



NOTICE OF THE CITY OF BRECKENRIDGE
**REGULAR MEETING OF THE BRECKENRIDGE CITY
COMMISSION**

December 03, 2024 at 5:30 PM

AGENDA

Notice is hereby given as required by Title 5, Chapter 551.041 of the Government Code that the City Commission will meet in a Regular Meeting of the Breckenridge City Commission on December 03, 2024 at 5:30 PM at the Breckenridge City Offices, 105 N. Rose Avenue, Breckenridge, Texas.

CALL TO ORDER

INVOCATION led by Andy Rodgers of First Baptist Church

PLEDGE OF ALLEGIANCE

American Flag

OPEN FORUM

This is an opportunity for the public to address the City Commission on any matter of public business, except public hearings. Comments related to public hearings will be heard when the specific hearing begins.

STAFF REPORT

(Staff Reports are for discussion only. No action may be taken on items listed under this portion of the agenda, other than to provide general direction to staff or to direct staff to place such items of a future agenda for action.)

Fire Chief

1. Employee of the month presentation-Wesley Turner

City Manager

2. City Business

Substandard homes update

TMCN Legacy Award

Citizens Academy

3. Upcoming events

- 12/14 Christmas Parade
- 12/19 Bulk Pickup
- 12/24 City offices closed-Christmas Eve
- 12/25 City offices closed-Christmas Day
- 01/01 City offices closed-New Years Day

CONSENT AGENDA

Any commission member may request an item on the Consent Agenda to be taken up for individual consideration.

- 4. Consider approval of the November 5, 2024, regular commission meeting minutes as recorded.
- 5. Consider approval of department head reports and monthly investment reports for October 2024.

ACTION ITEMS

- 6. Discussion and any necessary action regarding approval of BEDC recommendation to purchase 1304 E. Connell.
- 7. Discussion and any necessary action regarding BEDC recommendation for additional incentives.
- 8. Discussion and any necessary action regarding renewal of contract with Chamber of Commerce for HOT Funds.
- 9. Discussion and any necessary action regarding the first reading of Ordinance 2025-01; Texas Gas Service franchise agreement renewal.

EXECUTIVE SESSION

Pursuant to Texas Government Code, Annotated, Chapter 551, Subchapter D, Texas Open Meetings Act (the "Act"), City Commission will recess into Executive Session (closed meeting) to discuss the following:

Real Property

§551.072: Deliberate the purchase, exchange, lease, or value of real property:

- 10. 202 W. 2nd - Roselawn Addition, Block 5, Lot 1
- 11. 205 W. 3rd - Roselawn Addition, Block 5, Lot 16
- 12. 409 N. Court - Original Addition, Block 50, Lot N/50 of E/109
- 13. 415 N. Court - Roselawn Addition, Block 1, Lot 2

14. 701 N. Court - Roselawn Addition, Block 5, Lot S/50 of 17 & 18
15. N. Court - Roselawn Addition, Block 5, Lot S/50 of 17 & 18
16. N. Court - Roselawn Addition, Block 6, Lot 10, 11, 12
17. 404 N. Court - Abst 69 LAL, Sec 4, Tract S/80 of TR4
18. 504 N. Court - Abst 69 LAL, Sec 4, Tract S/112 of N/329 of TR 1
19. 806 S. Cutting - Stoker Addition, Block 7, Lot S/57 of 6 & 44.6' of 7 & 8
20. 901 S. Cutting - Stoker Addition, Block 4, Lot 1
21. 909 S. Cutting - Stoker Addition, Block 4, Lot S/32.2 of 3, N/45.8 of 4
22. 1005 S. Cutting - Stoker Addition, Block 5 Lot 2
23. 904 S. Breckenridge Ave. - Stoker Addition, Block 4, Lot 8 & N/45.8 of 7
24. 1000 S. Breckenridge Ave. - Stoker Addition, Block 5, Lot 10 & N/25 of 9
25. 1006 S. Breckenridge Ave. - Stoker Addition, Block 5, Lot N/50 of 7, all of 8 & S/50 of 9
26. 109 W. 7th - Roselawn Addition, Block 18, Lot 7

Consultation with Attorney

§551.071(1),(2): Consultation with attorney regarding pending or anticipated litigation, or a settlement offer; or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter:

27. Citizen complaint

RECONVENE INTO OPEN SESSION

In accordance with Texas Government Code, Section 551, the City Commission will reconvene into Open Session and consider action, if any, on matters discussed in Executive Session.

RECEIVE REQUESTS FROM COMMISSION MEMBERS/STAFF FOR ITEMS TO BE PLACED ON NEXT MEETING AGENDA

Discussion under this section must be limited to whether or not the Commission wishes to include a potential item on a future agenda.

ADJOURN

NOTE: As authorized by Section 551.071 of the Texas Government Code (Consultation with City Attorney), this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

CERTIFICATION

I hereby certify that the above notice was posted in the bulletin board at Breckenridge City Hall, 105 North Rose Avenue, Breckenridge, Texas , by **5:00 PM** on the **29th day of November 2024**.

City Secretary



Persons with disabilities who plan to attend this public meeting and who may need auxiliary aid or services are requested to contact the Breckenridge City Hall 48 hours in advance, at 254-559-8287, and reasonable accommodations will be made for assistance.

