



City of Mesquite, Texas

Minutes - Final City Council

Monday, September 28, 2020

6:00 PM

City Hall | Council Chamber
757 N. Galloway Avenue | Mesquite, Texas

Present: Mayor Bruce Archer and Councilmembers Robert Miklos, Dan Aleman, Tandy Boroughs, Kenny Green, B. W. Smith and Sherry Wisdom, City Manager Cliff Keheley and City Secretary Sonja Land.

REGULAR CITY COUNCIL MEETING - CITY COUNCIL CHAMBER - 6:07 P.M.

INVOCATION

Councilmember B.W. Smith.

PLEDGE OF ALLEGIANCE

Councilmember Sherry Wisdom.

OTHER BUSINESS

1

An ordinance, on second and final reading, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division ("Company") regarding the Company's 2020 Rate Review Mechanism filing; 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 attached settlement tariffs to be just and reasonable and in the public interest; approving an attached exhibit establishing a benchmark for pensions and retiree medical benefits; approving an attached exhibit regarding amortization of regulatory liability; 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.

Ted Chinn, Assistant City Manager, stated that Atmos Energy filed its third rate case under the 2018 revised Rate Review Mechanism (RRM) requesting an adjusted \$136.3 million increase in annual base revenues with \$98.7 million of this increase attributed to Atmos Cities Steering Committee (ACSC) cities. Since 2008 there have been 12 RRM filings. The RRM process has provided the ability for the ACSC cities to negotiate rates directly with Atmos, which saves residential and commercial customers a considerable amount of money. The City paid \$7,240.00 in membership fees to be a part of the ACSC. The settlement resulted in a \$.070 cent increase to the residential base customer charge, which is an increase of 9.9 percent in the average bill. The commercial base customer

charge will increase by \$8.00 per month, which is an increase of 6.5 percent. Atmos agreed to delay the effective date to December 1, 2020.

Mr. Green moved to approve Ordinance No. 4815, AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION ("COMPANY") REGARDING THE COMPANY'S 2020 RATE REVIEW MECHANISM FILING; 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 ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; 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. Motion was seconded by Mr. Aleman and approved unanimously. (Ordinance No. 4815 recorded in Ordinance Book No. 122.)

2

Authorize the City Manager to finalize and execute an Acknowledgment and Consent between the City, Vanston Park Investments, LP (the "Developer") and COMMUNITYBANK of Texas, N.A. (the "Bank"): (i) consenting to a \$1,900,000.00 increase (the "Additional Advance") in the loan dated September 12, 2014, by the Bank to the Developer in the current unpaid principal balance of approximately \$6,593,079.46 (the "Bank Loan") in connection with the development of the 155 unit housing project with related commercial space (Villas at Vanston Park) located at 4520 Gus Thomasson Road, Mesquite, Texas (the "Project"); and (ii) acknowledging that the economic development loan dated September 12, 2014, by the City of Mesquite to the Developer in the current unpaid principal balance of approximately \$804,559.59 in connection with the Project is subordinate to the Bank Loan as increased by the Additional Advance.

(This item was postponed at the September 21, 2020, City Council meeting.)

Mr. Green left the meeting.

Cliff Keheley, City Manager, stated that there have been some concerns regarding the conditions at the Villas at Vanston Park complex. After the last City Council meeting, Council requested details regarding the steps being taken to correct these concerns. Mr. Keheley stated that a plan has been submitted that satisfactorily addresses the concerns and outlines a schedule of improvements to ensure that the trash issue will be resolved. The number of trash collections by Republic Waste Services has been increased and as required, a trash compactor system with screening is being installed.

Mr. Miklos moved to authorize the City Manager to finalize and execute an Acknowledgment and Consent between the City, Vanston Park Investments, LP (the "Developer") and COMMUNITYBANK of Texas, N.A. (the "Bank"): (i) consenting to a \$1,900,000.00 increase (the "Additional Advance") in the loan dated September 12, 2014, by the Bank to the Developer in the current unpaid

principal balance of approximately \$6,593,079.46 (the "Bank Loan") in connection with the development of the 155 unit housing project with related commercial space (Villas at Vanston Park) located at 4520 Gus Thomasson Road, Mesquite, Texas (the "Project"); and (ii) acknowledging that the economic development loan dated September 12, 2014, by the City of Mesquite to the Developer in the current unpaid principal balance of approximately \$804,559.59 in connection with the Project is subordinate to the Bank Loan as increased by the Additional Advance. Motion was seconded by Ms. Wisdom. On call for a vote on the motion, the following votes were cast:

Ayes: Miklos, Wisdom, Archer, Aleman, Boroughs, Smith

Nays: None

Abstentions: Green

Motion carried.

Joseph Agumadu, Manager of Vanston Villas Development, LLC, expressed appreciation to the Council for their consideration of this item.

PUBLIC HEARINGS

3

A. Conduct a public hearing regarding the proposed Fiscal Year 2020-21 ad valorem tax rate of \$0.70862 per \$100 valuation.

B. An ordinance levying the ad valorem taxes for tax year 2020 (Fiscal Year 2020-21).

Mr. Green entered the meeting.

A public hearing was held regarding the proposed Fiscal Year 2020-21 ad valorem tax rate of \$0.70862 per \$100 valuation.

Sheree Haynes, Manager of Collections, stated that State law requires a public hearing prior to voting on the tax rate. The proposed tax rate is \$0.70862 per \$100 of assessed valuation.

No one appeared regarding the proposed Fiscal Year 2020-21 ad valorem tax rate.

Mr. Boroughs stated, "I move that the property tax rate be increased by the adoption of a tax rate of \$0.70862 which is effectively a 1.02 percent increase in the tax rate."

And to approve Ordinance No. 4816, AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE YEAR 2020 AT A RATE OF \$0.70862 PER \$100.00 ASSESSED VALUATION OF ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF MESQUITE, TEXAS, ON JANUARY 1, 2020, TO PROVIDE REVENUE FOR THE PAYMENT OF CURRENT EXPENSES AND INTEREST AND SINKING FUND REQUIREMENTS; PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; PROVIDING FOR PLACE OF PAYMENT; APPROVING THE 2020 TAX ROLLS AND ANY SUPPLEMENT THERETO; PROVIDING CERTAIN EXEMPTIONS; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EFFECTIVE DATE THEREOF. Motion was seconded by Mr. Aleman and approved

unanimously. (Ordinance No. 4816 recorded in Ordinance Book No. 122.)

EXECUTIVE SESSION - COUNCIL CONFERENCE ROOM - 6:30 P.M.

Mayor Archer announced that the City Council would meet in Executive Session pursuant to Section 551.074 of the Texas Government Code to consider the appointment, evaluation, employment, reassignment, duties, discipline or dismissal of the City Manager, City Attorney, Municipal Court Judge, City Secretary, members of the various City boards and commissions, and City officers or other City employees (Conduct Municipal Court Judge candidate interviews); whereupon, the City Council proceeded to meet in the Executive Conference Room. After the closed meeting ended at 7:15 p.m., the City Council reconvened in Open Session.

No executive action was necessary.

ADJOURNMENT

Mr. Miklos moved to adjourn the meeting. Motion was seconded by Ms. Wisdom and approved unanimously. The meeting adjourned at 7:15 p.m.

Attest:

Approved:

Sonja Land, City Secretary

Bruce Archer, Mayor