

SPECIAL CITY COUNCIL MEETING

October 15, 2013

6:30 P.M.

A Special City Council Meeting of the Terrell City Council was held on Tuesday, October 15, 2013, at 6:30 p.m. at the William F. Long Airport Terminal at Terrell Municipal Airport, 400 East British Flying School Blvd. Terrell, Texas 75160 with the following members present:

COUNCILMEMBER #1	HAL RICHARDS
COUNCILMEMBER #2	TOMMY SPENCER
COUNCILMEMBER #3	RICKY JORDAN
COUNCILMEMBER #4	CHARLES WHITAKER
COUNCILMEMBER #5	D.J. ORY

1. Call to order.

Mayor Hal Richards, called meeting to order.

2. Invocation.

Councilmember Charles Whitaker, gave the opening prayer.

3. Discuss and Consider Approval of Meeting Minutes of Special City Council Meeting and Workshop and Joint Meeting of September 24, 2013, Special City Council Meeting and Workshop of September 26, 2013, and Regular City Council Meeting of October 1, 2013.

Deputy Mayor Pro Tem D. J. Ory, made a motion to approve Meeting Minutes of Special City Council Meeting and Workshop and Joint Meeting of September 24, 2013, Special City Council Meeting and Workshop of September 26, 2013, and Regular City Council Meeting of October 1, 2013. Councilmember Tommy Spencer, seconded the motion. Ayes - All. Nays - None. Motion carried.

4. Hear Remarks from Visitors.

There were no remarks from visitors.

NEW BUSINESS

5. Discuss and Consider a recommendation by the Planning and Zoning Commission regarding approval of a construction plat being all of a certain called 8.7884 acre tract of land, described as Lot 1, Block A, QT 993 Addition; generally located north of Interstate 20 and east of State Highway 34, City of Terrell, Kaufman County, Texas.

Terry Capehart, Municipal Development Director, and Steve Rogers, City Engineer, Presented to Council for Discussion and Consideration a recommendation by the Planning and Zoning Commission regarding approval of a construction plat being all of a certain called 8.7884 acre tract of land, described as Lot 1, Block A, QT 993 Addition; generally located north of Interstate 20 and east of State Highway 34, City of Terrell, Kaufman County, Texas. Deputy Mayor Pro Tem D. J. Ory, made a motion to approve a recommendation by the Planning and Zoning Commission regarding approval of a construction plat being all of a certain called 8.7884 acre tract of land, described as Lot 1, Block A, QT 993 Addition; generally located north of Interstate 20 and east of State Highway 34, City of Terrell, Kaufman County, Texas. Mayor Pro Tem Ricky Jordan, seconded the motion. Ayes - All. Nays - None. Motion carried.

6. Discuss and Consider Resolution No. 746; A Resolution Declaring Expectation To Reimburse Expenditures With Proceeds Of Future Debt.

John Rounsavall, City Secretary, Presented to Council for Discussion and Consideration Resolution No. 746; A Resolution Declaring Expectation To Reimburse Expenditures With Proceeds Of Future Debt. Deputy Mayor Pro Tem D. J. Ory, made a motion to approve Resolution No. 746; A Resolution Declaring Expectation To Reimburse Expenditures With Proceeds Of Future Debt. Mayor Pro Tem Ricky Jordan, seconded the motion. Ayes - All. Nays - None. Motion carried.

RESOLUTION NO. 746 A RESOLUTION DECLARING EXPECTATION TO REIMBURSE EXPENDITURES WITH PROCEEDS OF FUTURE DEBT

WHEREAS, the City of Terrell, Texas (the "Issuer") intends to issue debt for the acquisition of a public safety radio system, including the planning, design, and improvements thereto (the "Project") and further intends to make certain capital expenditures with respect to the Project and currently desires and expects to reimburse the capital expenditures with proceeds of such debt;

WHEREAS, under Treas. Reg. § 1.150-2 (the "Regulation"), to fund such reimbursement with proceeds of tax-exempt obligations, the Issuer must declare its expectation to make such reimbursement; and

WHEREAS, the Issuer desires to preserve its ability to reimburse the capital expenditures with proceeds of tax-exempt obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE ISSUER THAT the Issuer reasonably expects to reimburse capital expenditures with respect to the Project with proceeds of debt hereafter to be incurred by the Issuer, and that this resolution shall constitute a declaration of official intent under the Regulation. The maximum principal amount of obligations expected to be issued for the Project is \$1,635,000.

PASSED AND APPROVED this the 15th day of October, 2013.

