

THE LEVELLAND CITY COUNCIL MET IN REGULAR SESSION ON MONDAY, THE 19TH OF AUGUST 2019 AT LEVELLAND CITY HALL, R. O. DENNIS COUNCIL CHAMBERS, 1709 AVENUE H, WITH THE FOLLOWING MEMBERS PRESENT:

| | | |
|-------------------|-----------------|---------|
| Barbra Pinner | Honorable Mayor | Present |
| Jim Myatt | Councilmember | Present |
| Max Ledesma | Mayor Pro-Tem | Present |
| Breann Buxkemper | Councilmember | Present |
| Joe Bill Vardeman | Councilmember | Absent |
| Matt Wade | City Attorney | Present |
| Erik Rejino | City Manager | Present |
| Beth A. Walls | City Secretary | Present |

Pledge of Allegiance and Invocation was given by Mayor Pinner and Erik Rejino.

Statements by Citizens: One citizen spoke to Council

FIRST ITEM OF BUSINESS:

Consider and take necessary action to approve the minutes of the August 5, 2019 special meeting and the August 12, 2019 regular meeting.

Motion by Max Ledesma

Seconded by Breann Buxkemper

To approve minutes of the August 5, 2019 special meeting and the August 12, 2019 regular meeting.

Motion carried unanimously.

SECOND ITEM OF BUSINESS:

Hold a public hearing regarding an amendment to the Levelland Zoning Code adding Article 9.300 Entitled Sign Regulations providing a purpose, definitions, standards and regulations for signs, providing for regulating signs and amending Section 9.500 Zoning Regulations as it relates to signs.

Over the past couple of years City staff has been working with Keep Levelland Beautiful (KLB) regarding the development of an ordinance that would address commercial signs. This focus was identified when the KLB group took a windshield tour of Levelland and identified areas and facilities that could be modified to improve the appearance of Levelland. Levelland's current sign regulations have been in place over 30 years and there have been many advances in design, materials and technology during this time. A review of our sign regulations revealed areas where changes may be made to accommodate new sign technology in a way that will help beautify Levelland as well as address signs that are not structurally sound.

In addition, the Planning and Zoning Commission has met a total of three times to discuss the ordinance and held two public hearings over the past several months. Several changes were made as a result of the meetings with the P&Z and the public hearings. At the P&Z meeting last month the P&Z voted to recommend the sign ordinance to the City Council.

The public hearing was opened by Mayor Pinner at 7:04 and there being no one wanting to comment on the item, she declared the hearing closed at 7:06.

No Council Action Required.

THIRD ITEM OF BUSINESS:

Consider and take necessary action on an interlocal agreement between the City of Levelland and the South Plains Association of Governments to provide 911 Public Safety Answering Point Services.

The South Plains Association of Governments (SPAG) is classified as a regional planning commission and as a political subdivision of the State. SPAG provides many services to its member cities including Regional 911 services which include address assignment, training, public education, and planning. SPAG has developed a Strategic Plan to establish and operate 911 service in the region and the Commission on State Emergency Communications (Commission) has approved the current strategic plan.

The contract between SPAG and the Commission requires SPAG to execute interlocal agreements each year with local governments relating to the planning, development, operation, and provision of 911 service, the use of wireline and wireless 911 fees, 911 funds, and adherence to applicable laws related to 911.

In the interlocal agreement the City agrees to operate and maintain 911 services at the communications center and to provide that service 24 hours per day, seven days per week, and to work with SPAG in providing and maintaining suitable Public Safety Answering Points space meeting all technical requirements set by the Commission on. As you may recall, as a result of this partnership, SPAG was able to secure funding for the new consoles for the new communications center last year which saved the City over \$40,000. SPAG was also responsible for ensuring that all 911 equipment was up and operational at the new facility.

Motion by Breann Buxkemper

Seconded by Jim Myatt

To approve an interlocal agreement between the City of Levelland and the South Plains Association of Governments to provide 911 Public Safety Answering Point Services.

Motion carried unanimously.

FOURTH ITEM OF BUSINESS:

Consider and take necessary action on Resolution 2019-23 authorizing representation in an IRS matter and delegating authority to execute Form 2848 IRS Power of Attorney.

