

REGULAR CITY COUNCIL MEETING

AUGUST 18, 2009

7:00 P.M.

A Regular Meeting of the Terrell City Council was held on Tuesday, August 18, 2009 at 7:00 p.m. in the City Council Chambers located at 201 East Nash Street, Terrell, Texas with the following members present:

COUNCILMEMBER #1	HAL RICHARDS
COUNCILMEMBER #2	SANDRA WILSON
COUNCILMEMBER #3	RICKY JORDAN
COUNCILMEMBER #4	JACK JONES
COUNCILMEMBER #5	DON THURMAN

1. Call to order.

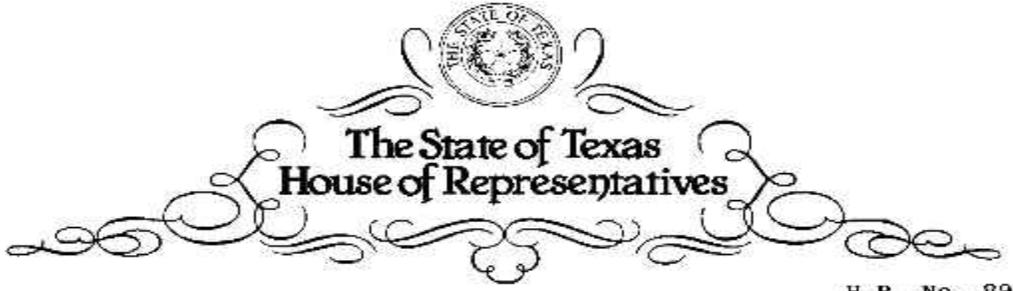
Mayor Hal Richards called the meeting to order.

2. Invocation.

Mayor Pro tem Don Thurman gave the opening prayer.

3. Presentation by State Representative Betty Brown.

State Representative Betty Brown presented House of Representatives Resolution No. 89 to the City of Terrell.



H.R. No. 89

RESOLUTION

WHEREAS, In response to an impending population boom, the City of Terrell has developed an impressive model for planned development that is gaining wide recognition; and

WHEREAS, Terrell currently is home to about 16,000 people, but more than 50,000 new residents are expected to settle there by 2025, and the population increase will result in the construction of about 22,000 new homes; city officials are meeting this incredible challenge with an innovative plan to encourage desirable development while avoiding tax hikes and curbing runaway growth that would diminish the character of the historic rural community; and

WHEREAS, Through the use of special district laws, area leaders have designated approximately 11,000 presently undeveloped acres for the master plan and are working to ensure that new housing, infrastructure, and commercial ventures in the area will continue to reflect high standards and that resources will be available to meet the increased demand for services; and

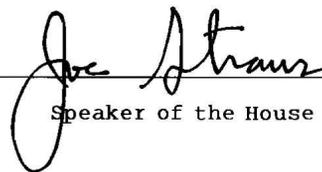
WHEREAS, The Terrell city design model of regional cooperation, intergovernmental partnerships, and prudent financial arrangements has been the subject of articles in national publications, including *Nation's Cities Weekly*, which printed an article by Terrell city manager Torry Edwards in the February 9, 2009, issue, and *Public Works Management and Policy*, which included a case study about Terrell in 2007; additionally, Mayor Hal Richards has been invited to a north central Texas regional mayor's conference to present the Terrell design model as a "best business practice"; and

WHEREAS, The visionary, thoughtful approach the city has taken in preparing for the challenges and opportunities of population growth will greatly benefit area residents in the years to come and has set high standards for other communities to emulate, and Terrell civic leaders merit high praise for their notable accomplishments; now, therefore, be it

RESOLVED, That the House of Representatives of the 81st Texas Legislature, 1st Called Session, hereby congratulate the City of Terrell on the national recognition received by its exemplary model for sustainable development and commend all those involved in the innovative planning efforts for their outstanding contributions; and, be it further

RESOLVED, That an official copy of this resolution be prepared for the City of Terrell as an expression of high regard by the Texas House of Representatives.

