



Physical Address: 501 South Main Street

Mailing Address: PO Box 228

Rhome, Texas 76078

Telephone: 817-636-2462

www.cityofrhome.com | citysecretary@cityofrhome.com

Mayor
Patricia Mitchell

City Council

Mayor Pro-Tem,
Place 1
Josh McCabe

Place 2
Michelle Tye

Place 3
Elaine Priest

Place 4
Kathy Konegni

Place 5
Patrick Meehan

Interim City
Administrator
Eric Debus

City Attorney
Carvan Adkins

City Secretary
Shaina Odom

Interim Fire Chief
Michelle Di
Credico

Police Chief
Eric Debus

Public Works
Director

NOTICE OF MEETING OF THE RHOME CITY COUNCIL

Meeting Date: Thursday, September 8, 2022

Regular Session: 6 pm

Executive Session: Immediately Following Regular Session

Meeting Location: Rhome Community Center, 261 North School Road, Rhome, TX 76078

LIVE Streaming: In an effort to be as accessible as possible, we may be

Live Streaming the meeting using GoToMeeting.

Please call 1 (571) 317-3129/ Access Code 741-533-149

Toll Free 1-877-309-2073

The Rhome City Council may conduct this meeting by videoconference call in accordance with Section 551.127 of the Texas Open Meetings Act. A quorum of the City Council will be physically present at the address listed above and the public may attend the meeting at the same location.

Regular Session: 6 pm

Call to Order and Establish a Quorum –

Invocation – Pastor Heath Van Zandt

Pledge of Allegiance to the American Flag

Pledge of Allegiance to the Texas Flag

Honor the Texas Flag; I pledge allegiance to thee, Texas, One state under God, One and indivisible

Public Comments

1. *The Council is not permitted to take action on or discuss any comments made to the Council at this time concerning an item not listed on the agenda. However, a Council Member or Mayor may make a statement of fact regarding the item, make a statement concerning the policy regarding the item and/or may propose that the item be placed on a future agenda or direct the City Administrator to contact the individual to address. If you are attending the meeting via Live Streaming, and you would like to make a Public Comment, you must email the City Secretary at citysecretary@cityofrhome.com prior to 4 pm on the day of meeting and must identify each subject you plan to present to be recognized.*
2. *If the writer of a Public Comment wants someone to read the letter, it will only be read by the City Secretary and must be emailed prior (email above) to 4 pm on the day of the meeting.*
3. *Public Comments made in person require the speaker to submit the sign-up form to the City Secretary prior to the meeting, and the form must identify each subject the speaker plans to present.*
4. *A statement of no more than 3 minutes may be made. There will be no yielding of time to another person. Comments should be directed to the entire Council, not individual members. Engaging in verbal attacks, or comments intended to insult, abuse, malign, or slander any individuals shall be cause for termination of time privileges and removal from Council Chambers.*

Announcements from Mayor and Council Members

- Bulk Trash Pick-Up - September 13, 2022

Consent Agenda (Estimated 2 minutes)

All items under this section are recommended for approval for the Consent Agenda. These items are of a routine nature and require only brief deliberation by Council. Council reserves the right to remove any item on the Consent Agenda for further deliberation.

- A. Resolution and Ordinance approving Rate Tariffs between the Atmos Steering Committee and the Atmos Energy Corporation **(City Secretary)**

Monthly Staff Reports and Board Minutes

All items under this section are for informational purposes only; no action will be taken by Council.

- B. Departments: Administration, Building & Development, Fire Rescue, Municipal Court, Police and Public Works (Department Heads)

Public Hearing

- C. Rhome City Council to conduct Public Hearing to hear citizen input regarding the proposed tax rate for Fiscal Year October 1, 2022 to September 30, 2023

Regular Agenda – Old Business

- D. Discussion and any necessary action regarding Ordinance No. 2022-17 adopting the Budget for Fiscal Year October 1, 2022 to September 30, 2023, Record Vote Required **(City Administrator)**

This budget will raise more revenue from property taxes than last year’s budget by an amount of \$86,054, which is a 9.67% increase, and of that amount \$3,563.81 is tax revenue to be raised from new property added to the tax roll this year.

