

**MINUTES
CITY OF GAINESVILLE
CITY COUNCIL MEETING
200 South Rusk
Gainesville, Texas 76240
May 16, 2017**

The City Council of the City of Gainesville, Texas met in regular session on May 16, 2017 at 6:30 p.m. with the following persons in attendance.

MEMBERS PRESENT: Mayor Jim Goldsworthy, Keith Clegg, Carolyn Hendricks, Ken Keeler, Steve Gordon, Mary Jo Dollar

MEMBERS ABSENT: Tommy Moore

STAFF PRESENT: Barry Sullivan, City Manager; Bill Harris, City Attorney; Caitlyn Huddleston, City Secretary; Kevin Phillips, Chief of Police; Dan Parker, Finance Director; Dave Vinton, Municipal Airport Director; Chris Cypert, Municipal Court Judge

OTHERS PRESENT: Mike Gordon, Nikki King, Kathi Kirby Husereau, Gurvir Sandhe, Linda Flowers, Barbara Flowers, Mary Onugha, Arthur Warren, Aydan Onugha, Brad Coleman, Joe Bob Jones, Justin Harris, Megan Gray-Hatfield, Brenton Parker, Tom Reynolds, Tony Dresser (Videographer)

CALL TO ORDER

Mayor Jim Goldsworthy called the meeting to order at 6:30 p.m.

INVOCATION & PLEDGE OF ALLEGIANCE

City Manager Barry Sullivan gave the invocation. Mayor Jim Goldsworthy led the pledge to the flag.

OATH OF OFFICE TO NEWLY ELECTED OFFICIALS

Judge Chris Cypert, Gainesville Municipal Court, administered the Oath of Office to the newly elected City officials: Jim Goldsworthy, Mayor; Carolyn Hendricks, City Council Member, Ward 1; Ken Keeler, City Council Member, Ward 4. Mayor Goldsworthy thanked Councilmember Hendricks for her service and noted that she was beginning her fourteenth year as a volunteer for council; Councilmember Keeler begins his sixth year.

ELECTION OF MAYOR PRO TEM

Mayor Goldsworthy called for nominations for Mayor Pro Tem for the next Council year, May 2017 to May 2018. Councilmember Keeler nominated Keith Clegg for Mayor Pro Tem, and Councilmember Dollar seconded the nomination. Nominations ceased and Mayor Pro Tem was elected by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Moore).

RECOGNITIONS/PROCLAMATIONS

Employee of the Month, May 2017

Brenton Porter, Airport Line Technician, was named May 2017 Employee of the Month and recognized for his exceptional teamwork. His willingness to help other departments demonstrates his commitment to the City organization as a whole. Brenton recently helped the Customer Service department and read water meters while they were short-handed. Brenton is trustworthy,

dependable, and friendly. City Manager Barry Sullivan read and presented the recognition certificate to Porter along with a certificate for an additional one day of vacation.

M-o-o-ving Thru the Mud with Landon Day Proclamation

Proclaiming June 3, 2017 as M-o-o-ving Thru the Mud with Landon Day and encouraged citizens to volunteer and participate in events to raise awareness for Hypothalamic Hamartomas (HH). Landon Tipps of Valley View was diagnosed with HH, and since that time, fundraising efforts have been made and the annual mud run was created. The mud run has raised over \$110,000. This year's event is scheduled for Saturday, June 3, 2017 at the Circle N Dairy in Gainesville. Landon's grandmother Kathi Kirby Husereau and her husband were in attendance to accept the proclamation.

CONSENT AGENDA

Council reviewed the Minutes of the City Council regularly scheduled City Council Meeting of May 2, 2017 and approved them as written.

Councilmember Dollar **moved to approve the consent agenda**, seconded by Councilmember Keeler, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Moore).

RESOLUTION 05-16-2017 – DECLARING A VACANCY ON THE CITY COUNCIL AND ENFORCING THE HOLDOVER PROVISION OF THE TEXAS CONSTITUTION.

CONSIDERATION OF AND ACTION ON A RESOLUTION DECLARING A VACANCY ON THE CITY COUNCIL AND ENFORCING THE HOLDOVER PROVISION OF THE TEXAS CONSTITUTION.