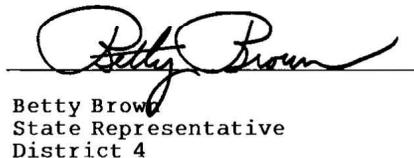
H.R. No. 89


Speaker of the House

I certify that H.R. No. 89 was adopted by the House on July 2, 2009, by a non-record vote.


Chief Clerk of the House




Betty Brown
State Representative
District 4

4. Discuss and Consider Approval of Special City Council Meeting Workshop Minutes of July 30, 2009, Regular City Council Meeting Minutes of August 4, 2009 and Special City Council Meeting Minutes of August 7, 2009.

Mayor Pro tem Don Thurman made a motion to approve Special City Council Meeting Workshop Minutes of July 30, 2009, Regular City Council Meeting Minutes of August 4, 2009 and Special City Council Meeting Minutes of August 7, 2009. The motion was seconded by Councilmember Sandra Wilson. Ayes – all; Nays – none. Motion carried.

5. Hear Remarks from Visitors.

Henry Bowling, 16583 Bowling Lane, Terrell, Texas complained to Council about getting a water meter at 304 Goss.

Greg Gober, P.O. Box 999, Terrell, Texas complained to Council about getting a water meter at 304 Goss.

Gary Holcomb representing Lawrence Water Supply Corporation discussed water rate increases with Council.

PUBLIC HEARING

6.

- a.) **Conduct a Public Hearing to Receive Comment Regarding Ordinance No. 2426 – Amending Appendix 1, Fee Schedule, Section 27: Water Service Rates, Paragraphs (1) Through (7) and Section 28: Sewer Service Rates and Charges, Paragraph (1) of the Revised Code of Ordinances of the City of Terrell, Texas.**

John Rounsavall, City Secretary/Finance Director gave opening comments regarding Ordinance No. 2426 – Amending Appendix 1, Fee Schedule, Section 27: Water Service Rates, Paragraphs (1) Through (7) and Section 28: Sewer Service Rates and Charges, Paragraph (1) of the Revised Code of Ordinances of the City of Terrell, Texas. Mayor Hal Richards opened a Public Hearing to Receive Comment Regarding Ordinance No. 2426 – Amending Appendix 1, Fee Schedule, Section 27: Water Service Rates, Paragraphs (1) Through (7) and Section 28: Sewer Service Rates and Charges, Paragraph (1) of the Revised Code of Ordinances of the City of Terrell, Texas. No one spoke for or against Ordinance No. 2426. Mayor Hal Richards closed the Public Hearing.

- b.) **Discuss and Consider Approval of Ordinance No. 2426 – Amending Appendix 1, Fee Schedule, Section 27: Water Service Rates, Paragraphs (1) Through (7) and Section 28: Sewer Service Rates and Charges, Paragraph (1) of the Revised Code of Ordinances of the City of Terrell, Texas.**

Mayor Pro tem Don Thurman made a motion to approve Ordinance No. 2426 - Amending Appendix 1, Fee Schedule, Section 27: Water Service Rates, Paragraphs (1) Through (7) and Section 28: Sewer Service Rates and Charges, Paragraph (1) of the Revised Code of Ordinances of the City of Terrell, Texas on first reading. The motion was seconded by Councilmember Ricky Jordan. Ayes – all; Nays – none. Motion carried.

ORDINANCE NO. 2426

AN ORDINANCE OF THE CITY OF TERRELL, TEXAS, AMENDING APPENDIX 1, FEE SCHEDULE, SECTION 27: WATER SERVICE RATES, PARAGRAPHS (1) THROUGH (7) AND SECTION 28: SEWER SERVICE RATES AND CHARGES, PARAGRAPH (1) OF THE REVISED CODE OF ORDINANCES OF THE CITY OF TERRELL, TEXAS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

7.

