

**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  
MARCH 8, 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 2022-19: Minutes from Regular City Council meeting February 22, 2022**

**Resolution 2022-20: Appointment/Re-appointment of members to the Gatesville Construction Board of Adjustment and Appeals**

- 4. Discussion and possible action regarding an Ordinance of the City of Gatesville, Texas, amending Chapter 10, Buildings and Building Regulations of the Code of Ordinances of the City of Gatesville; adopting the 2021 editions of the International Building Code, International Residential Code, International Fire Code, International Mechanical Code, International Plumbing Code, International Fuel Gas Code, International Energy Conservation Code, and International Property Maintenance Code; and the 2020 edition of the National Electrical Code; repealing sections 10.129 and 10.130; and amending Section 10.22 of the Code of Ordinances of the City of Gatesville (2nd reading of Ordinance 2022-01)**
- 5. Discussion and possible action regarding a determination of whether the structure located at 2006 Bridge Street, Gatesville, TX is dilapidated, substandard, unfit for habitation and/or a hazard to public health, safety and welfare, and action, if any, that should be taken to address any such condition**
- 6. Discussion and possible action regarding sales taxes for dedicated purposes**
- 7. City Managers Report: Capital Projects and Future Agenda Topics**
- 8. Adjourn Meeting**

**I hereby attest that the above agenda was posted on this the 4th day of March, 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  
MARCH 8, 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 5:32 P.M. THIS 8TH DAY OF MARCH, 2022

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

REGRETS: Councilmember Meredith Rainer

ABSENT: Councilmember Claude Williams

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, Rene Ochoa, Mike Halsema, MYC Agnew, 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

MYC Agnew of Groesbeck, Texas, spoke to the Council regarding his hybrid feature film production of “The Karate Nerd” that he is filming in Gatesville. Mr. Agnew said that he is working with local resident Cris Cole who is a substitute teacher in Gatesville and also a martial arts expert, singer, dancer, and actor. Mr. Agnew discussed the film production process and invited councilmembers to a “meet and greet” at the Gatesville Country Club that will be held on either April 22nd or 23rd. Mr. Agnew said that if anyone or anyone that they know would like to be involved in this film he could be reached at [MYCAGNEW@gmail.com](mailto:MYCAGNEW@gmail.com).

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 2022-19: Minutes from the Regular City Council Meeting February 22, 2022

RESOLUTION 2022-20: Appointment/ Re-appointment of members to the Gatesville Construction Board of Adjustment and Appeals

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

RESOLUTION 2022-19: Minutes from the Regular City Council Meeting February 22, 2022;

RESOLUTION 2022-20: Appointment of members to the Gatesville Construction Board of Adjustment and Appeals: Place 2: Johnny Benson; Place 4 Jackie Dixon; Place 6: Tim Martin; Alternate 2: Terry Williams; all four voting “Aye”, motion passed.

4) DISCUSSION AND POSSIBLE ACTION REGARDING AN ORDINANCE OF THE CITY GATESVILLE, TEXAS, AMENDING CHAPTER 10, BUILDINGS AND BUILDING

REGULATIONS OF THE CODE OF ORDINANCES OF THE CITY OF GATESVILLE; ADOPTING THE 2021 EDITIONS OF THE INTERNATIONAL BUILDING CODE, INTERNATIONAL RESIDENTIAL CODE, INTERNATIONAL FIRE CODE, INTERNATIONAL MECHANICAL CODE, INTERNATIONAL PLUMBING CODE, INTERNATIONAL FUEL GAS CODE, INTERNATIONAL ENERGY CONSERVATION CODE, AND INTERNATIONAL PROPERTY MAINTENANCE CODE; AND THE 2020 EDITION OF THE NATIONAL ELECTRICAL CODE; REPEALING SECTIONS 10.129 AND 10.130; AND AMENDING SECTION 10.22 OF THE CODE OF ORDINANCES OF THE CITY OF GATESVILLE (2ND READING OF ORDINANCE 2022-01)

City Manager Parry reminded the Council that the approval of these codes and amendments will suit local conditions and will also be accepted by the Insurance Service Organization (ISO) which will help the City's insurance ratings by not deducting points from the recent ISO inspection of Gatesville. Parry said that there were no changes to this ordinance since the last reading and recommended approval of the second reading of the ordinance.

