

REGULAR CITY COUNCIL MEETING

OCTOBER 25, 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 25th DAY OF OCTOBER, 2016

REGRETS: Councilmember Meredith Rainer

PRESENT: Mayor Chumley, Council Members, Viss, Mitchell, Shepherd-Cain, Doyle and Inmon

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, City Attorney Sandy Gately, Dwight Suson, Rodney Murry, Tonya Place, Brenda Kiphen, Billy Vaden, Nathan Gohlke, Danny Stroud, Larry Kennedy

2) APPROVAL OF MINUTES FROM PREVIOUS MEETING

Motion by Viss, seconded by Doyle, all voting "Aye" to approve Resolution Number 2016-82

RESOLUTION NUMBER 2016-82 - approve Minutes of October 11, 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 2016-05 GRANTING TO ATMOS ENERGY CORPORATION, A TEXAS AND VIRGINIA CORPORATION, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE TO CONSTRUCT, MAINTAIN, AND OPERATE PIPELINES AND EQUIPMENT IN THE CITY OF GATESVILLE, CORYELL COUNTY, TEXAS, FOR THE TRANSPORTATION, DELIVERY, SALE, AND DISTRIBUTION OF GAS IN, OUT OF, AND THROUGH SAID CITY FOR ALL PURPOSES; PROVIDING FOR THE PAYMENT OF A FEE OR CHARGE FOR THE USE OF THE PUBLIC RIGHTS-OF-WAYS; AND PROVIDING THAT SUCH FEE SHALL BE IN LIEU OF OTHER FEES AND CHARGES, EXCEPTING AD VALOREM TAXES; AND REPEALING ALL PREVIOUS GAS FRANCHISE ORDINANCES.

City Manager William H. Parry III stated that this is the third and final reading to approve Ordinance Number 2016-05 granting a franchise agreement between Atmos Energy Corporation and the City of Gatesville. Mr. Parry said there had been no changes to this ordinance and Atmos representative Danny Stroud was present at the meeting if there were any questions. Mr. Parry reminded the Council that under this new agreement the franchise fee will increase from four percent to five percent and will start January 1, 2017. City Manager Parry recommended approval of Ordinance Number 2016-05.

Motion by Shepherd-Cain, seconded by Mitchell, all voting "Aye" to approve Resolution Number 2016-83

RESOLUTION NUMBER 2016-83 - approve the third and final reading of Ordinance Number 2016-05 granting to Atmos Energy Corporation, a Texas and Virginia Corporation, Its Successors and assigns, a franchise to construct, maintain, and operate pipelines and equipment in the City of Gatesville, Coryell County, Texas, for the transportation, delivery, sale, and distribution of gas in, out of, and through said city for all purposes; providing for the payment of a fee or charge for the use of the public rights-of-ways; and providing that such fee shall be in lieu of other fees and charges, excepting ad valorem taxes; and repealing all previous gas franchise ordinances.

5) CONSIDER SECOND 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 Parry recommended approval of the second reading of Ordinance Number 2016-06 which increases the garbage rate that is charged to Gatesville customers by \$0.36 (3%) per month. The City of Gatesville's contract with Waste Management allows a fee increase based upon the Consumer Price Index of the United States Cities Average. There has not been an increase in garbage fees in five years and this new fee would start in January 2017.

Councilmember Shepherd-Cain asked if the City still is not receiving any revenue from garbage fees? Mr. Parry explained that there is a 3% fee that the City receives from Waste Management (WM) for billing for trash pickup on the water bills and that is all the City receives. Mr. Parry said that there have been no changes to this ordinance since the first reading at the last Council meeting. There was no additional discussion and Mayor Chumley asked for a motion.

Motion by Inmon, seconded by Doyle, all voting "Aye" to approve Resolution Number 2016-84

RESOLUTION NUMBER 2016-84 – approve second 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.

6) CONSIDER APPROVAL OF AMENDED BUDGET FOR FISCAL YEAR 2015-2016

City Manager Parry explained that there is no statutory requirement for the City to amend the previously adopted budget. It just makes it easier when it comes time to conduct the audit of these financial statements which will commence in the November-December time frame. It makes it easier on the auditors and also gives city staff good objective data in the terms of what was budgeted and what was actually spent. The 2015-2016 budget was approved by the City Council on September 8, 2015. Mr. Parry presented a power point program showing the Budget versus Actual, which displayed how revenues and expenses are accounted for and balanced and also showed the amended budget which accounts for additional revenue and actual expenses which were sometimes higher/lower than budgeted expenses. All capital purchases were deferred in 2015 until revenues exceed the budgeted amount and then limited capital purchases were made. Discussed were:

Areas that exceeded the 2015-2016 revenue target in the General Fund:

- Ad Valorem (Property) Taxes
- Several Small Line Items (Auditorium Rental, interest revenue, sale of City property, Recreation Funds, property rental (Concession Stand), Recreation sponsorships

Areas that missed 2015-2016 Revenue Targets in the General Fund:

- Back taxes
- Fines and Forfeitures
- Franchise Taxes (which was a result of the natural gas prices dropping in half which affected the Atmos franchise tax)
- Licenses and Permits
- Recreation Concession Sales (which was a result of moving this from a City function to an outside contractor)
- Outdoor Swimming Pool Receipts
- Civic Center Rental

Capital spending that was initially deferred from the budget but was funded towards the end of the fiscal year were:

- 2 Police Cars
- Self Contained Breathing Apparatuses (SCBA) for the Fire Department
- Sports Field Maintenance Equipment

Also discussed were the departments/areas in the General Fund with variances in the 2015-2016 Budgeted expense targets. In departments where expenses were less than the budget in a certain area, the budget number was adjusted within that department to cover an area that exceeded the budget expense.