- c.) **Conduct a Public Hearing to Receive Comment Regarding Ordinance No. 2424 – Approving a Request for a Specific Use Permit for Temporary Concrete Batching Plant on Property Located at 400 Industrial, Described as Block A, Airport Addition, City of Terrell, Kaufman County, Texas (SUP-20).**

Terry Capehart, Director of Municipal Development gave opening comments regarding Ordinance No. 2424 – Approving a Request for a Specific Use Permit for Temporary Concrete Batching Plant on Property Located at 400 Industrial, Described as Block A, Airport Addition, City of Terrell, Kaufman County, Texas (SUP-20). Mayor Hal Richards opened a Public Hearing to Receive Comment Regarding Ordinance No. 2424 – Approving a Request for a Specific Use Permit for Temporary Concrete Batching Plant on Property Located at 400 Industrial, Described as Block A, Airport Addition, City of Terrell, Kaufman County, Texas (SUP-20). No one spoke for or against Ordinance No. 2424 – Approving a Request for a Specific Use Permit for Temporary Concrete Batching Plant on Property Located at 400 Industrial, Described as Block A, Airport Addition, City of Terrell, Kaufman County, Texas (SUP-20). Mayor Hal Richards closed the Public Hearing.

- d.) **Discuss and Consider Approval of Ordinance No. 2424 – Approving a Request for a Specific Use Permit for Temporary Concrete Batching Plant on Property Located at**

400 Industrial, Described as Block A, Airport Addition, City of Terrell, Kaufman County, Texas (SUP-20).

Councilmember Jack Jones made a motion to approve Ordinance No. 2424 - Approving a Request for a Specific Use Permit for Temporary Concrete Batching Plant on Property Located at 400 Industrial, Described as Block A, Airport Addition, City of Terrell, Kaufman County, Texas (SUP-20) on first reading. The motion was seconded by Councilmember Sandra Wilson. Ayes – all; Nays – none. Motion carried.

ORDINANCE NO. 2424

AN ORDINANCE OF THE CITY OF TERRELL, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE (ORD. 2371) AND ESTABLISHING SPECIFIC USE PERMIT NUMBER TWENTY (SUP-20) FOR A TEMPORARY CONCRETE BATCH PLANT ON PROPERTY LOCATED AT 400 INDUSTRIAL BOULEVARD, CITY OF TERRELL, KAUFMAN COUNTY, TEXAS; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

NEW BUSINESS

8. Discuss and Consider Approval of Ordinance No. 2425 – Amending Appendix 1, Fee Schedule, Section 27: Water Service Rates, Paragraph (4) of the Revised Code of Ordinances of the City of Terrell, Texas.

John Rounsavall, City Secretary/Finance Director presented to Council for discussion and consideration Ordinance No. 2425 – Amending Appendix 1, Fee Schedule, Section 27: Water Service Rates, Paragraph (4) of the Revised Code of Ordinances of the City of Terrell, Texas. Councilmember Ricky Jordan made a motion to approve Ordinance No. 2425 - Amending Appendix 1, Fee Schedule, Section 27: Water Service Rates, Paragraph (4) of the Revised Code of Ordinances of the City of Terrell, Texas. The motion was seconded by Mayor Pro Tem Don Thurman. Ayes – all; Nays – none. Motion carried.

ORDINANCE NO. 2425

AN ORDINANCE OF THE CITY OF TERRELL, TEXAS, AMENDING APPENDIX 1, FEE SCHEDULE, SECTION 27: WATER SERVICE RATES, PARAGRAPH (4) OF THE REVISED CODE OF ORDINANCES OF THE CITY OF TERRELL, TEXAS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

9. Receive Report Regarding Renaissance Hospital.

Carol Holland, Director of Human Resources presented to Council a Report Regarding Renaissance Hospital. There was no action taken on this item.

10. Discuss and Consider Approval of Resolution No. 640 – Authorizing the City of Terrell to Enter into an Agreement with the State of Texas – Texas Department of Transportation Concerning the Closure of U.S. Highway 80, a State Right-of-Way to Facilitate the Welcome Home Jamie Foxx Event.

