

**NOTICE**

**THIS NOTICE IS POSTED IN COMPLIANCE WITH THE OPEN MEETING ACT  
(TEX. GOV'T. CODE CHAPTER 551, SEC. 551.041)**

**AGENDA FOR REGULAR CITY COUNCIL MEETING  
5:30 P.M.  
GATESVILLE CITY COUNCIL-COUNCIL CHAMBERS  
110 NORTH 8<sup>TH</sup> STREET, GATESVILLE, TEXAS 76528  
JANUARY 11, 2022**

**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 regarding the Consent Agenda: (all consent agenda items are considered routine by City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember requests an item be removed and considered separately.)**

**Resolution 2022-01: Minutes from Regular City Council meeting December 14, 2021**

**Resolution 2022-02: Appointment of Robert Taylor and Michael Seabolt as Officers to the Gatesville Reserve Police Force**

- 4. Discussion and possible action regarding the complete scope of work planned for Substandard Structure located at 308 Fennimore Street, Gatesville, Texas; specifying repairs to be made, start date, and anticipated completion date**
- 5. Discussion and possible action regarding future Solid Waste disposal options**
- 6. Briefing/Discussion regarding Local Sales and Use Tax Option and Sales Taxes for Dedicated Purposes**
- 7. Discussion and possible action regarding a Resolution of the City of Gatesville, Texas, amending the City of Gatesville Fee Schedule; Recreation Fees, and establishing an effective date**
- 8. City Managers Report: Capital Projects, Finance Report, Future Agenda Topics, Coronavirus Update**
- 9. Adjourn Meeting**

**I hereby attest that the above agenda was posted on this the 7th day of January, 2022 by 5:00 p.m. on the official City of Gatesville website, [www.gatesvilletx.com](http://www.gatesvilletx.com) and the official bulletin boards at the Gatesville City Hall, 110 N. 8<sup>th</sup> Street, Gatesville, Texas.**

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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 [wcole@gatesvilletx.com](mailto:wcole@gatesvilletx.com) for further information.

REGULAR CITY COUNCIL MEETING  
JANUARY 11, 2022 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 5:34 P.M. THIS 11TH DAY OF JANUARY, 2022

PRESENT: Mayor Gary Chumley, Councilmembers Barbara Burrow, Greg Casey, Billy Sinyard, Meredith Rainer, and John Westbrook

REGRETS: Councilmember Claude Williams

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, Rene Ochoa, Mike Halsema, Tiffany Plunkett, Nathan Gohlke, MYC Agnew, Seth Phillips, Dennis Berry, and Jeff Osborne

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 REGARDING THE CONSENT AGENDA: (ALL CONSENT AGENDA ITEMS ARE CONSIDERED ROUTINE BY CITY COUNCIL AND WILL BE ENACTED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COUNCILMEMBER REQUESTS AN ITEM BE REMOVED AND CONSIDERED SEPARATELY)

RESOLUTION 2022-01: Minutes from the Regular City Council Meeting December 14, 2021

RESOLUTION 2022-02: Appointment of Robert Taylor and Michael Seabolt as Officers to the Gatesville Reserve Police Force

Motion by John Westbrook, seconded by Greg Casey, to approve the Consent Agenda:

RESOLUTION 2022-01: Minutes from the Regular City Council Meeting December 14, 2021;

RESOLUTION 2022-02: Appointment of Robert Taylor and Michael Seabolt as Officers to the Gatesville Reserve Police Force; all five voting "Aye", motion passed.

4) DISCUSSION AND POSSIBLE ACTION REGARDING THE COMPLETE SCOPE OF WORK PLANNED FOR SUBSTANDARD STRUCTURE LOCATED AT 308 FENNIMORE STREET, GATESVILLE, TEXAS; SPECIFYING REPAIRS TO BE MADE, START DATE, AND ANTICIPATED COMPLETION DATE

City Secretary Cole provided the Council documents regarding the scope of work, estimates, and timeline that was submitted by Dennis Berry to City Inspector, Robert Featherston.

