



REGULAR CITY COUNCIL MEETING

City Hall Council Chambers, 298 West Washington Street
Tuesday, September 05, 2023 at 5:30 PM

MINUTES

The City Council of the City of Stephenville, Texas, convened on Tuesday, September 05, 2023, in the City Hall Council Chambers, 298 West Washington Street, for the purpose of a Regular City Council Meeting, with the meeting being open to the public and notice of said meeting, giving the date, time, place and subject thereof, having been posted as prescribed by Chapter 551, Government Code, Vernon's Texas Codes Annotated, with the following members present, to wit:

COUNCIL PRESENT:

Mayor Doug Svien
Council Member LeAnn Durfey
Council Member Justin Haschke
Council Member Bob Newby
Council Member Maddie Smith
Council Member David Baskett
Council Member Brandon Greenhaw (arrived at 6:32 PM)
Council Member Mark McClinton

COUNCIL ABSENT:

Council Member Lon Reisman

OTHERS ATTENDING:

Jason M. King, City Manager
Randy Thomas, City Attorney
Sarah Lockenour, City Secretary

CALL TO ORDER

Mayor Svien called the Regular City Council Meeting to order at 5:30 PM.

PLEDGES OF ALLEGIANCE

Council Member Maddie Smith led the pledges to the flags of the United States and the State of Texas.

INVOCATION

Pastor Jarrod Brown of Grace Fellowship voiced the invocation.

PRESENTATIONS AND RECOGNITIONS

Proclamation Recognizing Milton Brown Day

The Mayor read the following proclamation:

WHEREAS, Milton Brown was born in Stephenville to cotton sharecroppers in 1903; and

WHEREAS, Milton Brown displayed great musical promise as a vocalist from a young age and formed the Wills Fiddle Band with his friends and family; and

WHEREAS, the Wills Fiddle Band gained notoriety at dance halls in and around Fort Worth, the birthplace of Western Swing; and

WHEREAS, in 1932, Milton Brown formed his own band, Milton Brown and His Musical Brownies – a prototypical western swing band that consisted of fiddles, guitars, banjo, bass, and piano – became a mainstay in North and Central Texas; and

WHEREAS, the ensemble offered a ray of joy during a bleak chapter of U.S. history, and its style influenced legendary artists such as Spade Cooley, Tex Williams, and Bob Wills; and

WHEREAS, after his tragic death in 1936, Milton was inducted into the Texas Music Hall of Fame and the Western Swing Society Hall of Fame, which cemented his status as a Texas music icon; and

WHEREAS, Milton Brown is buried in the Smith Springs Cemetery in Erath County; and

WHEREAS, Western Swing music stands as a shining example of Texas' contributions to American culture at large, and this legacy was built in no small part by Milton Brown, the Father of Swing; and

NOW, THEREFORE, I, Doug Svien, Mayor of the City of Stephenville, do hereby proclaim September 8, 2023, as **MILTON BROWN DAY** in the City of Stephenville and urge all residents and employees to join in celebrating his storied career and legacy left in Texas music history. I hope you are inspired to emulate the qualities that propelled him to greatness.

Moumin Quazi, as a member of the Langdon Review of the Arts in Texas, accepted the proclamation for Milton Brown Day.

Proclamation Recognizing Constitution Week

The Mayor read the following proclamation:

WHEREAS: September 17, 2023, marks the two hundred and thirty-sixth anniversary of the framing of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS: It is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary, and to the patriotic celebrations which will commemorate it; and

WHEREAS: Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week,

NOW, THEREFORE I, Doug Svien by virtue of the authority vested in me as Mayor of the City of Stephenville do hereby proclaim the week of September 17 through 23 as **CONSTITUTION WEEK** and ask our citizens to reaffirm the ideals of the Framers of the constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties, remembering that lost rights may never be regained.

Mary Watters and Melinda Schuck, members of the Daughters of the American Revolution, accepted the Constitution Week Proclamation.

