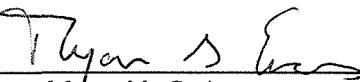


**JANUARY 6, 2010 CITY COUNCIL BRIEFING AGENDA  
CERTIFICATION**

This certification is given pursuant to Chapter XI, Section 9 of the City Charter for the City Council Briefing Agenda dated January 6, 2010. We hereby certify, as to those contracts, agreements, or other obligations on this Agenda authorized by the City Council for which expenditures of money by the City are required, that all of the money required for those contracts, agreements, and other obligations is in the City treasury to the credit of the fund or funds from which the money is to be drawn, as required and permitted by the City Charter, and that the money is not appropriated for any other purpose.

  
\_\_\_\_\_  
Mary K. Suhm  
City Manager

12-30-09  
Date

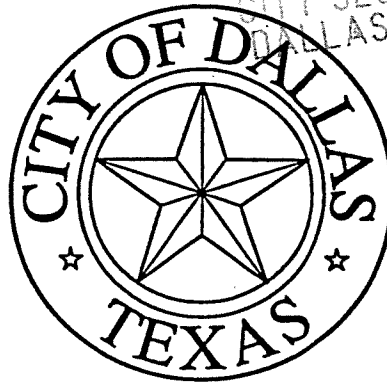
  
\_\_\_\_\_  
Edward Scott  
City Controller

12/30/09  
Date

RECEIVED

2009 DEC 30 AM 10:43

CITY SECRETARY  
DALLAS, TEXAS



# COUNCIL BRIEFING AGENDA

January 6, 2010

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DATE

(FOR GENERAL INFORMATION AND RULES OF COURTESY PLEASE SEE OPPOSITE SIDE.)

(LA INFORMACIÓN GENERAL Y REGLAS DE CORTESÍA QUE DEBEN OBSERVARSE

DURANTE LAS ASAMBLEAS DEL CONSEJO MUNICIPAL APARECEN EN EL LADO OPUESTO, FAVOR DE LEERLAS.)

## General Information

The Dallas City Council regularly meets on Wednesdays beginning at 9:00 a.m. in the Council Chambers, 6th floor, City Hall, 1500 Marilla. Council agenda meetings are broadcast live on WRR-FM radio (101.1 FM) and on Time Warner City Cable Channel 16. Briefing meetings are held the first and third Wednesdays of each month. Council agenda (voting) meetings are held on the second and fourth Wednesdays. Anyone wishing to speak at a meeting should sign up with the City Secretary's Office by calling (214) 670-3738 before 9:00 a.m. on the meeting date. Citizens can find out the name of their representative and their voting district by calling the City Secretary's Office.

Sign interpreters are available upon request with a 48-hour advance notice by calling (214) 670-5208 V/TDD. The City of Dallas is committed to compliance with the Americans with Disabilities Act. **The Council agenda is available in alternative formats upon request.**

If you have any questions about this agenda or comments or complaints about city services, call 311.

## Rules of Courtesy

City Council meetings bring together citizens of many varied interests and ideas. To insure fairness and orderly meetings, the Council has adopted rules of courtesy which apply to all members of the Council, administrative staff, news media, citizens and visitors. These procedures provide:

- That no one shall delay or interrupt the proceedings, or refuse to obey the orders of the presiding officer.
- All persons should refrain from private conversation, eating, drinking and smoking while in the Council Chamber.
- Posters or placards must remain outside the Council Chamber.
- No cellular phones or audible beepers allowed in Council Chamber while City Council is in session.

"Citizens and other visitors attending City Council meetings shall observe the same rules of propriety, decorum and good conduct applicable to members of the City Council. Any person making personal, impertinent, profane or slanderous remarks or who becomes boisterous while addressing the City Council or while attending the City Council meeting shall be removed from the room if the sergeant-at-arms is so directed by the presiding officer, and the person shall be barred from further audience before the City Council during that session of the City Council. If the presiding officer fails to act, any member of the City Council may move to require enforcement of the rules, and the affirmative vote of a majority of the City Council shall require the presiding officer to act." Section 3.3(c) of the City Council Rules of Procedure.

## Informacion General

El Ayuntamiento de la Ciudad de Dallas se reúne regularmente los miércoles en la Cámara del Ayuntamiento en el sexto piso de la Alcaidía, 1500 Marilla, a las 9 de la mañana. Las reuniones informativas se llevan a cabo el primer y tercer miércoles del mes. Estas audiencias se transmiten en vivo por la estación de radio WRR-FM 101.1 y por cablevisión en la estación *Time Warner CityCable* Canal 16. El Ayuntamiento Municipal se reúne el segundo y cuarto miércoles del mes para tratar asuntos presentados de manera oficial en la agenda para su aprobación. Toda persona que desee hablar durante la asamblea del Ayuntamiento, debe inscribirse llamando a la Secretaría Municipal al teléfono (214) 670-3738, antes de las 9 de la mañana del día de la asamblea. Para enterarse del nombre de su representante en el Ayuntamiento Municipal y el distrito donde usted puede votar, favor de llamar a la Secretaría Municipal.

Intérpretes para personas con impedimentos auditivos están disponibles si lo solicita con 48 horas de anticipación llamando al (214) 670-5208 (aparato auditivo V/TDD). La Ciudad de Dallas se esfuerza por cumplir con el decreto que protege a las personas con impedimentos, *Americans with Disabilities Act*. **La agenda del Ayuntamiento está disponible en formatos alternos si lo solicita.**

Si tiene preguntas sobre esta agenda, o si desea hacer comentarios o presentar quejas con respecto a servicios de la Ciudad, llame al 311.

## Reglas de Cortesia

Las asambleas del Ayuntamiento Municipal reúnen a ciudadanos de diversos intereses e ideologías. Para asegurar la imparcialidad y el orden durante las asambleas, el Ayuntamiento ha adoptado ciertas reglas de cortesía que aplican a todos los miembros del Ayuntamiento, al personal administrativo, personal de los medios de comunicación, a los ciudadanos, y a visitantes. Estos reglamentos establecen lo siguiente:

- Ninguna persona retrasará o interrumpirá los procedimientos, o se negará a obedecer las órdenes del oficial que preside la asamblea.
- Todas las personas deben abstenerse de entablar conversaciones, comer, beber y fumar dentro de la cámara del Ayuntamiento.
- Anuncios y pancartas deben permanecer fuera de la cámara del Ayuntamiento.
- No se permite usar teléfonos celulares o enlaces electrónicos (*paggers*) audibles en la cámara del Ayuntamiento durante audiencias del Ayuntamiento Municipal.

"Los ciudadanos y visitantes presentes durante las asambleas del Ayuntamiento Municipal deben obedecer las mismas reglas de comportamiento, decoro y buena conducta que se aplican a los miembros del Ayuntamiento Municipal. Cualquier persona que haga comentarios impertinentes, utilice vocabulario obsceno o difamatorio, o que al dirigirse al Ayuntamiento lo haga en forma escandalosa, o si causa disturbio durante la asamblea del Ayuntamiento Municipal, será expulsada de la cámara si el oficial que esté presidiendo la asamblea así lo ordena. Además, se le prohibirá continuar participando en la audiencia ante el Ayuntamiento Municipal. Si el oficial que preside la asamblea no toma acción, cualquier otro miembro del Ayuntamiento Municipal puede tomar medidas para hacer cumplir las reglas establecidas, y el voto afirmativo de la mayoría del Ayuntamiento Municipal precisará al oficial que esté presidiendo la sesión a tomar acción." Según la sección 3.3(c) de las reglas de procedimientos del Ayuntamiento.

AGENDA  
CITY COUNCIL BRIEFING MEETING  
WEDNESDAY, JANUARY 6, 2010  
CITY HALL  
1500 MARILLA  
DALLAS, TEXAS 75201  
9:00 A.M.

9:00 am      Invocation and Pledge of Allegiance      6ES

                 Special Presentations

                 Open Microphone Speakers

VOTING AGENDA      6ES

1.      Approval of Minutes of the December 2, 2009 City Council Meeting
2.      Consideration of appointments to boards and commissions and the evaluation and duties of board and commission members (List of nominees is available in the City Secretary's Office)

ITEMS FOR INDIVIDUAL CONSIDERATION

**Sustainable Development and Construction**

3.      Authorize **(1)** submission of the list of candidate projects to the Texas Department of Transportation for the Texas Transportation Enhancement Program Call for Projects; and **(2)** acceptance and implementation of the projects selected for the Transportation Enhancement Program (list attached) - Financing: No cost consideration to the City

Briefings      6ES

- A.      Atmos Energy Corporation Franchise Renewal
- B.      Risk Management Overview

Lunch

AGENDA  
CITY COUNCIL BRIEFING MEETING  
WEDNESDAY, JANUARY 6, 2010

Closed Session

6ES

Attorney Briefings (Sec. 551.071 T.O.M.A.)

- Hilda Zarate v. City of Dallas, Cause No. 08-02760-E
- Debra Cenicerros and Monserrat Saucedo v. The City of Dallas, Cause No. 09-01688-F
- State Farm Insurance, as subrogee of Jack Jones, Claim No. 08220477
- Joe A. Reyes et al. v. City of Dallas, Cause No. 09-00491-B
- City of Dallas v. Thos. S. Byrne, Ltd. f/k/a Thos S. Byrne, Inc. and Halff Associates, Inc. v. Steel Lite Roofing, Inc., Redland Insurance Company, J&J Roofing Company, J&J Roofing and Sheet Metal, Inc., and Travelers Casualty and Surety Company of America, Cause No. 08-01181-I
- City of Dallas v. Heather Stewart, Case No. 09-0257
- City of Dallas v. VSC, L.L.C., Case No. 08-0265
- Legal issues involving forfeiture of positions with the City pursuant to Chapter 3, Section 17 of the Dallas City Charter
- Legal issues involving City Auditor's audit of revenues from emergency ambulance fees in his audit plan for FY 2009
- Leroy White, et al. v. City of Dallas, Civil Action No. 3:09-CV-02395-F

Security Matters (Sec. 551.076 T.O.M.A.)