Jody Lay, Chief of Police presented to Council for discussion and consideration Resolution No. 640 – Authorizing the City of Terrell to Enter into an Agreement with the State of Texas – Texas Department of Transportation Concerning the Closure of U.S. Highway 80, a State Right-of-Way to Facilitate the Welcome Home Jamie Foxx Event. Deputy Mayor Pro tem Ricky Jordan made a motion to approve Resolution No. 640 - Authorizing the City of Terrell to Enter into an Agreement with the State of Texas – Texas Department of Transportation Concerning the Closure of U.S. Highway 80, a State Right-of-Way to Facilitate the Welcome Home Jamie Foxx Event. The motion was seconded by Councilmember Sandra Wilson. Ayes – all; Nays – none. Motion carried.

11. Discuss and Consider Approval of a Recommendation Regarding a Request by the Jamie Foxx Homecoming Steering Committee to Add an Honorary Street Name Topper to Portions of Bradshaw Street in Accordance with Established City Policy for Naming or Renaming of Public Facilities, Streets and Parkland.

Terry Capehart, Director of Municipal Development presented to Council for discussion and consideration a Recommendation Regarding a Request by the Jamie Foxx Homecoming Steering Committee to Add an Honorary Street Name Topper to Portions of Bradshaw Street in Accordance with Established City Policy for Naming or Renaming of Public Facilities, Streets and Parkland. Councilmember Jack Jones made a motion to approve a Recommendation Regarding a Request by the Jamie Foxx Homecoming Steering Committee to Add an Honorary Street Name Topper to Portions of Bradshaw Street in Accordance with Established City Policy for Naming or Renaming of Public Facilities, Streets and Parkland. The motion was seconded by Councilmember Sandra Wilson. Ayes – all; Naves – none. Motion carried.

12. Discuss and Consider Approval of a Recommendation Regarding Approval of a Replat of Lots 2,3, 7, 8, 9 and 10, Block 245, Revised Map of Terrell into a Single Lot of Record, Lot 1R, New Hope Baptist Church Addition, Located at 607 S. Rockwall Avenue, As Recorded in Volume 2462, Page 435; Volume 2373, Page 421; Volume 1293, Page 983; Volume 2705, Page 217; and Plat Cabinet 1, Envelope 419, All of Deed Records of Kaufman County, City of Terrell, Texas (P-09-02).

Terry Capehart, Director of Municipal Development presented to Council for discussion and consideration a Recommendation Regarding Approval of a Replat of Lots 2,3, 7, 8, 9 and 10, Block 245, Revised Map of Terrell into a Single Lot of Record, Lot 1R, New Hope Baptist Church Addition, Located at 607 S. Rockwall Avenue, As Recorded in Volume 2462, Page 435; Volume 2373, Page 421; Volume 1293, Page 983; Volume 2705, Page 217; and Plat Cabinet 1, Envelope 419, All of Deed Records of Kaufman County, City of Terrell, Texas (P-09-02). Councilmember Sandra Wilson made a motion to approve a Recommendation Regarding Approval of a Replat of Lots 2,3, 7, 8, 9 and 10, Block 245, Revised Map of Terrell into a Single Lot of Record, Lot 1R, New Hope Baptist Church Addition, Located at 607 S. Rockwall Avenue, As Recorded in Volume 2462, Page 435; Volume 2373, Page 421; Volume 1293, Page 983; Volume 2705, Page 217; and Plat Cabinet 1, Envelope 419, All of Deed Records of Kaufman County, City of Terrell, Texas (P-09-02). The motion was seconded by Mayor Pro tem Don Thurman. Ayes – all; Naves – none. Motion carried.

13. Discuss and Consider Approval of a Recommendation Regarding Approval of Alternative Exterior Materials Per Section 37.4 of the Zoning Ordinance on Property Located at 703 First Street, Described as Lots 1&4, Block 1, Johnson Addition, City of Terrell, Kaufman County, Texas (ZA-09-03).