HOUSING BY THE NUMBERS

2,479

TOTAL HOUSING UNITS

ALL TYPES



30%

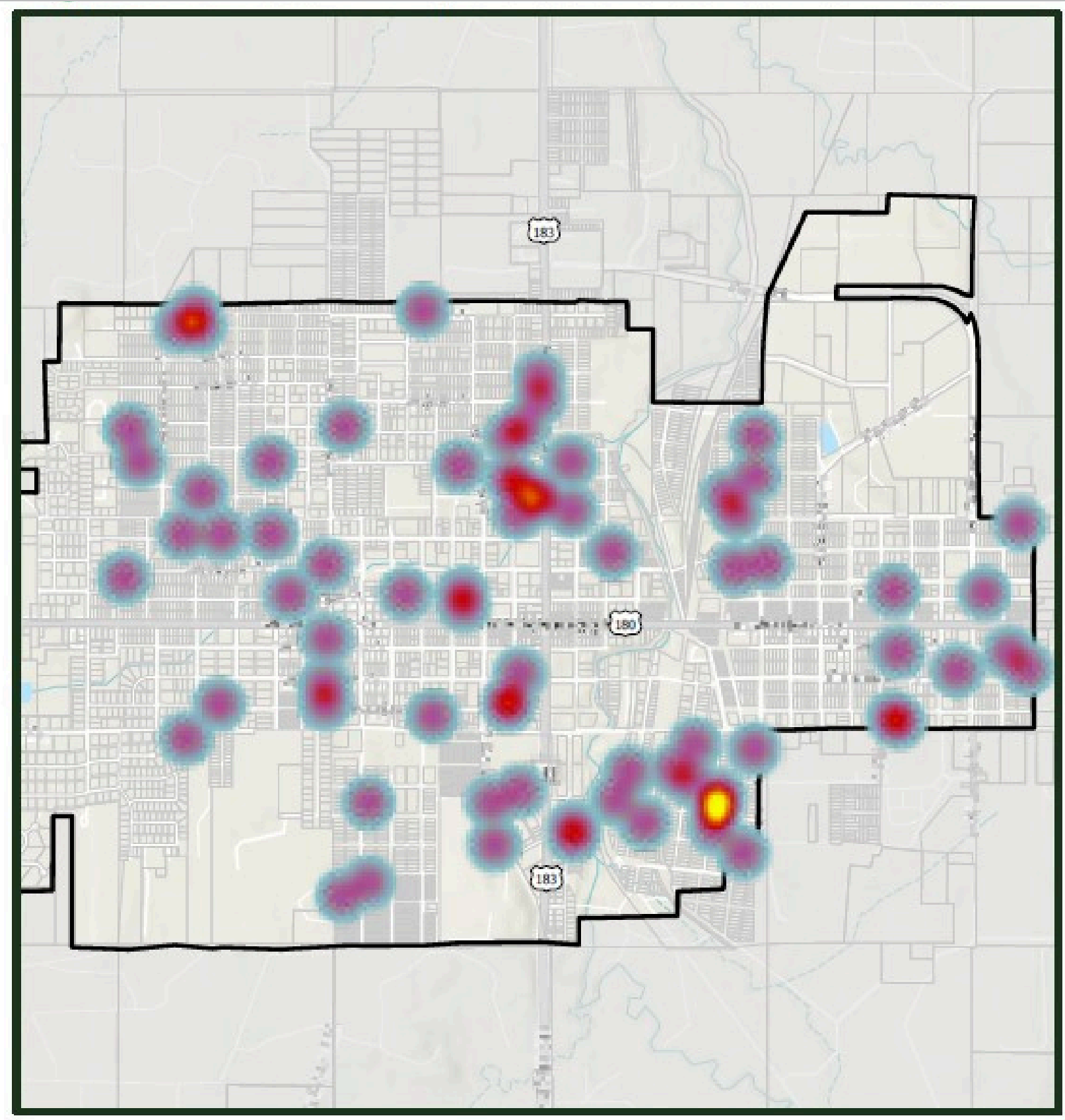
ARE DETERIORATED OR DILAPIDATED

1980

79%

OF TOTAL HOUSING BUILT BEFORE 1980

VACANT DILAPIDATED STRUCTURE HEAT MAP



DETERIORATED

FROM 10% TO 50% OF ITS
HIGHEST VALUE

DELAPIDATED

MORE THAN 50% OF ITS
HIGHEST VALUE

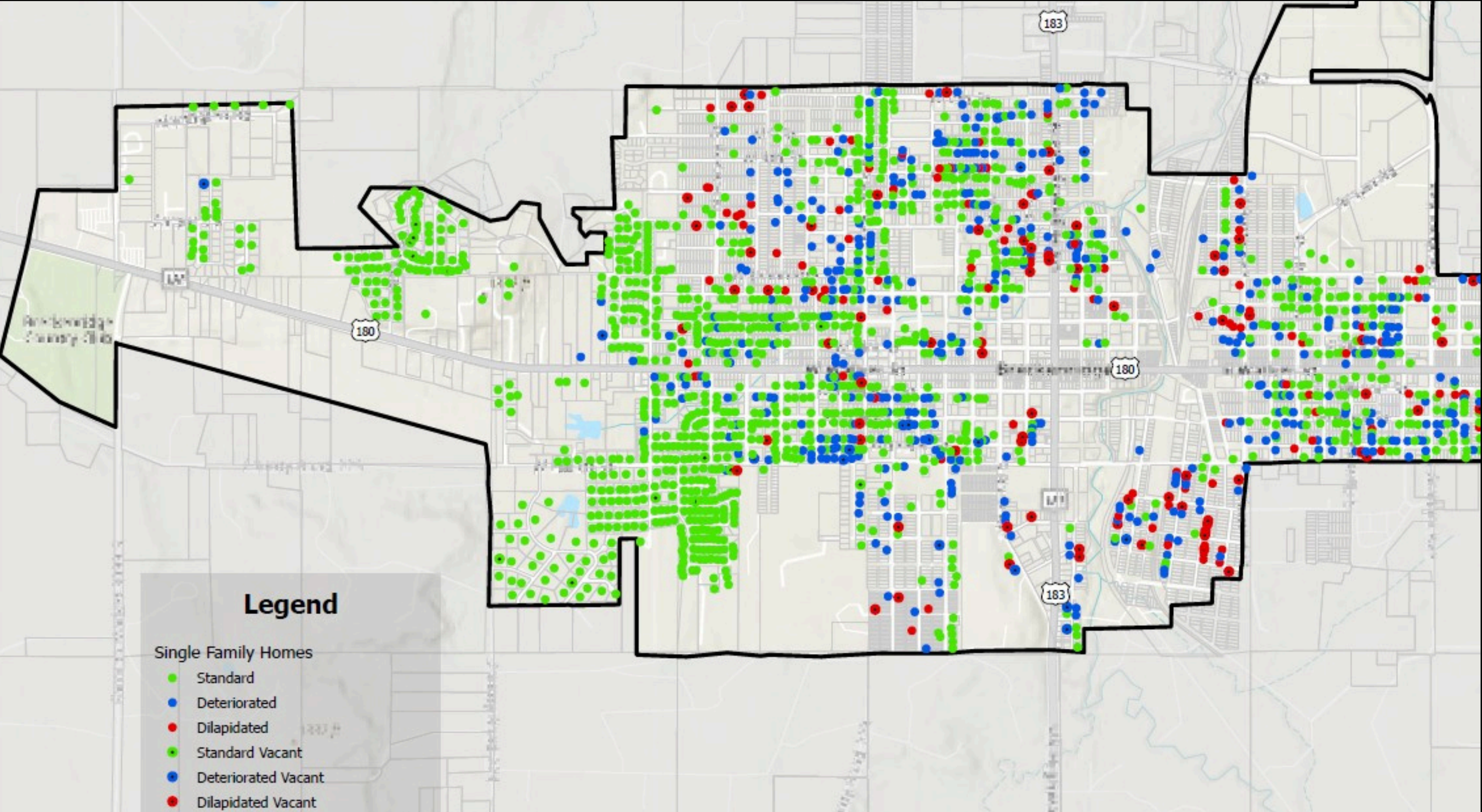
1,824

SINGLE FAMILY STRUCTURES

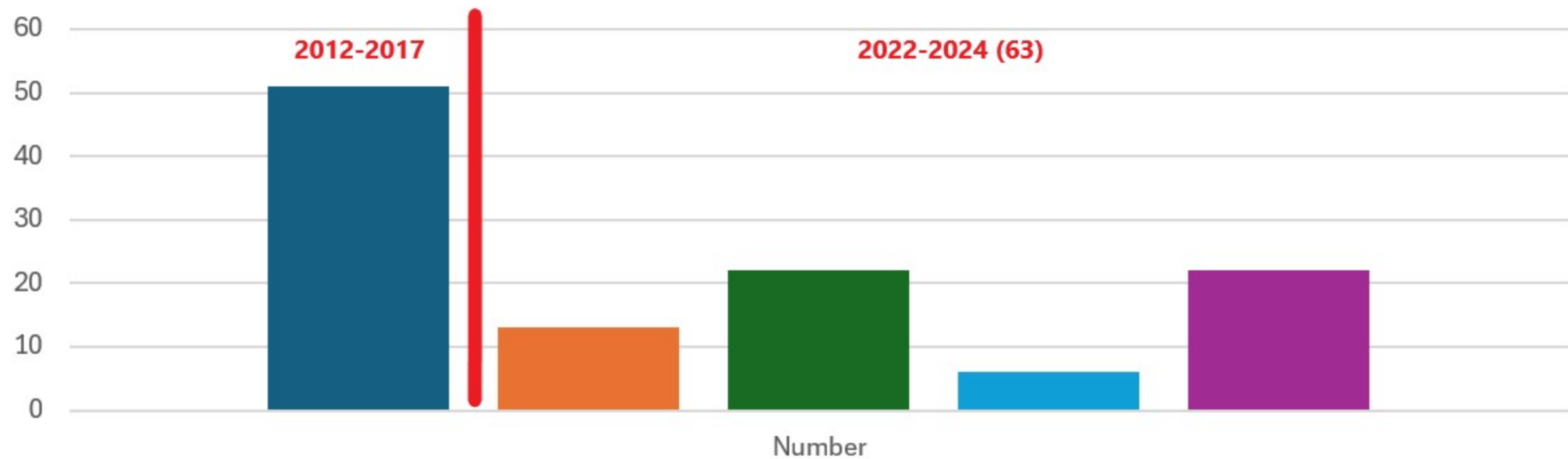
66%
IN STANDARD
LIVING
CONDITION

23%
DETERIORATED
CONDITION

5%
DELAPIDATED
CONDITION



Dangerous- Substandard Homes



- Declared Dangerous by City Commission: 2012 - 2017 (51)
- Declared Dangerous by City Commission: 2022 - 2024 (13)
- Deemed Substandard by Staff - Owners addressed (repair or demo) (22)
- Deemed Substandard by Staff - Owners in process of repair/demo (6)
- Deemed Substandard by Staff - Notifications sent, have not been repaired (22)



TEXAS MIDWEST COMMUNITY NETWORK

CERTIFICATE

1994 TMCN LEGACY COMMUNITY

THE CERTIFICATE IS PROUDLY PRESENTED TO THE

Community of Breckenridge

Lori Dodd

Lori Dodd

TMCN Executive Director

Cody Ellis

Cody Ellis

TMCN President 2024-2025



Date
13 November 2025
Item 2.



MUNICIPAL

CITIZENS ACADEMY

Item 2.

Have you ever wondered what goes on behind the scenes in local government? Citizens Academy is your one-stop shop for a comprehensive and in depth look at how the City of Breckenridge operates!

TIME COMMITMENT

The Municipal Citizens Academy is a 9-month course that will be held on the second Monday of each month and is expected to run between 1 and 2 hours. The program seeks to educate residents on the general workings of municipal government.

9 MONTHS

Starting January 13th to September 8th

WHAT TO EXPECT

Participants will visit various city facilities and hear directly from Department Heads, staff, board and committee leadership and other government partners on their roles and responsibilities and gain a better understanding of municipal government. Participants will be more engaged and energized to lead the community and build stronger relationships with local government officials to help attain community goals.

CLASSES ARE OPEN TO THOSE WHO ARE:

- ✓ Residents of the City of Breckenridge
- ✓ Owner of a business located in Breckenridge
- ✓ At least a Senior in high school at BISD
- ✓ A student enrolled at TSTC

REGISTER:

Residents can apply by filling out an application on our website or in person at City Hall.

The Deadline for registration is December 20th

PARTICIPANTS WILL LEARN ABOUT:

- | | |
|------------------------|-----------|
| POLICE | WATER |
| FIRE | STREETS |
| FINANCE | ELECTIONS |
| ANIMAL CONTROL | PARKS |
| MUNICIPAL COURT | CEMTERY |
| COMMUNITY PARTNERSHIPS | |
| AND MORE! | |

CLASS SCHEDULE*

| | |
|-------------|--|
| January 13 | Administration/Finance |
| February 10 | City Secretary/Municipal Court |
| March 10 | Public Works |
| April 14 | Police/Animal Control |
| May 12 | Fire/Public Services |
| June 9 | Developmental Services/BEDC/BDDC |
| July 14 | Chamber of Commerce/BISD |
| August 11 | Stephens County/ Stephens Memorial/EMS |
| September 8 | Partnerships and Collaberations |

GRADUATION WILL BE HELD ON OCTOBER 7TH

*Schedule is subject to change



**BRECKENRIDGE CITY COMMISSION
AGENDA SUMMARY FORM**

Subject: Consider approval of the November 5, 2024, regular commission meeting minutes as recorded.