- E. Discussion and any necessary action regarding Ordinance No. 2022-18 ratifying ad valorem property tax revenue reflected in the adopted Fiscal Year October 1, 2022 to September 30, 2023 Annual Budget Record Vote Required **(City Administrator)**

THE TAX RATE WILL RAISE MORE REVENUE BY 9.67 PERCENT AND WILL LOWER TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$32.04

- F. Discussion and any necessary action regarding IT services **(City Administrator)**

Regular Agenda – New Business

- G. Discussion and any necessary action regarding House Bill 2840 **(Priest)**

Convene into Executive Session –

Pursuant to the following designated section of the Texas Government Code, Annotated, Chapter 551 (Texas Open Meetings Act), the Council may convene into executive session to discuss the following:

- H. Section 551.071 Consultation with Attorney - pending or contemplated litigation, settlement offer or to seek advice from attorney
- I. Section 551.072 Deliberation regarding Real Property - purchase, exchange, lease, or value of real property if deliberation in an open meeting would have detrimental effect on position of the governmental body in negotiations with a third person

- J. Section 551.074 Personnel – discuss appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, or hear complaint or charge against officer or employee in executive session unless officer or employee requests a public hearing
- K. Section 551.087 – Deliberations regarding Economic Development Negotiations – to discuss or deliberate regarding commercial or financial information that the City has received from a business prospect that the City seeks to locate, stay or expand in or near the City and with which the City is conducting economic development negotiations

Future Agenda Items

(Agenda items are due by 5 pm on the Wednesday of the week prior to the council meeting)

Adjourn

A quorum of Planning & Zoning Commissioners may be present at this meeting and its members may participate in the discussions of the items on the agenda over which they have responsibilities or authority.

A quorum of Parks & Recreation Board Members may be present at this meeting and its members may participate in the discussions of the items on the agenda over which they have responsibilities or authority.

**Pursuant to the Open Meetings Act, Chapter 551, Section 551.071 of the Texas Government Code, the Council may convene into executive session at any time during the meeting if a need rises for the City Council to seek advice from the City Attorney concerning any item on this agenda, to discuss pending and contemplated litigation, or a settlement offer, or to discuss a matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Board of Texas clearly conflicts with Chapter 551.*

The Council may vote and / or act upon each of the items listed in this Agenda. Except for Public Presentation and Input and items in the agenda designated as public hearing or otherwise designated for public input, there will be no public input during the course of this meeting without express authorization from the presiding officer.

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to the meeting. Please contact City Hall at 817-636-2462 for further information.

CERTIFICATION: I do hereby certify that the above City Council Agenda was posted on the designated bulletin board located at City Hall, 501 South Main Street, Rhome, Texas by 6pm on September 5, 2022.



 Shaina Odom, City Secretary

I certify that the attached notice and agenda of items to be considered by the Rhome City Council was removed by me from the designated bulletin board located at City Hall, 501 South Main Street, Rhome, Texas, on the ____ day of _____, 2022.

_____, Title: _____



Physical Address: 501 South Main Street

Mailing Address: PO Box 228

Rhome, Texas 76078

Telephone: 817-636-2462 | Metro: 817-638-2758

www.cityofrhome.com cityadministrator@cityofrhome.com

AGENDA ITEM A

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF _____, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2022 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 ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; 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.

WHEREAS, the City of _____, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the

ORDINANCE NO. _____

Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2022, Atmos Mid-Tex filed its 2022 RRM rate request with ACSC Cities based on a test year ending December 31, 2021; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2022 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$115 million on a system-wide basis with an Effective Date of October 1, 2022; and

WHEREAS, ACSC agrees that Atmos plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (Attachment 1) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Attachment 2); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

ORDINANCE NO. _____

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF _____, TEXAS:

Section 1. That the findings set forth in this Ordinance are hereby in all things approved.

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$115 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2022 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$115 million on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Attachment 2, attached hereto and incorporated herein.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of ACSC in processing the Company's 2022 RRM filing.

ORDINANCE NO. _____

Section 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 8. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City Ordinance that established the RRM process, this Ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2022.

