

**CITY COUNCIL MEETING
AUGUST 26, 2025
5:30 P.M.
COUNCIL CHAMBERS, 110 NORTH 8TH STREET,
GATESVILLE, TEXAS 76528**

AN OPEN MEETING WAS HELD CONCERNING THE FOLLOWING SUBJECTS:

1) **CALL TO ORDER** THE REGULAR CITY COUNCIL MEETING AT 5:30 P.M. THIS 26TH DAY OF AUGUST 2025.

2) **QUORUM CHECK/COUNCIL PRESENT:** Mayor Gary Chumley, Mayor Pro-Tem Greg Casey, Councilmembers Kalinda Westbrook, Aaron Smith, Meredith Rainer, John Salter, and Joe Patterson.

CITY STAFF PRESENT: Deputy City Manager/Finance Director Mike Halsema, City Secretary Holly Owens, Shea Harp, Bobby Buster, Seth Phillips, Chief Jeff Clark, and Zeb Veazey.

OTHERS: Leo Corona, Travis VanBibber, Krista Gilbert, and George Scott.

3) **INVOCATION:** Kalinda Westbrook and **PLEDGE OF ALLEGIANCE:** Led by Mayor Gary Chumley.

CITIZENS/PUBLIC COMMENTS FORUM: INDIVIDUALS WISHING TO ADDRESS THE GATESVILLE CITY COUNCIL MAY DO SO DURING THIS SEGMENT. IF YOU INTEND TO COMMENT ON A SPECIFIC AGENDA ITEM, PLEASE INDICATE THE ITEM(S) ON THE SIGN IN SHEET BEFORE THE MEETING. EACH SPEAKER IS ALLOTTED A MAXIMUM OF 3 MINUTES FOR THEIR REMARKS, AND SPEAKERS ARE EXPECTED TO CONDUCT THEMSELVES IN A RESPECTFUL MANNER. IN ACCORDANCE WITH THE TEXAS OPEN MEETINGS ACT, THE CITY OF GATESVILLE CITY COUNCIL CANNOT DELIBERATE OR ACT ON ITEMS NOT LISTED ON THE MEETING AGENDA.

George Scott came forward to ask questions regarding the Gaming Ordinance. Mr. Scott was given Ms. Owens' business card and encouraged to call and make an appointment to discuss the ordinance.

There were no further public comments.

EXECUTIVE SESSION:

4) Recess Regular Meeting and Call for an Executive Session – Closed Meeting.

The City Council of the City of Gatesville will convene into a closed Executive Session pursuant to Texas Government Code section 551.074 (Personnel Matters) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, dismissal of a public officer or employee and section 551.071 (Consultation with Attorney).

5) End Executive Session and Reconvene the Open Meeting.

6) Discussion and possible action regarding Authorization for City Manager to Sign a Letter of Intent with Coryell Hydro Power on behalf of the City of Gatesville.

Executive Session was cancelled.

CONSENT:

7) All consent agenda items are considered routine by the City Council and will be enacted by a single motion. There will be no separate discussion of these items unless a Councilmember requests an item to be removed and considered separately.

- a. **Resolution 2025-079:** Discussion and possible action regarding approval of minutes from Regular City Council Meeting held on August 12, 2025.
- b. **Resolution 2025-080:** June 2025 Financials
- c. **Resolution 2025-081:** Third Quarter Investment Report
- d. **Resolution 2025-082:** Water Rights Payment
- e. **Resolution 2025-083:** Discussion and possible action regarding a request for temporary street closures on October 25, 2025, for the annual Boozaar.

CONSENT AGENDA: Motion by Greg Casey, seconded by Jon Salter to **APPROVE** the **CONSENT AGENDA (Items a-e)** as written. All six voting "Aye", motion passed, 6-0-0.

OTHER BUSINESS:

- 8. Discussion and possible action regarding the Rate Study.