CITIZENS GENERAL DISCUSSION

No one addressed the Council at this time.

REGULAR AGENDA

1. Consider Approval of Interlocal Cooperation Agreement for Erath County Joint Dispatch Center

City Manager Jason King presented this item to the Council.

MOTION by Mark McClinton, second by David Baskett, to approve the Interlocal Cooperation Agreement for Erath County Joint Dispatch Center as presented. MOTION CARRIED unanimously.

2. Consider Approval of the Lockhart Road At-Grade Crossing Agreement

Public Works Director Nick Williams presented this item to the Council.

The Lockhart Road Improvements Project was awarded to H4 Construction, Inc. for \$345,579 on June 6, 2023. A records search indicated a rail crossing agreement was not on file. The attached Public Roadway At-Grade Crossing Agreement formalizes the existing Lockhart Road crossing with FWR and allows the Lockhart Road Improvements Project to commence. The agreement has been reviewed and approved by the city's insurance carrier and by the City Attorney. Given the long-standing history of the existing rail crossing of Lockhart Road, FWR has agreed to not charge the City of Stephenville for the crossing agreement. Staff recommend approval of the Public Roadway At-Grade Crossing Agreement with the Fort Worth and Western Railroad Company (FWR) to commence the Lockhart Road Improvements Project.

MOTION by Justin Haschke, second by LeAnn Durfey, to approve the At-Grade Crossing Agreement as presented. MOTION CARRIED unanimously.

3. Consider Resolution Approving a Negotiated Settlement Between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division Regarding the Company's 2023 Rate Review Mechanism Filing

City Manager Jason King presented this item to the Council.

The City, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about March 31, 2023, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2022, entitled it to additional system-wide revenues of \$165.9 million.

Application of the standards set forth in ACSC's RRM Tariff reduces the Company's request to \$156.1 million, \$113.8 million of which would be applicable to ACSC members. After reviewing the filing and

conducting discovery, ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be \$130.9 million instead of the claimed \$156.1 million.

After several settlement meetings, the parties have agreed to settle the case for \$142 million. This is a reduction of \$23.9 million to the Company's initial request. This includes payment of ACSC's expenses. The settlement also includes an additional \$19.5 million for the securitization regulatory asset expenses related to Winter Storm Uri. This was previously approved by the Texas Legislature and Railroad Commission. The Effective Date for new rates is October 1, 2023. ACSC members should take action approving the Resolution/Ordinance before September 30, 2023.

ACSC has reached a settlement agreement with Atmos resolving the 2023 RRM filing. In its filing, the Company requested a rate increase of \$165.9 million on a system-wide basis. This was reduced to \$156.1 million due to limitations in the RRM tariff. Our consultants conducted discovery and prepared a report detailing adjustments totaling \$25.2 million. This translates into a \$130.9 million increase (i.e. \$156.1 - \$25.2 = \$130.9). The Company has agreed to settle the case for \$142 million. This is a reduction of \$23.9 million to the Company's initial request. This includes payment of ACSC's expenses. Based upon all of the factors, we believe this is a very good outcome and recommend approval.

MOTION by Mark McClinton, second by Justin Haschke, to approve Resolution No. 2023-R-13 as presented. MOTION CARRIED unanimously.

4. Consider Approval of Architect for City Building Located at 245 N Belknap Street and 299 N Belknap Street

City Manager Jason King presented this item to the Council. He recommends hiring Wilson Architects out of Granbury to complete the design work for the City and SEDA on the city building located at 245 N Belknap Street and 299 N Belknap Street.

MOTION by David Baskett, second by Bob Newby, to authorize City Manager to contract with the architect of his choosing for the city building on 245 N Belknap and 299 N Belknap as presented. MOTION CARRIED unanimously.