- Security Enhancements

Open Microphone Speakers

6ES

The above schedule represents an estimate of the order for the indicated briefings and is subject to change at any time. Current agenda information may be obtained by calling (214) 670-3100 during working hours.

Note: An expression of preference or a preliminary vote may be taken by the Council on any of the briefing items.

**Candidate Projects for the Texas Department of Transportation's  
2009 Transportation Enhancements Call for Projects  
Agenda Item #3**

<b><u>Project</u></b>	<b><u>Council District</u></b>
<b>1. Five Mile Creek Trail</b>	<b>5, 8</b>
Construction of a 12-foot wide multipurpose trail, approximately 1.75 miles long, from Glendale Park to College Park with a connection to the DART Ledbetter light rail station.	
<b>2. Northaven Trail</b>	<b>11</b>
Construction of a 12-foot wide multipurpose trail, approximately 2.75 miles long, from the White Rock Greenbelt Trail to Preston Road, including a new bicycle/pedestrian bridge across White Rock Creek south of Forest Lane.	
<b>3. Santa Fe Trestle Trail</b>	<b>2, 7</b>
Construction of a 12-foot wide multi-purpose trail from Moore Park near the Corinth DART Station to the Trinity Levee Trail System, including the conversion of the historic Santa Fe Truss Bridge over the Trinity River into a bicycle/pedestrian facility; the project also includes a walkway to an overlook of Cedar Creek and provides trail access to the planned Standing Wave feature.	
<b>4. Trinity Trail - Phase III-A</b>	<b>5</b>
Construction of a 12-foot wide multi-purpose trail, approximately 3.65 miles long, from the Trinity River Audubon Center to the Elam Road trailhead parking at the proposed Texas Horse Park equestrian facility; it will connect to 4.5 miles of trail completed or under construction.	
<b>5. I-20 Gateway Trail and Parking</b>	<b>8</b>
Creation of a new park with trailhead access into the Great Trinity Forest at IH-20 and Dowdy Ferry - the project includes a looped trail around a small lake and landscaping; and provides access to the proposed multipurpose Trinity trail system.	
<b>6. Traffic Control and Safety Treatments for Trail-Road Crossings</b>	<b>2, 9, 11, 12, 14</b>
Implementation of a new signage, pavement marking, and lighting standard for 70 operational at-grade trail-road crossings, including treatments to improve safety in White Rock Lake Park. Trails impacted: Preston Ridge, East Dallas Veloway, Katy, White Rock Creek - North, White Rock Lake Loop, and Cottonwood.	
<b>7. Houston Street Viaduct Bicycle/Pedestrian Link</b>	<b>2, 3</b>
Extension of the existing 11-foot wide sidewalk on the north side of the Houston Street Viaduct between downtown and North Oak Cliff across the Trinity River creating a bicycle/pedestrian link between Oak Cliff and downtown.	

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding economic development negotiations. Section 551.087 of the Texas Open Meetings Act.

**PUBLIC MEETINGS FOR JANUARY 1 - JANUARY 15, 2010**

**Tuesday, January 5, 2010**

Civil Service Board (**Cancelled**)  
8:30 a.m.  
City Hall, Suite 1C-South



**KEY FOCUS AREA:** Economic Vibrancy

**AGENDA DATE:** January 6, 2010

**COUNCIL DISTRICT(S):** 2, 3, 5, 7, 8, 9, 11, 12, 14

**DEPARTMENT:** Sustainable Development and Construction

**CMO:** A. C. Gonzalez, 671-8925

**MAPSCO:** Various

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**SUBJECT**

Authorize **(1)** submission of the list of candidate projects to the Texas Department of Transportation for the Texas Transportation Enhancement Program Call for Projects; and **(2)** acceptance and implementation of the projects selected for the Transportation Enhancement Program (list attached) - Financing: No cost consideration to the City

**BACKGROUND**

On August 10, 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) was authorized by the United States Congress to guide surface transportation policy and provide transportation program funding. SAFETEA-LU builds on the initiatives and keeps many of the same programs established in the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991, and its successor, the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) of 1998.

The Texas Transportation Enhancement (TE) Program is funded through SAFETEA-LU and is administered by the Texas Department of Transportation (TxDOT) for the Federal Highway Administration (FHWA). Ten percent of surface transportation program funds are set aside for enhancement activities. Eligible projects under the TE program include bicycle and pedestrian facilities, restoration of historic trolley or interurban rail lines and related structures, restoration of historic transit stations as new transit stations, acquisition of historic railroad rights of way for future rail and/or bicycle trails, and landscaping transportation facilities.

The Texas Department of Transportation announced a “Call for Projects” for the Texas Transportation Enhancement Program on October 9, 2009. Funding available statewide for the program is \$67.5 million. The Call for Projects is coordinated through the North Central Texas Council of Governments (NCTCOG) with project summaries due to NCTCOG by November 13, 2009 and final project nominations due to TxDOT on or before December 11, 2009.

## **BACKGROUND (continued)**

The Transportation Enhancement Program is a reimbursement program not a grant. The federal matching funds are not available in advance. The local authority sponsoring the project will be reimbursed up to 80 percent of eligible costs for planning, development, and implementation. The local government is responsible for the 20 percent local match, as well as any non-federally fundable costs and cost overruns.

TxDOT has stated that they will give priority to projects that meet the following criteria: (1) construction plans are completed and ready to let when the project is selected, (2) federal funds are used for construction only, (3) local match is available and in cash, (4) project property has already been secured, and (5) coordination is underway with appropriate state agencies regarding environmental clearance.

Staff prepared a recommended list of candidate projects to be submitted for the Transportation Enhancement Program Call for Projects based on the TxDOT criteria. The preliminary list of projects was presented to the Council's Transportation and Environment Committee (TEC) on November 16, 2009, and was endorsed by the TEC for submission to TxDOT. TxDOT subsequently notified the City that a Council resolution is required committing to the projects' development, implementation, construction, maintenance, management, and financing. City match will not exceed \$4,900,000.

## **ESTIMATED SCHEDULE OF PROJECT**

Submit Project Nominations to NCTCOG and TxDOT	December 11, 2009
NCTCOG Evaluation and Ranking	February 12, 2010
TxDOT-Dallas District Evaluation and Ranking	February 15, 2010
Texas Transportation Commission Selects Projects	July 2010

## **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On November 16, 2009, the Transportation and Environment Committee was briefed.

## **FISCAL INFORMATION**

No cost consideration to the City.

**Candidate Projects for the Texas Department of Transportation's  
2009 Transportation Enhancements Call for Projects**

<b><u>Project</u></b>	<b><u>Council District</u></b>
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January 6, 2010

**WHEREAS**, on August 10, 2005, President George W. Bush signed the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU); and,

**WHEREAS**, on October 9, 2009, the Texas Department of Transportation (TxDOT) issued a Call for Projects for funding through the Texas Transportation Enhancement Program (TE) with a submission deadline of December 11, 2009; and,

**WHEREAS**, all Transportation Enhancement projects nominated by the City of Dallas must be endorsed by the City Council with a commitment to fund 20 percent of the project total cost as the required local match, as well as non-federally fundable costs and cost overruns, if the project is selected; and

**WHEREAS**, the required 20 percent local match can be provided from existing bond funds, other city funds, private funding sources, or can be approved in a future bond program; and,

**WHEREAS**, on November 16, 2009, this information and a recommended project listing were presented to and unanimously endorsed by the Council's Transportation and Environment Committee (TEC).

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**Section 1.** That the City Manager is hereby authorized to submit the project list as City Council endorsed projects to the Texas Department of Transportation for consideration in the Transportation Enhancement Program.

**Section 2.** That the City Manager is hereby authorized to accept the City of Dallas projects selected by the Texas Transportation Commission for the Transportation Enhancement Program.

**Section 3.** That the City manager is hereby authorized to develop, implement, construct, maintain and manage the selected projects, and provide the required local funding match as well as cover any non-federally fundable project costs and 100 percent of any project cost overruns, which can be funded by existing bond funds, a future city bond program, other City funds, or private funding sources.

**Section 4.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas and it is accordingly so resolved.

**Candidate Projects for the Texas Department of Transportation's  
2009 Transportation Enhancements Call for Projects**

<b><u>Project</u></b>	<b><u>Council District</u></b>
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## Memorandum



**DATE:** December 30, 2009  
**TO:** Honorable Mayor and Members of the City Council  
**SUBJECT:** Atmos Energy Corporation Franchise Renewal

On Wednesday, January 6, 2010, you will be briefed on the Atmos Energy Corporation Franchise Renewal. The presentation material is attached for your review.

If you have any questions or need additional information, please let me know.



David K. Cook  
Chief Financial Officer

cc: Mary K. Suhm, City Manager  
Deborah A. Watkins, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Craig D. Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge Municipal Court  
Ryan S. Evans, First Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Frank Libro, Public Information Office  
Helena Stevens-Thompson, Assistant to the City Manager



Atmos Energy Corporation

Franchise Renewal

Dallas City Council

January 6, 2010

# Purpose

- Brief the Council on the status of the Atmos Energy Corporation franchise renewal
  - Explanation of Utility Franchising
  - Other Utilities Franchised by the City
  - Gas Issues not related to Franchising
  - Current Franchise provisions
  - Key terms of proposed Franchise
  - Recommendation



# Utility Franchising

- A franchise grants non-exclusive authority to use public property in exchange for monetary and other considerations
  - Utilities require use of Public Rights-of-Ways (ROW) paid for by the taxpayers to install facilities necessary to provide service
    - ROW includes streets, alleys, highways, public utility easements and other public ways
    - Without use of Public ROW utilities would have to purchase easements to serve customers

# Utility Franchising

- Under State Constitution, City must receive fair compensation for allowing use of public property
  - ROW is a unique property and fair value is hard to determine
  - Historically a percentage of Gross Receipts was considered fair and reasonable compensation for use of ROW

# Utility Franchising

- Utility's use of public ROW and City's police power form the basis for City regulation of utility service
  - The City has original jurisdiction over the distribution rates and services of Atmos
  - Railroad Commission of Texas (RCT) has appellate jurisdiction of distribution rates and original jurisdiction over pipeline rates
  - City's role as a landlord and as a regulator are related but must be kept separate