City Manager Parry said that Mr. Berry was in attendance if any of the Council, serving as the City Building Standards Commission (BSC), had specific questions for him.

At the December 14, 2021 Council meeting the BSC granted Mr. Berry an extension to come back to the January 11, 2022 meeting to present the scope of work as he was experiencing challenges securing a contractor to make the required repairs. City Inspector Featherston indicated to the City Manager that the scope of work is adequate to correct all deficiencies and that all that is needed to issue permits is the license number of the contractor. The scope of work submitted included the estimate for the repairs with the work to commence after the permits are issued. Timeline for the completion of all work is sixty (60) days from issuance of the work permit. The Building Standard Commission's Order directed that the permits must be pulled no later than January 25, 2022.

There was a brief discussion regarding what would happen if the work was not completed as ordered by the timeline. Mr. Parry said that the BSC could consider an extension if there was a good reason that the repairs could not be completed.

RESOLUTION 2022-03: Motion by Meredith Rainer; seconded by Billy Sinyard; to approve the scope of work presented regarding 308 Fennimore Street, Gatesville, Texas, with the start date to begin after the permits are issued not later than January 25, 2022; and completion date sixty (60) days after issuance of the work permit by the City of Gatesville; all five voting "Aye", motion passed.

#### 5) DISCUSSION AND POSSIBLE ACTION REGARDING FUTURE SOLID WASTE DISPOSAL OPTIONS

City Manager Parry stated that at the last Council meeting on December 14th, a Waste Management proposal and handout was provided for Council's consideration on various solid waste options. Parry asked the Council for discussion regarding what level of service that the Council would like to see and whether resident input would be needed for a future decision. The current contract with Waste Management will not be renewed in the fall of 2023 but a decision must be made within the next six (6) months as a twelve (12) month lead time will be required to order new side-loading trash trucks as well as new 96-gallon trash cans.

There was a lengthy discussion regarding what the potential components are- trash, bulk items, single stream curbside recycling, and "At Your Door" (which addresses household hazardous items) – and that these options can be considered separately or in some combination. Waste Management is conducting a "bulk" audit to analyze what percentage of Gatesville's trash is actually bulk debris and Mr. Parry said that he should have the answer at the next Council meeting. City employee manned recycle/bulk stations were discussed as well as City Drop Points for residents to take bulk to.

Cost and service comparisons with other cities were discussed as well as the potential cost avoidance of \$6,000 to \$7,500 plus city employee time for the city if curbside recycling was implemented. The "At Your Door" service was discussed in detail which would allow Waste Management to pick up resident's hazardous debris on their doorstep. This option would include electronics and would also allow the city to cease the annual "Household Hazardous Waste Day" event that costs the city thousands of dollars. Once or twice a week regular garbage pickup was an option that the Council discussed and also how often the recycling should be picked up. Parry reminded the Council that during the Comprehensive Plan review and survey in 2017, residents indicated that curbside recycling was an option that the City did not provide and was very much desired. Whatever options the Council approves, resident education on the new process would be necessary.

Following the options discussion, City Manager Parry asked the Council to provide guidance so staff can present Waste Management the option that the Council is most comfortable with. Consensus of the Council was to consider once a week pick up with 96 gallon carts, every other week curbside single stream recycling, once a month bulk pick up, and "At Your Door" service. It was estimated to be approximately a seven (7) dollar increase per month to resident's trash bill. Councilmember Rainer stated that Council might also consider leaving the bulk dumpster down at the Utility Yard for a few months while residents are being educated on the new process. The City could continue to conduct an annual tire collection event so residents could get rid of tires as Waste Management does not collect

tires. Following the Council guidance, City Manager Parry said that he will include this topic on a future council meeting agenda for discussion and possible action. Whatever options are approved by the Council would be presented to Waste Management for an agreement. The agreement would then be provided to the Council for final approval.