PLANNING AND ZONING COMMISSION

Steve Killen, Director of Development Services

5. PUBLIC HEARING

Case No.: RZ2023-006

Applicant Paxton Wooley, Representing JPW Consulting Company and Triple W Remodeling, is Requesting a Rezone of Property Located at 0 Stephen, Parcel R77402, Being S5000 CITY ADDITION, BLOCK 99; LOT 18 of the City of Stephenville, Erath County, Texas from Single-Family Residential (R-1) to One and Two-Family Residential District (R-2)

Director of Development Services Steve Killen presented this item to the Council.

The applicant is requesting a rezone to One and Two-Family Residential District (R-2) which will allow him to build a duplex. The properties located on the 900 block of Pecan are zoned Multi-family (R-3). The property has a current zoning of Single-Family Residential District (R-1). The Future Land Use for this property is designated as Single Family. The Planning and Zoning Commission held a Specially Called Meeting on August 30, 2023, and by a unanimous vote of 6-0, recommended the City Council deny the rezone request.

The Mayor opened the Public Hearing at 5:54 PM.

Paxton Wooley of Wylie, Texas spoke in favor of the rezone.

No one spoke in opposition.

The Public Hearing was closed at 5:56 PM.

5. Consider Approval of Ordinance Rezoning Property Located at 0 Stephen, Parcel R77402, Being S5000 CITY ADDITION; BLOCK 99; LOT 18 of the City of Stephenville, Erath County, Texas from Single-Family Residential (R-1) to One and Two-Family Residential District (R-2)

MOTION by Justin Haschke, second by David Baskett, to approve Ordinance No. 2023-O-22 rezoning property located at 0 Stephen, Parcel R77402, being S5000 City Addition; Block 99; Lot 18 from Single-Family Residential (R-1) to One and Two-Family Residential District (R-2). All voted in favor with Mark McClinton opposed. MOTION CARRIED.

Council Members expressed appreciation for Mr. Wooley's flexibility and adaptability with requests from P&Z and City staff regarding his development.

7. Case No.: PP2022-001 - UPDATE

Applicant Emanuel Glockzin, Representing Retirement Living for Seniors, LTD, Pursuant to the Requirements Set Forth by Section 154.08 of the City of Stephenville Zoning Ordinance, is Presenting an Update and Requesting an Extension of the Development Schedule for the Planned Development Located at 0 W Lingleville Rd, Parcel R77868, 7.664 Acres of A0520 Menefee Jarrett, of the City of Stephenville, Erath County, Texas

Director of Development Services Steve Killen presented this item to the Council.

The Planning and Zoning Commission convened on June 15, 2022, and by a vote of 4/2, recommended the City Council approve the rezoning request. Subsequently, on June 28, 2022, the City Council approved Ordinance No. 2022-O-17, rezoning the property from Single Family District (R-1) to Planned Development District (PD). City ordinance requires annual updates to the Commission. On August 16, the Planning and Zoning Commission received an update from Mr. Glockzin and by a unanimous vote of 7-0, recommended the City Council approve the updated Development Schedule.

8. Consider Approval of Ordinance Extending the Modified Development Schedule for Planned Development District (PD) Located at 0 W Lingleville Rd, Parcel R77868, 7.664 Acres of A0520 Menefee Jarrett, of the City of Stephenville, Erath County, Texas

MOTION by Mark McClinton, second by Justin Haschke, to approve Ordinance No. 2023-O-23 extending the Modified Development Schedule for Planned Development District (PD) located at 0 W Lingleville Road, Parcel R77868, 7.664 acres of A0520 Menefee Jarrett of Stephenville. MOTION CARRIED unanimously.

NOMINATIONS COMMITTEE

Maddie Smith, Chair

9. Nominations Committee Report

Committee Chair Maddie Smith presented this report.

The committee met on August 15, 2023, to review applications for the Western Heritage Advisory Board. The following recommendations were made:

Western Heritage Advisory Board

Darla Doty

Jerry Norris

Kari Haile

Marilyn Meador

Vanessa Halford

MOTION by Maddie Smith, second by Bob Newby, to recommend the five nominations as presented to the Nominations Committee to full Council. MOTION CARRIED unanimously.