Section 11. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

ORDINANCE NO. _____

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF _____, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE _____ DAY OF _____, 2022.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 21.55 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 21.60 per month
Commodity Charge – All <u>Ccf</u>	\$0.36223 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2022.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 63.50 per month
Rider CEE Surcharge	(\$ 0.01) per month ¹
Total Customer Charge	\$ 63.49 per month
Commodity Charge – All Ccf	\$ 0.14137 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2022.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,204.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4939 per MMBtu
Next 3,500 MMBtu	\$ 0.3617 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0776 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailement Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,204.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4939 per MMBtu
Next 3,500 MMBtu	\$ 0.3617 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0776 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Curtailement Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_j = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.58	0.1422	88.85	0.6666
Austin	9.90	0.1372	233.56	0.7819
Dallas	14.17	0.1938	186.38	0.9394
Waco	10.07	0.1308	140.10	0.7170
Wichita Falls	11.43	0.1398	131.57	0.5610

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

**ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2021**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Supplemental Executive Benefit Plan	Post-Employment Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2022 Willis Towers Watson Report as adjusted (1) (2) (3)	\$ 1,715,323	\$ 982,708	\$ 3,137,022	\$ 313,319	\$ (341,412)	
2	Allocation to Mid-Tex	44.72%	44.72%	76.88%	100.00%	76.88%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 767,038	\$ 439,436	\$ 2,411,882	\$ 313,319	\$ (262,493)	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4) (3)	\$ 767,038	\$ 439,436	\$ 2,411,882	\$ 313,319	\$ (262,493)	\$ 3,669,182
6							
7							
8	Summary of Costs to Approve (1):						
9							
10	O&M Expense Factor (WP_F-2.3, Ln 2)	79.88%	79.88%	38.60%	11.00%	38.60%	
11							
12							
13	Total Pension Account Plan	\$ 612,700		\$ 931,100			\$ 1,543,800
14	Total Post-Employment Benefit Plan		\$ 351,016			\$ (101,335)	249,681
15	Total Supplemental Executive Benefit Plan				\$ 34,465		34,465
16	Total (Ln 13 + Ln 14 + Ln 15)	\$ 612,700	\$ 351,016	\$ 931,100	\$ 34,465	\$ (101,335)	\$ 1,827,946

17
18 Notes:

- 19 1. Studies not applicable to Mid-Tex or Shared Services are omitted.
20 2. Mid-Tex is proposing that the Fiscal Year 2022 Willis Towers Watson actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods includes only the expense amount.
21 3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

July 28, 2022

MODEL STAFF REPORT FOR RESOLUTION OR ORDINANCE

BACKGROUND AND SUMMARY

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 April 1, 2022, 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, 2021, entitled it to additional system-wide revenues of \$141.3 million.

Application of the standards set forth in ACSC’s RRM Tariff reduces the Company’s request to \$115 million, \$83.26 million of which would be applicable to ACSC members. ACSC’s consultants concluded that the system-wide deficiency under the RRM regime should be \$95.8 million instead of the claimed \$141.3 million.

The Executive Committee recommends a settlement at \$115 million. The Effective Date for new rates is October 1, 2022. ACSC members should take action approving the Resolution/Ordinance before September 30, 2022.

RATE TARIFFS

Atmos generated rate tariffs attached to the Resolution/Ordinance will generate \$115 million in additional revenues. Atmos also prepared a Proof of Revenues supporting the settlement figures. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

BILL IMPACT

The impact of the settlement on average residential rates is an increase of \$4.60 on a monthly basis, or 6.7 percent. The increase for average commercial usage will be \$14.34 or 4.3 percent. Atmos provided bill impact comparisons containing this figures.

SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

RRM SAVINGS OVER GRIP

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on October 1, 2022, ACSC residents will maintain an economic monthly advantage over GRIP and DARR rates.

Comparison to Other Mid-Tex Rates (Residential)

	<u>Average Bill</u>	<u>Compared to RRM Cities</u>
RRM Cities:	\$73.22	-
DARR:	\$71.96	(\$1.26)
ATM Cities:	\$78.72	\$5.50
Environs:	\$78.53	\$5.31

Note: DARR rate is as-filed 1/22/22. Also note that DARR uses a test year ending in September rather than December.

EXPLANATION OF “BE IT RESOLVED” PARAGRAPHS:

1. This section approves all findings in the Resolution/Ordinance.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section makes it clear that Cities may challenge future costs associated with gas leaks like the explosion in North Dallas or the evacuation in Georgetown.
4. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional \$115 million from ACSC Cities.
5. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.
6. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution/Ordinance approving new rate tariffs.
7. This section repeals any resolution or ordinance that is inconsistent with the Resolution/Ordinance.
8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

9. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution/Ordinance. This section further directs that the remaining provisions of the Resolution/Ordinance are to be interpreted as if the offending section or clause never existed.
10. This section provides for an effective date upon passage.
11. This section directs that a copy of the signed Resolution/Ordinance be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION

The Legislature's GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex's claim that its historic cost of service should entitle it to recover \$141.3 million in additional system-wide revenues, the RRM settlement at \$115 million for ACSC Cities reflects substantial savings to ACSC Cities. Settlement at \$115 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution/Ordinance before September 30, 2022. New rates become effective October 1, 2022.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF _____, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2022 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 ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION 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 RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

WHEREAS, the City of _____, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the

RESOLUTION NO. _____

Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2022, Atmos Mid-Tex filed its 2022 RRM rate request with ACSC Cities based on a test year ending December 31, 2021; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2022 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$115 million on a system-wide basis with an Effective Date of October 1, 2022; and

WHEREAS, ACSC agrees that Atmos' plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (Attachment 1) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Attachment 2); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

RESOLUTION NO. _____

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF _____, TEXAS:

Section 1. That the findings set forth in this Resolution are hereby in all things approved.

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$115 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2022 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$115 on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Attachment 2, attached hereto and incorporated herein.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2022 RRM filing.

Section 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

Section 8. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2022.

Section 11. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

RESOLUTION NO. _____

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF _____, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE _____ DAY OF _____, 2022.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

**ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2021**

Line No.						<u>Current</u>	<u>Proposed</u>	<u>Change</u>
1	Rate R @ 43.8 Ccf							
2	Customer charge				\$ 20.85			
3	Consumption charge	43.8	CCF	X \$ 0.27979 =	12.25			
4	Rider GCR Part A	43.8	CCF	X \$ 0.35744 =	15.66			
5	Rider GCR Part B	43.8	CCF	X \$ 0.35918 =	15.73			
6	Subtotal				\$ 64.49			
7	Rider FF & Rider TAX	\$ 64.49		X 0.06408 =	4.13			
8	Total				<u>\$ 68.62</u>			
9								
10	Customer charge					\$ 21.55		
11	Consumption charge	43.8	CCF	X \$ 0.36223 =		15.87		
12	Rider GCR Part A	43.8	CCF	X \$ 0.35744 =		15.66		
13	Rider GCR Part B	43.8	CCF	X \$ 0.35918 =		15.73		
14	Subtotal					\$ 68.81		
15	Rider FF & Rider TAX	\$ 68.81		X 0.06408 =		4.41		
16	Total					<u>\$ 73.22</u>	\$ 4.60	
17							6.71%	
18								
19	Rate C @ 345.7 Ccf							
20	Customer charge				\$ 56.50			
21	Consumption charge	345.7	CCF	X \$ 0.12263 =	42.39			
22	Rider GCR Part A	345.7	CCF	X \$ 0.35744 =	123.56			
23	Rider GCR Part B	345.7	CCF	X \$ 0.26532 =	91.71			
24	Subtotal				\$ 314.16			
25	Rider FF & Rider TAX	\$ 314.16		X 0.06408 =	20.13			
26	Total				<u>\$ 334.29</u>			
27								
28	Customer charge					\$ 63.50		
29	Consumption charge	345.7	CCF	X \$ 0.14137 =		48.87		
30	Rider GCR Part A	345.7	CCF	X \$ 0.35744 =		123.56		
31	Rider GCR Part B	345.7	CCF	X \$ 0.26532 =		91.71		
32	Subtotal					\$ 327.64		
33	Rider FF & Rider TAX	\$ 327.64		X 0.06408 =		20.99		
34	Total					<u>\$ 348.63</u>	\$ 14.34	
35							4.29%	

**ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2021**

Line No.						Current	Proposed	Change
36	Rate I @ 4278 MMBTU							
37	Customer charge					\$ 1,054.75		
38	Consumption charge	1,500	MMBTU	X \$ 0.4330 =		649.50		
39	Consumption charge	2,778	MMBTU	X \$ 0.3171 =		880.80		
40	Consumption charge	0	MMBTU	X \$ 0.0680 =		-		
41	Rider GCR Part A	4,278	MMBTU	X \$ 3.4906 =		14,931.86		
42	Rider GCR Part B	4,278	MMBTU	X \$ 0.5485 =		2,346.33		
43	Subtotal					\$ 19,863.24		
44	Rider FF & Rider TAX			\$ 19,863.24 X 0.06408 =		1,272.82		
45	Total					<u>\$ 21,136.06</u>		
46								
47	Customer charge						\$ 1,204.50	
48	Consumption charge	1,500	MMBTU	X \$ 0.4939 =		740.85		
49	Consumption charge	2,778	MMBTU	X \$ 0.3617 =		1,004.69		
50	Consumption charge	0	MMBTU	X \$ 0.0776 =		-		
51	Rider GCR Part A	4,278	MMBTU	X \$ 3.4906 =		14,931.86		
52	Rider GCR Part B	4,278	MMBTU	X \$ 0.5485 =		2,346.33		
53	Subtotal					\$ 20,228.23		
54	Rider FF & Rider TAX			\$ 20,228.23 X 0.06408 =		1,296.21		
55	Total					<u>\$ 21,524.44</u>	\$ 388.38	
56								1.84%
57	Rate T @ 4278 MMBTU							
58	Customer charge					\$ 1,054.75		
59	Consumption charge	1,500	MMBTU	X \$ 0.4330 =		649.50		
60	Consumption charge	2,778	MMBTU	X \$ 0.3171 =		880.80		
61	Consumption charge	0	MMBTU	X \$ 0.0680 =		-		
62	Rider GCR Part B	4,278	MMBTU	X \$ 0.5485 =		2,346.33		
63	Subtotal					\$ 4,931.38		
64	Rider FF & Rider TAX			\$ 4,931.38 X 0.06408 =		316.00		
65	Total					<u>\$ 5,247.38</u>		
66								
67	Customer charge						\$ 1,204.50	
68	Consumption charge	1,500	MMBTU	X \$ 0.4939 =		740.85		
69	Consumption charge	2,778	MMBTU	X \$ 0.3617 =		1,004.69		
70	Consumption charge	0	MMBTU	X \$ 0.0776 =		-		
71	Rider GCR Part B	4,278	MMBTU	X \$ 0.5485 =		2,346.33		
72	Subtotal					\$ 5,296.37		
73	Rider FF & Rider TAX			\$ 5,296.37 X 0.06408 =		339.39		
74	Total					<u>\$ 5,635.76</u>	\$ 388.38	
75								7.40%



Physical Address: 501 South Main Street

Mailing Address: PO Box 228

Rhome, Texas 76078

Telephone: 817-636-2462 | Metro: 817-638-2758

www.cityofrhome.com cityadministrator@cityofrhome.com

AGENDA ITEM B



Physical Address: 501 South Main Street

Mailing Address: PO Box 228

Rhome, Texas 76078

Telephone: 817-636-2462 | Metro: 817-638-2758

www.cityofrhome.com cityadministrator@cityofrhome.com

AGENDA ITEM C



Physical Address: 501 South Main Street

Mailing Address: PO Box 228

Rhome, Texas 76078

Telephone: 817-636-2462 | Metro: 817-638-2758

www.cityofrhome.com cityadministrator@cityofrhome.com

AGENDA ITEM D

**CITY OF RHOME, TEXAS
ORDINANCE 2022-17**

AN ORDINANCE OF THE CITY OF RHOME, TEXAS, APPROVING AND ADOPTING A BUDGET FOR THE CITY FOR FISCAL YEAR BEGINNING OCTOBER 1, 2022 AND ENDING SEPTEMBER 30, 2023; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; PROVIDING A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the budget officer of the City of Rhome, Texas has heretofore filed with the City Secretary a proposed budget for the city covering the fiscal year October 1, 2022 through September 30, 2023 and providing that expenditures for said fiscal year shall be made in accordance with said budget, and providing an effective date; and

WHEREAS, the proposed budget has been on file with the City Secretary prior to the 30th day before the date the governing body of the municipality makes its tax levy for the fiscal year; and

WHEREAS, the proposed budget has been available for inspection by any person upon request, and has been posted on the City's website; and

WHEREAS, the governing body of the City held a public hearing on the proposed budget after the 15th day after the date the proposed budget was filed with the City Secretary but before the date the governing body made its tax levy; and

WHEREAS, notice of the public hearing was duly published not earlier than the 30th or later than the 10th day before the date of the hearing as required by law; and

WHEREAS, the City Council has studied the Budget and listened to the comments of the taxpayers at the public hearing held thereon and has determined that the Budget, a copy of which is attached hereto as Exhibit "A" and incorporated herein for all purposes, is in the best interest of the City; and

WHEREAS, at the conclusion of the public hearing, the governing body of the City took action on the proposed budget by record vote, which vote is duly recorded below:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RHOME, TEXAS:

SECTION 1. That the Budget attached hereto as **Exhibit "A"** and incorporated herein is approved and adopted for the fiscal year beginning October 1, 2022, and ending September 30, 2023; and is hereby appropriated from the funds indicated and for such purposes, respectively, such sums of money for such projects, operations, activities, purchases, accounts and other expenditures as proposed in the attached budget.