Department: Administration

Staff Contact: Jessica Sutter

Title: City Secretary

BACKGROUND INFORMATION:

Meeting minutes for the regular commission meeting on November 5, 2024.

FINANCIAL IMPACT:

NA

STAFF RECOMMENDATION:

Consider approval of the November 5, 2024, regular meeting minutes as presented.

REGULAR MEETING OF THE BRECKENRIDGE CITY COMMISSION



Tuesday, November 5, 2024, at 5:30 PM
Breckenridge City Offices Commission Chambers
105 North Rose Avenue
Breckenridge, Texas 76424

MINUTES

REGULAR CITY COMMISSION MEETING OF THE CITY OF BRECKENRIDGE, TEXAS, HELD ON THIS DATE WITH THE FOLLOWING MEMBERS PRESENT.

PRESENT

MAYOR
COMMISSIONER, PLACE 1
COMMISSIONER, PLACE 2
MAYOR PRO TEM, PLACE 3

BOB SIMS
BLAKE HAMILTON
GREG AKERS
VINCE MOORE

CITY MANAGER
CITY SECRETARY
POLICE CHIEF
PUBLIC SERVICES DIRECTOR
CODE ENFORCEMENT/FIRE CHIEF
FINANCE DIRECTOR

CYNTHIA NORTHROP
JESSICA SUTTER
BLAKE JOHNSON
STACY HARRISON
MALCOLM BUFKIN
DIANE LATHAM

NOT PRESENT

COMMISSIONER, PLACE 4

GARY MERCER

CALL TO ORDER

Mayor Sims called the meeting to order at 5:30 p.m.

Invocation led by Will Anderson of Lighthouse Church

PLEDGE OF ALLEGIANCE

OPEN FORUM

No speakers

No Action Taken

SPECIAL PRESENTATIONS AND ANNOUNCEMENTS

- 1. Administer the Oath of Office to Police Officer Courtney Nichols.
City Secretary, Jessica Sutter administered the Oath of Office to Courtney Nichols.

No Action Taken

STAFF REPORT

City Manager

- 2. City Business
 - Street Improvement Project-Phase 1 update
 - Downtown Revitalization Project update
- 3. Upcoming Events
 - 11/11 City offices closed in observance of Veterans Day
 - 11/15-11/16 Mingle Jingle
 - 11/21 Bulk Pickup
 - 11/28-11/29 City office closed in observance of Thanksgiving

Public Services Director

- 4. Employee of the Month-Wesley Duggan
- No Action Taken

CONSENT AGENDA.

- 5. Consider approval of the October 8, 2024, regular commission meeting minutes as recorded.
- 6. Consider approval of Resolution 2024-34 approving an agreement with the State of Texas Department of Transportation for the temporary closure of State Highway 180 for the Breckenridge Christmas Parade coordinated by the Breckenridge Chamber of Commerce.
- 7. Consider approval of Resolution 2024-31 designating The Breckenridge American as the official newspaper for The City of Breckenridge.
- 8. Consider approval of department head reports and monthly investment reports for September 2024.

Mayor Pro Tem Moore made a motion to approve consent agenda items 5-8 as presented. Commissioner Akers seconded the motion. The motion passed 4-0.

ACTION ITEMS

9. Discussion and any necessary action regarding approval of BEDC Annual Report.

Breckenridge Economic Development Corporation Executive Director David Miller presented the Annual report to commissioners.

Commissioner Hamilton made a motion to approve BEDC annual report as Presented.

10. Discussion and any necessary action regarding approval of BEDC recommendation to approve Ox Manufacturing Incentive.

BEDC Director David Miller stated that Ox Manufacturing is expanding their operations and the BEDC is offering them a job creation incentive. They are expected to add 25 full-time employees within the next 12 months. The incentive will work as a forgivable loan and will be secured by the property. It will be for a maximum of \$200,000.00 and will carry attorney costs associated with filing UCC and liens to the property. If the employment numbers are not met the expense to the BEDC will be less.

Commissioner Akers made a motion to approve BEDC recommendation to approve Ox Manufacturing incentive as presented. Commissioner Hamilton seconded the motion. The motion passed 4-0.

11. Discussion and any necessary action regarding approval of Resolution 2024-33 authorizing the submission of a 2025/2026 CDBG application to the Texas Department of Agriculture.

City Manager Cynthia Northrop explained that the city is seeking a grant through the Texas Department of Agriculture for a splash pad. This resolution will authorize the submission of the grant application to TDA.

Mayor Pro Tem Moore made a motion to approve Resolution 2024-33 authorizing the submission of a 2025/2026 CDBG application to the Texas Department of Agriculture as presented. Commissioner Akers seconded the motion. The motion passed 4-0.

12. Discussion and any necessary action regarding approval of Resolution 2024-32 appointing members to the Board of Adjustments.

City Secretary, Jessica Sutter stated that the term for Board of Adjustments members Bryan Wood, Michael Ellis, and Bonnie Robbins will expire on November 31, 2024. Michael Ellis and Bonnie Robbins have agreed to be re-appointed. Bryan Wood has chosen to resign his position. Rocky Fain and John Powell are requesting to be appointed to the board to fill the two vacant positions.

Mayor Pro Tem made a motion to approve Resolution 2024-32 as presented. Commissioner Hamilton seconded the motion. The motion passed 4-0.

13. Discussion and any necessary action regarding approval of an Interlocal for Fire Services with Stephens County.

City Manager Cynthia Northrop reviewed the updated Interlocal agreement with Stephens County for Fire Services stating that the only change to the existing agreement is adding a clause that Stephens County will reimburse 50% of overtime personnel costs capped at the city's budgeted amount for overtime and that the City will reimburse ½ the cost of insurance deductible cost for vehicle/equipment maintenance.

Commissioner Hamilton made a motion to approve interlocal for fire services with Stephens County as presented. Commissioner Akers seconded the motion. The motion passed 4-0.

14. Discussion and any necessary action regarding approval of an Interlocal for Municipal Court Services.

City Manager Northrop reviewed the Municipal Court Interlocal Agreement with Stephens County pointing out that the only change to the existing agreement is for the city to reimburse the county six hundred dollars per month to compensate the Justice of Peace for their services as Municipal Court Judge and changing the term to one year vs. two.

Commissioner Akers made a motion to approve interlocal for Municipal Court services as presented. Commissioner Hamilton seconded the motion. The motion passed 4-0.

15. Discussion and any necessary action regarding awarding construction of temporary housing quarters for the Breckenridge Fire Department.

City Manager Cynthia Northrop reviewed the previously approved three-phase plan to update the living quarters of the Breckenridge Fire Department (Phase 1 - place temp. housing. Phase 2 – demo existing Fire Station building. Phase 3 – build new modest metal building on same slab). On October 16, 2024, staff published an advertisement for bids for phase one of the project which is to construct temporary living quarters. Bids were received until November 4, 2024, with two being received; Cotton Commercial USA, Inc., for a 12-month lease of \$97,998.00, and Breckenridge Homes, previously RGN Services, for a purchase price of \$67,925.00. Staff recommend awarding the bid to the lowest and best bidder, Breckenridge Homes.

Mayor Pro Tem Moore made a motion to approve the proposal for the temporary housing quarters to Breckenridge Homes and authorize the City Manager to execute the documents. Commissioner Akers seconded the motion. The motion passed 4-0.

16. Discussion and any necessary action regarding approval of an updated Social Media Policy for the City of Breckenridge.

City Manager Northrop explained that the city currently has a social media policy that is not currently in compliance with state statutes. Recent legislation SB 1893 requires city's to update or create a policy that prohibits the use of certain social medial applications and services on devices owned or leased by governmental entities, primarily Tik Tok or any

successor application or service developed or provided by ByteDance Limited, due to security risks. This also gave the city an opportunity to expand the policy with additional best practices.

Commissioner Akers made a motion to approve updated social media policy as presented. Commissioner Hamilton seconded the motion. The motion passed 4-0.

17. Discussion and any necessary action regarding approval of updates to Section 9.04 Workers Compensation of the Personnel Policy.

City Manager Northrop presented the updated Workers Compensation Policy explaining that the presented policy updates current requirements of the city to generally accepted procedures including seventy percent payment to injured employees and limits injury leave to 12 weeks versus the current policy that provides 24 weeks. The updated policy also includes a line-of-duty injury policy for first responders that was previously not included.

Commissioner Hamilton made a motion to approve updates to section 9.04 of the personnel policy as presented. Mayor Pro Tem Moore seconded the motion. The motion passed 4-0.

18. Discussion and any necessary action regarding acceptance of Commissioner, Place 4, Gary Mercer's resignation.

City Manager Northrop stated that Gary Mercer, Commissioner, Place 4, issued his resignation effective October 31, 2024, due to his relocation outside of the City of Breckenridge.

Mayor Pro Tem Moore made a motion to approve the acceptance of Commissioner, Place 4, Gary Mercer's resignation. Commissioner Akers seconded the motion. The motion passed 4-0.

EXECUTIVE SESSION

Pursuant to Texas Government Code, Annotated, Chapter 551, Subchapter D, Texas Open Meetings Act (the "Act"), City Commission will recess into Executive Session (closed meeting) to discuss the following:

Personnel Matters

§551.074: Personnel matters (to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee):

19. Commissioner Place 4

RECONVENE INTO OPEN SESSION

Mayor Bob Sims Reconvened the meeting into open session at 6:37 p.m.