# Utility Franchising

- A franchise is both a contract and a regulatory document
  - In part, a franchise is a contract for the lease of public property
  - Franchise also spells out certain regulatory responsibilities of City
  - Franchise prescribes regulatory obligations of the Utility
- A franchise Ordinance adopted by City Council requires acceptance by utility

# Utility Franchising

- City Charter Provisions (Chapter XIV)
  - City may confer upon any person, firm or corporation the franchise or right to use the public property of the city for the purpose of furnishing to the public any general public service or benefit
  - No exclusive franchise shall ever be granted
  - No term longer than 40 years
  - Minimum franchise fee of 4% of gross receipts

# Utility Franchising

- Historically City Franchised all utilities and cable TV providers
  - Telephone
  - Cable TV
  - Electric
  - Natural Gas

# Utility Franchising, Telephone

- House Bill 1777 adopted in 1999 by State Legislature
  - Eliminated municipal franchising of “Certificated Telecommunications Providers” (CTPs)
    - CTPs were allowed to terminate existing franchises
  - Provided for compensation to cities on a per access line bases
    - Initial access line fees based on historic franchise fee payments
    - Adjusted annually by 50% of Consumer Price Index (inflation)

# Utility Franchising, Cable TV

- Senate Bill 5 adopted in 2005 by State Legislature
  - State of Texas became franchising authority for Cable TV and Video providers
  - Existing franchises were grandfathered until their normal expiration date
  - Companies operating under a state issued franchise pay a 5% franchise fee to the local municipality



# Utility Franchising, Cable TV Cont.

- Time Warner Cable Municipal Franchise expires 12/31/2015
- Four entities operate in the City under a State issued Franchise:
  - AT&T (Uverse)
  - Verizon (Fios)
  - Grande Communications
  - Charter Communications

# Utility Franchising, Electric

- Oncor Electric Delivery Company LLC
  - Provides electric distribution service pursuant to City franchise
    - Ordinance #27485
    - Expires March 31, 2024
    - Will automatically be renewed for six month terms unless written notice is given 60 days before the expiration of any such renewal period
    - Maximum term not to exceed 40 years
    - Requires franchise fee based on per Kilowatt Hour of electricity delivered to customers within the City

# Utility Franchising, Gas

- Atmos Energy Corporation (Atmos)
  - Holds a Certificate of Convenience and Necessity (CCN) to provide natural gas utility service within the City
    - CCN issued by the Railroad Commission of Texas
    - CCN grants exclusive right to serve within its service area
    - Municipal franchise still required to use Public ROW

# Utility Franchising, Gas

- Other Atmos Issues
  - Rates and Services
    - Rates are not covered by the franchise
    - Rates charged to customers for local distribution services are regulated by the City
    - Atmos filed a rate case with the City on November 5, 2008
    - Dallas denied the rate increase
    - Atmos appealed that decision to the Railroad Commission of Texas (GUD 9869)
      - Rate case is still pending

# Atmos Energy Corporation

- **Current franchise Ordinance #16240**
  - Granted to Lone Star Gas Company, a Division of ENSERCH Corporation
    - ENSERCH was acquired by TXU Gas which merged with Atmos
  - 15 year term was to expire May 22, 1994
  - Franchise was amended by Ordinance #24980 which modified many provisions and extended the term to December 3, 2009
  - In November, 2009, City Council authorized an extension to March 31, 2010
  - No explicit authority to approve transfer of control in current franchise

# Atmos Franchise

- **BACKGROUND**

- Staff has met with Atmos representatives on numerous occasions over past six months to negotiate new franchise.

- Negotiating on behalf of the City were:

- Dave Cook, Chief Financial Officer
      - Nick Fehrenbach, Manager of Regulatory Affairs
      - Don Knight, Assistant City Attorney
      - Craig Kinton, City Auditor (Audit Provisions)

- Negotiating on behalf of Atmos were:

- David Park
      - Susan Harris
      - Erikka Hise

# Atmos Franchise

- **BACKGROUND**
  - The proposed franchise is an agreement between the City and Atmos (subject to Council approval)
  - Atmos has agreed to accept the terms of the proposed franchise

# Atmos Franchise Key Terms

- Atmos Facilities in the ROW
  - City retains the right to regulate the placement of facilities in the ROW
  - All facilities in the ROW must comply with applicable Safety Codes
  - Atmos must relocate its facilities at its own expense to accommodate changes to the street, alley, sidewalk or public ways required by the City for any public purpose



# Atmos Franchise Key Terms

- Compensation
  - Franchise fee of 5% of gross revenues from the sale of gas to all classes of customers within the City
    - Increased from 4% in current franchise
    - No deduction for bad debts
    - Revenue will vary from year to year due to weather and the market price of natural gas

# Atmos Franchise Key Terms

- Compensation Cont.
  - Annual revenues estimated to be approximately \$12 Million
  - The increase in franchise fees for the current year is approximately \$1.3 Million
    - consistent with budget assumptions

# Atmos Franchise Key Terms

- Compensation (cont.)
  - Atmos will pay the City a fee of 5% of Contributions In Aid of Construction (CIAC)
    - These fees not required by current franchise
    - Consistent with City Charter requirements of minimum of 4% franchise fee
    - Will result in additional revenue of approximately \$50k annually
    - First payment will be due in 2011 and will not affect current year budget

# Atmos Franchise Key Terms

- Compensation (cont.)
  - Franchise fees are in lieu of all other fees and charges due City with the exception of ad valorem taxes, sales and use taxes, and special taxes and assessments for public improvements

# Atmos Franchise Key Terms

- Right to Audit
  - City has right to audit books and records of Atmos as necessary to ensure proper compensation under franchise
- Good Faith Effort
  - Atmos agrees to faithfully adhere to all applicable federal, state and City rules and regulations pertaining to non-discrimination, equal employment and affirmative action. Atmos also agrees to continue in its commitment to maintain fairness and equality in the workplace and in its purchases of goods, equipment, and other services.

# Atmos Franchise Key Terms

- Administration of Franchise
  - Daily oversight and administration of the franchise given to the City Manager or her designee
    - Prior franchise assigned oversight of the franchise to the Director of Public Utilities (position and the department no longer exist)

# Atmos Franchise Key Terms

- Change of Control
  - Atmos may, without consent by City, transfer or assign the rights granted by this franchise to a parent, subsidiary or affiliate
    - Parent, subsidiary or affiliate must assume all obligations under the franchise
    - Parent, subsidiary or affiliate must have net capital and liquid assets reasonably equivalent to Atmos
  - City will have the right to approve the transfer or assignment of the franchise except as noted above

# Atmos Franchise Key Terms

- Term
  - Fifteen (15) year initial term
  - Unless written notices are provided by either party, franchise will automatically renew for an additional 15 year term
  - Unless written notices are provided by either party after second 15 year term, franchise will automatically renew for additional 1 year terms
  - Maximum term, including automatic renewals, is forty years
    - Maximum term of forty years is a charter requirement



# Options

1. Adopt Franchise as negotiated by Staff
  - Maintains City control of ROW
  - Provides reasonable compensation to City
2. Reject Franchise and direct staff to continue negotiations
  - Could require extension of current franchise
  - Revenue enhancements contained in current budget may not be realized if delayed beyond January 31, 2010

# City Manager's Recommendation

1. Adopt Franchise as negotiated by Staff

# What's Next

- January 13, 2010 agenda item to adopt franchise as negotiated by staff
- March 1, 2010 deadline for Atmos to file acceptance of Franchise Ordinance

# Attachments

1. Draft Franchise Agreement
2. Letter of David J. Park, Vice President, Rates & Regulatory Affairs, Atmos Energy Corporation, agreeing to franchise terms as negotiated by staff

**ORDINANCE NO. \_\_\_\_\_**

An Ordinance granting to Atmos Energy Corporation, a Texas corporation, a franchise for the purpose of constructing, maintaining, and using a gas utility system in the City of Dallas; regulating the construction work done by the Grantee in the City; prescribing the relationship and relative rights between Grantee and others with respect to construction in the City and location of facilities; prescribing the quality of service to be provided by Grantee; providing for limitation of certain liabilities; prescribing the duties, responsibilities, and rule making authority of the City Manager or the City Manager's designee and the City with respect to administration of this franchise; requiring certain records and reports and providing for inspections and tests; reserving to the City Council the right to set charges and rates of Grantee; providing the procedure for changing the rates of Grantee and providing the rights and responsibilities of the City Council in setting the rates; providing for customer security deposits; providing for suspension of service to a customer; providing for enforcement of the franchise; prescribing the compensation to the City from the Grantee for the franchise privilege; providing indemnity of the City and its employees; providing for insurance and good faith effort provisions; setting forth the term of the franchise and its renewal; prescribing miscellaneous requirements for administration of the franchise; repealing Ordinance No. 16240, as amended, and all other ordinances amending the previous franchise (including, but not limited to Ordinance Nos. 22049, 22155, and 22245) ; providing for acceptance by Grantee; and providing an effective date.

**WHEREAS**, Atmos Energy Corporation, is engaged in the business of supplying gas utilities services through its facilities within the City of Dallas to customers throughout the City of Dallas; and,

**WHEREAS**, Atmos Energy Corporation, and its predecessors have been supplying gas utilities services to customers throughout the City of Dallas pursuant to Ordinance No. 322, as amended, since November 30, 1917; Now, Therefore

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1. GRANTING OF FRANCHISE.**

There is hereby granted to Atmos Energy Corporation, hereinafter called Grantee, for the full term of 15 years from the effective date of this ordinance, the right privilege, and franchise to have, acquire, construct, reconstruct, maintain, use, and operate in the City of Dallas, Texas, hereinafter called City, a gas utility system as defined under Section 3 of the Public Utility Regulatory Act of 1975, which shall include, but not be limited to, a gas transmission and distribution system, and to have, acquire, construct, reconstruct, maintain, use, and operate 'in, over, under, along, and across the present and future streets, highways, alleys, bridges, and other public ways ("Public Rights-of-Way") of the City all necessary or desirable mains, lines, pipes, services, laterals, manholes, valves, gages, vent pipes, regulation stations and other structures and appurtenances in connection with such gas utility system. This Franchise does not authorize Grantee to use any property owned by the City that is not a public right-of-way.