SECTION 2. That pursuant to state law, no expenditure of the funds of the City shall hereafter be made except in compliance with the budget and applicable state law; provided, however, that in the case of grave public necessity emergency expenditures to meet unusual and unforeseen conditions, which could not be reasonable, diligent thought and attending have been included in the original budget, may from time to time be authorized by the City Council as amendments to the original Budget.

SECTION 3. A copy of the approved Budget, including the cover page, shall be posted on the City's website, along with the record vote of each member of the City Council, as required by law. In addition, the Mayor shall file or cause to be filed a true and correct copy of this ordinance, along with the approved Budget attached hereto, with the City Secretary, as required by law.

SECTION 4. That the necessity for making and approving the budget for the fiscal year, as required by laws of the State of Texas, creates urgency and an emergency and requires that this Ordinance shall immediately take effect from and after its passage, as the law in such cases provides.

SECTION 5. That the following statements are true and correct:

This budget will raise more revenue from property taxes than last year's budget by an amount of \$86,054, which is a 9.67% increase, and of that amount \$3,563.81 is tax revenue to be raised from new property added to the tax roll this year.

The municipal property tax rate for the preceding fiscal year was \$0.450857 per \$100.

The municipal property tax rates that has been adopted or calculated for the current fiscal year for which this budget is adopted, are as follows:

- (A) the property tax rate is \$0.437815 per \$100;
- (B) the No-New Revenue tax rate is \$0.366258 per \$100;
- (C) the Voter-Approval tax rate, adjusted for sales tax, is \$0.437816 per \$100;
- (D) the De Minimis Rate tax rate is \$0.668390 per \$100 taxable property value after exemptions;
- (E) the debt rate is \$0.212633 per \$100 taxable property value; and
- (F) the total amount of municipal debt obligations is \$466,851.

SECTION 6. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

DULY PASSED and approved by the City Council of the City of Rhome, Texas, on the 8th day of September 2022 by a record vote of:

	<u>Aye</u>	<u>Nay</u>	<u>Abstention</u>
Josh McCabe, Mayor Pro Tem, Place 1	_____	_____	_____
Michelle Tye, Council Member, Place 2	_____	_____	_____
Elaine Priest, Council Member, Place 3	_____	_____	_____
Sam Eason, Council Member, Place 4	_____	_____	_____
Ashley Majors, Council Member, Place 5	_____	_____	_____

 Patricia Mitchell,
 Mayor

[SEAL]

ATTEST:

 Shaina Odom,
 City Secretary

APPROVED AS TO FORM:

 Carvan E. Adkins,
 City Attorney

EXHIBIT A

CITY OF RHOME

2022-2023 FISCAL YEAR BUDGET SUMMARY

2022 TAX RATE \$0.437815 PER \$100 TAXABLE PROPERTY VALUE AFTER EXEMPTIONS

	Income		Expenses		Net
General Fund					
Administration	\$2,199,922.64	46%	\$1,219,937.69	26%	\$979,984.95
Building & Development	\$127,200.00	3%	\$198,750.00	4%	\$(71,550.00)
Court	\$453,000.00	9%	\$290,952.37	6%	\$162,047.63
Police	\$16,400.00	0%	\$932,747.04	20%	\$(916,347.04)
Net Court/Police	\$469,400.00	10%	\$1,223,699.41	27%	\$(754,299.41)
Fire	\$349,314.61	7%	\$454,075.79	10%	\$(104,761.18)
Parks	\$48,000.00	1%	\$48,000.00	1%	\$0
Subtotal General Fund	<u>\$3,193,837.25</u>	<u>66%</u>	<u>\$3,144,462.89</u>	<u>68%</u>	<u>\$49,374.36</u>
Water & Sewer	<u>\$1,610,603.00</u>	<u>34%</u>	<u>\$1,469,460.94</u>	<u>32%</u>	<u>\$141,142.06</u>
Total Budget	<u><u>\$4,804,440.25</u></u>	<u><u>100%</u></u>	<u><u>\$4,613,923.83</u></u>	<u><u>100%</u></u>	<u><u>\$190,516.42</u></u>

This budget will raise more total property taxes than last year's budget by an amount of \$86,054.64, which is a 9.67% increase, and of that amount \$3,563.81 is tax revenue to be raised from new property added to the tax roll this year.