Terry Capehart, Director of Municipal Development presented to Council for discussion and consideration a Recommendation Regarding Approval of Alternative Exterior Materials Per Section 37.4 of the Zoning Ordinance on Property Located at 703 First Street, Described as Lots 1&4, Block 1, Johnson Addition, City of Terrell, Kaufman County, Texas (ZA-09-03). Mayor Pro tem Don Thurman made a motion to approve a Recommendation Regarding Approval of Alternative Exterior Materials Per Section 37.4 of the Zoning Ordinance on Property Located at 703 First Street, Described as Lots 1&4, Block 1, Johnson Addition, City of Terrell, Kaufman County, Texas (ZA-09-03). The motion was seconded by Councilmember Sandra Wilson. Ayes – all; Naves – none. Motion carried.

14. Discuss and Consider Approval of Ordinance No. 2423 - Amending Chapter 7, Health and Sanitation, Section 3: Accumulations of Unsanitary, Unsightly Conditions and Tall Weeds and Grass.

Terry Capehart, Director of Municipal Development presented to Council for discussion and consideration Ordinance No. 2423 - Amending Chapter 7, Health and Sanitation, Section 3: Accumulations of Unsanitary, Unsightly Conditions and Tall Weeds and Grass. Councilmember Jack Jones made a motion to approve Ordinance No. 2423 - Amending Chapter 7, Health and Sanitation, Section 3: Accumulations of Unsanitary, Unsightly Conditions and Tall Weeds and Grass on first reading. The motion was seconded by Deputy Mayor Pro tem Ricky Jordan. Ayes – all; Naves – none. Motion carried.

ORDINANCE NO. 2423

AN ORDINANCE OF THE CITY OF TERRELL, KAUFMAN COUNTY, TEXAS AMENDING CHAPTER 7, HEALTH AND SANITATION, SECTION 3: ACCUMULATIONS OF UNSANITARY, UNSIGHTLY CONDITIONS AND TALL WEEDS AND GRASS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING A PENALTY; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

15. Discuss and Consider Appointments to the Planning and Zoning Commission.

Mayor Pro tem Don Thurman made a motion to appoint Jerry Yates to the Planning and Zoning Commission to fill the unexpired term of Aaron Cook. The motion was seconded by Councilmember Jack Jones. Ayes – all; Nays – none. Motion carried.

16. Discuss and Consider Appointment to Riter C. Hulsey Public Library Advisory Board.

Councilmember Sandra Wilson made a motion to appoint Tonya Derrick to replace Beth Brown on the Riter C. Hulsey Public Library Advisory Board. The motion was seconded by Councilmember Jack Jones. Ayes – all; Nays – none. Motion carried.
Second board appointment to be placed on next meeting.

17. Discuss and Consider Appointments to the Youth Advisory Commission.

Lynnette Nadeau, Marketing Director presented to Council for discussion and consideration Appointments to the Youth Advisory Commission. Appointments recommended are: Jasmine Kennedy – 10th grade, Gabby Lopez, 10th grade, Emmanuel Cobb, 11th grade, Blair Henderson, 9th grade, Kenvia Ross, 9th grade and Jaderrick Moss, 10th grade. Councilmember Sandra Wilson made a motion to approved appointments to the Youth Advisory Commission. The motion was seconded by Deputy Mayor Pro tem Ricky Jordan. Ayes – all; Nays – none. Motion carried.

18. Discuss and Consider Approval of 2009-2010 Hotel/Motel Occupancy Tax Allocation.

Councilmember Jack Jones made a motion to table this item. The motion was seconded by Councilmember Sandra Wilson. Ayes – all; Nays – none. Motion carried.

19. Discuss and Consider Approval of Hotel/Motel Tax Funds Requests for 2009-2010.

Councilmember Jack Jones made a motion to table this item. The motion was seconded by Councilmember Sandra Wilson. Ayes – all; Nays – none. Motion carried.

CONSENT AGENDA

Councilmember Jack Jones made a motion to approve Ordinance No. 2421 and Ordinance No. 2422 on second reading on CONSENT AGENDA. The motion was seconded by Mayor Pro tem Don Thurman. Ayes – all; Nays – none. Motion carried.

