

**MINUTES
CITY OF GAINESVILLE
CITY COUNCIL MEETING
200 South Rusk
Gainesville, Texas 76240
September 7, 2010**

The City Council of the City of Gainesville, Texas met in regular session on September 7, 2010 at 6:30 p.m. in accordance with the posted agenda and with the following persons in attendance:

MEMBERS PRESENT: Mayor Glenn Loch,
Council Members Jim Goldsworthy, Carolyn Hendricks, Philip Neelley, Ray Nichols, Vince Rippy, Beverly Snuggs

STAFF PRESENT: Barry Sullivan, City Manager; Kay Lunnon, City Secretary; Dan Parker, Finance Director; Kent Sharp, Executive Director, GEDC; Steven Fleming, Police Chief; Steve Boone, Fire Chief; Lynette Pettigrew, Main Street Director

OTHERS PRESENT: Delania Trigg, Kit Chase, Boyd London, Dee Blanton, Doris Rippy.

CALL TO ORDER

Mayor Loch called the meeting to order at 6:30 p.m. All Council members were present.

INVOCATION & PLEDGE OF ALLEGIANCE

Reverend John Hare, First Presbyterian Church, gave the invocation. Mayor Loch led the pledge to the flag.

CONSENT AGENDA

MINUTES OF AUGUST 17, 2010 CITY COUNCIL MEETING

The Minutes of the regular City Council Meeting of August 17, 2010 were reviewed and approved as written.

RESOLUTION NO. 09-07-2010 – APPOINTMENTS TO GAINESVILLE ECONOMIC DEVELOPMENT BOARD OF DIRECTORS

A RESOLUTION APPROVING APPOINTMENTS TO THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION BOARD FOR THE CITY OF GAINESVILLE, TEXAS.

Council approved re-appointment of Tom James, Keith Clegg, and Joe Wallace to the GEDC Board of Directors, and appointment of Frank Morris as Ex Officio to the Board. Terms for each of these members expire in August 2012.

RESOLUTION NO. 09-07-2010 A – APPOINTMENTS COHEN ENDOWMENT SCHOLARSHIP BOARD

A RESOLUTION APPROVING APPOINTMENTS TO THE COHEN ENDOWMENT SCHOLARSHIP BOARD.

Council approved appointment of two at-large members to the Cohen Endowment Scholarship Board. Bonnie Slack and Tina Morgan were approved each for four-year terms expiring September 2014.

Councilmember Nichols moved to **approve the items on the Consent Agenda**, and was seconded by Councilmember Rippy. Motion carried by vote of 7 Ayes, 0 Nays, 0 Absent.

OTHER ITEMS CONSIDERED

RESOLUTION NO. 09-07-2010 B – CASTING BALLOTS FOR TEXAS MUNICIPAL LEAGUE BOARD OF TRUSTEES

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GAINESVILLE, TEXAS, CASTING BALLOTS FOR CANDIDATES FOR THE TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL EMPLOYEE BENEFITS POOL BOARD OF TRUSTEES.

The City's ballot for nominees to the Board of Trustees of the Texas Municipal League Intergovernmental Employee Benefits Pool was approved for Mary Gauer, Kevin Carruth, Larry Melton, and Andres Garza. As a member city of the TML Risk Pool, Gainesville is entitled to vote for one candidate for each of four places on the ballot.

Councilmember Goldsworthy moved to **approve the Resolution**, and was seconded by Councilmember Snuggs. Motion carried by vote of 7 Ayes, 0 Nays, 0 Absent.

PUBLIC HEARING ON PROPOSED CITY BUDGET FOR FISCAL YEAR 2010-2011

Mayor Loch opened the Public Hearing at 6:37 p.m. and called for public comment regarding the proposed budget.

City Manager Barry Sullivan reviewed the highlights of the proposed budget, stating it is a balanced budget and formulated on a tax rate of \$0.647, which is same tax rate as the current fiscal year.

No person came forward to speak either for or against the proposed budget. With no further discussion, Councilmember Snuggs **moved to close the Public Hearing**, and was seconded by Councilmember Nichols. Motion carried by vote of 7 Ayes, 0 Nays. The Public Hearing was closed at 7:40 p.m.

Mayor Loch announced that the City Council will consider and take action on adoption of the Proposed Budget for Fiscal Year 2010-2011 at its regularly scheduled meeting on September 21, 2010, in Council Chambers at City Hall, located at 200 South Rusk Street.

RESOLUTION NO. 09-07-2010 C – AWARDING BID FOR RENTAL UNIFORMS

A RESOLUTION AUTHORIZING THE AWARD OF AN ANNUAL BID FOR RENTAL UNIFORMS UNDER BUY BOARD PRICING.