ORDINANCE 2022-01-02: Motion by Barbara Burrow; seconded by Billy Sinyard; to approve the second reading of Ordinance 2022-01 amending Chapter 10, Buildings and Building regulations of the Code of Ordinances of the City of Gatesville; adopting the 2021 edition of the International Building Code, International Residential Code, International Fire Code, International Mechanical Code, International Plumbing Code, International Fuel Gas Code, International Energy Conservation Code, and International Property Maintenance Code; and the 2020 edition of the National Electrical Code; repealing sections 10.129 and 10.130; and amending section 10.22 of the Code of Ordinances of the City of Gatesville; all four voting "Aye", motion passed.

5) DISCUSSION AND POSSIBLE ACTION REGARDING A DETERMINATION OF WHETHER THE STRUCTURE LOCATED AT 2006 BRIDGE STREET, GATESVILLE, TX IS DILAPIDATED, SUBSTANDARD, UNFIT FOR HABITATION AND/OR A HAZARD TO PUBLIC HEALTH, SAFETY AND WELFARE, AND ACTION, IF ANY, THAT SHOULD BE TAKEN TO ADDRESS ANY SUCH CONDITION

City Manager Parry said that the structure at 2006 Bridge Street which the Council determined was substandard and needed to be demolished now has a "For Sale" sign in the yard. Mr. Parry provided a Power Point picture of the structure and said that he spoke to the new owner who lives in the Austin area and he said that he bought this house sight unseen and that he was not told about the demolition order from the city. The new owner will be present at the next council meeting on March 22nd with a plan for renovation and will be working with contractors regarding permits. City staff thought that the council could allow the new owner to come to the next meeting to see what he proposes. If he would not show up; the order to demolish the structure that the Building Standards Commission issued could still be enforced. No action was required was at this meeting.

6) DISCUSSION AND POSSIBLE ACTION REGARDING SALES TAXES FOR DEDICATED PURPOSES

City Manager Parry said that this discussion is in regards to a request from the Council for additional information on sales taxes for dedicated purposes. Parry discussed the "Fact Sheet" that was provided in the Council books and presented a Power Point briefing highlighting the topic.

The following points were highlighted and discussed:

**1. BACKGROUND:**

- In 1967, the Texas Legislature authorized cities to collect a one-percent sales and use tax (no higher – no lower) with voter approval; Gatesville residents approved the tax in July 1968.

- In 1987, the Texas Legislature authorized cities and counties to collect an additional ½-cent sales and use tax each. Both taxes were approved by the voters and were effective January 1, 1988.  
**CAVEAT:** The legislation specifically stated that the additional sales and use tax must be used for “property tax relief”.
- Texas Tax Code, Chapter 321, §101 authorizes a City to adopt a local sales and use tax of up to two percent. The City cannot set a sales tax rate higher than two percent, but there is flexibility on the use of the sales tax revenue.
- Gatesville currently collects the maximum two percent sales tax:
  - 1 percent for General Revenue
  - ½ percent for Property Tax Relief
  - ½ percent for Coryell County Property Tax Relief
- In 2015, the Legislature authorized cities to hold elections to reallocate sales tax revenues. An election can reallocate up to the full 1.5 percent (1-1/2 cents) of sales tax revenue in 1/8-cent increments.

## 2. ECONOMICS:

- In FY 2021, the City collected a total of \$2,549,382 in sales tax revenue
  - \$1,714,983 as General Revenue (the 1 percent)
  - \$834,399 as Property Tax Relief (the ½ percent)
- The Voter Approval and De Minimis tax rates must be adjusted for cities that collect sales tax for property tax relief. The formula is sales tax revenue/total taxable value.
  - The Voter Approval Rate decreased by \$0.1992 per \$100 valuation
  - The maximum 2021 Voter Approval Rate was \$0.4445 per \$100 valuation – which was 11.45 cents lower than the 2020 rate.
- Sales tax for property tax relief does not decrease General Fund revenues – however, it impacts the voter-approval tax rate the City Council can set without triggering a rollback election.