Kim Bostk with NewGen joined the meeting via Teams Meeting.

Mike Halsema explained the numbers presented are based on renewing contracts with wholesale customers at a higher rate. However, the City did receive some bad news from the water development board that the City's grant application was denied. Despite the denial, the City has identified three major projects on the water production side; 1) the intake which includes a backup generator and electrical, 2) improvements at the plant, and 3) boosters at station one. The City believes this can still be one without the water development board and the City will continue to pursue the low interest loan. These repairs are critically needed.

Councilwoman Westbrook asked what the interest rate would be. Mr. Halsema stated the current rate starts at .35% with a 3% increase.

Councilman Casey asked if the City can re-apply to the water development board. Mr. Halsema stated yes, the City can re-apply.

Councilwoman Westbrook asked if there was a pre-pay penalty. Mr. Halsema stated there is no pre-pay penalty.

Councilman Patterson asked if these items were part of the capital improvement plan. Mr. Halsema stated these three items were also listed on the capital improvement plan.

Mayor Chumley asked if Staff filled out the application for the grant or did the City hire a third party. Mr. Halsema stated the City hired FNI to apply for the grant on the City's behalf. There is still a chance for the City to amend the application if the entities that were approved are unable to meet the matching funds.

Councilman Patterson asked if the reserve requirements and the debt service ratio is an internal metric or water board metric. Mr. Halsema stated the debit service ratio is standard for bond issuance and the reserve requirements area stated in the City's policy.

Ms. Bostik stated the top ten CIP projects is driving the increase in water and sewer rates. Mr. Halsema added Fort Hood and the Department of Justice are key contributors.

Councilwoman Rainer asked if the discussions have begun with Fort Hood and TDCJ. Mr. Halsema explained that Mr. Hunt is working to meet with both to discuss the rates and the projects.

Councilwoman Westbrook asked if the numbers reflected what the City was depending on from the grant. Mr. Halsema stated yes and no. The numbers presented are the total cost of the projects, but without the grant, some items will need to be scaled down.

Councilwoman Rainer asked where the numbers come from. Mr. Halsema stated the numbers were provided by FNI.

Mayor Chumley expressed his concern regarding the 62% rise in rates and believes that it is too steep for the residents. The remainder of Council agrees. A workshop is needed to discuss these rates.

Councilwoman Rainer asked what the process was going to be to inform both Fort Hood and TDCJ. Mr. Halsema stated Staff have contacts for both.

Councilman Casey requested Staff to level out the rise over the five-year period.

Councilwoman Rainer requested to keep the monthly amount under \$100.00.

Mr. Halsema agreed to work on the numbers and speak with Staff about what can be cut.

Councilman Patterson believes that the workshop should include the projects and what needs to be delayed and would like Staff to guide Council on what absolutely needs to be done.

Councilwoman Westbrook asked if this could be a seven-year plan versus a five-year plan. Mr. Halsema stated yes.

No action is required.

9. Discussion and possible action to amend Chapter 18 – Fee Schedule.

Councilwoman Rainer what determines whether the review is done in-house versus BV. Ms. Owens stated most reviews will occur in-house, however, structures such as apartment buildings and hotels will need to be reviewed by BV. The staff, including myself, are not qualified to review those structures.

Mayor Chumley asked about the cemetery fees because in the past, interment fees were not charged. Mr. Halsema stated he would research the cemetery fees with staff and address it on the second reading.

Councilman Casey mentioned the proposed fee for civic center deposit is the same as the current fee. Mr. Halsema stated it should be \$600 under the proposed fee and that it would be corrected by second reading.

Councilman Patterson asked about short-term rental fees. Ms. Owens stated that when staff brings forward an ordinance regulating short-term rentals, a fee would be included and wanted to go ahead and include it on the fee schedule instead of waiting until next September to add it.