6) BRIEFING/DISCUSSION REGARDING LOCAL SALES AND USE TAX OPTION AND SALES TAXES FOR DEDICATED PURPOSES

City Manager Parry stated that staff is not asking for a decision but need a sense of whether the Council is interested in receiving more details on the dedicated purposes for the ½ cent sales tax. If Council would choose to go forward to use the sales tax for some other purpose than property relief, the voters would have to approve. The ballot would have to be finalized by August 22nd for the November 8, 2022 election and would require passage of an ordinance on three readings.

Parry provided a Power Point presentation which highlighted:

- The history of the Texas Sales and Use Tax. In 1968 legislature authorized a 1% Municipal Sales tax which the City enacted in July of that year. Between 1984 and 1990, the state sales tax rate increased 2-1/8 cents. In 1987 the Legislature authorized cities and counties to each enact an additional ½ cent sales tax with voter approval-specifically to generate revenue from sales taxes as opposed to raising property taxes- which is where the concept known as “sales tax for property tax relief” originated. Gatesville voters approved the additional 1/2% in 1998. The additional sales tax was intentionally authorized not to be an additional source of revenue for cities- it was designed to shift the local burden from property owners to retail customers. If sales tax revenues increased- that increase would reduce the amount of revenue generated by property taxes. In 1987 it was suggested to be a good solution for cities with retail concentrations that would attract passer-throughs, but also cautioned that cities should examine the number of absentee property owners in their taxing jurisdiction, because they would not be consuming in the economy if they didn’t live here and thus would not be paying the increased sales tax in order to generate revenue.
- Overview of Texas showing that most of the surrounding cities and counties collect the maximum 8.25% rate. The City of Gatesville collects 1.5% which is the maximum amount allowed by law. Since the voters have not subsequently approved the ½ cent for a dedicated purpose, it falls under the default category of property tax relief in accordance with the Texas Tax Code that was approved by legislature 37 years ago.
- General Fund. Compared Gatesville to the “average” city in Texas based upon a 2018 Texas Municipal League survey regarding General Fund revenue sources, 37.6% of Gatesville’s General Fund revenues come from sales tax-compared to 23% for the average Texas city. This isn’t an issue unless there is a significant downturn in retail in Gatesville. The average city in Texas generates a sizeable amount of revenue from user’s fees which the City of Gatesville does not impose, or what is charged is significantly less. Over the last five (5) years, sales tax allocations have increased 2.44%. Senate Bill 2 passed in 2019- in addition to reducing the Maintenance & Operations increase allowed from 8% to 3.5% it also implemented changes to the tax rate calculations specifically as to how to treat revenue from the ½ cent sales tax for property tax relief.
- Truth in Taxation worksheets. The 2021 tax rate calculation worksheets require Gatesville to adjust (decrease) both the Voter Approval and De Minimis tax rates because the ½ cent is by default for property tax relief as opposed to another dedicated purpose. Staff had a very narrow range to work with in the tax rates for the 2022 budget which ended in an actual 0.5433 by election. Looking forward to the 2023 budget it will be difficult to plan until staff sees the preliminary tax rolls from the Appraisal District in April. There will not be a rollback election like what occurred in November 2021 as long as the tax rate adopted by the Council does not exceed whatever ultimately the De Minimis rate comes in at.
- Fiscal Year 2022 Adopted Budget. Should the Council decide to dedicate the full ½ cent of sales taxes to another dedicated purpose that is not currently in the budget, the reduced amount of General Fund revenue would likely put pressure on existing General fund expenditures and activities.

City Manager Parry asked the Council if there were any questions and to let him know if the Council is interested in going into more detail in the future on the dedicated purposes for the ½ cent sales tax.

Following the tax presentation, City Manager Parry spoke of the challenge of hiring qualified people that most every business is experiencing right now. Additionally, it is possible that the rising inflation could inflict serious damage to the current job market. The Consumer Price Index has increased 7.1% over the past twelve (12) months which the most in four (4) decades and essentially wiped out the 3% Cost-of-Living increase that the City employees received this year. Parry reviewed the Classified Compensation Study that was developed two (2) years ago and was designed to determine if the City's pay and position descriptions were correct. They were corrected and have been working well until recently. The police officer pay was highlighted and discussed in detail and Police Chief Gohlke spoke to the Council about the challenges that he is now experiencing in hiring qualified officers and then being able to retain them with the current pay scale. Pay comparison of police officers for surrounding cities were discussed which revealed Gatesville officers pay shown to be near the bottom. It is estimated to cost about \$108,000.00 to make the officer pay comparable to surrounding cities and could be paid this year by deferring the hiring of the narcotics officer and deferring a few minor capital purchases. City benefits were briefly discussed and Chief Gohlke said that Gatesville's benefits are very good and even better than what some other cities offer.