## **SECTION 2. CONSTRUCTION WORK - REGULATION BY CITY.**

(a) Work done in connection with the construction, reconstruction, modification, demolition, maintenance, or repair of the gas utility system shall be in compliance with all applicable laws, rules, and regulations of the City and the State of Texas.

(b) Grantee shall conduct its maintenance, construction, reconstruction, modification, demolition, maintenance, repair or placement of facilities, and excavations in the streets, alleys, and other public rights-of-way in such a way that they will interfere as little as practicable with the use by the general public of the streets, sidewalks, and alleys, and with the use of private property, in accordance with direction given by the authority of the City Council under the police and regulatory powers of the City.

(c) Grantee shall submit engineering plans of those projects involving significant construction in a public right-of-way to the City for review prior to construction and promptly after completion of construction shall provide to the City accurate and complete "as-built" plans showing the nature and specific location of all work done. On request by the City Manager or the City Manager's designee, Grantee shall provide complete and accurate "as-built" plans showing the nature and specific location of any component of Grantee's gas utility system located in, on, under, or above any public right-of-way or any real property of the City.

(d) Except in an emergency Grantee shall comply with applicable City ordinances and rules pertaining to notification when excavating pavement in an alley, street, or unpaved public right-of-way. Grantee shall notify the City as soon as practicable regarding work performed under emergency conditions and Grantee shall comply with the City's reasonable requirements for restoration of the excavated area.

(e) The City has authority to require Grantee to repair, remove, or abate any pipe or other structure or equipment that is unnecessarily dangerous to life or property, and in case Grantee, after notice, fails or refuses to act within a reasonable time, the City has authority to remove or abate the same at the expense of the Grantee, without compensation or liability for damages to Grantee. Grantee shall promptly restore to its previous condition and to the reasonable satisfaction of the City, a street, alley, or public right-of-way excavated by it.

## **SECTION 3. MAINTENANCE OF PIPING.**

That Grantee shall own, operate and maintain all service lines, which are defined as the supply lines, and attached couplings, valves, risers, fittings and other hardware extending from the Grantee's main up to and including the customer's meter where gas is measured by Grantee. The customer shall own, operate and maintain all yard lines and house piping. Yard lines are defined as the underground supply lines extending from the point of connection with Grantee's customer meter to the point of connection with customers' house piping. Grantee shall not be required at its own expense to extend mains on any street more than 100 feet for any one consumer of gas or for any consumer that does not, at a minimum, utilize gas as the primary fuel for space heating and water heating

**SECTION 4. CONFORMANCE WITH PUBLIC IMPROVEMENTS.**

(a) Whenever by reason of street widening, straightening or changes in the grade or contours of a street, alley or other public way or in the location or manner of constructing a water pipe, gas pipe, sewer, or other City owned underground or aboveground structure for a governmental purpose, it is deemed that Grantee's underground or aboveground facilities located in the Public Right-of-Way are in conflict and for this reason it is deemed necessary to remove, alter, change, adapt, or conform the underground or aboveground facilities of Grantee, Grantee shall make the alterations or changes as soon as practicable when ordered in writing by the City, without claim for reimbursement or damages against the City. Grantee shall not be required to remove, alter, change, adapt, or conform its facilities without claim for reimbursement if such facilities are not in conflict with construction performed for a governmental purpose as described above. If these requirements impose a financial hardship upon the Grantee, the Grantee shall have the right to present alternative proposals for the City's consideration. City agrees to use its best effort to provide Grantee with its annual capital improvements plan as well as any material updates or changes within a reasonable time after they become available. The City shall not require Grantee to remove its facilities entirely from a street, alley, highway, or other public way unless suitable and safe alternatives are available for relocation at no additional cost to Grantee. Grantee shall not be required to relocate facilities to a depth of greater than four (4) feet below the ground's surface unless necessary to avoid conflict with existing facilities of other authorized users of the Right-of-Way or proposed placement of City's facilities in the Right-of-Way, or if prior agreement is obtained from Grantee.

(b) When Grantee is required to remove or relocate its mains, laterals or other facilities to accommodate construction by City without reimbursement from City, Grantee shall have the right to seek recovery of relocation costs as provided for in applicable state and/or federal law. Nothing herein shall be construed to prohibit, alter, or modify in any way the right of Grantee to seek or recover a surcharge from customers for the cost of relocation pursuant to applicable state and/or federal law. When Grantee is required to initiate a project to remove or relocate its mains, laterals or other facilities to accommodate construction by City without reimbursement from City pursuant to this Franchise, such fact shall be considered as evidence of the project's necessity and prudence for regulatory purposes.

**SECTION 5. WORK BY OTHERS.**

(a) The City reserves the right to lay, and permit to be laid, sewer, water, and other pipe lines, cables, and conduits, and to do and permit to be done any underground or aboveground work that may be necessary or proper in, across, along, over, or under a street, alley, highway, or public place occupied by the Grantee. The City also reserves the right to change any curb, sidewalk, or grade of a street. In permitting this work to be done, the City shall not be liable to the Grantee for any resulting damage, but nothing herein shall relieve any other person or corporation from responsibility, for damages to the facilities of Grantee.

(b) If the City Council authorizes someone other than the Grantee to occupy space under the surface of a street, alley, or highway, or public place, the grant shall be subject to the rights of

the Grantee. If the City Council closes or abandons a street, alley, highway, or public place which contains existing facilities of the Grantee, any conveyance of land within the closed or abandoned street, alley, highway, or public place shall be subject to the rights of the Grantee. Grantee, however, may be ordered to vacate any land so conveyed if an alternate route is practicable and if the Grantee is reimbursed by the person to whom the property is conveyed for the reasonable costs of removal and relocation of facilities.

(c) If the City requires Grantee to adapt or conform its facilities, or to alter, relocate, or change its property to enable any other corporation or person, except the City, to use, or use with greater convenience, the street, alley, highway, or public place, Grantee shall not be bound to make any of the changes until the other corporation or person has undertaken, with good and sufficient bond, to reimburse the Grantee for any cost, loss, or expense that will be caused by, or arise out of the change, alteration, or relocation of Grantee's property; provided, however, that the City shall not be liable for the reimbursement.

#### **SECTION 6. AVAILABILITY, CHARACTER OF SERVICE, LIABILITY.**

(a) Grantee shall at all times furnish service which is modern and sufficient to meet reasonable demands without undue interruption or fluctuations to any person, firm, or corporation that demands service within the City, upon the terms specified and required by ordinance or rules adopted by the City. Grantee shall make service connections on reasonable demand, without undue delay but before furnishing service may require execution of a service contract. Grantee covenants that it will furnish service, instrumentalities, and facilities that are safe, adequate, efficient, and reasonable.

(b) Grantee is not liable for interruptions or fluctuations in service caused by acts of God, war, riots, restraints of governmental authorities, or strikes or other unavoidable occurrences that could not have been foreseen and prevented by a public utility furnishing gas service within the City using commercially prudent management and reasonable care under the circumstances.

#### **SECTION 7. ADMINISTRATION OF FRANCHISE.**

(a) The City Manager or the City Manager's designee is the principal City officer responsible for the administration of this franchise and shall over see and review the operations of Grantee under this franchise.

(b) The City may delegate to the City Manager or the City Manager's designee the exercise of any of the powers conferred upon the City by its charter or by law, relating to the regulation of Grantee in the exercise of the rights and privileges conferred, by this franchise, but the City Council reserves unto itself exclusively the power to fix and regulate the general charges and rates of Grantee, to the full extent that this authority is provided in the charter, this franchise, and State law.

(c) The City Manager or the City Manager's designee may approve or disapprove of miscellaneous fees and charges to the extent permitted by State law, in connection with the rendition of utility service. The City Manager or the City Manager's designee shall have the authority to make and publish, after notice to those affected and a hearing, rules and regulations that are consistent with State law and necessary to carry out the duties and powers conferred



upon the City Manager. If Grantee objects to a decision of the City Manager with regard to fees or to a rule or regulation, Grantee may appeal the action of the City Manager to the City Council, and the action or decision appealed shall be suspended until final action by the City Council.

(d) It shall be the right and duty of the City Manager and the City Council at all times to keep fully informed as to all matters in connection with or affecting the construction, reconstruction, maintenance, operation, and repair of the properties of the Grantee, its accounting methods and procedures, the conduct of the Grantee's business in the City, and of service being rendered by Grantee.

(e) The City Manager, upon the filing of the acceptance described below, shall provide Grantee with written notice identifying at least by title one or more City Manager's designees, if any, for administering some or all of the City Manager's functions relating to this Franchise. If more than one designee is identified, the functions assigned to each designee will be stated in the notice with reasonable specificity. Thereafter, the designee or designees shall be changed only after Grantee has been given written notification by the City Manager.

## **SECTION 8. RECORDS, REPORTS, AND INSPECTIONS.**

(a) Grantee shall use the system of accounts and the forms of books, accounts, records, and memoranda accepted by the Railroad Commission of Texas or its successor. Grantee shall provide the City with access at reasonable times and for reasonable purposes, to examine, audit, review, and/or obtain copies of the papers, books, accounts, documents, maps, plans and other records of Grantee pertaining to this Franchise ordinance. Grantee shall fully cooperate in making available its records and otherwise assisting in these activities. Grantee shall maintain records, accounts, and financial and operating reports in a manner that will allow the City Manager or the City Manager's designee to determine investment, cost of service, and operating expenses related to providing gas utility service to customers within the City. The City Council, the City Manager or the City Manager's designee may require the keeping of additional records or accounts reasonably necessary for administration of the franchise. If Grantee objects to a requirement of the City Manager or the City Manager's designee, Grantee may appeal the requirement to the City Council.

(b) Company will make available public reports it provides to the RRC, FERC, or SEC as City may reasonably require in the administration of this franchise and upon specific request by City.