7. Discuss and Consider appointments to Terrell Park Board.

Deputy Mayor Pro Tem D. J. Ory, Presented to Council for Discussion and Consideration appointments to Terrell Park Board. Deputy Mayor Pro Tem D. J. Ory, made a motion to reappoint Abbie Craven to the Terrell Park Board and to appoint Dianne Cockrill to replace Sandra Harrelson. Councilmember Charles Whitaker, seconded the motion. Ayes - All. Nays - None. Motion carried.

8. Discuss and Consider appointments to Terrell Planning and Zoning Commission.

Mayor Pro Tem Ricky Jordan, made a motion to table appointments to Terrell Planning and Zoning Commission. Councilmember Tommy Spencer, seconded the motion. Ayes - All. Nays - None. Motion carried.

9. Discuss and Consider appointments to Terrell Civil Service Commission.

Councilmember Charles Whitaker, made a motion to reappoint Oscar Hinchon to Terrell Civil Service Commission. Councilmember Tommy Spencer, seconded the motion. Ayes - All. Nays - None. Motion carried.

CONSENT AGENDA

Deputy Mayor Pro Tem D. J. Ory, made a motion to approve and adopt on CONSENT AGENDA Ordinance No. 2583 and Ordinance No. 2584 on second reading. Councilmember Tommy Spencer, seconded the motion. Ayes - All. Nays - None. Motion carried.

10. Discuss and Consider Adoption On Second Reading Ordinance No. 2583; An Ordinance Of The City Council Of The City Of Terrell, Texas, Approving A Negotiated Resolution Between The Atmos Cities Steering Committee And Atmos Energy Corp., Mid-Tex Division Regarding The Company's 2013 Annual Rate Review Mechanism Filing In All Cities Exercising Original Jurisdiction; Declaring Existing Rates To Be Unreasonable; 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; Requiring The Company To Reimburse Cities' Reasonable Ratemaking Expenses; Repealing Conflicting Resolutions Or Ordinances; Determining That This Ordinance Was Passed In Accordance With The Requirements Of The Texas Open Meetings Act; Adopting A Savings Clause; Declaring An Effective Date; Providing A Most Favored Nations Clause; And Requiring Delivery Of This Ordinance To The Company And The Steering Committee's Legal Counsel.

ORDINANCE NO. 2583

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS, APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS CITIES STEERING COMMITTEE AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2013 ANNUAL RATE REVIEW MECHANISM FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; DECLARING EXISTING RATES TO BE UNREASONABLE; 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; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES; REPEALING CONFLICTING RESOLUTIONS OR ORDINANCES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; PROVIDING A MOST FAVORED NATIONS CLAUSE; 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"), a coalition of approximately 164 similarly situated cities served by Atmos Mid-Tex that have joined together to facilitate the review of and response to natural gas issues affecting rates charged in the Atmos Mid-Tex service area; 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 a 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 Gas Reliability Infrastructure Program ("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, in 2013, ACSC and the Company negotiated a renewal of the RRM tariff process for an additional five years; and

WHEREAS, the City passed an ordinance renewing the RRM tariff process for the City for an additional five years; and

WHEREAS, the RRM renewal tariff contemplates reimbursement of ACSC Cities' reasonable expenses associated with RRM applications; and

WHEREAS, on or about July 15, 2013, the Company filed with the City its first annual RRM filing under the renewed RRM tariff, requesting to increase natural gas base rates by \$22.7 million; and

WHEREAS, ACSC coordinated its review of Atmos Mid-Tex's RRM filing through its Executive Committee, assisted by ACSC attorneys and consultants, to resolve issues identified by ACSC in the Company's RRM filing; and

WHEREAS, the ACSC Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve the attached rate tariffs ("Attachment A" to this Ordinance), which will increase the Company's revenues by \$16.6 million; and

WHEREAS, the attached tariffs implementing new rates are consistent with the negotiated resolution reached by ACSC Cities and are just, reasonable, and 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 the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable and new tariffs which are attached hereto and incorporated herein as Attachment A, are just and reasonable and are hereby adopted.

Section 3. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC Cities in processing the Company's RRM 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 ACSC 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 Atmos' 2013 RRM filing would be more beneficial to the ACSC Cities than the terms of the attached tariffs, then the more favorable rates, revenues, terms and conditions, or benefits shall additionally and automatically accrue to the ACSC Cities, including the City, without the need for City to take any further action. If this automatic adjustment occurs, Atmos Mid-Tex shall promptly thereafter file with the City an amended tariff documenting the adjustment to rates.

Section 8. 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 November 1, 2013.

Section 9. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Manager of Rates and Regulatory Affairs, at Atmos Energy Corporation, 5420 LBJ Freeway, Suite

1862, 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 1st day of October, 2013.
 PASSED AND ADOPTED this 15th day of October, 2013.