Council awarded a contract to UniFirst for rental of City work uniforms, door mats and towels. The bid pricing is from the State Buy Board, which satisfies requirements for competitive bidding. The pricing (\$30,580) submitted by UniFirst represents a savings of approximately \$7500 per year over the current provider. Staff recommended award to UniFirst.

Councilmember Snuggs moved to **approve the Resolution**, and was seconded by Councilmember Neelley. Motion carried by vote of 7 Ayes, 0 Nays, 0 Absent.

RESOLUTION NO. 09-07-2010 D – AWARDING BID FOR PURCHASE OF ENERGY EFFICIENT PPE WASHERS AND DRYERS FOR FIRE DEPARTMENT

A RESOLUTION AWARDING BID NO. 2010-4 FOR PURCHASE OF ENERGY EFFICIENT WASHERS AND DRYERS FOR PERSONAL PROTECTION EQUIPMENT FOR THE FIRE DEPARTMENT.

Sullivan said the City received an Energy Efficiency Community Block Grant. The Fire Department took sealed bids for energy efficient washers and dryers for personal protection

equipment (PPE). Staff recommended award of bid to Ed Brown Distributors in the amount of \$22,783 for purchase of two sets of energy efficient washers and dryers. Sullivan said the City will need to get approval from the State Comptroller and the State Historic Commission prior to purchase of the equipment.

Councilmember Nichols moved to **approve the Resolution**, and was seconded by Councilmember Goldsworthy. Motion carried by vote of 7 Ayes, 0 Nays, 0 Absent.

RESOLUTION NO. 09-07-2010 E - APPROVE SALE OF ALCOHOL IN 100 BLOCK OF COMMERCE STREET FOR DEPOT DAY, OCTOBER 9, 2010

A RESOLUTION OF THE CITY COUNCIL APPROVING THE SALE OF ALCOHOL IN THE 100 BLOCK OF COMMERCE STREET BY THE CITY OF GAINESVILLE MAIN STREET PROGRAM DURING DEPOT DAY ON OCTOBER 9, 2010.

The request for the Gainesville Main Street Program to sell beer on Depot Day was approved for 10:00 a.m. until midnight in the 100 block of Commerce Street. The area for alcohol sales and consumption will be barricaded and contained and security officers will be present. The intent is to increase attendance and revenues for the "After Dark" scheduled events. Gainesville Main Street will obtain a temporary permit for Depot Day from the TABC.

Councilmember Snuggs moved to **approve the Resolution**, and was seconded by Councilmember Neelley. Motion carried by vote of 7 Ayes, 0 Nays, 0 Absent.

FIRST READING OF A RESOLUTION REGARDING GEDC APPROVAL OF FUNDING INCENTIVE FOR GAINESVILLE CINEMA, LLC

FIRST READING OF A RESOLUTION APPROVING ACTIONS OF THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION WHICH VOTED TO APPROVE GAINESVILLE CINEMA, LLC AS AN ECONOMIC DEVELOPMENT PROJECT AND TO APPROVE FUNDING A \$400,000.00 INCENTIVE FOR GAINESVILLE CINEMA, LLC.

Council completed first reading of a resolution approving the decision by the Gainesville Economic Development Corporation in designating Gainesville Cinema, LLC as an economic development project and approving a \$400,000 financial incentive for a movie theater. Kent Sharp, GEDC Executive Director, stated that to receive the financial incentive, the company has to receive a Certificate of Occupancy within twenty-four months. Under state legislation, the GEDC project must receive two readings by the City Council prior to approval. No action was taken by Council on its first reading consideration. Second reading of the resolution is scheduled for September 21.

ORDINANCE NO. 1256-09-2010 – AUTHORIZE ISSUANCE OF COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2010

FIRST READING AND ADOPTION OF AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF GAINESVILLE, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2010"; SPECIFYING THE TERMS AND FEATURES OF SAID CERTIFICATES; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES OF OBLIGATION BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND A LIMITED PLEDGE OF THE NET REVENUES FROM THE OPERATION OF THE CITY'S WATERWORKS AND SEWER SYSTEM; AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT AND THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND PROVIDING AN EFFECTIVE DATE.

Ordinance was adopted on first reading authorizing issuance of \$4.88 million in Combination Tax and Revenue Certificates of Obligation for implementation of the City's Street and Utility Maintenance Program (SUMP). The bonds received an interest rate of 3.42% and City Manager Sullivan attributed the great rate to a favorable market and the City's improved bond rating, which was upgraded by Standard & Poor's to an A+. Financial consultant, Boyd London of First Southwest, in his presentation of the bond rating, said Standard and Poor's cited the City's good financial management policies and practices as a factor supporting their favorable rating. London requested Council's adoption of the ordinance on first reading.

Councilmember Goldsworthy **moved to suspend the Charter requirement of three readings**, seconded by Councilmember Nichols. Motion carried by vote of 7 Ayes, 0 Nays, 0 absent.