20. Discuss and Consider Adoption on Second Reading of Ordinance No. 2421– Approving a Negotiated Resolution Between the ATMOS Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division Regarding the Company’s Rate Review Mechanism.

ORDINANCE NO. 2421

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS (“CITY”) APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC” OR “STEERING COMMITTEE”) AND ATMOS ENERGY CORP., MID-TEX DIVISION (“ATMOS MID-TEX” OR “COMPANY”) REGARDING THE COMPANY’S RATE REVIEW MECHANISM FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION, DECLARING EXISTING RATES TO BE UNREASONABLE, REQUIRING THE COMPANY TO REIMBURSE CITIES’ REASONABLE RATEMAKING EXPENSES, ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE, APPROVING ATMOS’ PROOF OF REVENUES ADOPTING A SAVINGS CLAUSE, DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT, DECLARING AN EFFECTIVE DATE, AND REQUIRING

DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE
STEERING COMMITTEE'S LEGAL COUNSEL.

WHEREAS, the City of Terrell, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or " Company"), and a regulatory authority with an interest in the rates and charges of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC" or "Steering Committee"), a coalition of more than 150 similarly situated cities served by Atmos Mid-Tex that have joined together to facilitate the review and response to natural gas issues affecting rates charged in the Atmos Mid-Tex service area (such participating cities are referred to herein as "ACSC Cities"); and

WHEREAS, pursuant to the terms of the agreement settling the Company's 2007 Statement of Intent to increase rates, ACSC Cities and the Company worked collaboratively to develop the Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process controlled in a three year experiment by ACSC Cities as a substitute to the current GRIP process instituted by the Legislature; and

WHEREAS, the City took action in 2008 to approve a Settlement Agreement with Atmos Mid-Tex resolving the Company's 2007 rate case and authorizing the RRM Tariff; and

WHEREAS, the 2008 Settlement Agreement contemplates reimbursement of ACSC Cities' reasonable expenses associated with RRM applications; and

WHEREAS, on or about March 6, 2009, Atmos Mid-Tex filed with the City its second application pursuant to the RRM tariff to increase natural gas rates by approximately \$20.2 million, such increase to be effective in every municipality that has adopted the RRM tariff within its Mid-Tex Division; and

WHEREAS, ACSC Cities coordinated its review of Atmos' RRM filing and designated a Settlement Committee made up of ACSC representatives and assisted by ACSC attorneys and consultants to resolve issues identified by ACSC in the Company's RRM filing; and

WHEREAS, the Company has filed evidence that existing rates are unreasonable and should be changed; and

WHEREAS, independent analysis by ACSC's rate expert concluded that Atmos Mid-Tex is able to justify a slight rate increase over current rates; and

WHEREAS, the Steering Committee has advocated in other proceedings that Atmos Mid-Tex hedge natural gas futures in order to mitigate the volatility of natural gas prices, which are a flow through to customers; and

WHEREAS, the ACSC Executive Committee, as well as ACSC lawyers and consultants, recommend that ACSC members approve the attached rate tariffs ("Attachment A" to this Ordinance), which will increase the Company's revenue requirement by \$2.6 million; and

WHEREAS, the attached tariffs implementing new rates and Atmos' Proof of Revenues ("Attachment B" to this Ordinance) are consistent with the negotiated resolution reached by ACSC Cities and are just, reasonable, and in the public interest; and

WHEREAS, it is the intention of the parties that if the City determines any rates, revenues, terms and conditions, or benefits resulting from a Final Order or subsequent negotiated settlement approved in any proceeding addressing the issues raised in the Company's RRM filing would be more beneficial to the City than the terms of the attached tariff, then the more favorable rates, revenues, terms and conditions, or benefits shall additionally accrue to the City; and

WHEREAS, the negotiated resolution of the Company's RRM filing and the resulting rates are, as a whole, in the public interest.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS:

Section 1. That the findings set forth in this Ordinance are hereby in all things approved.