(c) For the purpose of performing an audit of this Franchise, the City Manager, the City Manager's designee and the City Auditor's Office shall have the right, at reasonable times, to inspect the plant, equipment, and other property of the Grantee and its affiliates according to State law, and to examine, audit, and obtain copies of the papers, books, accounts, documents, and other business records of the Grantee consistent with State law. City agrees that customer-specific information shall be provided only to City's Auditor, and the City's Auditor shall not provide such information to any other City department, employee or official without Grantee's prior consent.

(d) The City agrees, to the extent allowed by law, to maintain the confidentiality of any information obtained from Grantee that the Grantee, at the time the information is provided to

City, has clearly designated as confidential or proprietary. City shall not be liable to Grantee for the release of any information the City is required by law to release. City shall provide notice to Company of any request for release of non-public information prior to releasing the information to the public so as to allow Company adequate time to pursue available remedies for protection. If the City receives a request under the Texas Public Information Act that includes Company's proprietary information, City will notify the Texas Attorney General of the proprietary nature of the document(s). The City also will provide Company with a copy of this notification, and thereafter Company is responsible for establishing that an exception under the Act allows the City to withhold the information.

(e) City shall not use Grantee's confidential or proprietary information for any unlawful purpose.

(f) The City retains all of the investigative powers and other rights provided to the City by the charter and State law.

## **SECTION 9. RULES AND REGULATIONS.**

(a) In order to insure uniform and reasonable application of conditions for service and to insure availability of service to all without discrimination, the City Manager or the City Manager's designee shall review Grantee's rules and regulations concerning service furnished under this franchise.

(b) The City Council, the City Manager or the City Manager's designee may establish, after reasonable notice and hearing, such rules and regulations as may be in the public interest regarding rates, rate-making procedures including the form and content of notices and applications, the furnishing of service, administration of customer accounts, and construction of Grantee facilities on City property, on, in, under and above public rights-of-way. If Grantee objects to a rule or regulation established by the City Manager or City Manager's Designee, Grantee may appeal the rule or regulation to the City Council.

## **SECTION 10. SERVICE RATES.**

(a) The City Council hereby expressly reserves the right, power, and authority to fully regulate and fix the rates and charges for the services of the Grantee to its customers as provided by State law and the City charter.

(b) Grantee may from time to time propose changes in its general rates by filing an application with the City secretary for consideration of the City Council. Within a reasonable time consistent with law, the City Council shall afford Grantee a fair hearing with reference to the application and shall either approve or disapprove the proposed changes or make such order as may be reasonable.

(c) In order to ascertain any and all facts, the City Council shall have full power and authority to inspect, or cause to be inspected, the books of Grantee, and to inventory and appraise, or cause to be inventoried and appraised, the property of Grantee, and to compel the attendance of witnesses and the production of books and records.

(d) The City shall not allow as to rates or services an unreasonable preference or advantage to anyone within a service classification, nor allow Grantee to subject anyone within a service classification to any unreasonable prejudice or discrimination.

(e) The City Council has authority to require the Grantee to allocate costs of facilities, revenues, expenses, taxes, and reserves between the City and other municipalities or unincorporated areas, consistent with State law.

## **SECTION II. DEPOSITS.**

Grantee shall have the right, subject to City rules and regulations and consistent with applicable State and federal law, to require a reasonable security deposit for the payment of bills.

## **SECTION 12. SUSPENSION OF SERVICES.**

Subject to State, federal and local laws, rules, and regulations, and if not inconsistent with other provisions of this Franchise, the Grantee may discontinue service to a customer who fails to pay a bill presented for service or make a reasonable deposit as may be required, if a deposit may be lawfully required, until the bill or deposit together with any expense for disconnecting and reconnecting the service is paid. In addition, the Grantee may discontinue service without notice, where a known dangerous condition exists, for as long as the condition exists, but if such condition is within Grantee's power to correct, Grantee shall use due diligence to correct such condition promptly and, if the customer does not otherwise request or the City does not otherwise direct, promptly upon elimination of the danger to restore service. The Grantee shall not be required to furnish service to any customer who is in default of payment or who fails to pay a reasonable deposit in accordance with duly promulgated rules and regulations, or who shall fail to comply with rules and regulations regarding proper use of facilities furnished by the Grantee. Provided, however, that nothing herein authorizes Grantee to discontinue, suspend, or refuse to furnish service if Grantee is otherwise legally prohibited from taking such action.

## **SECTION 13. FRANCHISE AND OTHER VIOLATIONS.**

Upon evidence being received by the governing body of the City that a violation of this franchise, City charter provision, or ordinance lawfully regulating Grantee in the furnishing of service hereunder is occurring or has occurred, it shall at once cause an investigation to be made. If the governing body of this City finds that such a violation exists or has occurred, it shall take the appropriate steps to secure compliance.

## **SECTION 14. COMPENSATION TO THE CITY.**

(a) As compensation for the rights and privileges conferred by this franchise, Grantee shall pay to the City a sum of money equal to five percent (5%) of Gross Revenues, as defined below:

- (1) all revenues received by Grantee from the sale of gas to all classes of customers (excluding gas sold to another gas utility in the City for resale to its customers within City) within the City;

- (2) all revenues received by Grantee from the transportation of gas through the system of Grantee within the City to customers located within the City (excluding any gas transported to another gas utility in City for resale to its customers within City);
- (3) the value of gas transported by Grantee for transport customers through the system of Grantee within the City ("Third Party Sales")(excluding the value of any gas transported to another gas utility in City for resale to its customers within City), with the value of such gas to be established by utilizing Grantee's monthly Weighted Average Cost of Gas charged to industrial customers in the Mid-Tex division, as reasonably near the time as the transportation service is performed;
- (4) revenues billed but not ultimately collected or received by Grantee ("uncollectibles"), subject to Section 14(d) below;
- (5) Gross Revenues shall also include the following "miscellaneous charges": charges to connect, disconnect, or reconnect gas and charges to handle returned checks from consumers within the City; and
- (6) Contributions In Aid of Construction ("CIAC").
- (7) Gross Revenues shall not include:
  - (a) the revenue of any affiliate or subsidiary of Grantee;
  - (b) taxes or fees imposed by law on customers that Grantee is obligated to collect or authorized to recover and which Grantee passes on, in full, to the applicable governmental authority or authorities;
  - (c) interest or investment income earned by Grantee; and
  - (d) monies received from the lease or sale of real or personal property, provided, however, that this exclusion does not apply to the lease of facilities within the City's right of way.

(b) Payment shall be due and payable for each calendar quarter on or before noon of the 15th day of the second month following the close of the calendar quarter and shall be made by wire transfer. Should any payment due date required by this ordinance fall on a weekend or declared bank holiday, payment shall be wired to the City no later than noon of the working day prior to any specifically required due date contained within this ordinance. Payment shall be considered timely made if Grantee requests the wire transfer by 9:30 am on the day that payment is due. The payment shall be exclusive of, and in addition to, all special assessments and taxes of whatever nature, including ad valorem taxes upon property of Grantee. During the years for which payments of percentages of gross revenues are made to the City as compensation for this franchise to use public property of the City for the purpose of engaging in the business of providing gas utility service, the payments shall be (insofar as the City has legal power to so provide and agree) in lieu of and shall be accepted as payment of all of Grantee's obligations to pay municipal charges, fees, rentals, inspection fees, easement taxes, franchise taxes, or other charges and taxes of every kind, except sales taxes, ad valorem taxes and special taxes and assessments for public improvements.

(c ) Payment for franchise fees based on CIAC shall be calculated on an annual calendar year basis, i.e., from January 1 through December 31 of each calendar year. The franchise fee due the City based on CIAC shall be paid at least once annually on or before April 30 each year based on the total CIAC received during the preceding calendar year. The initial CIAC franchise fee amount will be paid on or before April 30, 2011 and will be based on the period beginning with the effective date of this Ordinance and ending on December 31, 2010. The final CIAC franchise fee amount will be paid on or before April 30, 2026 unless this agreement is renewed pursuant to Section 22, in which instance the final CIAC franchise fee amount will be paid on or before April 30, 2041.

(d) If a regulatory authority or court of competent jurisdiction determines that Grantee may not recover in Grantee's rates the compensation paid to City based on uncollectibles pursuant to Section 14(a)(4) above, then uncollectibles shall thereafter be excluded from the definition of Gross Revenues and Grantee will not seek to impose a refund or credit obligation for franchise fees already paid pursuant to Section 14(a)(4).

(e) Any transaction entered into by Grantee which has the effect of circumventing and/or evading payment of the fees required under Section 14 as of the effective date of this Franchise is prohibited.

#### **SECTION 15. STATEMENT OF REVENUES:**

Grantee shall provide to the City at or before the time the payment is due a report indicating the amount of the payment and the basis upon which the payment is calculated. The report shall be at the level of detail being provided to City at the time this franchise is accepted, as shown in Exhibit A.

#### **SECTION 16. PRESERVATION OF RECORDS**

(a) Grantee shall keep and maintain complete books, records, accounts, documents, and papers pertaining to Grantee's facilities within the City in accordance with Grantee's records retention policy for relevant records at the time this franchise is accepted a copy of which is attached hereto as Exhibit B. Maps, plats, records, inventories, and books of the Grantee pertaining to Grantee's facilities within the City, insofar as they show values of existing property, shall be preserved for use, if necessary, in connection with future valuation of the property of the Grantee.

(b) Grantee shall make available all of its books, records, accounts, documents and papers relevant to (1) Grantee's use of the Public Rights-of-Way in accordance with this Franchise, and (2) Grantee's provision of natural gas service within the City of Dallas for purposes of any City audit of franchise fees paid pursuant to this franchise; upon reasonable notice by the City of not less than 20 days, or such longer time as agreed to by City and Grantee. Such production may be at Grantee's offices if within the City, appropriate City facilities or other location provided by the Grantee and agreeable to the City.

**SECTION 17. ASSIGNMENT OF FRANCHISE**

(a) The rights granted by this Franchise inure to the benefit of the Grantee. The Grantee may, without consent by City, transfer or assign the rights granted by this Franchise to a parent, subsidiary or affiliate, provided that such parent, subsidiary or affiliate assumes all obligations of Grantee hereunder and is bound to the same extent as Grantee hereunder, and has net capital and liquid assets reasonably equivalent to the Grantee's as of the month immediately preceding the transfer or there are provided other guarantees or assurances of the transferee's or assignee's financial ability to perform this Franchise reasonably acceptable to the City. Grantee shall give City written notice thirty (30) days prior to such assignment.