11. Discuss and Consider Adoption On Second Reading Ordinance No. 2584; An Ordinance Of The City Of Terrell, Texas, Amending The Annual Budget For The Year Beginning October 1, 2012, And Ending September 30, 2013, As Passed And Adopted On September 4, 2012 To Provide For Increases In Certain Accounts; Providing For Severability; And Providing An Effective Date.

ORDINANCE NO. 2584

AN ORDINANCE OF THE CITY OF TERRELL, TEXAS, AMENDING THE ANNUAL BUDGET FOR THE YEAR BEGINNING OCTOBER 1, 2012, AND ENDING SEPTEMBER 30, 2013, AS PASSED AND ADOPTED ON SEPTEMBER 4, 2012 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:

GENERAL FUND REVENUES	BUDGETED AMOUNT	AMENDED
010-00-3201-00 Utility Franchise	\$ 250,000.00 \$ 76,500.00	\$ 326,500.00
010-00-3203-00 Franchise Telephone	\$ 120,000.00 \$ 95,000.00	\$ 215,000.00
010-00-3207-00 City Sales Tax	\$3,600,000.00 \$245,800.00	\$3,845,800.00
010-00-3211-00 City Sales Tax / Tax Reduction	\$1,800,000.00 \$122,900.00	\$1,922,900.00
010-00-3250-00 City Sales Tax / Economic Development	\$1,800,000.00 \$122,900.00	\$1,922,900.00
010-00-3312-00 Permits - Alarm	\$ 15,000.00 \$ 13,250.00	\$ 28,250.00
010-00-3506-00 Fees - Residential Refuse	\$ 501,000.00 \$ 81,100.00	\$ 582,100.00
010-00-3705-00 Mowing	\$ 16,400.00 \$ 23,800.00	\$ 40,200.00
010-00-3717-00 Loan Proceeds Communications System	\$ 800,000.00 \$(800,000.00)	\$ 0.00

010-00-3717-00 Loan Proceeds Public
 Safety Records Management System \$ 0.00 \$ 341,201.00 \$ 341,201.00

010-00-3678-00 Lease \$ 10,500.00 \$ 10,500.00 \$ 21,000.00

GENERAL FUND **BUDGETED AMOUNT** **AMENDED**
EXPENSES

Legislative

010-11-4408-00 Autozone CHP 380 Rebate \$ 175,675.00 \$ 12,200.00 \$ 187,875.00

010-11-4587-00 Terrell Economic
 Development \$1,800,000.00 \$ 122,900.00 \$1,922,900.00

Building

010-16-4320 Buildings \$ 150,000.00 \$ 300,000.00 \$ 450,000.00

010-16-4430-00 Utilities \$ 265,000.00 \$ 44,000.00 \$ 309,000.00

Municipal Building

010-20-4440-00 Contract Labor \$ 80,000.00 \$ 11,500.00 \$ 91,500.00

Street

010-22-4440 Contract Labor \$ 2,000.00 \$ 15,000.00 \$ 17,000.00

Fire

010-33-4206-00 Minor Tools and Apparatus \$ 3,000.00 \$ 19,050.00 \$ 22,050.00

Police Department

010-32-4502-00 Public Safety Radio System \$ 800,000.00 \$(800,000.00) \$ 0.00

010-32-4512-00 Public Safety Records
 Management System \$ 0.00 \$ 321,401.00 \$ 321,401.00

AIRPORT FUND **BUDGETED AMOUNT** **AMENDED**
REVENUES

014-00-3204-00 Refund
 TxDot Airport Terminal \$ 0.00 \$ 214,095.00 \$ 214,095.00

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 1st day of October, 2013.

Passed and Adopted on this the 15th day of October, 2013.

END CONSENT AGENDA

12. Adjourn into Executive Session in Accordance with Section 551 of the Texas Government Code to Discuss the following:
- a.) Section 551.071 - Consultations with Attorney - pending or contemplated litigation.
 - b.) Section 551.072 - Deliberations about Real Property.
 - c.) Section 551.087 - Deliberation Regarding Economic Development Negotiations.

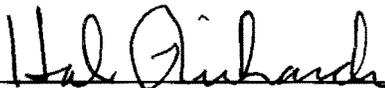
Council adjourned into Executive Session to discuss Section 551.072 - Deliberations about Real Property.

13. Reconvene into Regular Session and Consider Action, if any, on Items Discussed in Executive Session.

No action was taken out of Executive Session.

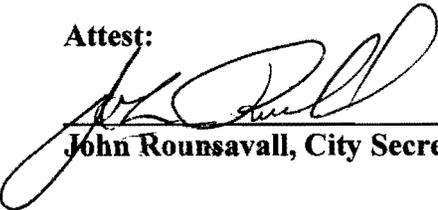
14. Adjourn.

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