Section 2. That the City Council finds that the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable and new tariffs and Atmos' Proof of Revenues, which are attached hereto and incorporated herein as Attachments A and B, are just and reasonable and are hereby adopted.

Section 3. That Atmos Mid-Tex shall reimburse the reasonable rate making expenses of the ACSC Cities in processing the Company's rate application.

Section 4. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 5. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 6. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 7. That if the City determines any rates, revenues, terms and conditions, or benefits resulting from a Final Order or subsequent negotiated settlement approved in any proceeding addressing the issues raised in the Company's RRM filing would be more beneficial to the City than the terms of the attached tariff, then the more favorable rates, revenues, terms and conditions, or benefits shall additionally accrue to the City.

Section 8. That the Company's Gas Cost Recovery tariff is revised to permit recovery of certain costs associated with hedging natural gas futures.

Section 9. That this Ordinance shall become effective from and after its passage with rates authorized by attached Tariffs to be effective for bills rendered on or after August 1, 2009.

Section 10. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of David Park, Vice President Rates and Regulatory Affairs, at Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1800, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED this 4th day of August, 2009.
 PASSED AND ADOPTED this 18th day of August, 2009.

21. Discuss and Consider Adoption on Second Reading of Ordinance No. 2422 - Budget Amendment.

ORDINANCE NO. 2422

AN ORDINANCE OF THE CITY OF TERRELL, TEXAS, AMENDING THE ANNUAL BUDGET FOR THE YEAR BEGINNING OCTOBER 1, 2008, AND ENDING SEPTEMBER 30, 2009, AS PASSED AND ADOPTED ON SEPTEMBER 16, 2008 TO PROVIDE FOR INCREASES IN CERTAIN ACCOUNTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS:

SECTION I.

The following funds are amended to reflect the following in the budget:

<u>GENERAL FUND</u>	BUDGETED	AMOUNT	AMENDED
<u>REVENUE</u>			
010-00-3805 Jamie Foxx Event	\$ -0-	\$8,000.00	\$8,000.00
<u>TOURISM FUND</u>	BUDGETED	AMOUNT	AMENDED
<u>EXPENSE</u>			
016-11-4415 Jamie Foxx Event	\$ -0-	\$20,000.00	\$20,000.00
<u>CAPITAL IMPROVEMENT FUND</u>	BUDGETED	AMOUNT	AMENDED
<u>EXPENDITURES</u>			
026-00-4509 Town North Property Right of Way Acquisition	\$ -0-	\$10,000.00	\$10,000.00
<u>UTILITY CAPITAL RESERVE</u>			
<u>EXPENDITURES</u>			
028-28-4506 Right of Way Acquisition County Road 305	\$ -0-	\$60,000.00	\$60,000.00
028-25-4507 Town North Lift Station Property Acquisition	\$ -0-	\$50,000.00	\$50,000.00

SECTION II.

All ordinances or parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

SECTION III.

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionally shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the city council without the incorporation of this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION IV.

This Ordinance will take effect immediately from and after its passage and the publication of the caption, as the law in such cases provides.

Passed and Approved on this the 4th day of August, 2009.

Passed and Adopted on this the 18th day of August, 2009.

END OF CONSENT AGENDA

22. Receive City Manager's Reports and Correspondence – TML Annual Conference and Exhibition – Fort Worth – October 20-23, 2009.

City Manager Torry Edwards presented Reports and Correspondence to Council.

23. Adjourn into Executive Session in Accordance with Section 551 of the Texas Government Code to Discuss Section 551.071 – Consultation with Attorney – Nona Smith vs. City of Terrell – Cause No. 75321-86.

Council adjourned into Executive Session.

24. Reconvene into Regular Session and Consider Action, if any, on Item Discussed in Executive Session.

There was no action taken in Executive Session.

25. Adjourn.

There were no other matters discussed or acted on at this meeting. There being no further business the meeting was adjourned.

Hal Richards, Mayor

Attest:

John Rounsavall, City Secretary