

THE LEVELLAND CITY COUNCIL MET IN A REGULAR MEETING ON MONDAY, THE 8th DAY OF AUGUST 2022, AT LEVELLAND CITY HALL, R. O. DENNIS COUNCIL CHAMBERS, 1709 AVENUE H, WITH THE FOLLOWING MEMBERS PRESENT:

Barbra Pinner	Honorable Mayor	Present
Jim Myatt	Council Member	Present
Mary Engledow	Council Member	Present
Breann Buxkemper	Mayor Pro Tem	Present
Michael Stueart	Council Member	Present
Matt Wade	City Attorney	Present
Brandon Anderson	City Manager	Present
Andréa Corley	City Secretary	Present

The meeting was called to order at 6:00pm.

The Pledge was led by Mayor Barbra Pinner and the Invocation was given by Council Member Michael Stueart.

Statements by Citizens:

There were no statements by citizens.

FIRST ITEM OF BUSINESS:

Consider and take necessary action to approve the minutes of the July 25, 2022, Regular Meeting and the August 3, 2022 Special Meeting

Motion by Mary Engledow

Seconded by Brann Buxkemper

To approve the minutes of the June 25, 2022, Regular Meeting and the August 3, 2022 Special Meeting.

Motion carried unanimously.

SECOND ITEM OF BUSINESS:

Consider and take necessary action to propose a tax rate for Fiscal Year 2022-2023

One of the first official steps in setting a tax rate for next year is for the Council to propose a tax rate. Proposing a tax rate initiates a process that can potentially include one required legal notice and one public hearing before the tax rate can be officially adopted. Council is not locked in to adopting the proposed tax rate. Council will have the option to adopt a lower tax rate without any change in the process when it adopts a final tax rate later in the process.

Council is scheduled to set the tax rate ceiling on August 8th. At our last budget planning session, we discussed these rates.

No-New-Revenue Tax Rate (formerly the effective tax rate): The no-new-revenue tax rate is the rate that would produce the same amount of taxes this year if applied to the same properties that were taxed last year.

- \$0.521216 (FY 2022-2023)

Voter-Approval Tax Rate (formerly the roll-back rate): The voter-approval tax rate would produce 3 ½ percent more tax revenue than was produced last year. If a taxing entity adopts a tax rate greater than the voter-approval tax rate, the tax rate must be approved by the voters by holding an election. However, for municipalities under 30,000 in population the voter-approval tax rate is the highest tax rate that may be adopted without holding an election to seek voter approval of the rate unless the de minimis tax rate exceeds the voter-approval tax rate.

- \$0.559840 (FY 2022-2023)

De Minimis Tax Rate (new): The de minimis tax rate applies to municipalities with a population of less than 30,000. The de minimis rate is the rate equal to the sum of the no-new revenue maintenance and operations rate, the rate that will raise \$500,000 more in revenue, and the current debt rate.

- \$0.579191 (FY 2022-2023)

Motion by Michael Stueart

Seconded by Breann Buxkemper

To propose the De Minimis Tax Rate of \$0.579191 as the tax rate ceiling for Fiscal Year 2022-2023

Stueart and Buxkemper voted FOR the motion

Myatt and Engledow voted AGAINST the motion

Mayor Pinner broke the tie by voting FOR the motion

Motion carried on a 3-2 vote

THIRD ITEM OF BUSINESS:

Consider and take necessary action on procedures, processes, timelines, and priorities regarding lifting restrictions and regulations implemented during the COVID-19 Public Health Emergency – Resolution No. 2022-28

Staff is recommending that council allow the current disaster declaration to expire. While continuing to monitor trends and responses across the state, protocols and resources held up well to the moderate increase of cases across very heavily populated areas of Texas. Allowing the order to expire does not restrict any resource movement or availability. The State of Texas has warehouses in all regions that support local supplies and equipment needs. Our local stockpile of PPE and supplies are adequate to respond to a significant case increase. Covid preparedness will be part of medical response for the foreseeable future and the medical

industry has adapted very well. If there ever comes a time when a declaration becomes necessary for public health/public safety operations support, the information will be brought directly to Mayor and Council for swift action.

No Action Taken. (which allows the current Disaster Declaration to expire)

FOURTH ITEM OF BUSINESS:

Consider and take necessary action on the event application for the Cotton and Crude Fest-Street Fair and Music Festival event.

The Levelland Chamber of Commerce is in the process of planning the annual Cotton & Crude Street Fair & Music Festival Event., scheduled for September 17, 2022 in Downtown Levelland.

All events where alcohol will be permitted require approval from the City Council. The Chamber will sell Cooler Passes for event-goers to bring their own alcohol, with the stipulation that there will be no glass containers allowed, and the TxDOT right of way will be cleaned of any debris before re-opening the streets.

Motion by Michael Stueart

Seconded by Breann Buxkemper

To approve the Event Application for the Cotton & Crude Street Fair & Music Festival Event.