Physical Address: 501 South Main Street

Mailing Address: PO Box 228

Rhome, Texas 76078

Telephone: 817-636-2462 | Metro: 817-638-2758

www.cityofrhome.com cityadministrator@cityofrhome.com

AGENDA ITEM E

**CITY OF RHOME, TEXAS
ORDINANCE 2022-18**

AN ORDINANCE OF THE CITY OF RHOME, TEXAS, AFFIXING AND LEVYING MUNICIPAL AD VALOREM TAXES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2022 AND ENDING SEPTEMBER 30, 2023 AT THE RATE OF \$0.437815 PER ONE HUNDRED DOLLARS (\$100.00), AND FOR EACH YEAR THEREAFTER UNTIL OTHERWISE PROVIDED, ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF RHOME TO PROVIDE REVENUES FOR THE PAYMENT OF CURRENT EXPENSES AND ALL OUTSTANDING DEBTS OF THE CITY; DIRECTING THE ASSESSMENT THEREOF; PROVIDING FOR DUE DATES AND DELINQUENT DATES FOR PAYMENT OF TAXES TOGETHER WITH PENALTIES AND INTEREST THEREON; APPROVING THE TAX ROLLS; REPEALING CONFLICTING ORDINANCES; PROVIDING FOR SAVINGS AND SEVERABILITY CLAUSES AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City of Rhome, Texas is a Type A general-law municipality located in Wise County, created in accordance with the provisions of Chapter 6 of the Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, the City Council of the City of Rhome, Texas (hereinafter referred to as the City) hereby finds that the tax for the fiscal year beginning October 1, 2022, and ending September 30, 2023, levied for current expenses of the City and the general improvements of the City and its property, must be levied to provide the revenue requirement for the budget for the ensuing year; and

WHEREAS, the City Council has approved by a separate Ordinance adopted on the 8th day of September 2022 the budget for the fiscal year beginning October 1, 2022 and ending September 30, 2023; and

WHEREAS, the City has published all notices required by law; and

WHEREAS, pursuant to Section 26.05 of the Texas Tax Code, the City Council held a public hearing concerning the proposed tax rate on September 8, 2022 and all statutory and constitutional requirements concerning the levying and assessing of ad valorem taxes have been completed in due and correct time; and

WHEREAS, the City Council has approved separately each of the two components of the tax rate set forth.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RHOME, TEXAS.

SECTION 1. All of the above premises are found to be true and correct and are incorporated into the body of this ordinance as if copied in their entirety.

SECTION 2. The real and personal property tax appraisal rolls as certified by the Chief Appraiser of the Wise County Appraisal District to the City Council for the 2022-2023 tax year are hereby accepted.

SECTION 3. There is hereby levied and ordered to be assessed and collected for the fiscal year beginning October 1, 2022, and ending September 30, 2023, and for each fiscal year thereafter until it be otherwise provided and ordained, on all taxable property, real, personal, and mixed, situated within the corporate limits of the City of Rhome, Texas, and not exempt from taxation by the constitution of the State of Texas and valid state laws, an ad valorem tax rate of **\$0.437815** on each One Hundred Dollars (\$100.00) assessed value of taxable property, which tax rate is apportioned and distributed as follows:

- A. For the purpose of defraying the current maintenance and operation expenses of the City (General Fund), a tax of **\$0.225182** on each One Hundred Dollars (\$100.00) assessed value of all taxable property.
- B. For the purpose of creating a Debt Service Fund to pay the interest and principle on all outstanding indebtedness, a tax of **\$0.212633** on each One Hundred Dollars (\$100.00) assessed value of all taxable property within the City, which shall be applied to the payment of such interest and maturities of all outstanding bonded indebtedness.

TOTAL tax rate: \$0.437815

SECTION 4. THIS TAX RATE WILL RAISE LESS TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S RATE.

SECTION 5. THE TAX RATE WILL RAISE MORE REVENUE BY 9.67 PERCENT AND WILL LOWER TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$32.04

SECTION 6. All ad valorem taxes shall become due and payable on October 1, 2022, and all ad valorem taxes for the year shall become delinquent after January 31, 2023. There shall be no discount for payment of taxes prior to January 31, 2023. Payment of such taxes shall be due in one full installment except as otherwise required by law. A delinquent tax shall incur all penalty and interest authorized by State Law, Section 33.01 of the Texas Tax Code.