(b) City will have the right to approve the transfer or assignment of the franchise, except as provided in Section 17(a). City shall grant approval unless the Assignee is materially weaker than Grantee. For the purpose of this section, "materially weaker" means that the long term unsecured debt rating of the Assignee is less than investment grade as rated by both S&P and Moody's. If the Assignee is materially weaker, the City may request additional documents and information reasonably related to the transaction and the legal, financial, and technical qualifications of the Assignee. City agrees that said approval shall not be unreasonably withheld or delayed. Any such assignment or transfer shall require that said Assignee assume all obligations of Company be bound to the same extent as Grantee hereunder. If within the first 90 days after assignment to Assignee, City identifies a failure to comply with a material provision of this Franchise, City shall have the right, after notice and opportunity for hearing before Council, to terminate this Franchise.

**SECTION 18. CONFORMITY TO CONSTITUTION, STATUTES, CHARTER, CITY CODE.**

This ordinance is passed subject applicable provisions of the Constitution and Laws of the United States and the State of Texas, the Charter of the City of Dallas, and the Dallas City Code. This franchise agreement shall in no way affect or impair the rights, obligations, or remedies of the parties under the Public Utility Regulatory Act of Texas. Except as expressly provided herein Grantee shall not recover costs or expenses from the City for taking any actions mandated by this Franchise or by any order or request issued by authority of this Franchise.

**SECTION 19. INDEMNITY.**

That Grantee shall defend, indemnify and save whole and harmless the City and all of its officers, agents, and employees against any and all claims, lawsuits, judgments, costs and expenses for personal injury (including death) , property damage or other harm for which recovery of damages is sought suffered by any person or persons that may be occasioned by, or arise out of Grantee's breach of any of the terms or provisions of this ordinance, or by any negligent or strictly liable act, or omission by Grantee, its officers, agents, employees, subcontractors, affiliates and subsidiaries, in the construction, maintenance, operation, or repair of the distribution system, or by the conduct of Grantee's business in the City pursuant to this ordinance; or by litigation expenses including discovery costs and expenses including attorneys fees and expenses involving the Franchise or the Grantee regardless of the identity of parties except that the indemnity provided for in this section shall not apply to any liability resulting

from the sole negligence or fault of the City, its officers, agents, employees or separate contractors, and in the event of joint and concurrent negligence or fault of both the Grantee and the City, responsibility and indemnity, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas without, however, waiving any governmental immunity available to the City under Texas law and without waiving any of the defenses of the parties under Texas law. It is understood that it is not the intention of the parties hereto to create liability for the benefit of third parties, but that this section shall be solely for the benefit of the parties hereto and shall not create or grant any rights, contractual or otherwise, to any person or entity.

**SECTION 20. GOOD FAITH EFFORT.**

Grantee agrees to faithfully adhere to all applicable federal, state and City rules and regulations pertaining to non-discrimination, equal employment and affirmative action. Company also agrees to continue in its commitment to maintain fairness and equality in the workplace and in its purchases of goods, equipment, and other services.

**SECTION 21. INSURANCE.**

That Grantee will insure against the risks undertaken pursuant to this franchise, including indemnification under Section 19 hereof. Such insurance may be in the form of self-insurance to the extent permitted by applicable law under a Grantee approved formal plan of self-insurance maintained in accordance with sound accounting practices. Otherwise, Grantee shall maintain reasonably adequate insurance covering its obligations of indemnity under Section 19 hereof. A certificate of insurance and a complete copy of the insurance policy including all riders, exhibits, amendments, and attachments shall be provided to the City annually and upon any substantial change in the nature of its coverage under this section. Should Grantee elect to self-insure, its annual notice to the City shall contain information describing with reasonable particularity all procedures for filing a claim.

**SECTION 22. TERM; RENEWAL.**

This franchise shall expire on December 31, 2025; provided, that at the end of the expiration of the initial period, the term shall be automatically renewed for one additional 15 year period to expire on December 31, 2040, unless written notice is given to the Grantee by the City or to the City by the Grantee 120 days before the expiration date, setting forth the desire of the giver of the notice to terminate this franchise, in which event this franchise shall terminate at the expiration of the initial 15 year period. Grantee shall give 12 months written notice to the City of the expiration of the initial period. If Grantee fails to give 12 months written notice to the City, and City does not give written notice to the Grantee 120 days before the expiration date, setting forth the desire of the City to terminate this franchise, then the franchise shall be automatically renewed for a term of one year and shall continue to be renewed annually for one year terms until such notices are received. In no event shall the franchise be automatically renewed to expire after December 31, 2040.

**SECTION 23. RIGHT OF APPEAL.**

Nothing herein shall be deemed a waiver, release or relinquishment of either party's right to contest or appeal any action or decision of the other party made contrary to any federal, state or local law or regulation.

**SECTION 24. REPEAL.**

That Ordinance No. 16240, , as amended, and all other ordinances amending the previous franchise, including, but not limited to Ordinance Nos. 22049, 22155, and 22245, are hereby repealed. All other ordinances, rules, regulations, and agreements which in any manner relate to the regulation of or provision for gas utility services by Grantee shall remain in full force and effect, to the extent that they are consistent with this franchise.

**SECTION 25. SEVERABILITY.**

Should any material word, clause, phrase, sentence, paragraph or section of this franchise be held invalid by any court of competent jurisdiction, such ruling or judgment shall not affect the validity of any other part, but the same shall remain in full force and effect, the provisions hereof being severable, except that either party can within 90 days after such ruling or judgment become final serve written notice of intent to terminate this Franchise by reason of such judgment or ruling unless the parties agree on an amendment acceptable to both parties that addresses the change caused by such judgment or order. If the parties do not amend this Franchise within 90 days after receipt of such notice, this Franchise terminates 120 days after receipt of such notice.

**SECTION 26. EFFECTIVE DATE: AUTHENTICATION.**

This ordinance shall take effect immediately from and after its passage, and publication in accordance with the provisions of the Charter of the City of Dallas and subject to its acceptance as provided below, and it is accordingly so ordained.

**SECTION 27. ACCEPTANCE OF FRANCHISE.**

(a) The Grantee shall, by 5:15 p.m., March 1, 2010, file in the office of the City Secretary a written instrument signed and acknowledged by a duly authorized officer, in substantially the following form:



To the honorable Mayor and City Council of the City of Dallas:

The Grantee, Atmos Energy Corporation, acting by and through the undersigned authorized officer, hereby accepts Ordinance No. \_\_\_\_\_ granting a franchise to Atmos Energy Corporation.

---

President  
Atmos Energy Corporation  
Mid-Tex Division

ATTEST:

---

Secretary of Atmos Energy Corp.  
Executed this, \_\_\_\_ the \_\_\_\_ day of , 20\_\_.

(b) Upon filing of the acceptance, this franchise shall become effective as of the date of it's passage and publication. In the event the acceptance is not filed by 5:15 p.m., March 1, 2010, this ordinance and the rights and privileges hereby granted shall terminate and become null and void.

APPROVED AS TO FORM:  
Thomas P. Perkins, Jr., City Attorney

By: \_\_\_\_\_  
Assistant City Attorney



**David Park**  
Vice President  
Rates and Regulatory Affairs

December 17, 2009

To the Honorable Mayor and  
Members of the City Council  
City of Dallas

RE: Atmos Energy Franchise

I am in receipt of the latest draft of the franchise agreement negotiated between Atmos Energy and the City of Dallas. Should the City Council adopt the final version that the Company received today from Assistant City Attorney Don Knight via electronic mail, Atmos Energy is prepared to provide a formal written acceptance as required therein.

Sincerely,

A handwritten signature in cursive script that reads "David J. Park".

David J. Park  
Vice President, Rates & Regulatory Affairs  
Atmos Energy Corporation  
Mid-Tex Division

# Memorandum



DATE December 30, 2009  
TO Honorable Mayor and Members of the Dallas City Council  
SUBJECT Risk Management Overview

Attached you will find the Risk Management Overview briefing that will be presented to you on January 6, 2010.

Should you have any questions please feel free to contact me.



Mary K. Suhm  
City Manager

cc: Deborah Watkins, City Secretary  
Thomas P. Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
Judge C. Victor Lander, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
Forest Turner, Assistant City Manager  
Dave Cook, Chief Financial Officer  
Frank Libro, Public Information Office  
Helena Stevens-Thompson, Assistant to the City Manager