Stueart, Buxkemper and Engledow voted FOR the motion

Myatt voted AGAINST the motion

Motion carried on a 3-1 vote

FIFTH ITEM OF BUSINESS:

Consider and take necessary action on Resolution No. 2022-29 approving an agreement with the Texas Department of Transportation regarding the closing of two blocks of state highway for the Cotton and Crude Fest-Street Fair and Music Festival.

Also as in prior events, in order to hold the Cotton & Crude Street Fair and Music Festival event, the City and TxDOT will need to temporarily close several streets. When events are held downtown, we normally have to close Houston Street on the north side of the square and Avenue H on the west side of the square. These two streets are State highways. In order to close them, the State requires that the City approve an agreement for the temporary closure of state right of way. The agreement simply states the requirements the City has when closing down a State highway.

Motion by Breann Buxkemper

Seconded by Michael Stueart

To approve Resolution No. 2022-29 approving an agreement with the Texas Department of Transportation regarding the closing of two blocks of state highway for Cotton & Crude Street Fair & Music Festival Event.

Motion carried unanimously.

SIXTH ITEM OF BUSINESS:

Consider and take necessary action on Resolution No. 2022-30 denying Southwestern Public Service Company's proposed increase in rates.

On July 1, 2022, Southwestern Public Service Company (“SPS”) filed an application with the City seeking authority to implement a surcharge to recover the additional amount of revenue that SPS would have received during the period from March 15, 2021 through February 28, 2022, (“True-up Period”) if the rates approved in Docket No. 51802 had been in effect during that time.

Under state law SPS has the right to recover revenue for what is called the “Relate-Back Period.” The Relate-Back Period is the period of time from the 155th day after a utility files a rate case to the date of the PUCT’s final order in that rate case. Also, in SPS’s most recent general rate case, and based on a settlement reached in a prior general rate case for SPS, the PUCT approved recovery of revenue related to the increase the PUCT finally approved, reaching back to the 35th day after SPS filed its rate application in Docket No. 51802.

Docket No. 51802 is the case number the Public Utility Commission of Texas (“PUCT”) assigned to SPS’s most recent general rate case in which the PUCT issued its final order on May 20, 2022. In Docket No. 51802, SPS requested an increase of about \$144.4 million. Ultimately the parties, including the Alliance of Xcel Municipalities (“AXM”), reached a settlement for an increase in base rates of about \$88.5 million. The PUCT approved that settlement on May 20, 2022.

Additionally, SPS’s surcharge application requests authority to true-up revenues recovered through a surcharge associated with two prior rate cases, Docket Nos. 51644 and 52446. In those dockets the PUCT required SPS to true-up the surcharges in those dockets with the amount SPS actually collected and to refund or surcharge any over- or under-collection from those surcharges.

Finally, the net of SPS’s surcharge application related to Docket Nos. 51802, 51644, and 52446 is a surcharge of about \$88.9 million, including interest of about \$5.6 million. SPS also proposes to implement the net surcharge over a one-year period, from October 1, 2022 through September 30, 2023, and to true up the amounts actually surcharged or refunded against the amounts authorized by the Commission to be surcharged or refunded.

Motion by Breann Buxkemper

Seconded by Jim Myatt

To approve Resolution No. 2022-30 denying Southwestern Public Service Company's proposed surcharge in connection with final rates approved related to its statement of intent submitted on about Feb. 8, 2021; Authorizing the city's continued participation with other cities in the alliance of related rate proceedings; Authorizing the hiring of attorneys and consultants; requiring reimbursement of reasonable legal and consultant expenses; Finding that the meeting complies with the open meetings act; Making other findings and provisions related to the subject.

Motion carried unanimously.

SEVENTH ITEM OF BUSINESS:

Consider and take necessary action to establish Operations of the Employee Benefit Trust and approve the Declaration of Trust.

The next seven agenda items (7-13) are legalities stemming from the City of Levelland switching from Texas Municipal League (TML) employee health (and associated coverages) insurance to coverages provided by Gallagher Insurance/Risk Management/Consulting.

Levelland had previously been in a Benefits Trust established and run by TML. Now that the City is going directly with BCBS under a fully insured contract, the City will need to establish its own trust. By establishing this trust, the City avoids the 1.75% premium tax imposed by the State of Texas on all fully insured plans.

Motion by Michael Stueart

Seconded by Mary Engledow

To establish Operations of the Employee Benefit Trust and approve the Declaration of Trust.

Motion carried unanimously.

EIGHTH ITEM OF BUSINESS:

Consider and take necessary action adopting the City of Levelland Investment Policy as the policy for investments for the City of Levelland Employee Benefits Trust.

Any assets of the Trust will be invested according to the already established policies of the City of Levelland.

Motion by Breann Buxkemper

Seconded by Michael Stueart

To adopting the City of Levelland Investment Policy as the policy for investments for the City of Levelland Employee Benefits Trust

Motion carried unanimously.

NINTH ITEM OF BUSINESS:

Consider and take necessary action designating the depository for the City of Levelland Employee Benefits Trust as the same depository utilized by the City of Levelland

The Trust will use the same depository as the City of Levelland.