## 3. SALES TAX FOR DEDICATED PURPOSES:

- With voter approval, the ½ cent sales tax can be used for any one (or a combination of) the following dedicated purposes:
  - Property Tax Relief
  - Economic Development/Municipal Development District
  - Street Maintenance
  - Municipal Crime Control and Prevention District
  - Sports and Community Venue District
  - Fire Control, Prevention, and EMS District
  - “City Sales Tax”
- **SALES TAX FOR ECONOMIC DEVELOPMENT:**
  - An optional, dedicated city sales tax that is used to attract and retain business within the city. First authorized by the Legislature in 1989.
  - Two options for sales taxes for economic development -- a Type A (“Developing Industry”) and a Type B (“Developing Industry and Cultivating Communities”) tax.
  - Requires an Economic Development Corporation (EDC) Board:
    - Type A: 5 Directors
    - Type B: 7 Directors
    - Council appoints directors and approves expenditures of sales tax revenues but the Council would have no direct role in how the EDC would use the money in terms of Economic Development.

An option to consider would be to not have a dedicated economic sales tax but to commit that tax for General Fund Revenue and then Council could develop a tax incentives program using General Fund Revenue. The tax incentives program could include Tax Abatement, Tax Increment Financing, 380 Loans, Sales Tax Rebates, and Neighborhood Empowerment Zones. These programs would be created and controlled by the City without the need for an EDC.

- **SALES TAX FOR STREET MAINTENANCE:**

- An optional, dedicated city sales tax to repair and maintain existing city streets and sidewalks. First authorized by the Legislature in 2001.
- The sales tax for street maintenance “sunsets,” or expires, after four years, unless another election is held.
- The sales tax for street maintenance may be used only to maintain and repair city streets and sidewalks existing on the date of the election to adopt the tax. Adopting this option could unnecessarily tie up a portion of General Fund Revenue.

- **SALES TAX FOR CRIME CONTROL AND PREVENTION DISTRICT:**

- An optional, dedicated city sales tax that is levied within a crime control and prevention district and may be spent on certain law enforcement projects within the district but may not include the entire city. First authorized by the Legislature in 1989.
- The tax is levied only within the boundaries of a crime control and prevention district.
- Revenues from the tax are spent by the board of directors of the district, not the city council itself. The seven-member board is appointed by the city council.
- The revenues from the tax can only be spent a specific way, are not controlled by the city, and are not necessarily projects that Gatesville needs such as using to hire police officers.

- **SALES TAX FOR SPORTS AND COMMUNITY VENUE DISTRICT:**

- District created by two or more counties, two or more cities, or any combination of cities and counties. a political subdivision of the state and of the cities and counties that created it. First authorized by the Legislature in 1998.
- There must be at least four directors on the board. The directors are appointed by the participating county judges and/or mayors.
- A political subdivision may voluntarily contribute part or all of sales tax revenues to the venue district if the governing body of the political subdivision finds that the venue project which generated the sales tax will add to the economic, cultural or recreational development or well-being of the political subdivision’s residents.
- The only types of sales tax that may be pledged for a venue project are the general city sales tax (“municipal sales and use tax”) and the sales tax for property tax relief (“additional municipal sales and use tax”) [Chapter 321, Tax Code]

This is generally used by a city or county that is trying to attract a professional sports franchise to come to their city and taxpayers pay additional sales tax in that district specifically to have a stadium located there. This probably does not fit Gatesville’s needs.

- **SALES TAX FOR FIRE CONTROL, PREVENTION, AND EMS DISTRICT**

Not applicable – populations of Gatesville and Coryell County are too low to create this District therefore makes Gatesville ineligible.

- **SALES TAX FOR GENERAL REVENUE:**

- In 1967, the Legislature authorized cities to collect a 1-cent (1 percent) sales tax for General Revenue. In 2015, House Bill 157 authorized a city to hold an election to reallocate sales tax revenue – and General Revenue was added as a dedicated purpose. The revenues from the tax may be spent on almost any lawful purpose of the city.
- The sales tax for general revenue is adopted by an election of the city voters. A sales tax for general revenue election may be called by either of two methods:
  - (1) the city council can call the election by adopting an ordinance by majority vote of its own members; or
  - (2) the city council must call the election if it receives a petition signed by at least 20 percent of the number of qualified voters who voted in the most recent regular city election.
- A sales tax for general revenue election must be held on the first uniform election date that occurs after the tax election is called for by ordinance or petition. Specific ballot language is required by statute.
- **TRANSLATION:** A city can use a combined ballot proposition at an election to adjust the rates of any dedicated city sales tax or the city's general revenue sales tax.
- **REDIRECTING THE FULL ½ CENT SALES TAX REVENUE TO A DEDICATED PURPOSE OTHER THAN GENERAL REVENUE WOULD RESULT IN THE LOSS OF \$834,399 OF REVENUE FOR THE GENERAL FUND.**