10. Nominations to Western Heritage Advisory Board

MOTION by Maddie Smith, second by David Baskett, to approve the Western Heritage Advisory Board nominations as presented in the Committee Report. MOTION CARRIED unanimously.

TOURISM AND VISITORS BUREAU COMMITTEE

LeAnn Durfey, Chair

11. Tourism and Visitors Bureau Committee Report - August 15, 2023

Committee Chair LeAnn Durfey presented this report.

The committee met on August 15, 2023, to review applications for Non-voting, Ex Officio Members to the Western Heritage Advisory Board. The following recommendations were made:

Western Heritage Advisory Board Non-voting, Ex-Officio Members

Angie Ayers

Bob Doty

Mary J. Flatbush

MOTION by LeAnn Durfey, second by Maddie Smith, to recommend the three nominations as presented to the Tourism and Visitors Bureau Committee to full Council. MOTION CARRIED unanimously.

The committee met on August 15, 2023, to consider approval of the Downtown Strategies Strategic Plan. The following recommendations were made:

Downtown Strategies, a division of Retail Strategies, created a Strategic Plan for downtown. The Main Street advisory board voted to recommend approval of the Strategic Plan to move forward to Council.

Rita Cook, of 316 Tanglewood Circle, addressed the Tourism and Visitors Bureau Committee regarding the strategic plan and provided an update on the Mainstreet Committee.

MOTION by LeAnn Durfey, second by Bob Newby, to recommend approval of the Downtown Strategies Strategic Plan as presented to the Committee to full Council. MOTION CARRIED unanimously.

12. Nominations of Non-voting, Ex-Officio Members to Western Heritage Advisory Board

MOTION by LeAnn Durfey, second by Bob Newby, to approve the nominations of Non-Voting, Ex-Officio Members to the Western Heritage Advisory Board as presented in the Tourism And Visitors Bureau Committee Report. MOTION CARRIED unanimously.

13. Consider Approval of the Downtown Strategies Strategic Plan

MOTION by LeAnn Durfey, second by David Baskett, to approve the Downtown Strategies Strategic Plan as presented in the Tourism and Visitors Bureau Committee Report. MOTION CARRIED unanimously.

FINANCE COMMITTEE

Justin Haschke, Chair

14. Finance Committee Report - August 22, 2023

Finance Committee Chair Justin Haschke gave this report.

REVIEW AND DISCUSS ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE PERIOD ENDING SEPTEMBER 30, 2022

Mike Brooks of Brooks, Watson & Co., the CPA firm that performed the annual audit, presented the Annual Comprehensive Financial Report for the fiscal year ending September 30, 2022. The audit received an unmodified “clean” opinion.

The motion was made and seconded to move forward to the full Council with a positive recommendation to accept the report. The motion passed unanimously.

BUDGET ADJUSTMENTS FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023

Budget Adjustments for the fiscal year ending September 30, 2023, were presented.

The General Fund reserve will be reduced by \$2,427,763 for the purchase of 294 & 299 N. Belknap in the amount of \$794,670 and the carryover of unspent capital improvement project funds from FY 21-22 of \$1,633,093. The other adjustments in the General Fund are a net zero for reallocation of budget or the addition of expenditures with a related addition of revenue.

The Water and Wastewater Fund reserve will be reduced by \$1,568,348 related to the carryover of unspent capital improvement project funds from FY 21-22.

The Landfill Fund reserve will be increased by \$28,380 related to equipment financing. The other adjustments in the Landfill Fund are a net zero for the addition of expenditures with a related addition of revenue.

The Capital Projects Fund reserve will be decreased by \$576,661 due to the carryover of unspent capital improvement project funds from FY 21-22.

The Public Safety Fund reserve will be decreased by \$40,280 for the purchase of two motorcycles and related training for two traffic officers.

The motion was made and seconded to forward the budget adjustments to the full Council with a positive recommendation to approve the adjustments. The motion passed unanimously.

