

REGULAR CITY COUNCIL MEETING

AND WORKSHOP

JULY 26, 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 26th DAY OF JULY, 2016

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

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, City Attorney Sandy Gately, Faye Nichols, Seth Phillips, Jim Shepard, Berry Mansell, Rodney Murry, Robert Featherston, Bobby Buster, Brenda Kipphen, Patrice Gilbert, Dale Allen, Dennis Fueston, Kathy Harte, Billy Vaden, Larry Kennedy, K.C. Johnson, and Donald Walls

2) APPROVAL OF MINUTES FROM PREVIOUS MEETING

Motion by Viss, seconded by Inmon, all voting "Aye" to approve Resolution Number 2016-57

RESOLUTION NUMBER 2016-57 - approve Minutes of July 12, 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.

Donald Walls of 304 Stoneridge reported a few issues he felt the City's Code Enforcement Officer needed to take care of:

1. Ford pickup on Churchill Drive is abandoned and hasn't been started in six months.
2. Car on Sealy Drive has a bumper hanging off of the car and can't be driven. It has been sitting there for about three months.

Mr. Walls also reported two drainage ditches on Woods Drive that have stagnant water in them and have been that way for two months. Mr. Walls requested that the City look at maintaining these ditches especially with the recent mosquito concerns.

4) CONSIDER PROPOSAL FOR SCOPE OF WORK FROM PROPERTY OWNER OF 601/605 MAIN STREET REGARDING AWNING ASBESTOS ABATEMENT

City Manager William H. Parry III reminded the Council that at the meeting on June 28th the Building Standards Commission (BSC) approved an extension to the owner of 601/605 Main Street to come back at this meeting to present the proposed Scope of Work for awning asbestos abatement. On July 22, 2016, City staff received the letter included in the council book from Ms. Webster stating that she could not attend the meeting tonight and has requested another estimate for the asbestos removal from an individual but had not received the quote back yet and is asking for another extension.

City Manager Parry also reminded the Council that although she has paid some on her back taxes they are not paid in full. Mr. Parry said the BSC had two options:

1. Grant extension with a defined ending date, recommended no later than August 23rd.

2. Deny the extension and the City will have to abate the asbestos and place a lien for that expense against the property.

Following a brief discussion, Mayor Gary Chumley asked for a motion. Councilmember Inmon made the motion to grant Ms. Webster an extension until August 23rd with that being the last extension to provide the Scope of Work.

Motion by Inmon, seconded by Shepherd-Cain, all voting "Aye" to approve Resolution Number 2016-58

RESOLUTION NUMBER 2016-58 - approve an extension for the property owner at 601/605 Main Street until August 23, 2016 to present the Scope of Work going forward to abate the awning asbestos with this being the last continuance.

City Secretary Cole affirmed the order from the Building Standards Commission. The structure locate at 601/605 Main Street shall be granted a continuance until August 23, 2016 at which time the owner will inform the Building Standards Commission the proposed Scope of Work going forward to abate the awning asbestos with this being the last extension. Effective date of the order is July 26, 2016.

5) RECESS REGULAR MEETING AT 5:45 P.M. AND CALL -----

PUBLIC HEARING

HEAR COMMENTS CONCERNING SUBSTANDARD STRUCTURE AT 408 NORTH 14TH,
GATESVILLE, TEXAS

This public hearing concerns the structure located at 408 North 14th that the City Building Inspector has determined to be substandard. The Building Inspector sent a notice June 22, 2016 by regular mail and a notice by certified mail/ return receipt requested to the owner, Cynthia Griffin in Culver City, California. Neither the letter or green return receipt card was returned to the City, but the owner contacted City Inspector Robert Featherston on Friday afternoon of July 22, 2016 to say that she would not be at the meeting tonight.

Mayor Chumley reminded the Building Standards Commission (Council) that following Inspector Featherston's report they will need to answer two questions:

1. Does the structure in its current condition violate building standards?
2. Is the owner's Scope of Work to correct the condition (s) acceptable to the BSC?

A decision will be made after the public hearing.

