

CITY OF SULPHUR SPRINGS, TEXAS

REGULAR MEETING OF THE

CITY COUNCIL

AUGUST 4, 2009

7:00 p.m.

Mayor Spraggins called the regular meeting of the Sulphur Springs City Council to order at 7:02 p.m. The following council members and staff were present:

Mayor Gary Spraggins
Mayor Pro Tem Chris Brown
Councilman Craig Johnson
Councilman Clay Walker
Councilman Oscar Aguilar
Councilman Freddie Taylor
Councilman Charles Oxford

Absent: None

Staff: Marc Maxwell, City Manager
Gale Roberts, City Secretary
Jim McLeroy, City Attorney
Peter Karstens, Director of Finance
Johnny Vance, Director of Community Development
Gordon Frazier, Director of Human Resources
Jim Bayuk, Chief of Police
Craig Vaughn, Director of Utilities

PLEDGE AND INVOCATION

Mayor Spraggins led in the pledge of allegiance and Pastor Curtis Dorsey of Our Savior Lutheran Church led in the invocation.

MANAGER'S REPORT WILL INCLUDE STATUS REPORT OF CAPITAL IMPROVEMENTS, ACCIDENTS AND CLAIMS FOR THE MONTH, AND A REVIEW OF EXPENDITURES AND REVENUES

HOUSTON STREET - The Houston Street project continues to progress. The capital construction crew completed the street section between Mulberry and Davis including the

intersection of Davis and Houston. Presently the crews are busy pouring all of the concrete driveway approaches as well as sidewalks.

Since last month's meeting, things have gotten a little better with Oncor. A few of the most critical poles were moved, allowing the crews to finish pouring the street. Now we just need a few more to be moved so we can finish the sidewalks. The largest stumbling block seems to be that 2 of the poles to be replaced will be replaced with concrete poles instead of wooden ones. The concrete poles require a longer lead time. We don't expect the concrete poles to be installed for a couple of more weeks, at best.

This all means that the project is behind schedule. We had originally hoped to be finished before school starts on August 24th. It now appears that we will not finish until mid-September.

Also, the project design calls for a 4-way stop at the intersection of Houston and Church. TXDOT has denied our request to convert the intersection to 4-way. Church Street is a state highway. Later on this agenda you will find a resolution calling for a 4-way stop at the intersection. If passed, I will take the resolution to Austin and start visiting with TXDOT commissioners and senior staff.

CLAIMS – No liability claims were received in July. No Workers Compensation claims were received in July. We did have a lightning strike at the airport, however, that damaged quite a bit of electronic equipment including the telephone system and the copier. We have submitted a claim to TML.

REVENUES AND EXPENDITURES – Finance Director, Peter Karstens will not present the year-to-date summary of revenues and expenditures as is customary. Rather, he has presented the draft fiscal year 2009-10 budget at the previous workshop this evening.

MISCELLANEOUS – Elsewhere around the City, employees:

- Fertilized all of the athletic fields.
- Prepared fields for state tournament at Coleman Park.
- Shredded around Coleman Lake.
- Started trimming trees and removing dead trees at Buford Park.
- Sold 12,168 gallons of Jet-A fuel and 1,910 gallons of AvGas.
- Processed 468 tickets through the Municipal Court.
- Responded to 247 animal control calls.
- Placed 40 dogs and cats (75%) in adoptive homes.
- Recertified all police radars.
- Made 4 felony arrests in the Special Crimes Unit and filed 18 felony cases.

- Wrote 455 tickets, recorded 91 offenses, responded to 49 accidents and made 89 arrests.
- Checked out 6,643 books.
- Responded to 95 fire/rescue calls including 2 structure fires.
- Conducted 37 fire inspections.
- Replaced 4 street signs.
- Treated 170 million gallons of drinking water.
- Made 42 street repairs (16 as a result of utility repairs).
- Mowed 36 city properties.
- Repaired baseball lights at Buford Park.
- Installed timers on waterfalls at Coleman Park to reduce electricity costs.
- Inspected runway lights.
- Repaired flashing lights at crosswalk in front of the post office.
- Repaired 18 water main ruptures.
- Replaced 24 water meters and installed 3 water taps.
- Unstopped 16 sewer mains.
- Repaired 4 sewer mains and 5 sewer taps.
- Treated wastewater to a daily average total suspended solids level of 1.90 mg/L.
- Hauled 438 cubic yards of sludge to the landfill.