Councilmember Goldsworthy **moved to adopt the ordinance**, seconded by Councilmember Nichols. Motion carried by vote of 7 Ayes, 0 Nays, 0 absent.

FIRST READING APPROVAL OF ORDINANCE FOR HEALTH CODE AMENDMENTS, CITY CODE CHAPTERS 8 AND 9

FIRST READING OF AN ORDINANCE AMENDING CHAPTER 9 OF THE CITY OF GAINESVILLE CODE OF ORDINANCES, ABOLISHING ARTICLE IV FOOD AND FOOD ESTABLISHMENTS; AMENDING CHAPTER 8 HEALTH, ARTICLE I, ABOLISHING SECTIONS 8-1 THROUGH 8-5; AMENDING CHAPTER 8, ARTICLE II TO ESTABLISH DIVISION 7 OBSTRUCTIONS AND ABATEMENT OF PUBLIC RIGHTS-OF-WAY; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR EFFECTIVE DATE; AND PROVIDING A SAVINGS CLAUSE.

First reading was approved for a proposed ordinance to amend City Code by abolishing Article IV, Chapter 9 Food and Food Establishments rules and regulations in order to turn retail food inspections, including restaurants, over to the State. The ordinance would also amend Chapter 8, to abolish the office of Health Inspector and the City Board of Health, and adds Division 7 Obstructions and Abatement of Public Rights-of-Way, to clarify the City's right to remove obstructions from the public right-of-way. What constitutes an obstruction is more clearly defined, allowing the City to remove or cause to be removed any tree or plant overhang so as to provide a minimum clearance of 14 feet above the street level, or to provide an unobstructed view to passage in the public sidewalk easement. The City Manager said the City has received numerous calls to remove branches covering traffic signs, block sidewalks, and touch the top of cars as they drive down the street. Fire Chief Steve Boone expressed support for this amendment, stating that Fire Department vehicles have experienced numerous difficulties with low hanging branches in the roadway and obstruction of fire hydrants by trees and plants in some parts of the City. Boone said passage of the ordinance is critical to the life and property safety issues for the community. Second reading of the ordinance will be at the regular City Council meeting on September 21, 2010.

Councilmember Goldsworthy **moved to approve first reading of the ordinance**, seconded by Councilmember Snuggs. Motion carried by vote of 7 Ayes, 0 Nays, 0 absent.

ORDINANCE NO. 1257-09-2010 – APPROVE NEGOTIATED RATE TARIFFS FOR ATMOS ENERGY

FIRST READING AND ADOPTION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GAINESVILLE, 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 THIRD RATE REVIEW MECHANISM ("RRM") 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 MID-TEX'S PROOF OF REVENUES; EXTENDING THE RRM PROCESS FOR TWO CYCLES AND ADOPTING A NEW RRM TARIFF; RATIFYING THE SETTLEMENT AGREEMENT, INCLUDING COST RECOVERY FOR A STEEL SERVICE LINE REPLACEMENT PROGRAM; 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.

Ordinance was adopted on first reading approving Atmos Gas utility rate adjustments that become effective for bills rendered on or after October 1, 2010. The monthly bill impact for the average residential customer will be a \$1.40 increase (about 3.15% increase in the total bill). The rate increase is the result of a negotiated settlement with the Atmos Cities Steering Committee (ACSC) pursuant to the Rate Review Mechanism (RRM) process. As a result of the negotiation, ACSC was able to reduce the Company's requested \$70.2 million increase down to \$27 million. In addition the ordinance allows Atmos to recover direct costs of the steel service line replacement program, and, per the Settlement Agreement, 100,000 steel service lines (1,816 in Gainesville) will be replaced prior to September 30, 2012. ACSC recommended adoption of the ordinance implementing the rate change. The City of Gainesville is a member of ACSC.

Councilmember Nichols **moved to suspend the Charter requirement of three readings**, seconded by Councilmember Goldsworthy. Motion carried by vote of 7 Ayes, 0 Nays, 0 absent.

Councilmember Nichols **moved to adopt the ordinance**, seconded by Councilmember Goldsworthy. Motion carried by vote of 7 Ayes, 0 Nays, 0 absent.

Regarding Council's adoption of ordinances on first reading, Sullivan noted that in most cases the ordinances adopted on first reading are administrative in nature, and such adoption by Council is not just quickly passing new laws on to the citizens. Mayor Loch added that Council prefers additional readings to allow citizens time to make comments to Council members and staff prior to adoption of an ordinance.

EXECUTIVE SESSION

The City Council did not convene into executive session.

ADJOURN

With no further business to come before the City Council, the meeting adjourned at 7:26 p.m.

Respectfully submitted,

/S/
Kay Lunnon, City Secretary

/S/
Glenn Loch, Mayor