Mayor Prot Tem Moore made a motion to appoint Rob Durham to fill the remaining terms of Commissioner Place 4 set to expire May 2025. Commissioner Hamilton Seconded the motion. The motion passed 3-1 with Commissioner Akers voting nay.

RECEIVE REQUESTS FROM COMMISSION MEMBERS/STAFF FOR ITEMS TO BE PLACED ON NEXT MEETING AGENDA

No requests.

ADJOURN

There being no further business, Mayor Sims adjourned the regular session at 6:38 p.m.

Bob Sims, Mayor

Jessica Sutter, City Secretary



BRECKENRIDGE CITY COMMISSION
AGENDA SUMMARY FORM

Subject: Consider approval of department head reports and monthly investment reports for October 2024.

Department: Administration

Staff Contact: Jessica Sutter

Title: City Secretary

BACKGROUND INFORMATION:

The City approves an investment policy that complies with the Public Funds Investment Act of 1987 every year. The city allows investments in money market accounts, certificates of deposits, and investment pools. The Treasurer or their designee is required to provide a quarterly investment report to the Commissioners.

The staff provides commissioners monthly with departmental reports and finance reports that include investment reports. This aids in the transparency of the staff's accomplishments as well as the current financials of the city for commissioners and citizens.

FINANCIAL IMPACT:

N/A

STAFF RECOMMENDATION:

Consider approval of departmental reports and monthly investment reports for October 2024.



DEPARTMENTAL REPORTS

SEPTEMBER 2024

105 N. Rose Ave.
Breckenridge, TX 76424
254.559.8287
www.breckenridgetx.gov

Finance

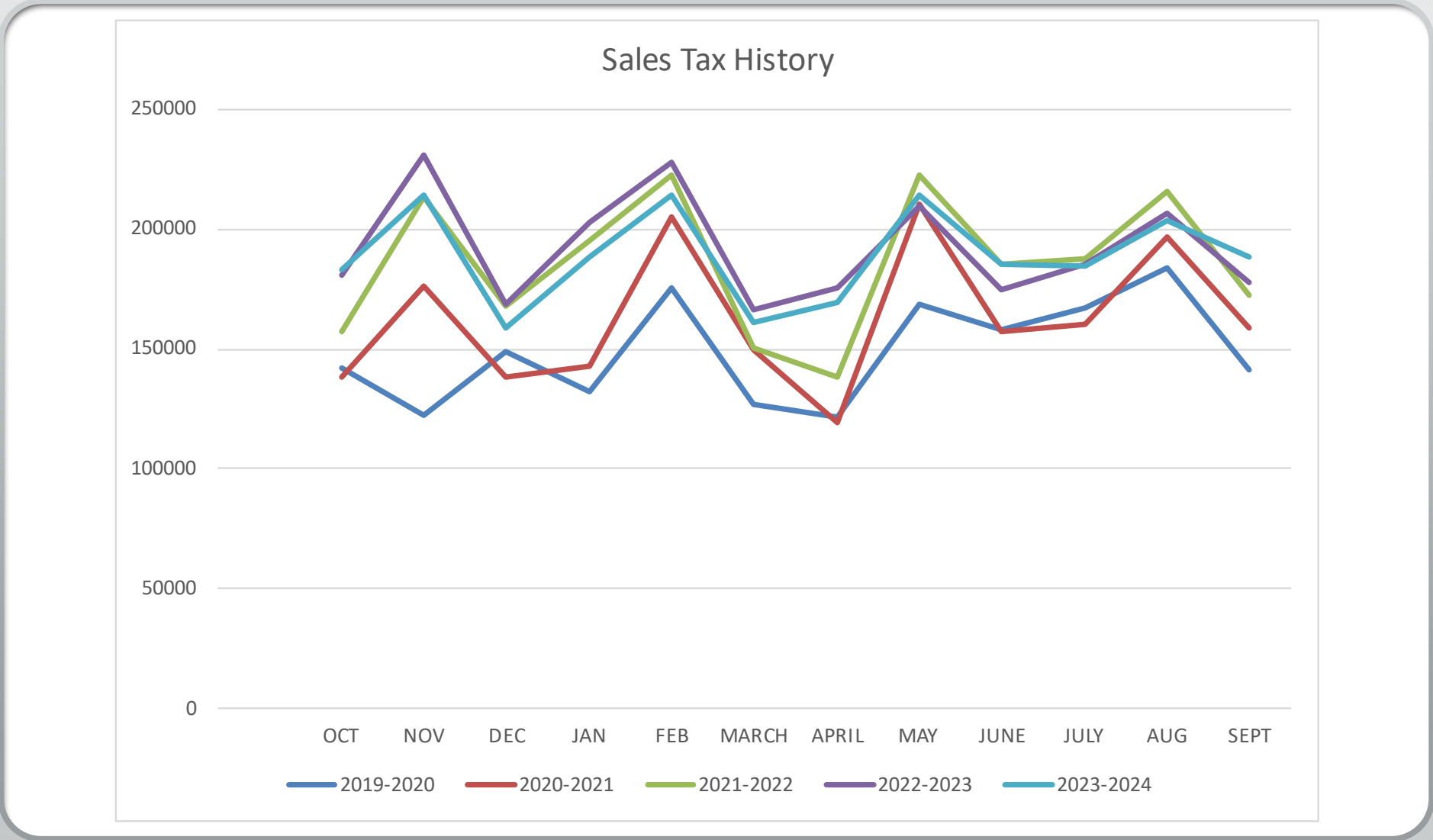
Bank Statement Balances

| | Account Name | Balances as of Sept. 2023 | Balances as of Sept. 2022 |
|------|--------------------------------|---------------------------|---------------------------|
| 1001 | GENERAL FUND | \$ 1,327,520.46 | \$ 1,731,920.74 |
| 1013 | ARSON FUND | \$ 509.89 | \$ 509.89 |
| 1014 | FEDERAL TAX & LOAN | \$ 81.09 | \$ 81.49 |
| 1001 | WATER FUND | \$ 1,501,235.18 | \$ 1,920,208.62 |
| 1001 | WASTEWATER FUND | \$ 1,054,129.38 | \$ 1,388,457.11 |
| 1001 | SANITATION | \$ 21,004.85 | \$ (7,287.58) |
| 1001 | FIRE DEPT. SPECIAL | \$ 9,391.60 | \$ 7,923.51 |
| 1001 | FORFEITED PROPERTY | \$ 1,477.80 | \$ 1,481.61 |
| 1002 | PAYROLL FUND | \$ 27,245.25 | \$ 32,691.65 |
| 1001 | EQUIP. REPLACEMENT FUND | \$ 296,282.99 | \$ 351,027.16 |
| 1001 | STREET MAINTENANCE | \$ 50,447.63 | \$ 321,248.56 |
| 1001 | BRECKENRIDGE PARK FUND | \$ 9,611.87 | \$ 9,637.48 |
| 1001 | POLICE DEPT. SPECIAL | \$ 13,613.81 | \$ 13,648.77 |
| 1001 | Excess Sales Tax Revenue | \$ 17,632.62 | \$ 17,677.90 |
| 1001 | Breck Trade Days | \$ 39,424.83 | \$ 39,526.11 |
| 1051 | CO 2017 A&B Sinking /Rd | \$ 6,358.09 | \$ - |
| 1001 | Water Capital Projects | \$ - | \$ (109,693.27) |
| 1001 | Wastewater Capital Projects | \$ - | \$ 164,314.28 |
| 1001 | Capital Improvement Project | \$ 270,350.78 | \$ (77,077.74) |
| 1058 | GENERAL DEBT SERVICE FUND | \$ 144,941.85 | \$ - |
| 1001 | General Debt Service Fund P/C | \$ - | \$ 204,855.73 |
| 1001 | REVENUE DEBT SERVICE FUND | \$ - | \$ 38,224.10 |
| 1025 | Rescue Boat Donation | \$ 1,813.03 | \$ 1,817.57 |
| 1073 | CWSRF LF1001492 | \$ 16,632.60 | \$ 3.02 |
| 1076 | CWSRF LF1001492 ESCROW | \$ 1,209,375.62 | \$ 1,217,893.74 |
| 1056 | CWSRF CO 2022A L1001491 | \$ 1.00 | \$ 1.00 |
| 1074 | CWSRF CO 2022A L1001491 ESCROW | \$ 940,932.20 | \$ 986,053.17 |
| 1072 | CWSRF CO 2022A L1001426 | \$ 1.00 | \$ 1.00 |
| 1075 | CWSRF CO 2022A L1001426 ESCROW | \$ 1,992,789.21 | \$ 2,088,350.42 |
| 1071 | DWSRF LF1001495 | \$ 14,061.10 | \$ 2.10 |
| 1079 | DWSRF LF1001495 ESCROW | \$ 1,334,855.14 | \$ 1,279,332.53 |
| 1070 | DWSRF CO 2022B L1001493 | \$ 1.00 | \$ 1.00 |
| 1078 | DWSRF CO 2022B L1001493 ESCROW | \$ 1,358,010.40 | \$ 1,423,131.78 |
| 1057 | DWSRF CO 2022B L1001494 | \$ 1.00 | \$ 1.00 |
| 1077 | DWSRF CO 2022B L1001494 ESCROW | \$ 951,904.14 | \$ 997,551.36 |
| 1010 | LOGIC CO 2023 | \$ 8,434,943.91 | \$ 7,680,886.78 |
| | TOTAL - ALL FUNDS | \$ 21,046,581.32 | \$ 21,724,402.59 |

Item 5.