City Manager Parry and Chief Gohlke said that having qualified officers is a critical function and needs to be a priority to retain officers and also to consistently support and sustain a comparable pay scale.

Parry said that this situation shows that the ability to raise General Fund Revenue is a real concern and something to consider as Council decides whether to go forward with the local sales and use tax option. Finance Director, Mike Halsema, noted that currently the half cent sales tax reduces the Voter Approval Rate and De Minimis rate by approximately twenty (20) cents which equates to about \$100,000.00 worth of revenue. A tax rate could be recommended for twenty (20) cents higher but staff would never present that amount of tax rate to the council for consideration. Consideration of dedication of the tax rate would give the Council the ability of a greater range of tax rate options. Last year was a unique situation where the City had an unused increment rate and is what pushed the Voter Approval Rate higher than the De Minimis rate. The upcoming year should look more back to what staff and Council is used to because the unused increment was used last year.

7) DISCUSSION AND POSSIBLE ACTION REGARDING A RESOLUTION OF THE CITY OF GATESVILLE, TEXAS, AMENDING THE CITY OF GATESVILLE FEE SCHEDULE; RECREATION FEES, AND ESTABLISHING AN EFFECTIVE DATE

City Manager Parry said that this agenda item addresses what was simply an error of omission as it was unintentionally excluded from the Gatesville Fee Schedule when Council amended the schedule during the budget process. These fees are not set by ordinance and can be amended by resolution. The gate fee charge has already been in place but needs Council approval. This amendment states that if a tournament is held at the Gatesville Complex that in lieu of charging the tournament organizer a fee to rent the facility, the city can collect the gate fees. Gate fees for large events are an important source of revenue for the General Fund, and help offset the costs of operating and maintaining the ballfields. Seth Phillips was present at the meeting if Council had questions. There were no comments or questions.

RESOLUTION 2022-05: Motion by Barbara Burrow; seconded by Meredith Rainer; to approve Resolution 2022-05 amending the City of Gatesville Fee Schedule, Recreation Fees to include Gate Fees for special events in lieu of field rental fees of \$3-\$10 with an effective date of January 11, 2022; all five voting "Aye", motion passed.

8) CITY MANAGER'S REPORT:

CAPITAL PROJECTS:

Mills Street Water/Sewer Line Replacement: The contractor commenced work on January 3, 2022. The projected completion date is expected to be in 120 days.

FUTURE COUNCIL MEETING AGENDA TOPICS: Two substandard structures located at 2301 and 2006 Bridge Street are to be considered by the Building Standards Commission at the next Council meeting. Parry encouraged the Council to drive by those structures and observe. Also at the next meeting will be two Planning and Zoning Commission re-plats for consideration.

FINANCE: The reconciled October 2021 financial report is included in the Council book.

COUNCILMEMBER BURROW: Asked for an update regarding the vandalism in the Faunt Le Roy Park restroom? Mr. Parry said that staff is still considering options to resolve this issue. The restrooms are a necessity for people that use the park and staff will find a solution.

FATS, OIL, AND GREASE: Channel 10 is coming to Gatesville tomorrow to do a news segment on the fats, oil and grease issue in Gatesville's sewer system.

WATER METER TAMPERING: Staff is working on an Ordinance that will be brought to the Council for consideration at a future meeting.

9) ADJOURN MEETING AT 7:26 P.M., THIS 11TH DAY OF JANUARY, 2022

ATTEST:

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Wendy Cole  
City Secretary

APPROVED:

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Gary M. Chumley  
Mayor