CONSENT AGENDA

The following items on the Consent Agenda were reviewed: Consider for approval regular City Council meeting minutes of July 7, 2009; amended special City Council meeting minutes of June 16, 2009; the Downtown Revitalization Board meeting minutes of July 21, 2009; and the Economic Development Corporation meeting minutes of June 22, 2009. There was no one to speak to the issue. Mayor Pro Tem Brown moved to approve the consent agenda as presented. Councilman Aguilar seconded the motion and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING FOR THE SECOND AND FINAL READING OF ORDINANCE NO. 2561 ADOPTING ONCOR ELECTRIC DELIVERY COMPANY LLC TARIFF SECTION 6.3.16 – AGREEMENT FOR UNDERGROUND FACILITIES AND COST RECOVERY; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY; AUTHORIZING THE CITY MANAGER TO SIGN RELATED DOCUMENTS; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF

City Manager Maxwell presented the staff report. This ordinance will require Oncor to front the money to place electric utilities underground on the block of Connally Street which is about to be reconstructed. The estimated cost of relocating the electric utilities underground is \$48,846. Oncor would recover the cost by charging electric customers in

Sulphur Springs a monthly fee:

Rate Class	Allocated Amount	Number of Customers	\$/Customer
Residential	\$16,895	6,204	\$0.21
Secondary Service Less than or Equal to 10KW	1,027	729	0.11
Secondary Service greater Than 10KW	30,530	703	3.49
Primary Service Greater than 10 KW	2,060	1	153.83
Lighting Service	351	464	0.07
Total	\$50,863	8,100	

The fee expires at the end of 12 months. There was no one else to speak to the issue. Mayor Pro Tem Brown moved to approve the ordinance on second and final reading. Councilman Aguilar seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2563 APPROVING A NEGOTIATED RESOLUTION BETWEEN ATMOS CITIES STEERING COMMITTEE (ACSC OR STEERING COMMITTEE) AND ATMOS ENERGY CORPORATION, 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

City Manager Marc Maxwell presented the staff report. The rate Review Mechanism (RRM) was created in 2008 as part of a collaborative agreement between ACSC and Atmos. It replaces the unworkable and contentious Gas Reliability Infrastructure Program (GRIP) surcharge process. The RRM authorizes cities to meaningfully review

and dispute the company's annual rate filings in an expedited rate proceeding at the city level. This authority was lacking under the GRIP process. The RRM is a substitute for GRIP filings during the three-year trial period (2008-2010). Pursuant to the negotiated agreement between Atmos and the Steering Committee, the tariffs implementing the RRM will increase rates by \$2.6 million. The average customer impact by class will be:

Residential (4.7 Mcf/month) - \$0.15/month increase (0.22% overall increase)
Commercial (36.1/Mcf/month) - \$0.26/month increase (0.06% overall increase)
Industrial (3480 MMBtu/month) - \$46.80/month decrease (1.96% overall decrease)

The purpose of this ordinance is to approve rate tariffs and Proof of Revenues that reflect the negotiated rate change pursuant to the RRM process. In addition to the RRM tariffs, the ordinance also approves a revision to the Atmos Mid-Tex current Gas Cost Recovery ("GCR") tariff to allow the Company to recover certain hedging costs associated with natural gas futures through the GCR tariff. Mayor Pro Tem Brown moved to approve the ordinance on the first reading. Councilman Taylor seconded and the vote was as follows:

Ayes: Johnson, Walker, Aguilar, Taylor, Spraggins, Brown
Nays: None
Abstain: Oxford

The motion carried.

**DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2564
ADOPTING AN IDENTITY THEFT PROGRAM POLICY**

The Director of Finance, Peter Karstens, presented the staff report. The federal government required, as of November 2008, that certain institutions handling sensitive identity information from their customers establish an identity theft prevention program. Public utilities are included in this mandate. However, as many of these institutions had not resolved exactly what that implementation meant as of that date, the Federal Trade Commission delayed implementation and enforcement of that ruling until August 2009. We have used the model policy as crafted by the Texas Municipal League (TML) for small and mid sized cities for the policy under consideration with this ordinance. The billing staff has already undertaken training consistent with this policy and changed procedures to conform to this policy. There was no one else to speak to the issue. Councilman Oxford moved to approve the ordinance on the first reading. Councilman Aguilar seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 982 SUPPORTING A 4-WAY STOP AT THE INTERSECTION OF HOUSTON STREET AND CHURCH STREET (S. H. 154) AS PART OF THE HOUSTON STREET RECONSTRUCTION PROJECT

The City of Sulphur Springs would like to incorporate a 4-way STOP at the intersection of Houston and Church Streets for safety purposes and to ease the navigation of this intersection. There have been 17 accidents at this intersection in the past 5 years resulting in 4 injuries. The volume of traffic on both streets coupled with the proximity to the residential and commercial structures makes this intersection difficult to navigate. It is in the best interest and safety of our citizens to convert this intersection to a 4-way STOP. There was considerable discussion regarding this issue. There was no one else to speak to the issue. Councilman Taylor moved to approve Resolution No. 982 as presented. Councilman Johnson seconded and the vote was as follows:

Ayes: Johnson, Walker, Aguilar, Taylor, Spraggins, Brown
Nays: Oxford
Abstain: None

The motion carried.