Motion by Breann Buxkemper

Seconded by Michael Stueart

To designate the depository for the City of Levelland Employee Benefits Trust as the same depository utilized by the City of Levelland

Motion carried unanimously.

TENTH ITEM OF BUSINESS:

Consider and take necessary action designating signatories for the City of Levelland Employee Benefit Trust.

The Trust will use the same signatories as the City of Levelland.

Motion by Michael Stueart

Seconded by Breann Buxkemper

To designate signatories for the City of Levelland Employee Benefit Trust.

Motion carried unanimously.

ELEVENTH ITEM OF BUSINESS:

Consider and take necessary action designating and authorizing the annual auditors for the City of Levelland to conduct an audit for the City of Levelland Employee Benefits Trust at such time that the audit for the City of Levelland is conducted.

The Trust will use the same auditors as the City of Levelland.

Motion by Breann Buxkemper

Seconded by Michael Stueart

To designate and authorize the annual auditors for the City of Levelland to conduct an audit for the City of Levelland Employee Benefits Trust at such time that the audit for the City of Levelland is conducted.

Motion carried unanimously.

TWELFTH ITEM OF BUSINESS:

Consider and take necessary action to ratify the award to Blue Cross Blue Shield of Texas the bid for Employee Medical and Pharmacy Insurance.

This agenda item moves medical and pharmacy coverage to Blue Cross Blue Shield directly.

Motion by Breann Buxkemper

Seconded by Jim Myatt

To ratify the award to Blue Cross Blue Shield of Texas the bid for Employee Medical and Pharmacy Insurance.

Motion carried unanimously.

THIRTEENTH ITEM OF BUSINESS:

Consider and take necessary action to ratify the award to Blue Cross Blue Shield of Texas bid for Dental Insurance.

This agenda item moves dental coverage to Blue Cross Blue Shield directly.

Motion by Michael Stueart

Seconded by Mary Engledow

To ratify the award to Blue Cross Blue Shield of Texas the bid for employee dental coverage

Motion carried unanimously.

FOURTEENTH ITEM OF BUSINESS:

Consider and take necessary action on Ordinance No. 1061 approving a negotiated settlement with Atmos West Texas on a first reading declaring current retail gas rates unreasonable and adopting a new tariff structure adopting retail gas rates consistent with the negotiated settlement including related findings.

The WTX Cities Executive Committee has approved an agreement with Atmos resolving their 2022 RRM filing. In its filing, the Company requested a rate increase of \$8,773,727. Our consultants conducted discovery and prepared a report detailing adjustments of \$3,289,496 in total, which translates to a \$5,484,231 increase. The Company has agreed to settle the case for

\$6,720,000. This is a reduction of **\$2,173,727** to the Company's request. Based upon all the factors, we believe this is a very good outcome.

Motion by Breann Buxkemper

Seconded by Mary Engledow

To approve Ordinance No. 1061 approving the negotiated rate settlement with Atmos West Texas on a first reading.

Motion carried unanimously.

FIFTEENTH ITEM OF BUSINESS:

Discussion about Board Appointments for City of Levelland boards and commissions.

Staff provided lists of all appointed City of Levelland Boards, highlighting members who are up for possible re-appointment. Staff has attempted to contact all board members who are up for re-appointment and have asked if they would like to continue to serve and their wishes are noted on the sheet as well. There are some resignations and open positions due to lack of attendance that need to be filled. Council was given volunteer board applications and a list of citizens who are interested in the various boards.

Regarding the "process" through which appointments will be made, the consensus was that Council will discuss the various open positions and the various individuals who are interested in serving. Discussion may be done in open or executive session at a future meeting. Actual appointments must be made and approved in an open meeting.

No Action Taken.

SIXTEENTH ITEM OF BUSINESS:

Consider and take necessary action on setting regular meetings for the remainder of fiscal year 2021-2022.

As we end our Fiscal Year our meeting dates become very important for us to meet state tax and budget statutes, the City Charter as well as the deadline for the tax rate to be presented to the Hockley County Appraisal District by September 15th.

Our Charter requires one regularly called meeting per month, we currently hold 2 per month, this year both the 4th of July and the Labor Day holidays fall on regularly scheduled meetings. In order to meet the guidelines mentioned above, as well as to ensure our public is aware, the City Attorney has recommended that we clarify our final regular meetings of the 2021-2022 Fiscal Year.

Motion by Breann Buxkemper

Seconded by Michael Stueart

To specify that August 22, August 29, September 12 and September 26 be deemed Regular City Council meetings to finish out the 2021-2022 Fiscal Year.

Buxkemper, Stueart and Engledow voted FOR the motion.

Myatt abstained from voting.

Motion carried on a 3-0 vote.

There being no further business, the meeting was adjourned at 6:46pm.

Respectfully Submitted,

Andréa Corley, TRMC
City Secretary

Barbra Pinner, Mayor