CONSIDER APPROVAL OF INVESTMENT POLICY

Staff presented the updated investment policy. The motion was made and seconded to forward the Investment policy to the full Council with a positive recommendation to approve. The motion passed unanimously.

15. Consider Acceptance of Annual Comprehensive Financial Report for Period Ending September 30, 2022

Mike Brooks of Brooks, Watson & Co., the CPA firm that performed the annual audit, presented the Annual Comprehensive Financial Report for the fiscal year ending September 30, 2022. The audit received an unmodified “clean” opinion.

MOTION by Justin Haschke, second by Bob Newby, to approve the Annual Comprehensive Financial Report for period ending September 30, 2022, as presented. MOTION CARRIED unanimously.

16. Consider Approval of Budget Adjustments for Fiscal Year Ending September 30, 2023

MOTION by Justin Haschke, second by Mark McClinton, to approve Ordinance No. 2023-O-24 approving budget adjustments for fiscal year ending September 30, 2023. MOTION CARRIED unanimously.

17. Consider Approval of Investment Policy Update

MOTION by Justin Haschke, second by LeAnn Durfey, to approve Resolution No. 2023-R-14 approving the Investment Policy Update as presented in the Finance Committee Report. MOTION CARRIED unanimously.

FINANCIAL REPORTS

Monica Harris, Director of Finance

18. Monthly Budget Report for the Period Ending July 31, 2023

In reviewing the financial statements ending July 31, 2023, the financial indicators are overall as or better than anticipated.

Property Tax Collections: We received \$21K in property taxes in the month of July, resulting in a \$436K increase over funds collected last fiscal year to date. The amount collected is 97% of the budget, which is \$180K less than anticipated.

Sales and Use Tax: We received \$767K in sales tax in July, resulting in \$984K or 14% more than the funds collected last fiscal year to date. The amount collected is 87% of the \$9 million budget, which is \$471K higher than anticipated.

Revenue (by Fund): Of the \$39.9 million revenue received to date, 51% is in the General Fund, 26% is in the Water/Wastewater Fund and 6% is in the Landfill Fund.

Revenue (Budget vs. Actual): We have received 92% of the total budgeted revenues through July, which is \$3.3 million more than anticipated due to taxes, charges for services, and other revenue such as investment income, donations, and debt proceeds.

Revenue (Prior Year Comparison): We received \$22.5 million less in revenue through July than last year to date due to debt proceeds; however, we have received \$1.6 million more in taxes, \$456K more in intergovernmental, and \$246K more in charges for services over last year to date.

Expenditures (by Fund): Of the \$48.4 million spent to date, 42% is in the Water/Wastewater Fund, 39% is in the General Fund, 8% in the Capital Projects Fund, and 4% in the Landfill Fund.

Expenditures (Budget vs. Actual): We have expended 52% of the total budgeted expenditures through July, which is almost \$25.5 million less than anticipated due to personnel, contractual and capital outlay.

Expenditures (Prior Year Comparison): We spent \$13 million more in expenditures through July than last year to date, the bulk of which is capital outlay.

SEDA Revenue Comparison: SEDA has received an overall 92% of budgeted revenue through July, which is \$50,000 more than last year to date and \$80,000 more than anticipated due to taxes and interest income.

SEDA Expenditure Comparison: SEDA has spent an overall 41% of budgeted expenditures through July, which is \$359,000 more than last year to date due to personnel and grant disbursements but \$766K less than anticipated due to capital outlay and grant disbursements.

STEPHENVILLE ECONOMIC DEVELOPMENT AUTHORITY REPORT

Jeff Sandford, Executive Director

SEDA Executive Director Jeff Sandford addressed the Council at tonight's Regular City Council Meeting. Mr. Sandford shared a historical recap and birthday rundown of September. He also updated the Council on SEDA's geofencing analytics and marketing tools. Lastly, Mr. Sandford announced the partnership with Stephenville ISD to create the Career Club which begins September 28 for current senior students and the Career Academy which will help seniors with skill set training to prepare them for the workforce.