DISCUSSION/ACTION ON HEALTH INSURANCE BIDS

Director of Finance, Peter Karstens, presented the staff report. This is the annual bid on reinsurance for health insurance for employees. Three bids were received and the low bid for fixed costs is Blue Cross, the incumbent at \$222,433. HM Life actually had a lower max plan cost by \$12,791 but their fixed cost are \$42,005 higher. Also, the Blue Cross bid is for 24/12 or paid contract versus 15/12, which could represent in excess of \$15,000 of savings under the right set of circumstances. We have only reached our attachment point once in 13 years. With the attachment points of these bids as high as they are (24% plus increase) the more prudent choice would be to focus on the fixed costs. There was no one else to speak to the issue. Councilman Oxford moved to award the bid to Blue Choice at a fixed cost of \$222,433 at a \$45,000 level specific. Mayor Pro Tem Brown seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON ABATEMENT PROCEEDINGS FOR 224 ROGERS

Director of Community Development, Johnny Vance, presented the staff report. There was no one to speak to the issue. Councilman Taylor moved to declare this property a public nuisance and order abatement by demolition to be completed within thirty (30) days of this hearing. Councilman Johnson seconded and the vote was as follows:

Ayes: Johnson, Walker, Aguilar, Taylor, Spraggins, Oxford
Nays: None
Abstain: Brown

The motion carried.

DISCUSSION/ACTION ON ABATEMENT PROCEEDINGS FOR 226 ROGERS

Director of Community Development, Johnny Vance, presented the staff report. Carrie Nuckolls spoke as a representative of the owners and requesting 120 days to obtain a permit. There was no one to speak to the issue. Councilman Taylor moved to declare this property a public nuisance and order abatement by demolition to be completed within thirty (30) days of this hearing. Councilman Aguilar seconded. Councilman Walker amended the motion to allow 120 days to obtain a permit for rehabilitation or the structure will be abated by demolition at the end of the 120 days. Councilman Aguilar seconded and the vote for the amended motion was as follows:

Ayes: Johnson, Walker, Aguilar, Taylor, Spraggins, Oxford
Nays: None
Abstain: Brown

The motion carried.

The vote on the original motion with the amendment was as follows:

Ayes: Johnson, Walker, Aguilar, Taylor, Spraggins, Oxford
Nays: None
Abstain: Brown

The motion carried.

The owners were granted an extension of 120 days to obtain a permit for rehabilitation or the structure will be abated by demolition at the end of the 120 days.

DISCUSSION/ACTION ON ABATEMENT PROCEEDINGS FOR 228 ROGERS

Director of Community Development, Johnny Vance, presented the staff report. There was no one to speak to the issue. Councilman Taylor moved to declare this property a public nuisance and order abatement by demolition to be completed within thirty (30) days of this hearing. Councilman Oxford seconded and the vote was as follows:

Ayes: Johnson, Walker, Aguilar, Taylor, Spraggins, Oxford

Nays: None
Abstain: Brown

The motion carried.

DISCUSSION/ACTION ON ABATEMENT PROCEEDINGS FOR 405 ATKINS

Director of Community Development, Johnny Vance, presented the staff report. Ed Rosamond addressed the City Council requesting an extension of 6 months (180 days). There was considerable discussion regarding this matter. There was no one to speak to the issue. Councilman Taylor moved to declare this property a public nuisance and order abatement by demolition to be completed within thirty (30) days of this hearing. Councilman Walker seconded.

Councilman Brown amended the motion to grant 30 days to determine if a building permit can be obtained.

The motion to amend failed due to lack of a second.

The original motion was then voted where Councilman Taylor moved to declare this property a public nuisance and order abatement by demolition to be completed within thirty (30) days of this hearing. Councilman Walker seconded and the vote was as follows:

Ayes: Johnson, Walker, Aguilar, Taylor, Spraggins, Oxford
Nays: None
Abstain: Brown

The motion carried.

The property was declared a public nuisance and ordered to be abated by demolition within 30 days of this hearing.

VISITORS/PUBLIC FORUM

None.

ADJOURN

With all business complete the meeting was adjourned at 8:05 p.m.