Areas that exceeded 2015-2016 Revenue Targets in the Enterprise Fund:

- Water Billing
- Sewer Billing
- Water Production to wholesale customers

Areas that missed 2015-2016 Revenue Targets in the Enterprise Fund:

- Fitness Center
- Fort Hood Sewer Revenue
- Airport Revenue for Gas Sales

Enterprise Fund Departments/Areas with variances in the 2015-2016 Budgeted expense targets were also discussed and City Manager Parry explained that like with the General Fund, the department funds that exceeded the budget were readjusted with funds from departments that expenses were less than their target.

In conclusion, Mr. Parry reminded the Council that there were no transfers between the General and Enterprise Funds – only within the Fund itself.

Mr. Parry recommended that the Council adopt the 2015-2016 Amended Budget and asked if there were any questions or concerns.

There were no questions and Mayor Chumley asked for a motion.

Motion by Shepherd-Cain, seconded by Inmon, all voting "Aye" to approve Resolution Number 2016-85

RESOLUTION NUMBER 2016-85 - approve amended budget for Fiscal Year 2015-2016.

7) CITY MANAGERS REPORT

WaterCARE Communities Program. The Southwest Environmental Finance Center has studied Gatesville's long term needs and they are looking from two specific perspectives:

- The affordability of water and sewer rates for Gatesville's population.
- The financial health of Gatesville's water and sewer system.

The Environmental Finance Center is now compiling a format to look at how much water and sewer residents, businesses and the prisons are using. More updates to follow as this study continues.

Zoning Ordinance Revision. The Planning and Zoning Commission are meeting tomorrow and are close to finalizing the zoning revision.

Fort Hood Water and Wastewater Audits. The Wastewater audit is complete. City staff had one more request to submit an amortized bond schedule for the water plant improvements. After that request is completed the staff will be waiting for a final decision on the Fort Hood water and sewer rates.

Fleet Management. An Enterprise Fleet Management representative will brief the Council at the November 22nd meeting to discuss options for leasing non-emergency vehicles as opposed to purchasing them. Initial data indicates there may be a significant cost savings/cost avoidance to the City to lease as opposed to purchasing vehicles. Fuel costs could also be reduced due to more efficient vehicles. Enterprise Fleet Management has conducted an analysis of City of Gatesville's fleet and they have estimated that they could save the City \$45,000 in the first four years that they recapitalize the fleet which amounts to over \$142,000 in a ten year period. City staff has also just learned that Enterprise is now authorized to lease pursuit (Police) vehicles.

Reminder that there is no council meeting on Tuesday, November 8th. The meeting on November 22nd will be the meeting when the votes are canvassed, new councilmembers are sworn in, and will farewell the departing councilmembers.

Live Oak Infrastructure Rehabilitation. Met with Walker Partners yesterday and they presented the draft plans to City staff. The draft plans are at City Hall if anyone would like to review them. The next step will be to request proposals for the project. It has been suggested to conduct a town hall meeting here at City Hall in the auditorium and invite residents on Park Street, Live Oak, Pidcoke, and South Street to brief them on what this project involves.

Municipal Court Report. This report replaces the City Attorney's report and combines it with the City Municipal Judge's report.

Pointed out the letter at the end of the council book from Executive Director of the Heart of Texas Defense Alliance, Kendall P. Cox. After the first of the year, Mr. Parry said he would invite Executive Director Cox to come and brief the Council on what is going on with the Army and Fort Hood.

8). RECESS REGULAR MEETING AND CALL AN EXECUTIVE SESSION AT 6:10 P.M.

CLOSED MEETING:

SECTION 551.074 – PERSONNEL MATTERS – CITY ATTORNEY AND CITY MUNICIPAL JUDGE'S ANNUAL PERFORMANCE EVALUATION

9) END CLOSED SESSION AND RECONVENE REGULAR MEETING AT 7:45 P.M.

10) CONSIDER ANY ACTION REQUIRED FROM EXECUTIVE SESSION CONCERNING PERSONNEL MATTERS – CITY ATTORNEY AND CITY MUNICIPAL JUDGE'S ANNUAL PERFORMANCE EVALUATION

Mayor Chumley asked if there was any action to be considered as a result of the Executive Session.

Councilmember Shepherd-Cain made the motion for a 3% raise for City Municipal Judge, Tonya Place and no action on the City Attorney's evaluation.

Motion by Shepherd-Cain, seconded by Inmon, all voting "Aye" to approve Resolution Number 2016-86

RESOLUTION NUMBER 2016-86 - approve a 3% raise as a result of City Municipal Judge Tonya Place's annual evaluation and no action as a result of City Attorney Sandy Gately's annual evaluation.

11) ADJOURN REGULAR CITY COUNCIL MEETING AT 7:46 P.M. THIS 25th DAY OF OCTOBER, 2016

ATTEST:

APPROVED:

Wendy Cole
City Secretary

Gary M. Chumley
Mayor