Fiscal Year Sales Tax Revenue Received

| MONTH RECEIVED | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 |
|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| OCT | \$ 142,235.00 | \$ 138,040.00 | \$ 157,493.00 | \$ 180,530.00 | \$ 182,914.00 |
| NOV | \$ 122,415.00 | \$ 176,091.00 | \$ 213,510.00 | \$ 230,739.00 | \$ 214,002.00 |
| DEC | \$ 149,000.00 | \$ 138,215.00 | \$ 167,667.00 | \$ 169,037.00 | \$ 158,898.22 |
| JAN | \$ 132,144.00 | \$ 142,770.00 | \$ 195,423.00 | \$ 203,137.00 | \$ 188,303.00 |
| FEB | \$ 175,232.00 | \$ 204,822.00 | \$ 222,525.00 | \$ 228,165.00 | \$ 214,081.01 |
| MARCH | \$ 127,285.00 | \$ 149,849.00 | \$ 150,395.00 | \$ 166,133.00 | \$ 161,140.16 |
| APRIL | \$ 121,607.00 | \$ 119,118.00 | \$ 138,407.00 | \$ 175,455.75 | \$ 169,163.00 |
| MAY | \$ 168,693.00 | \$ 210,823.00 | \$ 222,804.00 | \$ 210,071.22 | \$ 213,927.83 |
| JUNE | \$ 158,145.00 | \$ 157,037.00 | \$ 185,695.00 | \$ 175,128.00 | \$ 185,557.61 |
| JULY | \$ 167,474.00 | \$ 160,631.00 | \$ 187,757.00 | \$ 185,736.00 | \$ 184,363.32 |
| AUG | \$ 183,855.00 | \$ 196,582.00 | \$ 215,658.00 | \$ 206,710.00 | \$ 203,593.65 |
| SEPT | \$ 141,151.17 | \$ 158,558.00 | \$ 172,552.00 | \$ 177,704.47 | \$ 188,524.22 |
| TOTAL | \$ 1,789,236.17 | \$ 1,952,536.00 | \$ 2,229,886.00 | \$ 2,308,546.44 | \$ 2,264,468.02 |



SECURITIES PLEDGED

The following shows the calculation of deposit coverage for the deposits of The City of Breckenridge held in Clear Fork Bank on: September 26, 2024 and securities pledged as of: September 27, 2024

| | | |
|----------------------------------|----|---------------------|
| Checking account balances: | \$ | 6,466,866.10 |
| CD balances: | \$ | - |
| Total on deposit: | \$ | <u>6,466,866.10</u> |
| | | |
| FDIC Insurance coverage: | | |
| Checking account balances: | \$ | 250,000.00 |
| CD balances: | \$ | - |
| | \$ | <u>250,000.00</u> |
| Total Deposit balance | | |
| less FDIC coverage: | \$ | <u>6,216,866.10</u> |
| | | |
| Securities pledged at par value: | \$ | <u>7,643,976.11</u> |
| | | |
| Excess securities pledged: | \$ | <u>1,427,110.01</u> |

2023 CO BOND

BOND
AMOUNT

• \$8,641,984.74

BANK
TRANSFERS

• \$1,445,646.00

TOTAL
INTEREST
EARNED

• \$484,548.04

CURRENT
BALANCE

• \$7,680,886.78

2023 CO BOND-LOGIC PROJECT EXPENDITURES

STREETS

\$526,308.00

PARK IMPROVEMENT

\$742,883.17

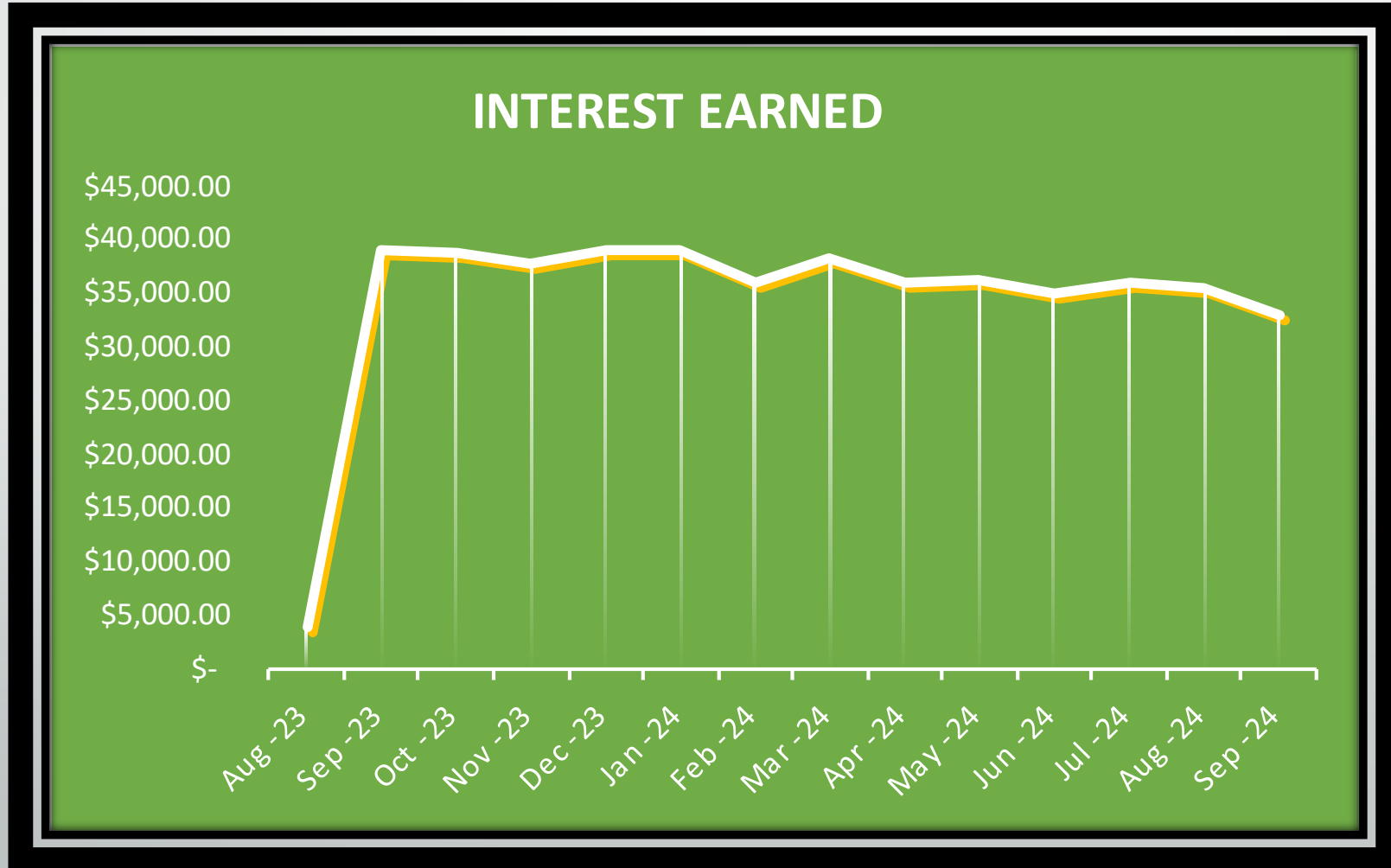
FACILITIES IMPROVEMENT

\$175,874.76

2023 CO BOND-LOGIC INTEREST EARNED

AUGUST 2024: \$32,950.58

TOTAL: \$484,548.04



BUILDING & DEVELOPMENT

| SEPTEMBER 2024 | | FY 2023-2024 |
|------------------------------|---|--------------|
| Permits Issued: | | |
| Building | 6 | 53 |
| Roof | 2 | 22 |
| Fence, windows, siding, etc. | 0 | 9 |
| Sign | 1 | 5 |
| Mobile home | 1 | 7 |
| Certificate of Occupancy | 1 | 9 |
| Electrical | 5 | 58 |
| Plumbing | 7 | 35 |
| Gas line | 2 | 31 |
| Irrigation | 0 | 2 |
| HVAC | 4 | 23 |
| Moving | 0 | 0 |
| Demolition | 0 | 1 |
| P&Z | 0 | 3 |
| Variance | 0 | 5 |
| Prelim/final plat/replat | 0 | 3 |
| Solicitor/vendor | 0 | 9 |
| Beer/wine/liquor license | 2 | 20 |
| Gaming machine license | 0 | 5 |
| Food Mobile Unit | 1 | 14 |
| Fire alarm | 0 | 0 |
| Fire sprinkler | 0 | 0 |