Background:

In summary, TML IEBP was required to file forms 1094-B, 1095-B, with the IRS regarding health insurance coverage provided to Pool group employees. Forms 1094-B and 1095-B (the “B” Forms”) are required to be filed by health insurance issuers and carriers to report information to the IRS and employees regarding provision of minimum essential coverage under the Affordable Care Act. A separate 1095-B is filed for each employee with the IRS, and a copy is provided to the employee. Form 1094-B reports summary information for the issuer/carrier and transmits the Forms 1095-B to the IRS. TML IEBP has timely filed “B” Forms as an “issuer” of coverage each year since 2015, and provided copies to all Pool groups’ employees.

Forms 1094-C and 1095-C (the “C” Forms”) are required to be filed by employers with more than 50 full-time employees (Applicable Large Employers, or ALEs) to report information to the IRS about the ALE’s offer of health coverage to its employees. As with the “B” Forms, a separate 1095-C is filed for each Pool ALE Member employee with the IRS, and a copy is provided to the employee. Form 1094-C reports summary information for the ALE and transmits the Forms 1095-C to the IRS. The “C” Forms are used to determine if the employer is required to make the employer shared responsibility payment under § 4980H of A.C.A., and the eligibility of employees for a “premium tax credit.” TML IEBP filed “C” Forms for 2015 for all Pool ALE Members it identified as an ALE based on the number of employees enrolled in the benefit plan. However, due to an administrative error, TML IEBP did not file the forms for tax years 2016 or 2017 until the fall of 2018.

IRS Notices

Several Pool ALE groups received IRS notices in August 2018 stating that the group was required to file the “C” Forms for 2016. TML filed “C” Forms for each Pool ALE group for 2016 on October 29, 2018, and for tax year 2017 on November 13, 2018. ALE groups have started receiving letters proposing to issue a penalty for failure to timely file the “C” Forms for tax year 2017. No letters proposing penalties have been received to date for tax year 2016.

Action Needed from the Governing Body:

TML MultiState IEBP (the “Pool”) may have failed to timely file IRS Forms 1094-C and 1095-C (the “Tax Forms”) for the 2016 and 2017 federal tax years on behalf of the City of Levelland, related to the City of Levelland’s provision of minimum essential health coverage to its employees. The Board of Trustees of the Pool have agreed to resolve any proposed imposition of penalties and fines by the IRS for the late filing of the Tax Forms (the “Penalties”) on behalf of all affected members of the Pool, including the city of Levelland.

The Pool has engaged the law firm of Mitchell, Williams, Selig, Gates & Woodyard, PLLC (“Mitchell Williams”) to represent the Pool and its members before the IRS with respect to any such Penalties, and the Pool shall be solely responsible for all communication with and payment of Mitchell Williams with regard to such matter. In order for Mitchell Williams and its attorneys to communicate with the IRS regarding any Penalties proposed to be assessed against the City of Levelland, an authorized official of the City of Levelland must execute a Form 2848 IRS Power of Attorney authorizing the attorneys to represent the City of Levelland before the IRS.

The proposed resolution authorizes [your organization] to:

1. engage Mitchell Williams to represent the City of Levelland before the IRS with respect to resolving the proposed IRS Penalties that have been or may in the future be asserted against [organization]; and
2. delegate Mayor Barbra Pinner to execute a Form 2848 IRS Power of Attorney for the purpose of granting the attorneys listed therein the authority to represent the City of Levelland before the IRS solely with respect any such proposed Penalties for tax years 2016 and 2017.

Motion by Breann Buxkemper

Seconded by Max Ledesma

To approve Resolution 2019-23 authorizing representation in an IRS matter and delegating authority to execute Form 2848 IRS Power of Attorney.

Motion carried unanimously.

FIFTH ITEM OF BUSINESS:

Consider and take necessary action on Resolution 2019-22 suspending Southwestern Public Service Company’s proposed effective date in connection with its statement of intent to increase its base-rate revenue.

On August 8th Southwestern Public Service (SPS) filed an application to increase its base revenues by approximately \$141.3 million, which is an increase in base revenue of approximately 25.5 percent, to be distributed to its customers in each of the Texas municipalities that it serves. As we have indicated before, the Alliance of Xcel Municipalities (AXM) is made up of approximately 80 cities across West Texas and the Panhandle that are in the Southwest Power Pool and served by SPS. These cities, including Levelland, have original jurisdiction within their City to set electric rates. The AXM Steering Committee is made up of approximately 12 cities which help guide the direction of and represent all AXM cities, particularly in rate cases and negotiations. Levelland has a seat on the AXM Steering Committee.