CONSENT AGENDA

- 19. Consider Approval of Joint Resolution with Erath County for a Joint Election to be Conducted November 7, 2023**
- 20. Consider Approval of Contract with Erath County for Election Services**
- 21. Consider Approval of Regular City Council Meeting Minutes - August 1, 2023**
- 22. Consider Approval of Special City Council Meeting Minutes - August 8, 2023**
- 23. Consider Approval of City Council Work Session Minutes - August 14, 2023**
- 24. Consider Approval of Special City Council Meeting Minutes - August 15, 2023**
- 25. Consider Approval of City Council Work Session Minutes - August 15, 2023**
- 26. Consider Approval of Auction Items**
- 27. Consider Approval of Renewal of Food Inspection Services**
- 28. Consider Approval of Award of Contract to Vulcan Materials for the Purchase of Aggregate, Hot Mix and Flexible Base Materials for FY 2023-2024**
- 29. Consider Approval of Bid for Utility Billing Services**

MOTION by Mark McClinton, second by Brandon Greenhaw, to approve the Consent Agenda items as presented. MOTION CARRIED unanimously.

COMMENTS BY CITY MANAGER

No comments at this time.

COMMENTS BY COUNCIL MEMBERS

LeAnn Durfey

Busy month with the first TSU home game this weekend and the SISD homecoming football game next weekend. This month we also have the Cowboy Capital Pro Rodeo in their new arena. All are encouraged to attend all three exciting events!

David Baskett

Congratulations to Sargent Moore and Officer Lightfoot for completing their finishing their Basic Police Motor Vehicle Course.

Mayor Svien

Tarleton had their groundbreaking for their event center recently. That will be a great addition to the City of Stephenville.

Shout out to TXDOT for getting the traffic light at Lillian and Washington replaced.

Shout out to Dr. Hurley and Lon Reisman on working with SISD to move the Stephenville vs. Glen Rose football game back to Stephenville.

Mayor Svien recessed the Regular City Council Meeting at 6:40 PM and convened the Executive Session at 6:44 PM.

EXECUTIVE SESSION

In compliance with the provisions of the Texas Open Meetings Law, Subchapter D, Government Code, Vernon's Texas Codes, Annotated, in accordance with

- 31. Section 551.072 Deliberation Regarding Real Property** - to deliberate the purchase, exchange, lease, or value of real property, to wit: **A0640 ROBERTS MATTHEW SURVEY**
- 32. Section 551.072 Deliberation Regarding Real Property** - to deliberate the purchase, exchange, lease, or value of real property, to wit: real property located in **A0016 ANDREWS JOSEPH W; A0153 CONGER JAMES; A0236 ENSMINGER DANIEL; A0761 TAYLOR THURSTON M; BARN & STGS**
- 30. Section 551.071 Consultation with Attorney** - to Consult Over a Pending or Contemplated Litigation

Mayor Svien adjourned the Executive Session at 7:29 PM and reconvened the Regular City Council Meeting at 7:30 PM.

ACTION TAKEN ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF NECESSARY

- 31. Section 551.072 Deliberation Regarding Real Property** - to deliberate the purchase, exchange, lease, or value of real property, to wit: **A0640 ROBERTS MATTHEW SURVEY**

MOTION by Mark McClinton, second by David Baskett, authorizing the City Manager to negotiate on behalf of the City regarding property issues on A0640 Roberts Matthew Survey as discussed in Executive Session. MOTION CARRIED unanimously.

ADJOURN

Mayor Svien adjourned the Regular City Council meeting at 7:31 PM.

Note: The Stephenville City Council may convene into Executive Session on any matter related to any of the above agenda items for a purpose, such closed session allowed under Chapter 551, Texas Government Code.

Doug Svien, Mayor

ATTEST:

Sarah Lockenour, City Secretary