CODE ENFORCEMENT

Violations reported to Code Enforcement via email – 0

Violations reported to Code Enforcement via phone – 3

New violations cases opened – 7

High weeds & rubbish – 1314 W. 4th

High weeds – 2019 W. Walker

High weeds & rubbish – 105 N. Dairy

High weeds – 1001 N. Parks

Rubbish – 706 W. Williams

Rubbish – 900 W. Hullum

Rubbish – 901 W. Wheeler

Cases sent to Municipal Court – 3

Rubbish – 1406 E. Lindsey

High weeds – 1306 E. Lindsey

Rubbish – 3102 W. Walker

CODE ENFORCEMENT

Violations closed due to compliance – 2

High weeds – 1001 N. Parks

High weeds – 2019 W. Walker

Cases sent to Municipal Court – 0

Substandard homes ready for demolition by the city – 6

1305 W. 1st (city-owned)

601 N. Harvey (city-owned)

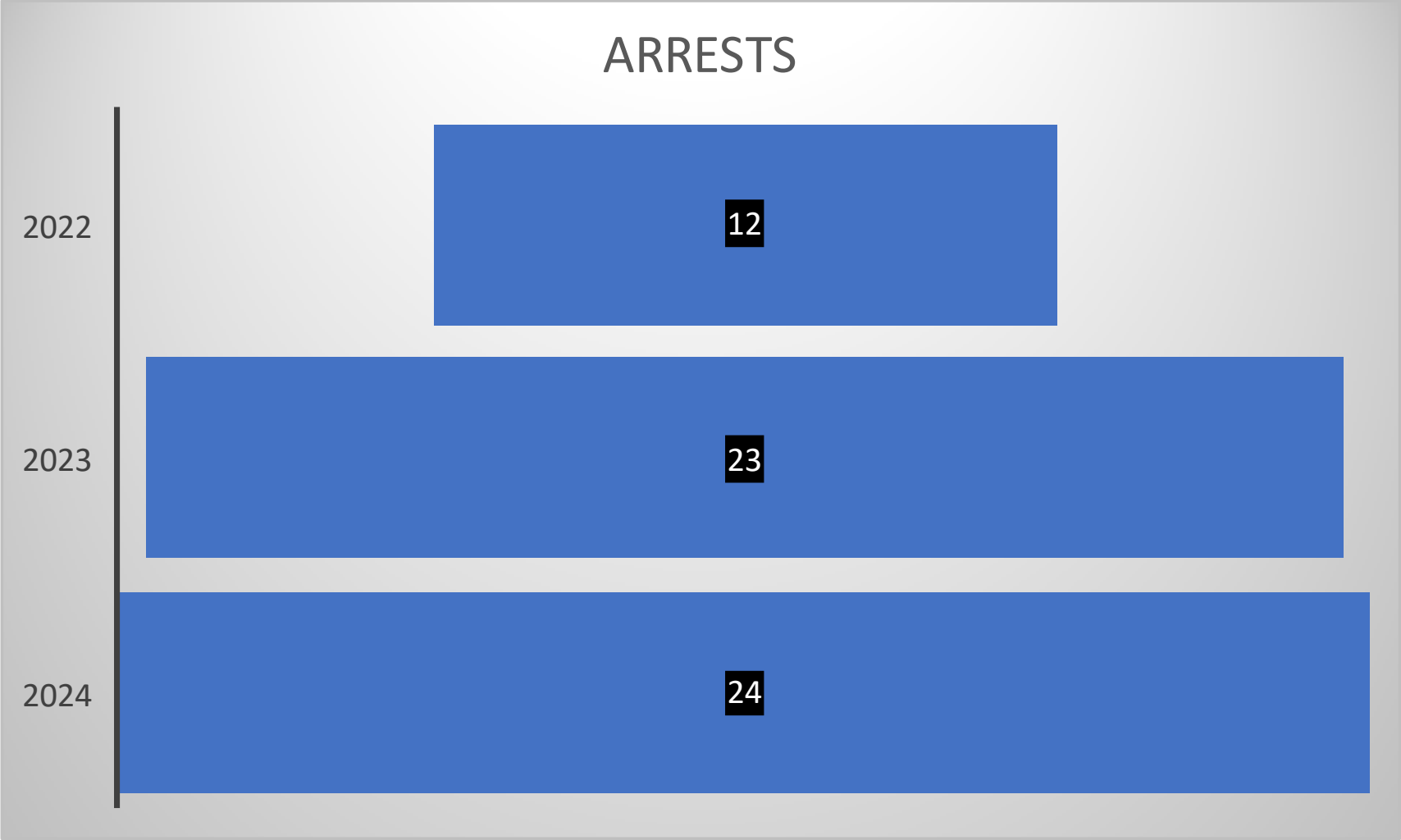
803 W. Hullum

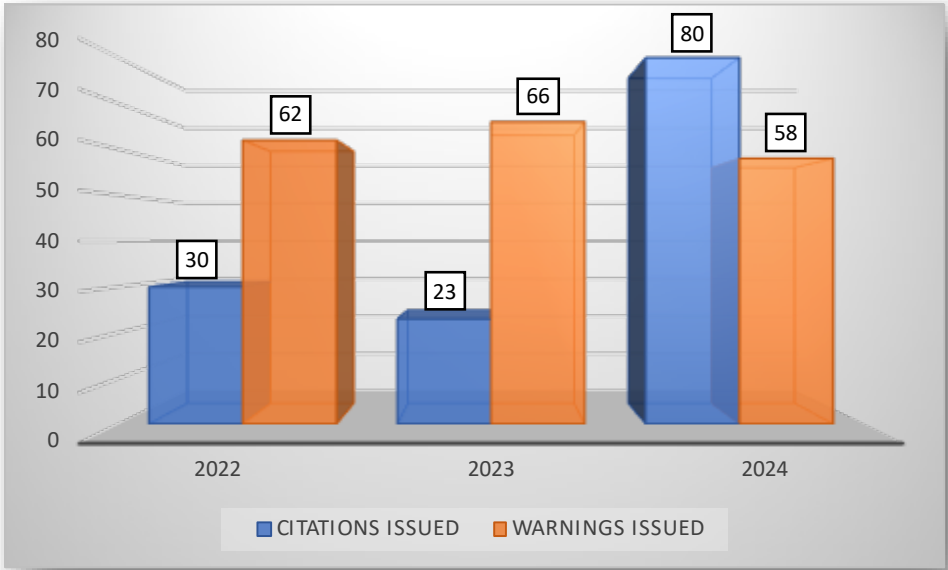
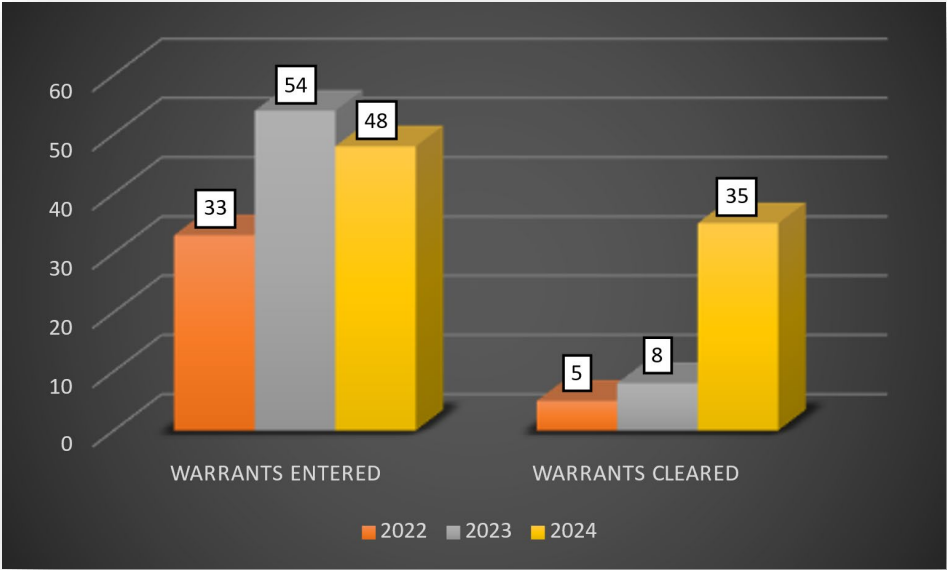
513 S. Stoker