SECTION 7. Taxes herein levied and uncollected as of January 31, 2023, shall be a first and prior lien against the property, which lien shall be superior and prior to all other liens.

SECTION 8. Taxes are payable at the offices of the County Tax Assessor-Collector. The County shall have available all rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

SECTION 9. Pursuant to the authority granted by Section 33.07 of the Texas Tax Code, in the event that taxes herein levied become delinquent on or after February 1 but not later than May 31 of the year in which they become delinquent, and in the event such delinquent taxes are referred to an attorney for collection, an additional amount of twenty percent (20%) of the total amount of tax, penalty and interest then due shall be added as collection costs to be paid by the taxpayer, for all taxes delinquent on or after July 1, 2023.

SECTION 10. Pursuant to the authority granted by Section 33.08 of the Texas Tax Code, the City further provides that all 2022 taxes and taxes for all subsequent years that become delinquent on or after June 1 of the year in which they become delinquent shall, in order to defray the costs of collection, incur an additional 20% of the delinquent tax, penalty and interest.

SECTION 11. Any and all ordinances, resolutions, rules, regulations, policies, or provisions inconsistent or in conflict with the provisions of this ordinance are hereby expressly repealed and rescinded to the extent of the inconsistency or conflict.

SECTION 12. It is hereby declared to be the intention of the City Council that if any of the phrases, clauses, sentences, paragraphs and sections of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clauses, sentence, paragraph or section.

SECTION 13. The necessity of fixing and levying municipal ad valorem taxes of the City for the next fiscal year is required by laws of the States of Texas, requires that this ordinance shall take effect immediately from and after its passage, and it is accordingly so ordained.

SECTION 14. All rights or remedies of the City under previous ordinances are expressly saved as to penalties for liabilities for any delinquencies and penalties for prior years and under prior ordinances of the City, and such delinquencies and penalties owed shall not be affected by this Ordinance but may be collected through any remedy available under law.

PASSED AND APPROVED by the City Council of the City of Rhome, Texas, this the 8th day of September 2022.

Patricia Mitchell,
Mayor

[SEAL]

ATTEST:

Shaina Odom,
City Secretary

APPROVED AS TO FORM:

Carvan E. Adkins,
City Attorney



Physical Address: 501 South Main Street

Mailing Address: PO Box 228

Rhome, Texas 76078

Telephone: 817-636-2462 | Metro: 817-638-2758

www.cityofrhome.com cityadministrator@cityofrhome.com

AGENDA ITEM F



Physical Address: 501 South Main Street

Mailing Address: PO Box 228

Rhome, Texas 76078

Telephone: 817-636-2462 | Metro: 817-638-2758

www.cityofrhome.com cityadministrator@cityofrhome.com

AGENDA ITEM G

By: Canales, et al. (Senate Sponsor - Hughes)

H.B. No. 2840

(In the Senate - Received from the House May 6, 2019;
May 10, 2019, read first time and referred to Committee on Business &
Commerce; May 20, 2019, reported favorably by the following vote:
Yeas 8, Nays 0; May 20, 2019, sent to printer.)

[Click here to see the committee vote](#)

A BILL TO BE ENTITLED
AN ACT

relating to the right of a member of the public to address the governing body of a political subdivision at an open meeting of the body.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 551, Government Code, is amended by adding Section 551.007 to read as follows:

Sec. 551.007. PUBLIC TESTIMONY. (a) This section applies only to a governmental body described by Sections 551.001(3)(B)-(L).

(b) A governmental body shall allow each member of the public who desires to address the body regarding an item on an agenda for an open meeting of the body to address the body regarding the item at the meeting before or during the body's consideration of the item.

(c) A governmental body may adopt reasonable rules regarding the public's right to address the body under this section, including rules that limit the total amount of time that a member of the public may address the body on a given item.

(d) This subsection applies only if a governmental body does not use simultaneous translation equipment in a manner that allows the body to hear the translated public testimony simultaneously. A rule adopted under Subsection (c) that limits the amount of time that a member of the public may address the governmental body must provide that a member of the public who addresses the body through a translator must be given at least twice the amount of time as a member of the public who does not require the assistance of a translator in order to ensure that non-English speakers receive the same opportunity to address the body.

(e) A governmental body may not prohibit public criticism of the governmental body, including criticism of any act, omission, policy, procedure, program, or service. This subsection does not apply to public criticism that is otherwise prohibited by law.

SECTION 2. This Act takes effect September 1, 2019.

* * * * *