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# Risk Management Overview

**Presented to the Dallas City Council  
January 6, 2010**

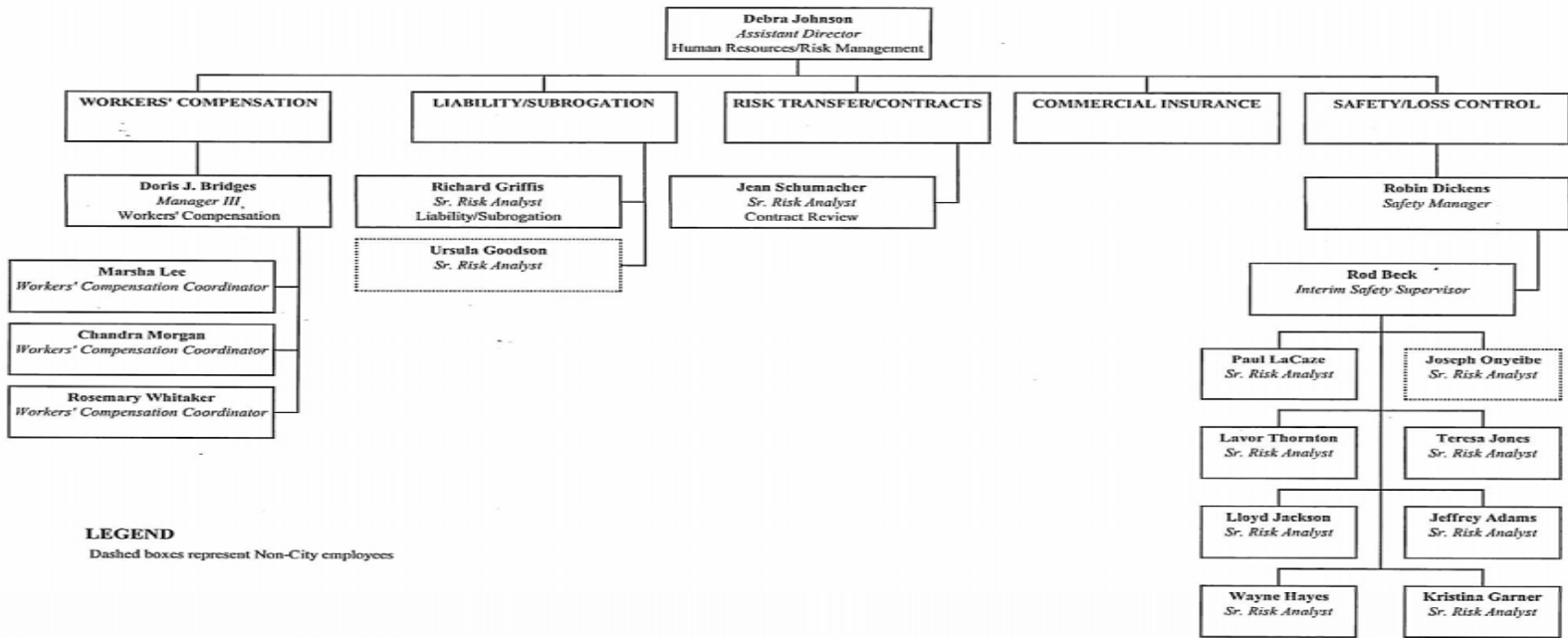


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# Purpose

- Provide an overview of the City's Risk Management Division for FY 08-09
- Provide an update on Workers' Compensation Certified Network

# Division of Risk Management



12/16/2009

# Division of Risk Management

- ❑ Commercial Insurance & Facility Inspections
  - Ensures appropriate and adequate insurance placement
- ❑ Risk Transfer (Contract Management)
  - Evaluates contract-related exposure
- ❑ Liability & Subrogation
  - Liability investigates and pays claims on behalf of the City
  - Subrogation recovers funds resulting from damage to City property or injury to employees
- ❑ Workers' Compensation
  - Processes employee injury claims and manages the Limited Duty Program
- ❑ Safety
  - Works, through training and inspections, to reduce and/or eliminate conditions which could result in losses to City

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# Division of Risk Management Objectives

- To minimize financial loss by promoting a safer working environment, managing resources, and increasing safety awareness



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# Commercial Insurance & Facility Inspections

- The City owns or leases approximately 800 facilities with an insurance value in excess of \$3 billion. Risk Management ensures appropriate insurance placement to financially protect the City in the event of a covered loss.
  - Total Insured Value (TIV)
    - FY 08-09: \$3,241,169,760
    - FY 09-10: \$3,418,377,544
    - *Values increased by 5.5% (\$177,207,784)*
  - Renewal Rates (per \$100 of TIV)
    - FY 08-09: \$0.0571
    - FY 09-10: \$0.0502
    - *Negotiated a 12% decrease in renewal rate*

---

# Commercial Insurance & Facility Inspections

- Annual Premium
  - FY 08-09: \$1,815,435
  - FY 09-10: \$1,716,142
  - *Represents approximately \$220,000 savings in premium*  
(calculating the renewal rate against the TIV for each FY)
- *Received \$20,000 no-claims bonus from Aviation policy (FY 07-09)*

---

# Commercial Insurance & Facility Inspections

- The insurability and workplace safety conditions of City facilities are monitored by performing annual inspections. Recommendations are monitored for completion.
  - Inspections Conducted:
    - Facility Inspections (conducted by HSB)
      - FY 07-08: 57 Inspections
        - 292 Findings
        - Advisory: 199 (68%)
        - Important: 91 ( 31%)
        - Critical: 1 (1%)

---

# Commercial Insurance & Facility Inspections

- ❑ FY 08-09: 60 Inspections
  - 376 Findings
  - Advisory: 229 (61%)
  - Important: 147 (39%)
- Life Safety Inspections/Facility Assessment (conducted by Safety Officers)
  - ❑ FY 07-08: 39
  - ❑ FY 08-09: 41

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# Commercial Insurance & Facility Inspections

- Other Accomplishments
  - Implementation of Cybersure, an interactive Risk Management information system, which maintains the City's insurance documents, Statement of Values, Inspection Reports, policy changes, etc.
  - Identified COD income producing properties and their revenue for adequate business interruption coverage.

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# Risk Transfer

- Risk Transfer provides assistance to Procurement, City Attorney Office and other City departments in evaluating their contract-related exposure.
  - Certificate Reviews:
    - FY 07-08: 2,223 within an average of 7 business days
    - FY 08-09: 2,265 within an average of 8 business days
    - ***Represents 2% increase (42 certificates)***
  - Contract Reviews:
    - FY 07-08: 389 within an average of 2.5 business days
    - FY 08-09: 427 within an average of 3 business days
    - ***Represents 10% increase (38 contracts)***

---

# Risk Transfer

- Other Accomplishments
  - Provided management level training seminar on risk evaluations, property insurance and certificate of insurance procedures
    - 65 attendees with 84% favorable rating
  - Major contracts/projects
    - DCC Hotel Developer and Operator
    - Revision of AD 4-5: Contracting Policy
    - Zoo and Aquarium Privatization

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# Liability & Subrogation

- Liability is responsible for the investigation and payment of damage claims caused by the City.
  - Liability Claims Processed:
    - FY 07-08: 1,629 claims
    - FY 08-09: 1,433 claims
    - ***Represents a 12% decrease (196 claims)***
  - Liability Claims Paid:
    - FY 07-08: \$4,772,042
    - FY 08-09: \$7,252,688
    - ***Represents a 52% increase (\$2,480,646)***
      - Brewster vs COD: \$1,836,406 (Class Act suit regarding fire taxes)
      - Heard vs COD: \$500,000 (Zoo claim)



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# Liability & Subrogation

- Subrogation recovers funds due to the City as a result of a third party's negligence.
  - Subrogation Claims Processed:
    - FY 07-08: 477
    - FY 08-09: 577
    - ***Represents a 21% increase (100 claims)***
  - Subrogation Recoveries
    - FY 07-08: \$602,172
    - FY 08-09: \$979,627
    - ***Represents a 62% increase (\$377,455)***

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# Liability & Subrogation

- Other Accomplishments
  - Implemented Valley Oak System (VOS) claims management software

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# Workers' Compensation

- Processes employee injury claims and develops strategies for prompt return to work.
  - Workers' Comp Claims Processed
    - FY 07-08: 2,371
    - FY 08-09: 2,150
    - ***Represents 9% reduction (221 claims)***
  - Workers' Comp Paid Claims
    - 5 yr Average: \$12, 045,791
    - FY 07-08: \$12,219,959
    - FY 08-09: \$11,140,220
    - ***Represents 9% reduction (\$1,097,738)***

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# Workers' Compensation

- ❑ Limited Duty Program Placement
  - FY 07-08: 363 employees
  - FY 08-09: 451 employees
  - *Represents 24% increase (88 employees)*
- Other Accomplishment
  - ❑ Implementation of Certified WC Network
    - The State of Texas made it possible through House Bill 7 for employers/carriers to enter into a certified network
    - Primary benefits of the certified network:
      - ❑ Credentialed Physicians
      - ❑ Quality Control
      - ❑ Cost Containment
    - Council approved recommendation for the City to enter into a workers' compensation certified network effective May 1, 2009

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# Workers' Compensation

- Results of initial 6 months: (5/08 thru 10/08 vs 5/09 thru 10/09)
  - *Average days employee missed work reduced 61%*
  - *Average days to close claim reduced 16%*
  - *Average paid claim reduced 15%*

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# Safety and Loss Prevention

- Develops strategies to reduce and/or eliminate conditions which could result in losses or harm to personnel, property and financial resources of the City.
  - City Vehicle Collisions
    - FY 07-08: 1,037
    - FY 08-09: 946
    - ***Represents 9% reduction (91 collisions)***
  - Risk and Safety Training Hours Conducted
    - FY 07-08: 75,073 hours
    - FY 08-09: 71,281 hours
    - ***Represents 5% less training hours (3,792)***

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# Safety and Loss Prevention

- Health & Safety Conference
  - FY 07-08: 960 employees attending
  - FY 08-09: 1,008 employees attending
  - *Represents 5 % increase (48 employees)*
- Other Accomplishment
  - Implemented On-line Training Classes for FY 2010
  - OHSAS Certification (Courts, Convention & Events Services)
  - Implemented Citywide Collision Review Board\*
    - 1,371 Collision Reviewed
      - 589 Civilian
      - 782 Uniform

\*See Appendix

# Safety and Loss Prevention

- Implemented Citywide Collision Appeal Board\*
  - 181 Appeals Heard
    - 115 Civilian
      - 23 Overturned
      - 24 Reduced
      - 68 Upheld
    - 66 Uniform
      - 21 Overturned
      - 11 Reduced
      - 34 Upheld

\*See Appendix



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# Goals and Strategic Directions

## FY 09-10

**Goal 1: Liability/Subrogation:** Offset City expenses through the recovery of costs from third party.

Strategic Direction: Actively pursue claims and recover 85% of costs associated with third party property damage and bodily injury claims to the City and its employees.

**Goal 2: Workers' Compensation:** Reduce and/or contain the costs associated with workers' compensation injuries by reducing number of claims paid and dollars paid by 10%.

Strategic Direction: Closely monitor progression of claims processed through the Workers' Compensation Certified Network and the TPA.

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# Goals and Strategic Directions

## FY 09-10

Goal 3: Safety: Mitigate workplace hazards that expose the City to financial loss; reduce collisions by 10%.

Strategic Direction: Monthly monitoring to ensure City's primary and CDL drivers meet physical and drug testing requirements; offer defensive driving classes for all required drivers; conduct on-site fleet compliance checks.