1214 W. 4th

919 N. Breckenridge Ave. (city-owned)





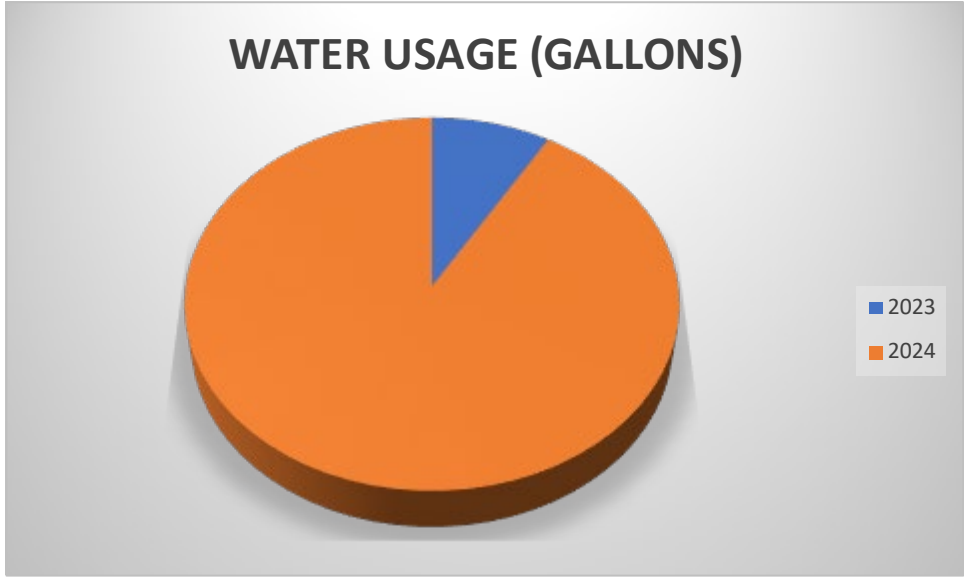
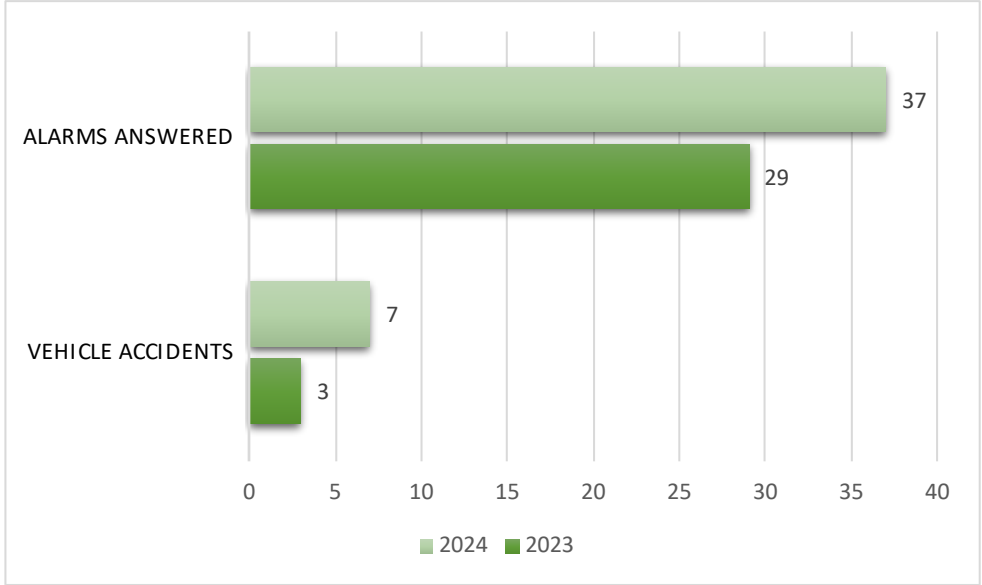


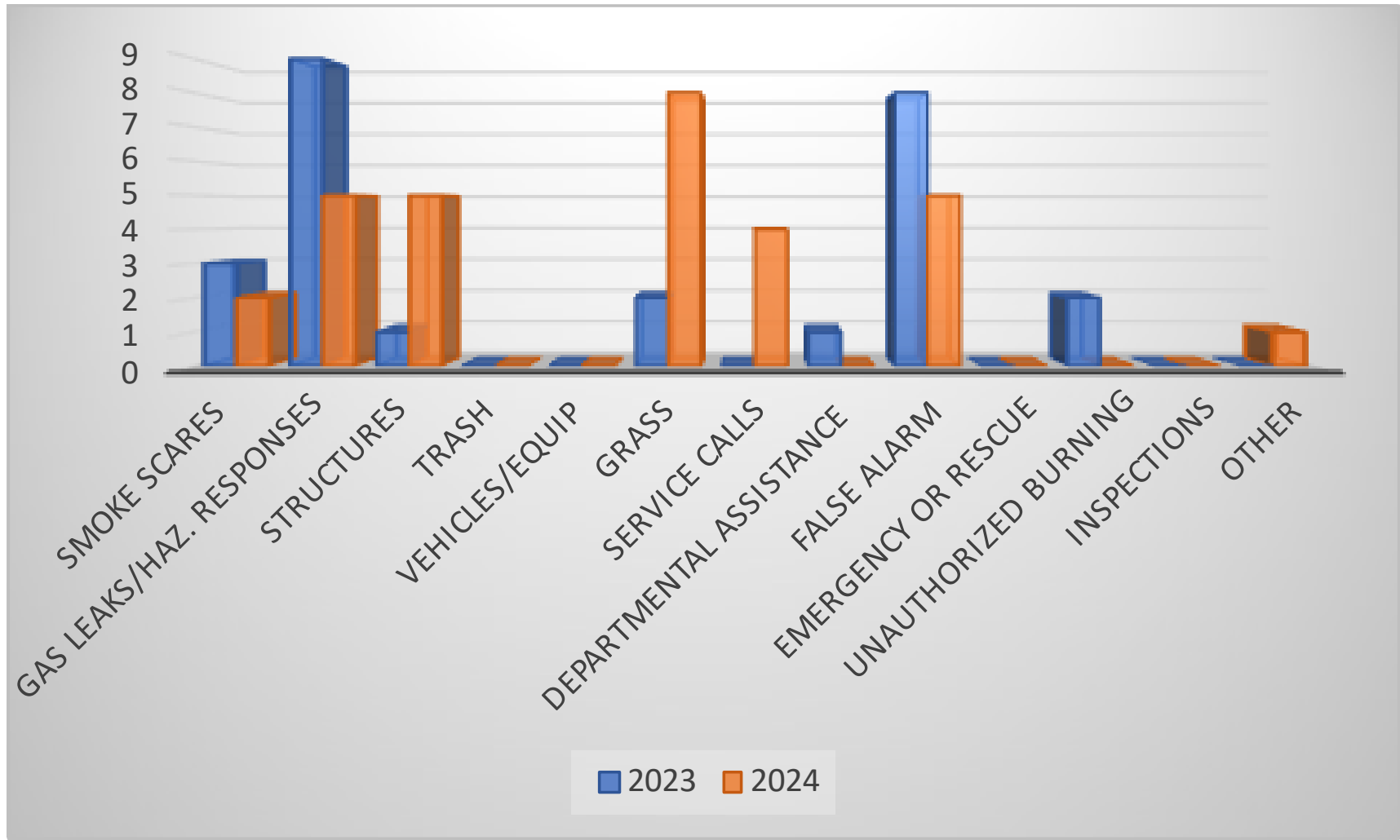
ANIMAL CONTROL

TOTAL CALLS: 76

| | | |
|----------------------|------------------|------------------|
| ANIMAL CARCASS 19 | AT LARGE 30 | AGGRESSIVE 6 |
| FOLLOW UP 18 | VIOL RABIES 5 | INURED/SICK 3 |
| CITATIONS 13 | WARNINGS 3 | SPAY/NEUTER 0 |





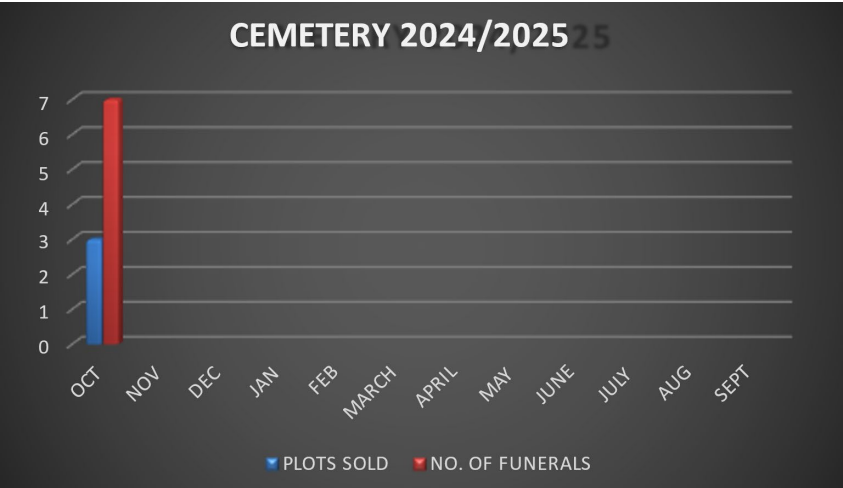


PARKS & CEMETERY





- 5 pavilion rentals
- 2 trade barn rentals
- 1 volleyball court rental
- 1 pickleball rental
- Set Park up for Sloan Everett Memorial
- Bike ride
- Set trade ban up for Mason Cornhole tournament
- Maintaining all the park
- A lot of people using the park
- Mowing and weed eating
- Working on repairs at the animal shelter