The Mayor asked City Inspector Robert Featherston if the notice of tonight's public hearing had been posted, and were the owners/lienholders/mortgagees notified of tonight's public hearing?

Featherston: "Yes"

The Mayor then asked City Secretary Wendy Cole if a tape recording is being made of this evening's public hearing?

Cole: "Yes"

Mayor Chumley then asked Mr. Featherston to proceed with his briefing of the substandard structure at 408 N. 14th Street.

Mr. Featherston said that he tagged the notice on the front door and then described the deterioration on the outside walls, the roof that has holes, debris all over the property, sagging foundation, and caved in floors. The City received a letter from Ms. Griffin Monday, July 25, 2016 granting Mr. Featherston permission to enter the structure to determine further details. Mr. Featherston and a Police Officer went to the house Monday and took additional pictures. The bathroom and part of the house is completely on the ground, the electrical wiring is gone, the plumbing is all gone, many broken windows and no doors. These additional pictures were sent to Ms. Griffin at her request so she can make a decision regarding her options. It is the City staff's recommendation that this structure is not repairable.

After a lengthy discussion by the BSC, the Mayor ended the public hearing.

6) END PUBLIC HEARING AND RECONVENE REGULAR MEETING AT 5:55 P.M.

7) CONSIDER DECISION OF THE BUILDING STANDARDS COMMISSION REGARDING
SUBSTANDARD STRUCTURE AT 408 NORTH 14TH

Mayor Chumley said that if there was no further discussion, there needed to be a motion for a decision for the Substandard Structure at 408 N. 14th Street.

Councilmember Inmon made a motion to go forward with the demolition of the structure at 408 N. 14th Street.

Motion by Inmon, seconded by Doyle, all voting “Aye” to approve Resolution Number 2016-60

RESOLUTION NUMBER 2016-60 - approve the decision of the Building Standards Commission to go forward with the demolition of the substandard structure at 408 N. 14th Street.

City Secretary Cole affirmed the order from the Building Standards Commission. The structure located at 408 N. 14th Street, Gatesville, Texas shall be demolished by the owner in thirty days from date of notification no later than September 9, 2016.

8) CONSIDER APPROVAL OF RESOLUTION NUMBER 2016-59 IN SUPPORT OF A
COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION FOR THE COMMUNITY

City Manager Parry said that the City Council must authorize the submission of a Community Development Block Grant Application by resolution. The required public hearing was conducted on June 28, 2016. One of the grants discussed was the Community Enhancement Fund – renewable energy project as part if a public facility. Discussed was the possibility of a project at the Leon Wastewater Treatment Plant to install an alternative energy (PV solar) array which would cut utility costs at the plant. This solar array would also shield the sludge holding area from rain which can be problematic. This grant has a 10% match.

The Texas Capital Fund for downtown revitalization could also be considered and has a 30% match.

The Community Development Fund for water and sewer improvements will be a grant that the City will submit an application for but won’t be until February of 2017.

The Community Enhancement Fund Application must be submitted to the Texas Department of Agriculture by August 18, 2016 and must be authorized by a resolution approved by the City Council. It is recommended that the City Council approve Resolution Number 2016-59 and authorize the Mayor to sign it which will allow the City to submit an application to construct a solar array at the Leon Wastewater Treatment Plant.

Resolution 2016-59

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GATESVILLE, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE **COMMUNITY ENHANCEMENT FUND**; AND AUTHORIZING THE CITY MANAGER TO ACT AS THE CITY'S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

WHEREAS, the City Council of the City of Gatesville desires to develop a viable community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- to moderate-income; and

WHEREAS, certain conditions exist which represent a threat to the public health and safety; and

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WHEREAS, it is necessary and in the best interests of the City of Gatesville to apply for funding under the Texas Community Development Block Grant Program;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE, TEXAS:

1. That a Texas Community Development Block Grant Program application for the Community Enhancement Fund is hereby authorized to be filed on behalf of the City of Gatesville with the Texas Department of Agriculture.
2. That the city's application be placed in competition for funding under the Community Enhancement Fund.
3. That the application be for \$500,000.00 of grant funds to provide renewable energy at the city's WWTP.
4. That the City Council directs and designates the City Manager as the city's Chief Executive Officer and Authorized Representative to act in all matters in connection with this application and the city's participation in the Texas Community Development Block Grant Program.
5. That all funds will be used in accordance with all applicable federal, state, local and programmatic requirements including but not limited to 24 CFR 58 and the Davis-Bacon Act.
6. That it further be stated that the City of Gatesville is committing \$50,000.00 from its Water/Sewer Fund as a cash contribution toward the construction activities of this renewable energy project.

Passed and approved this 26th day of July, 2016.

Motion by Viss, seconded by Rainer, Viss, Rainer, Inmon, Shepherd-Cain, Doyle voting "Aye" to approve Resolution Number 20169-59. Mitchell voted "Nay".

RESOLUTION NUMBER 2016-59 - approve Resolution Number 2016-59 in support of a Community Development Block Grant Application for the Community Enhancement Fund and authorize the Mayor to sign it.

9) RECESS REGULAR MEETING AT 6:01 P.M. AND HOLD A BUDGET WORKSHOP FOR THE 2016-2017 FISCAL YEAR BUDGET

City Manager Parry said that this Budget Workshop is a requirement conducted every year so the City Council can comment and ask questions about the upcoming Fiscal Year proposed Budget. Following the Budget Workshop there will be a public Hearing on the 2016-2017 FY proposed budget for anyone that wishes to add additional comments or feedback. Department Heads are present if anyone has additional questions.

Mr. Parry said that the annual budget is the single most important financial responsibility that the City Council has. The tax rate will be discussed tonight and proposed but a final vote will not be until September 13th and all Council Members must be present to adopt the tax rate. Mr. Parry presented power point slides and discussed in detail:

General Fund Revenue Sources and Trends:

Sales Tax
Property Taxes
Franchise Tax/Fees
Transfer from Water/Sewer Fund
Licenses/Permits
Fines – Court/Library
Cemetery Lots
Civic Center Rental
Grants

and

Enterprise Fund Revenue Sources and Trends:

Residential/Commercial Water Sales

Wholesale Water Sales

Residential/Commercial Sewer Sales

North Fort Hood Sewer Sales

2016-2017 Proposed Total Revenues = \$13,304,474

Mr. Parry discussed the General Fund expenses trend and how the amount has gone down significantly during FY 2015 and 2016 due to deferred capital spending. The Enterprise Fund expenses trended up in FY 2015 but then as a result of deferred capital spending for the current budget year, the expenses dropped back down into line.

2016-2017 Proposed Total Expenses = \$13,304,474 which balances with the projected revenues.

Mr. Parry explained that this budget is built at the current tax rate of \$0.45/\$100, Sales Tax, Transfer from Water/Sewer Funds with no increase in water or sewer rates. This budget also includes adding \$100,000 to the Fund Balance. This budget does not include replacement of any streets, water or sewer lines because that is contingent on receiving a Community Development Block Grant that the City would apply for in February. This budget includes salary for a Convention and Visitors Bureau (CVB) Director that City staff is in the process of hiring.

This budget also includes:

3% pay raise and healthcare at the current level

10% TxDOT Aviation grant match (runway/Apron rehab)

Loan payment for the 2015 budget reconciliation loan

Western Pressure Plane Tanks (but may not be necessary due to Multi-County Water possibly taking this project).

Mr. Parry said he is committed to putting together a comprehensive plan that will let the Council look at multiple year funding and projects.

This will give the Council a preliminary capital improvement plan for:

Water and sewer lines in the City

Increasing the permit capacity at the Stillhouse Plant

Assessment of the streets

Drainage

Mr. Parry broke down the budget by departments and explained in detail.

Capital outlays not budgeted:

- Additional Personnel (except CVB Director)
- Any Capital Purchases
- Sewer/Water line replacement (unless a grant is received)
- Costs to renew 2021 Water Rights
- Continued demolition/removal of Rotunda Nursing Home
- Substandard structure demolition
- Household Hazardous Waste Day

Mr. Parry discussed the challenges presented by deferred capital spending and highlighted the Police Department fleet and Heating Ventilation Air Conditioning (HVAC) issues as examples.

