

CITY OF SULPHUR SPRINGS, TEXAS

SPECIAL MEETING OF THE

CITY COUNCIL

SEPTEMBER 23, 2008

7:00 p.m.

Mayor Oscar Aguilar called the special meeting of the Sulphur Springs City Council to order at 7:03 p.m. The following council members and staff were present:

Mayor Oscar Aguilar
Council Garry Jordan
Councilman Clay Walker
Councilman Freddie Taylor (7:15P)
Councilman Chris Brown
Councilman Charles Oxford

Absent: Mayor Pro Tem Gary Spraggins

Staff: Marc Maxwell, City Manager
Gale Roberts, City Secretary
Jim McLeroy, City Attorney
Peter Karstens, Director of Finance
Johnny Vance, Dir. Community Development
Craig Vaughn, Director of Utilities

PLEDGE AND INVOCATION

Mayor Aguilar led in the pledge of allegiance and Councilman Jordan led in the invocation.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2546 APPROVING A NEGOTIATED RESOLUTION BETWEEN ATMOS CITIES STEERING COMMITTEE AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S RATE REVIEW MECHANISM FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH NEGOTIATED SETTLEMENT AND FINDING 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 LEGAL COUNSEL

The City, along with 150 other cities served by Atmos Energy Mid-Tex Division ("Atmos" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). On April 14, 2008, Atmos filed with the City an application to increase natural gas rates pursuant to the Rate Review Mechanism ("RRM") tariff approved by the City earlier this year. The Company's April RRM filing seeks a \$33.5 million rate increase. The City worked with ACSC to analyze the schedules and evidence offered by Atmos to support its request to increase rates. The ordinance and attached tariff approving rates that will increase the Company's revenues by \$20 million effective October 1, 2008, are the result of negotiations between ACSC and the Company to resolve issues raised by ACSC during the review and evaluation of the RRM filing. The monthly bill impact for the average residential customer is \$0.81. The ACSC Executive Committee recommends that all ACSC cities adopt the ordinance implementing the rate change. There was no one to speak to the issue. Councilman Jordan moved to adopt the ordinance on the second and final reading. Councilman Oxford seconded and vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2547 A REZONING REQUEST BY OWNER MARTHA STEVENS TO REZONE PROPERTY LOCATED AT 627 AND 629 GILMER STREET, BEING FURTHER DESCRIBED AS LOTS 8, 8A, AND 18 OF BLOCK 35 FROM SINGLE FAMILY (SF-6) TO HEAVY COMMERCIAL (HC)

The owner is requesting to change the zoning of the property from Single Family (SF-6) to Heavy Commercial (HC) so that the property is zoned the same as the surrounding property and can be marketed and sold as commercial. Director of Community Development Johnny Vance was available to answer any questions. There was no one to speak to this issue. Councilman Brown moved to adopt the ordinance on the second and final reading. Councilman Walker seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2548, THE APPROPRIATIONS ORDINANCE FOR THE CITY OF SULPHUR SPRINGS FISCAL YEAR 2008-2009

Finance Director Peter Karstens presented the staff report. This ordinance adopts the FY 2008-09 budget, appropriating certain funds and directing their expenditure. As discussed at the September 2, 2008 meeting the total amount of the budget has increased by \$152,000, which is the estimated cost of the new roof for the Service Center. There was a general discussion. Councilman Oxford stated that he was profoundly impressed with the efficiency and work quality of the City staff for the work they have done on Main Street. He also stated that he was very impressed by the finished product. Mayor Aguilar totally concurred with the statement. Another general discussion was held regarding the grant program for the downtown inducements. Councilman Oxford stated that he was opposed to the inducement program and therefore would have to vote "NO" on this item. There was no one else to speak to the issue. Councilman Jordan moved to approve the ordinance on the second and final reading. Councilman Walker seconded the motion and the vote was as follows:

Ayes: Jordan, Walker, Aguilar, Taylor, Brown
Nays: Oxford
Abstain: None

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2549, SETTING THE TAX RATE FOR THE CITY OF SULPHUR SPRINGS FOR 2008

Finance Director Pater Karstens presented the staff report. There was no one else to speak to the issue. Councilman Oxford moved that property taxes be increased by the adoption of a tax rate of \$0.44 per \$100 of valuation. Councilman Walker seconded the motion and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2550, SETTING THE WATER RATE FOR THE CITY OF SULPHUR SPRINGS FOR 2008

Finance Director Pater Karstens presented the staff report. There was no one else to speak to the issue. Councilman Brown moved to approve the ordinance on the second and final reading. Councilman Oxford seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2551, SETTING THE SEWER RATE FOR THE CITY OF SULPHUR SPRINGS FOR 2008

Finance Director Pater Karstens presented the staff report. There was no one else to speak to the issue. Councilman Brown moved to approve the ordinance on the second and final reading. Councilman Oxford seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2552, SETTING THE SANITATION RATE FOR THE CITY OF SULPHUR SPRINGS FOR 2008

Finance Director Pater Karstens presented the staff report. There was no one else to speak to the issue. Councilman Brown moved to approve the ordinance on the second and final reading. Councilman Taylor seconded and the vote was unanimous.

The motion carried.

VISITORS AND PUBLIC FORUM

None.

ADJOURN

With all business complete the meeting was adjourned at 7:18 p.m.