Mr. Parry presented the options for the Council to consider:

1. Leave the current use of the sales tax for "property tax relief " alone.
2. Gather additional information/ discussion on the issue of sales tax allocations.
3. Consider an Ordinance ordering an election on November 8, 2022 to reallocate the 1.5 percent sales and use tax in Gatesville.

Following the discussion with City Manager Parry and Finance Director Mike Halsema, the Council indicated that they wanted more information/discussion on how to educate the residents on:

- Tax rate scenarios and how those funds are used.
- Holding an election to adjust the rates of any dedicated city sales tax or the city's general revenue sales tax could make a significant impact on the level of service to the city.

Different scenarios to educate the residents were discussed. Mr. Parry reminded the Council that residents can be educated about the facts but Council and city staff do not need to advocate for any one option.

7) CITY MANAGER'S REPORT:

CAPITAL PROJECTS:

Water/Sewer Rate Study (FY 2023-27): The City has engaged NewGen Strategies to conduct a water/sewer rate study for a price not to exceed \$20,000. NewGen did the FY 2018-23 rate study. This study will also assist with Texas Department of Criminal Justice as they budget for two years. At the appropriate time NewGen will present the results of the study to the City Council.

Drainage Study & Master Plan: Staff is now communicating with the third project manager on the Texas Water Development Board. There is a meeting with Walker Partner Engineers tomorrow

regarding concerns with the program manual language that needs to be amended to address funding drainage studies only in the Gatesville city limits.

Mills Street Water/Sewer Line Replacement: Currently the crew is working on 14th Street on the wastewater line and has had to dig down 19 feet to get to the right grade because it is solid rock. Wastewater lines are completed on Depot and 12th Street with a portion of the water lines completed on these two streets. So far the project is on schedule.

Other activities/dates of note: Household Hazardous Waste event will be held on March 26, 2022 from 8:00 a.m. to 3:00 p.m. Volunteers are always welcome as well as any support from the Council with food and beverages. Staff is still working on finalizing what items will and won't be accepted.

BROWNFIELDS CLEANUP GRANT FOR THE ROTUNDA (update): Baer Engineering and Environmental Consulting from Austin, Texas has been selected as the Qualified Environmental Professional to develop the Quality Assurance Project Plan and finalize the Analysis of the Brownfields Cleanup Alternatives- which is the next step in the process. Public meetings will be set up regarding the clean-up process and will probably occur around the end of April.

AIRPORT HANGARS: City Staff has received the stamped electrical plans so permits have been issued and construction on the hangars has begun.

SKATE PARK UPDATE: Staff has not spoken to Parks and Recreation Director, Seth Phillips, yet to see how the meeting last night went with volunteers that said they will help with the Skate Park Project. Parry said that he would report any updates to the Council.

FUTURE COUNCIL MEETING AGENDA TOPICS:

- The Chamber of Commerce requested changes to the Carnival/Circus Ordinance. Council indicated that they wished to discuss at a future meeting.
- Broadband: It has been recommended to staff that a survey is necessary to determine what internet service that residents have, the speed, and amounts that they are paying before asking an internet provider to come to Gatesville. To get this data it was strongly suggested that 2,000 rooftops will need to respond to the survey to get accurate data. It is projected that it will be very expensive to lay fiber optic because the land in Gatesville is very rocky. More information will follow at a future meeting.
- Mills Street renaming: Will need to decide if an ordinance, resolution, or policy/procedure is needed. Information regarding this subject was provided to the Council for review before discussion at a future meeting.

8) ADJOURN MEETING AT 7:04 P.M., THIS 8TH DAY OF MARCH, 2022

ATTEST:

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Wendy Cole  
City Secretary

APPROVED:

\_\_\_\_\_  
Gary M. Chumley  
Mayor

