council Member Ward 2, Place 4:

Jack Doyle: 1035

Mike Riddle: 509

Council Member Ward 2, Place 6:

Dwight Suson: 1374 (unopposed)

Mayor Gary Chumley certified the votes and declared the winners.

City Secretary Wendy Cole administered the Oath of Office to the Mayor and Council Members, Randy Hitt, Dwight Suson and Jack Doyle. Certificates of Election were issued to each of the newly elected councilmembers and to the Mayor.

RESOLUTION NUMBER 2016-90– approve the canvassed votes from the November 8, 2016 election and declare Gary M. Chumley the winner as Mayor and Randy Hitt the winner in Ward 1, Place 2, Jack Doyle as the winner in Ward 2, Place 4 and Dwight Suson the winner in Ward 2, Place 6.

8) CONSIDER APPOINTING A MAYOR PRO-TEM

Mayor Gary Chumley asked for a motion for a nomination for Mayor Pro-Tem for the next year.

Councilmember Rainer nominated Councilmember Ronnie Viss for Mayor Pro-Tem.

Motion by Rainer, seconded by Doyle, all voting "Aye" to approve Resolution Number 2016-91

RESOLUTION NUMBER 2016-91– approve the nomination of Ronnie Viss for Mayor Pro-Tem for the next year.

9) RECOGNIZE OUTGOING COUNCIL MEMBERS SANDRA SHEPHERD-CAIN AND OLLIE INMON

Mayor Gary Chumley recognized outgoing Councilmembers Sandra Shepherd-Cain and Ollie Inmon by presenting each with a plaque.

Mayor Chumley thanked Mr. Inmon for his fourteen years of service and Ms. Shepherd-Cain for her ten years of service. Mayor Chumley expressed gratitude on behalf of the City of Gatesville for their many hours of service and dedication to the City.

Mayor Chumley invited everyone to stay for a reception honoring Ollie and Sandra following the Council Meeting.

10) HEAR BRIEFING FROM ENTERPRISE FLEET MANAGEMENT

City Manager Parry stated that approximately three months ago he started looking into alternative methods to potentially save the City money. Mr. Parry reminded the Council of lack of revenues discussed during budget season and the inability to recapitalize vehicles within the city. Two Police vehicles were purchased last fiscal year but no non-emergency vehicles were purchased for the departments. The average of the City's fleet is thirteen and a half years versus a useful life benchmark of ten years. Fourteen vehicles (48%) are more than ten years old with over 100,000 miles and a few more vehicles with over 300,000 miles. Because of vehicle age, fuel economy suffers and maintenance increases.

Recapitalizing non-emergency fleet that is over ten years old would cost approximately five hundred thousand dollars – which is an infeasible solution given the City's current budget.

As a possible solution to this problem, Mr. Parry said that he met with Kirby Watson from Enterprise Fleet Management to discuss the leasing concept. Mr. Watson prepared a briefing for the Council to discuss the leasing program and presented a handout to each councilmember, the Mayor and City Attorney.

City Manager Parry reminded the Council that this presentation is for information only and designed for the Council to ask any questions. If favorable, the City staff would present a recommended contract with final numbers at a future Council meeting.

Kirby Watson said that Enterprise Fleet Management (EFM) has been in business many years and have worked with many cities including City of San Marcos and City of Fredericksburg. Enterprise Fleet Management owns and operates 1.9 million vehicles in its company and have learned when to buy vehicles, sell vehicles and how to manage them effectively, which maximizes the turn of investment.

Mr. Kirby discussed the program and recommendations:

- Enterprise Fleet Management would Analyze/Benchmark current programs and costs.
 - Acquisition (would study when it is right time to replace vehicle)
 - Maintenance
 - Fuel (showed effects of newer fuel efficient models vs. Fuel degradation in older models)
 - Resale (EFM would take on the task of selling old vehicles so Department Heads wouldn't have to.)
- Utilize the Cash Flow benefits of a flexible, open-ended municipal lease.
- Provide local proactive support and account management.
- Recommended putting vehicle on a five year cycle.
- Total savings first four years = \$45,000.
- Realized ten year conservative savings = \$142,550 +
- Savings up to 60% in maintenance expenses from a high \$40,000 + per year under current process to \$14,228 with Enterprise Fleet Management program and network.
- Local Shops are being invited to enter this program so they can participate in maintenance and repair on these leased vehicles.

Mr. Parry said this program would take four or five years to totally implement and with EFM selling the old vehicles – would generate some capital to offset the initial lease cost. Estimated cost for the first year would be \$50,000 which would typically capitalize nine pickup trucks and two police cars at the same time. Local vehicle dealers could be utilized in this program which wasn't always the case in the past.

The Council asked questions concerning:

- Maintenance – All repairs are covered by the EFM Program.
- Incentives – The City would receive all available incentives that would be set for government entities the day the vehicle is leased.

- Mileage – There are no restrictions on mileage or fair wear and tear.
- No early termination penalty.
- Residual Value – discussion on the salvage value – the remaining value after the vehicle fully depreciates.
- Tires – The tires are not covered in EFM's agreement because governments can purchase tires cheaper.

City Manager Parry said that this is an alternative for fleet management that he would like the Council to consider and to keep in mind that there is no penalty for early termination if things don't work out. Mr. Parry also reminded the Council that there would be guaranteed savings in fuel and maintenance alone.

Mayor Chumley reminded the Council that there is no action required at this meeting.

11) CITY MANAGERS REPORT

Christmas In the Park. Informed the Council that the Street Department is currently putting up Christmas In the Park and so the City will start closing the park at night so vandalism will be discouraged. The park will be open during the day for the citizens who like to walk.

Community Development Block Grant – Community Enhancement Fund. The City has been officially notified by the Texas Department of Agricultural (TDA) (letter included in council book) that Gatesville has been approved for the solar array project at the Leon Wastewater Treatment Plant. City staff is awaiting the contract from TDA.

Debt Refunding. There has been anticipation that the Federal Open Market Committee will begin to raise interest rates in December. The City's Financial Advisor, SAMCO Capital Markets contacted City staff regarding the 2008 Water System Revenue Bonds (Phase I of the Water Treatment Plant Bonds) which are currently carrying Bond rates anywhere between 5.75 to 6.7%. At the current time there is a possibility that if interest rates start to go back up, the City could get significantly lower interest rates if we were to refund the debt. The amount of savings could be approximately \$50,000 per year until 2026 when the bonds mature. The staff will find out the cost to refund this debt and see if this is in the City's best interest. Staff will watch this situation over the next 60 to 90 days and see how the bond market responds with the new presidential administration. More to following in a month or two.

Mayor Chumley again invited everyone to stay for the reception in honor of departing Councilmembers Ollie Inmon and Sandra Shepherd-Cain.

12) ADJOURN REGULAR CITY COUNCIL MEETING AT 6:16 P.M. THIS 22nd DAY OF NOVEMBER, 2016

ATTEST:

Wendy Cole
City Secretary

APPROVED:

Gary M. Chumley
Mayor