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# Appendix

- Property Insurance
  - Premium Comparison
  - Program Structure
- Claims History
  - Liability & Workers' Compensation
- Collision Review Committee Procedures
- Collision Appeal Board Procedures
- Customer Service Results

# Property Insurance Premium Comparison

FY	Total Insured Values	Renewal Rates	Est. Premium
FY 08-09	3,214,169,760.00	0.0571%	1,835,291
	3,214,169,760.00	0.0502%	<u>1,613,513</u>
			(221,778)
FY 09-10	3,418,377,544.00	0.0571%	1,951,894
	3,418,377,544.00	0.0502%	<u>1,716,026</u>
			(235,868)

# Property Insurance Program Structure

Coverage	2008/2009	2009/2010	Premium Difference (08/09 vs. 09/10 Current Structure)	Premium % Change (08/09 vs. 09/10 Current Structure)	2009-2010 Recommended Structure Two Insurers (Lexington & TML)	Premium Difference (09/10 Current Structure vs. Recommended)	Premium % Change (09/10 Current Structure vs. Recommended)
	2008/2009 Premium	2009-2010 Current Structure Six Insurers, 4 Layers					
<b>Total Insured Values =</b>							
	<b>\$3,241,169,760.00</b>	<b>\$3,418,377,544.00</b>					
Property	\$1,781,643.00	\$1,944,631.00			\$1,588,178.00		
Terrorism <sup>(1)</sup>	\$26,470.00	\$27,104.00			\$47,645.00		
Surplus Lines							
Tax & Fees	\$43,322.31	\$45,690.94			\$80,318.90		
<b>Total Property Premium</b>	<b>\$1,851,435.31</b>	<b>\$2,017,425.94</b>	<b>\$188,677.07</b>	<b>10.19%</b>	<b>\$1,716,141.90</b>	<b>(\$301,284.04)</b>	<b>-14.93%</b>
Aviation	\$118,183.00	\$106,962.00	(\$11,221.00)	-9.50%	\$106,962.00	\$0.00	0.00%
Crime	\$30,501.00	\$29,636.00	(\$865.00)	-2.80%	\$29,636.00	\$0.00	0.00%
Fine Arts <sup>(2)</sup>	\$38,000.00	\$32,295.00	(\$5,705.00)	-15.01%	\$33,845.00	\$1,550.00	4.57%
<b>Total Premium</b>	<b>\$2,038,119.31</b>	<b>\$2,186,318.94</b>	<b>\$148,199.63</b>	<b>7.27%</b>	<b>\$1,886,584.90</b>	<b>(\$299,734.04)</b>	<b>-13.71%</b>

<sup>(1)</sup> Terrorism limit included \$250,000

<sup>(2)</sup> 2009 - 2010 Recommended Structure includes Terrorism Limit of \$25,000,000

\* To reduce the deductible from \$1,000,000 to \$500,000, the premium will increase by \$275,000., plus \$1,386. Tax & Fees and \$7,456 Terrorism. For a total Additional premium of \$283,843. (Reduced deductible does not apply to Earthquake and/or Flood)

## Optional Flood - with the National Flood Insurance Program

Includes \$10,000 Deductible for all properties that **do not** qualify for the NFIP Preferred Program & \$1,000 Deductible for the 12 Properties that qualify for the Preferred Program. \$25K & \$50K Deductible Options are available.

Coverage	2008-2009 Premium	2009-2010 Current Structure Six Insurers, 4 Layers	Premium Difference	Premium % Change	2009-2010 Recommended Structure + NFIP Two Primary Insurers (Lexington & TML)	Premium Difference (09/10 Current Structure vs. Recommended)	Premium % Change
Flood	\$0.00	\$113,736.00	N/A	N/A	\$113,736.00	N/A	N/A
XS Flood	\$0.00	\$117,920.00	N/A	N/A	\$117,920.00	N/A	N/A
<b>Combined Premium Including Flood</b>	<b>\$2,038,119.31</b>	<b>\$2,417,974.94</b>	<b>\$379,855.63</b>	<b>N/A</b>	<b>\$2,118,240.90</b>	<b>(\$299,734.04)</b>	<b>N/A</b>

# 5 Year Paid Claims History

<b>Workers' Compensation</b>			<b>Liability</b>		
<b>FY</b>	<b>Budget</b>	<b>Cost</b>	<b>FY</b>	<b>Budget</b>	<b>Cost</b>
04/05	\$18,500,000	\$14,590,431	04/05	\$7,550,000	\$16,468,647
05/06	\$18,800,000	\$11,310,315	05/06	\$11,500,000	\$5,513,113
06/07	\$13,000,000	\$10,968,032	06/07	\$5,000,000	\$6,570,054
07/08	\$11,860,000	\$12,219,959	07/08*	\$8,770,095	\$4,772,042
08/09	\$15,558,318	\$11,140,220	08/09	\$9,515,000	\$7,252,688
<b>TOTAL</b>	<b>\$77,718,318</b>	<b>\$60,228,957</b>	<b>TOTAL</b>	<b>\$42,335,095</b>	<b>\$40,576,544</b>
<b>5 yr. Average</b>	<b>\$15,543,664</b>	<b>\$12,045,791</b>	<b>5 yr. Average</b>	<b>\$8,467,019</b>	<b>\$8,115,309</b>
			*includes \$3.4M rebate		

# Collision Review Committee (CRC) Procedures

- The Collision Review Committee and Collision Appeal Board are governed by Administrative Directive 3-3, Driver Safety Program
  - Standardized accountability and discipline for preventable collisions
  - Developed consistent standards applicable to all departments
  - Clarified collision response and reporting
- Each City collision is investigated by the Safety Officer from Human Resources, Dallas Fire-Rescue or Dallas Police who rules whether it was preventable by our employee.
- The collision ruling is then reviewed and issued by one of three Collision Review Committees (CRC):
  - HR Safety Team reviews civilian collisions
  - DPD Safety Team reviews Police Department collisions
  - DFR Safety Unit reviews Fire Rescue collisions

---

# Collision Review Committee (CRC) Procedures

- All CRC rulings are reviewed by Risk Management prior to being finalized.
- A collision that is ruled preventable on the part of the employee will result in points being assessed against the employee's City driving record.
- Points are assessed based on:
  - Preventability
  - Type of Moving Violation
- Administrative Directive 3-3, Driver Safety Program, allows employees the right to appeal the ruling to the City Collision Appeal Board.



# Collision Review Committee (CRC)

## Collision Classification Point Table

Collision Classification Point Table	
Points	Designation/Description
0	<b>Incident</b> ; either not a collision or legally parked
0	<b>Non-Preventable</b> collisions where it can be determined that although the vehicle was in motion the collision was clearly not the fault of the City Driver.
1	<b>Preventable</b> Collisions where the city driver failed to take reasonable action to avoid collision. Collisions involving violations of department procedures, City standard operating procedures and collisions involving minor traffic violations which are not likely to result in serious injury or major property damage.
2	<b>Minor Preventable</b> Collisions where the City driver failed to take reasonable action to avoid a collision. Collisions that involve moving violations which usually result in moderate to serious vehicle and/or property damage.
3	<b>Major Preventable</b> Collisions where the City driver failed to take reasonable action to avoid a collision. Collisions involving major moving violations of a serious nature which normally result in severe bodily injury and major vehicle and/or property damage.
4	<b>Serious Major Preventable</b> Collisions where the City driver failed to take reasonable action to avoid a collision. Collisions involving major moving violations which normally result in severe bodily injury and/or property damage. All collisions involving a positive alcohol or drug test or a fatality. Collisions where the driver is determined to have shown disregard for others including road rage incidents.

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# City Collision Appeal Board (CCAB) Procedures

- The CCAB hears appeals from all City departments
- The CCAB members are:
  - Management or executive level employees appointed by the department director
  - Representatives of the top 10 departments with greatest driving exposure (to include DPD and DFR)
  - Required to serve 2 year terms (They may be reappointed.)
- Dallas Police Department provides an accident reconstruction consultant to address technical issues
- CCAB rulings are final

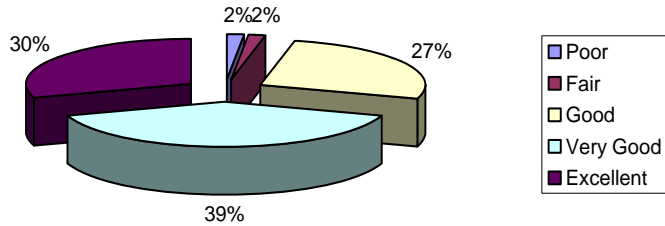
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# Customer Service Survey

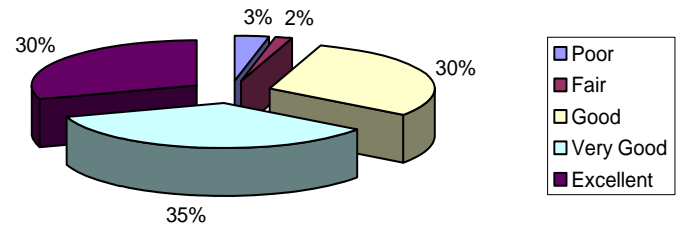
- Out of 245 respondents, Risk Management met its goal of maintaining a 90% overall favorable rating in each of the following categories:
  - Knowledgeable: 97%
  - Responsiveness: 95%
  - Helpful and Courteous Service: 93%
  - Overall Satisfaction: 91%

# Customer Service Survey Results

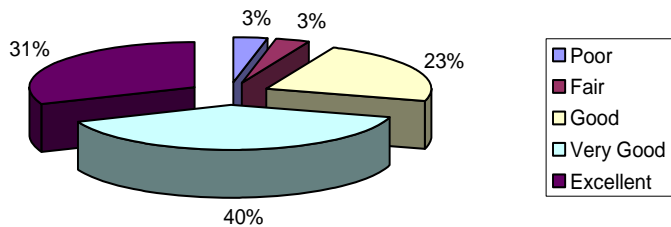
Was the Risk Management Representative Knowledgeable



Did You Receive a Response Within Two Business Days



Was the Risk Management Representative Helpful and Courteous



Please Rate Your Overall Satisfaction with the Risk Management Service(s) You Received