Councilwoman Rainer asked if this would be in addition to the hotel occupancy tax. Ms. Owens stated yes, the fee covers the annual inspection. The annual inspection is to make sure the rental is up to building code and is safe to occupy.

Councilwoman Westbrook asked about the food truck license. Ms. Owens stated the license is a one-time annual fee which allows the City to recoup the loss of sales tax.

Councilwoman Westbrook asked what if the vendor is paying sales tax. Ms. Owens stated the City has no way of proving whether sales tax is paid or not.

Councilman Patterson asked about the fees for annexation. Ms. Owens stated currently there are no fees for annexation, but a lot of staff time, legal review, mail outs, public notice to paper, and the county filing fee is occurring during the annexation process. Staff would like to recoup some cost for the process.

Councilwoman Rainer expressed some concern for the fee since the applicant is volunteering to annex into the city limits. Councilman Patterson agreed.

Councilman Smith believes the cost is justified due to the process and the man hours.

Mr. Halsema explained the inaccessibility fee for clearing debris located on the water meter and the tampering fee resulting in unauthorized usage.

ORDINANCE 2025-17: Kalinda Westbrook motioned, seconded by Greg Casey to **PASS ORDINANCE 2025-17** to consider repealing and replacing Chapter 18 (Fees), Section 18-1 (Fee Schedule) of the Code of Ordinances of the City of Gatesville with the removal of the water and sewer rates to the next meeting, **first reading**. All six voting “Aye”, motion passed, 6-0-0.

10. Discussion and possible action to repeal Sec. 10-23. Fees for buildings.

Councilwoman Rainer asked why repeal the entire section. Ms. Owens explained the entire section is redundant because all the fees are in Chapter 18.

ORDINANCE 2025-15: Greg Casey motioned, seconded by Meredith Rainer to **PASS ORDINANCE 2025-15** to consider repealing Sec. 10-23. Fees for buildings to the next meeting, **first reading**. Five voting “Aye”, One “Abstain”. motion passed, 5-1-0 (Salter abstained).

11. Discussion and possible action to amend and repeal portions of Chapter 56 – Utilities.

ORDINANCE 2025-16: Joe Patterson motioned, seconded by Aaron Smith to **PASS ORDINANCE 2025-16**, considering repealing and amending portions of Chapter 56. Utilities, to the next meeting, **first reading**. All six voting “Aye”, motion passed, 6-0-0.

12. Discussion and possible action regarding approval of **Ordinance 2025-19** levying a tax rate for Fiscal Year 2025-26.

Councilwoman Rainer stated that the tax rate is usually approved after the budget and not before. Mr. Halsema explained that Councilwoman Rainer was correct but is only necessary during the third reading.

ORDINANCE 2025-19: Jon Salter motioned, seconded by Greg Casey to **PASS the tax rate ordinance** to the **second reading** which is scheduled for September 2, 2025. All six voting “Aye”, motion passed, 6-0-0.

13. Discussion and possible action regarding **Ordinance 2025-18**, adopting the budget for Fiscal Year 2026.

Councilwoman Rainer expressed concern about the line item for Fire Chief since the fire department is a voluntary fire department. Mr. Halsema explained that Mr. Hunt will go into more detail regarding this since Mr. Hunt has been negotiating with Coryell County and discussing the process with the voluntary fire department volunteers.

Councilwoman Rainer reminded Council that the County is working on their budget and maybe the City Council needs to reach out to the commissioners regarding the fire budget portions since the County uses the volunteer fire department too.

ORDINANCE 2025-18: Aaron Smith motioned, seconded by Meredith Rainer, we **PASS** this ordinance to the **second reading** which is scheduled for September 2, 2025. All six voting “Aye”, motion passed, 6-0-0.

14. City Manager’s Monthly Report

City Manager’s monthly report was removed.

15. Adjourn Meeting

City Council **adjourned** at 7:35 p.m.


Mayor, Gary Chumley

ATTEST:


City Secretary, Holly Owens