Council approved a resolution declaring a vacancy of Councilperson in Ward 2 (the office is currently held by Steve Gordon) and enforced the Holdover Provision of the Texas Constitution. There were no applications for place on the ballot for Ward 2 received during the candidate signup period. Declaring the vacancy establishes the start of the ninety (90) day period for the City Council to fill the position by appointment. The deadline for appointment is August 14, 2017. Because Councilmember Gordon still meets qualifications to serve, the Texas Constitution, Article 16. General Provisions, Section 17 Officers to Serve Until Successors Qualified, or "Holdover Provision," states that he shall continue to serve until a successor is qualified. Mayor Goldsworthy noted his appreciation to Steve for his service and sacrificing his time to remain on council until his successor is appointed.

Councilmember Hendricks **moved to approve the resolution**. The motion was seconded by Councilmember Clegg and carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Moore).

RESOLUTION 05-16-2017 A – PROVIDING FOR ANNUAL COMPENSATION FOR THE MUNICIPAL COURT JUDGE.

CONSIDERATION OF AND ACTION ON A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GAINESVILLE, TEXAS PROVIDING FOR ANNUAL COMPENSATION FOR THE MUNICIPAL COURT JUDGE OF THE CITY OF GAINESVILLE, TEXAS IN ACCORDANCE WITH ARTICLE IV, SECTION 4.05, OF THE CHARTER OF THE CITY OF GAINESVILLE, TEXAS.

Council approved a three (3%) percent increase in annual compensation for Municipal Court Judge Chris Cypert. Under the City Charter, the City Council sets the compensation for the Municipal Judge, which is an elected position. Mayor Goldsworthy pointed out that the three percent raise is given for outstanding performance.

Councilmember Gordon **moved to approve the resolution with a three percent increase.** The motion was seconded by Councilmember Keeler and carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Moore).

ORDINANCE 1410-05-2017 – APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2017 RATE REVIEW MECHANISM FILINGS.

CONSIDERATION OF AND ACTION ON THE FIRST READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GAINESVILLE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2017 RATE REVIEW MECHANISM FILINGS; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; REQUIRING RECONCILIATION AND RATE ADJUSTMENTS IF FEDERAL INCOME TAX RATES CHANGE; TERMINATING THE RRM PROCESS FOR 2018 PENDING RENEGOTIATION OF RRM TERMS AND CONDITIONS; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; 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; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

Council adopted an ordinance approving a settlement between Atmos Energy Corp., Mid-Tex Division and the Atmos Cities Steering Committee (ACSC), a group the City of Gainesville is a member of, concerning rates. The Rate Review Mechanism (RRM) Tariff was originally adopted by ACSC member cities in 2007 as an alternative to the Gas Reliability Infrastructure Program (GRIP), the statutory provision that allows Atmos to bypass the City’s rate regulatory authority to increase its rates annually to recover capital investments. The RRM Tariff has been modified several times, most recently in 2013. The 2017 RRM filing is the fifth RRM filing under the renewed RRM Tariff.

On March 1, 2017, Atmos made a filing requesting \$57.4 million additional revenues on a system-wide basis. Because the City of Dallas has a separate rate review process, exclusion of Dallas results in the Company requesting \$46.4 million from other municipalities. If the Company had used the GRIP process rather than the RRM process it would receive a \$52.4 million increase, or about \$4.4 million more than will be approved by the Ordinance. ACSC and the Company have reached an agreement, reflected in the Ordinance, to reduce the Company’s request by \$9.4 million, such that the Ordinance approving new rates reflects an increase of \$48 million on a system-wide basis, or \$38.8 million for Mid-Tex Cities, exclusive of the City of Dallas.

The monthly bill impact for the average residential customer will be an increase of \$2.04, or about 3.87 %. The average commercial customer will see an increase of \$6.27, or 2.37%.

Councilmember Keeler **moved to Suspend the Charter requirement of three readings,** seconded by Councilmember Dollar, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Moore).

Councilmember Keeler **moved to Adopt the Ordinance on the First Reading**, seconded by Councilmember Dollar, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Moore).

ADJOURN

With no further business to come before the City Council, the meeting was adjourned at 6:44 p.m.

Respectfully submitted,

Caitlyn Huddleston, City Secretary

Jim Goldsworthy, Mayor