The AXM Steering Committee held a conference call recently with AXM legal counsel, Herrera & Boyle, PLLC, to discuss the direction to take on SPS’ recent application to increase rates. After reviewing information with legal counsel the AXM Steering Committee agreed to recommend that the AXM Steering Committee cities adopt the enclosed suspension resolution. The resolution will prevent SPS’ proposed rates from going into effect on September 12th and will allow AXM cities’ Special Counsel and experts to evaluate SPS’ proposed increase. By law, cities are allowed to suspend the effective date for up to 90 days.

Motion by Breann Buxkemper

Seconded by Jim Myatt

To approve Resolution 2019-22 suspending Southwestern Public Service Company’s proposed effective date in connection with its statement of intent to increase its base-rate revenue.

Motion carried unanimously.

SIXTH ITEM OF BUSINESS:

Consider and take necessary action on Ordinance 1044 approving a negotiated settlement with Atmos West Texas on a first reading.

The City of Levelland along with other cities served by Atmos Energy Corp, West Texas Division, (Atmos West Texas) is a member of the West Texas Cities Steering Committee (WTC Cities). Earlier this year in April Atmos West Texas submitted a rate increase request of \$17.27 million system-wide which was reduced to \$14.82 million after the application of a credit for excess accumulated deferred income taxes. Of that amount the amount attributed to cities is \$6.23 million. The WTC Cities collectively engaged Geoffrey Gay of Lloyd Gosselink Attorneys, the firm that has worked for the cities in analyzing Atmos rate filings over the past several years.

After working with the designated legal counsel and rate consultants, the executive committee for the WTC Cities was able to negotiate a lower rate increase which is demonstrated in the proposed ordinance following this memo. The settlement reflects an \$11.1 million increase and of that \$4.7 million is attributed to cities. The effective date for the new rates is October 1st of this year.

City Attorney Matt Wade read Ordinance 1044.

Motion by Breann Buxkemper

Seconded by Max Ledesma

To approve Ordinance 1044 approving a negotiated settlement with Atmos West Texas on a first reading.

Motion carried unanimously.

SEVENTH ITEM OF BUSINESS:

Hold a work session on Ordinance 1043 regarding an amendment to the Levelland Zoning Code adding Article 9.300 Entitled Sign Regulations providing a purpose, definitions, standards and regulations for signs, providing for permitting procedures, providing prohibitions, providing for the removal of signs, providing for regulating signs and amending Section 9.500 Zoning Regulations as it relates to signs.

No Council Action Required.

There being no further business the meeting was adjourned at 7:59 p.m.

Respectfully Submitted,

Beth A Walls, TRMC, IPMA-SCP, CPM, City Secretary

THE LEVELLAND CITY COUNCIL MET IN SPECIAL SESSION ON THURSDAY, THE 22nd OF AUGUST, 2019 AT LEVELLAND CITY HALL, R. O. DENNIS COUNCIL CHAMBERS, 1709 AVENUE H, WITH THE FOLLOWING MEMBERS PRESENT:

| | | |
|-------------------|-----------------|---------|
| Barbra Pinner | Honorable Mayor | Present |
| Jim Myatt | Councilmember | Present |
| Max Ledesma | Mayor Pro-Tem | Present |
| Breann Buxkemper | Councilmember | Present |
| Joe Bill Vardeman | Councilmember | Present |
| Matt Wade | City Attorney | Absent |
| Erik Rejino | City Manager | Present |
| Beth A. Walls | City Secretary | Absent |
| Andrea Corley | Executive Admin | Present |

Pledge of Allegiance and Invocation was given by Mayor Pinner and Joe Bill Vardeman.

Statements by Citizens: There were no statements by citizens.

FIRST ITEM OF BUSINESS:

Hold a public hearing on the 2019-2020 tax rate.

The public hearing was opened by Mayor Pinner at 7:04pm.

No Council Action Required.

SECOND ITEM OF BUSINESS:

Hold budget work session for fiscal year 2019-2020 budget.

There being no further business the meeting was adjourned at 7:05pm.

Respectfully Submitted,

Beth A Walls, TRMC, IPMA-SCP, City Secretary