Mr. Parry recommended that FY 2017 capital spending be based on actual revenues versus budget projections. Mr. Parry welcomed any guidance from the Council concerning this proposed budget before being approved on September 13th.

Councilmember Shepherd-Cain requested that the Council be able to review the top three applicants for the CVB Director position.

Following a discussion of the fund balance the Workshop was concluded.

10) END BUDGET WORKSHOP AT 6:47 P.M. AND CALL -----

PUBLIC HEARING

HEAR COMMENTS ON THE PROPOSED BUDGET FOR 2016-2017 FISCAL YEAR

There were no comments from the public hearing on the proposed budget for FY 2016-2017.

11) END PUBLIC HEARING AT 6:48 P.M. AND RECONVENE REGULAR MEETING

12) DISCUSS TAX RATE, SCHEDULE TWO PUBLIC HEARINGS ON THE TAX RATE
AND SET A DATE TO VOTE ON THE TAX RATE

City Manager Parry said that the official tax rate will not be voted on until September 13, 2016.

Mr. Parry discussed:

- current tax rate: \$0.45/\$100 valuation (which would amount to \$450 on a \$100,000 house)
- effective tax rate: \$0.4299/\$100 valuation (generates the same amount of revenue in ad valorem taxes this year as was generated last year)
- rollback tax rate: \$0.4617/\$100 valuation (highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures)

Adopting the rollback rate (additional \$0.01/\$100 valuation) results in approximately \$35,000 additional ad valorem revenue. Mr. Parry said that the Council could set a tax rate lower than the proposed rate, but could not go higher. The Council also must approve two public hearings on the tax rate. City staff proposes August 23rd and September 1st. Notice of these public hearings will be published in the local newspaper on August 10, 2016.

Mr. Parry said the budget is based on a tax rate of \$0.4500 per \$100 assessed valuation and that is what the City staffs recommends.

Following a lengthy discussion regarding water and sewer rates and the tax rate Councilmember Viss proposed a tax rate of \$0.4600.

Motion by Shepherd-Cain, seconded by Rainer, all voting "Aye" to approve Resolution Number 2016-61

RESOLUTION NUMBER 2016-61 - approve the proposed tax rate of \$0.4600 per \$100 assessed valuation, two public hearings on the tax rate for August 23rd and September 1, 2016 and approve the date of September 13th to approve the tax rate.

City Attorney Sandy Gately left the meeting at 7:03 p.m.

13) CITY MANAGERS REPORT

- Financial Report. The City is 75% of the way through the fiscal year and the graph included in the book compares end of June 2015 to 2016. The reconciled financial reports are included in this book.
- Energy Savings Performance Contract. The City issued a Request for Qualifications to identify qualified providers for Energy Saving Services. Three firms submitted packets and two were determined qualified. Scoring and evaluation is in progress to identify the best qualified contractor.
- Department Head Reports are attached:
Free chlorine burn is underway and there have been no complaints.
- Eleven of Eighteen lifeguards are members of the Gatesville High School football and volleyball teams and are starting two-a-day practices beginning August 1st. The current schedule for the pool has been adjusted to accommodate the lifeguard's schedules.

- Volunteer Fire Department vs. Professional Fire Department was discussed.

Councilmember Mitchell: Requested that the street name change request for James Fowler be included on the next agenda. Mr. Parry said he is checking with Mitch Fast at the Appraisal Office to make sure there are no issues. Mr. Parry thought maybe this could be a Workshop item.

Councilmember Shepherd-Cain requested that the area around the Rotunda be cleaned up.

14) ADJOURN WORKSHOP AND THE REGULAR CITY COUNCIL MEETING AT 7:17
P.M. THIS 26th DAY OF JULY, 2016

ATTEST:

APPROVED:

Wendy Cole
City Secretary

Gary M. Chumley
Mayor