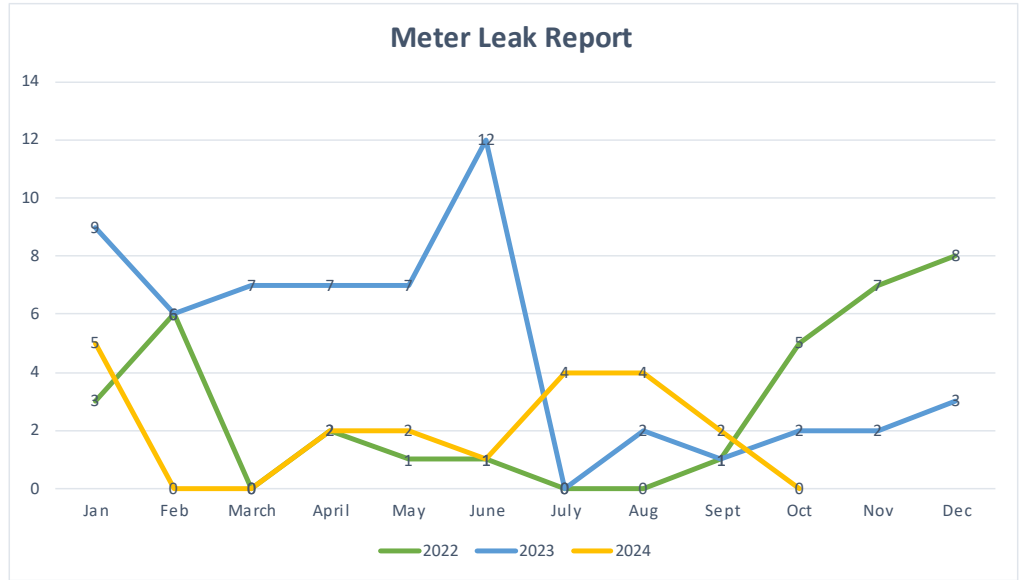
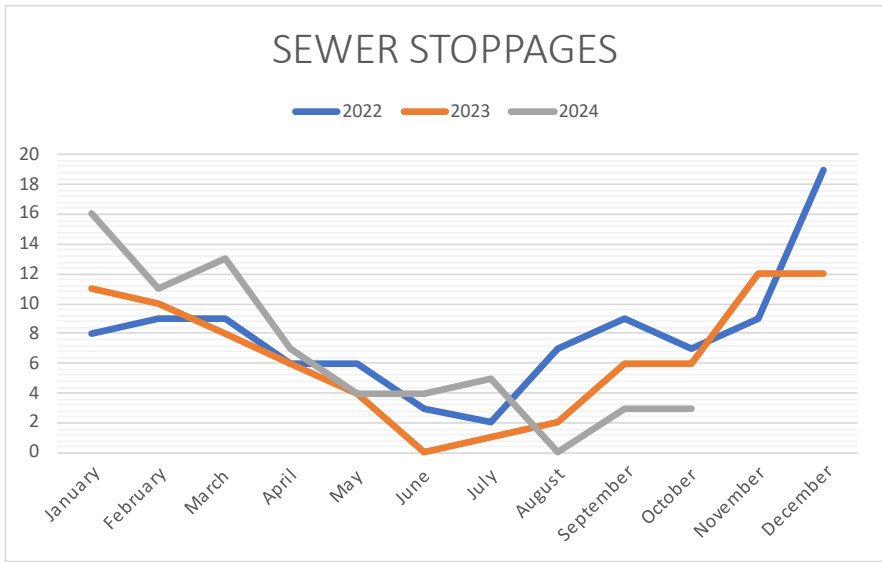
- 7 funerals to report
- Sold 3 spaces at 400.00 each
- Helping in park cleanup for events
- Leveling small military stone
- Maintaining Cemetery
- Maintaining equipment
- October of 2023 showing 2 funerals
- Filling Graves
- Mowing and Weed eating

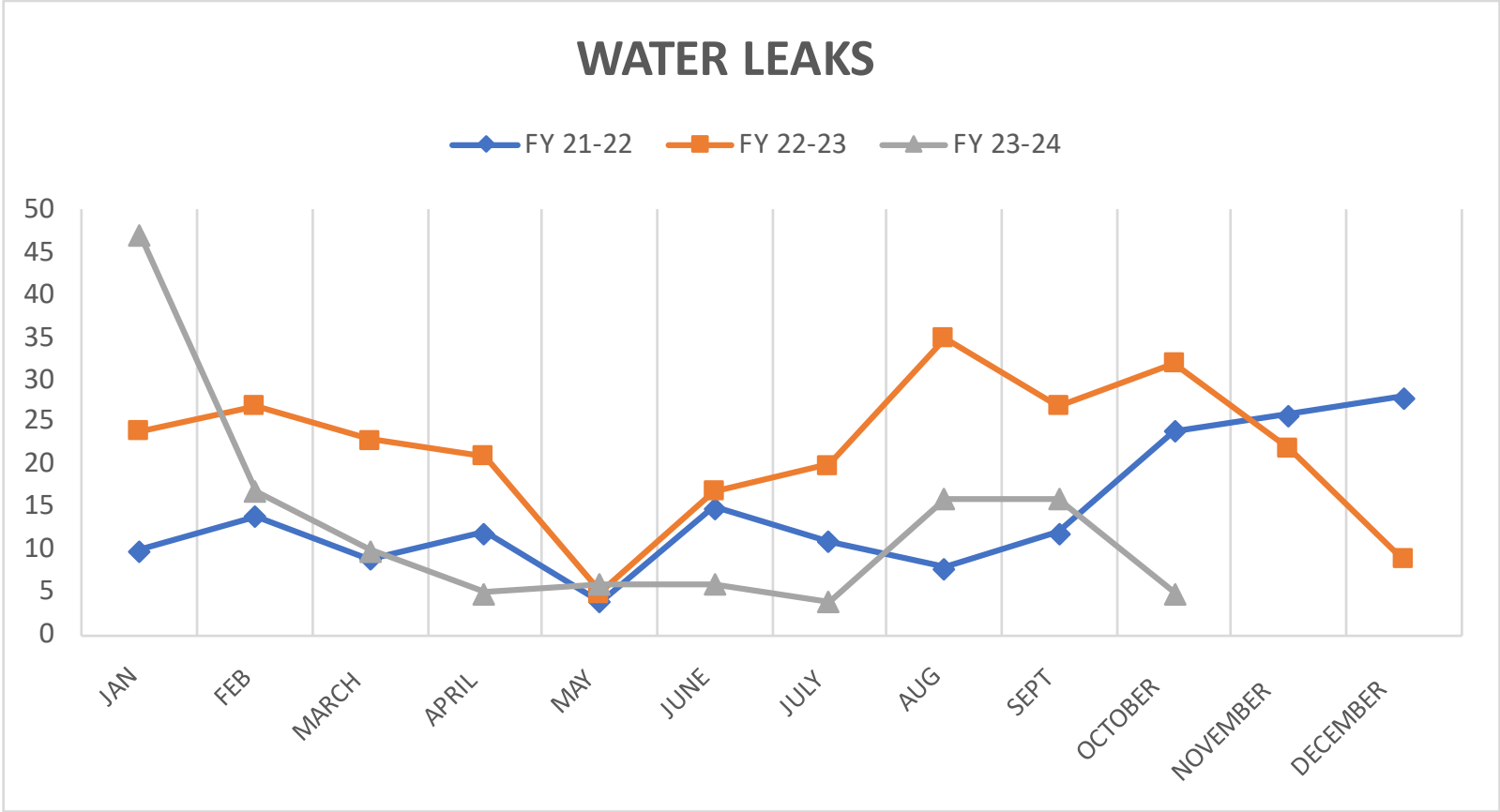
CEMETERY

PUBLIC WORKS



DEPARTMENT







BRECKENRIDGE CITY COMMISSION
AGENDA SUMMARY FORM

Subject: Discussion and any necessary action regarding approval of BEDC recommendation to purchase 1304 E. Connell

Department: Administration

Staff Contact: Cynthia Northrop

Title: City Manager

BACKGROUND INFORMATION:

The BEDC has recommended approval of the purchase of 1304 E. Connell for \$45,000. 00 plus closing costs. This property will complement other BEDC Properties located on the industrial loop and increase future job recruitment efforts.

FINANCIAL IMPACT:

BEDC would fund the purchase at an amount of \$45,000 plus closing cost

STAFF RECOMMENDATION:

Consider approval of BEDC recommendation to purchase 1304 E. Connell for \$45,000 plus closing costs



**BRECKENRIDGE CITY COMMISSION
AGENDA SUMMARY FORM**

Subject: Discussion and any necessary action regarding BEDC recommendation for additional incentives

Department: Administration

Staff Contact: Cynthia Northrop

Title: City Manager

BACKGROUND INFORMATION:

Based upon the expected creation of 30-40 employees and the discovery of several latent defects during the repurposing and remodel of 223 W. Walker, the BEDC board of directors approved a \$10,000 incentive to Neri’s Courtyard at the restaurant's opening and a forgivable loan of \$60,000 under the same terms as the existing loan. The loan will have bulk annual payments rather than monthly beginning 12 months after opening. Each annual payment will have the opportunity to be forgiven if payroll for the previous 12 months is \$250,000 or more and will be prorated if under this benchmark.

FINANCIAL IMPACT:

BEDC would fund the project at an amount of \$70,000 with possible repayment of \$60,000 plus interest.

STAFF RECOMMENDATION:

Consider approval of BEDC’s recommendation for additional incentives for Neri’s as presented.



BRECKENRIDGE CITY COMMISSION
AGENDA SUMMARY FORM

Subject: Discussion and any necessary action regarding renewal of contract with Chamber of Commerce for HOT Funds

Department: Administration

Staff Contact: Cynthia Northrop

Title: City Manager

BACKGROUND INFORMATION:

The City has contracted with the Chamber of Commerce over the past several years to transfer hotel/motel occupancy funds received to the Chamber of Commerce and for them to manage in compliance with applicable state statutes.

Section 351.101(a) and (c) of the Texas Tax Code authorizes the City to use revenue from its municipal hotel occupancy tax to promote tourism and the convention and hotel industry by advertising and conducting solicitations and promotional programs to attract tourists, the furnishing of facilities, personnel and materials for convention registration, and operating and maintaining a visitor information center and to contract with a third party to manage.

This is a renewal of the current contract.

FINANCIAL IMPACT:

NA

STAFF RECOMMENDATION:

Consider approval of Chamber of Commerce HOT Funds contract and authorize City Manager to execute the document.

**MUNICIPAL HOTEL OCCUPANCY TAX FUNDING AGREEMENT
FOR TOURISM AND PROMOTIONAL SERVICES**

This **Municipal Hotel Occupancy Tax Funding Agreement for Tourism and Promotional Services** (the “Agreement”) is entered into by and between the City of Breckenridge, a Texas home-rule municipality (the “City”) and the Breckenridge Chamber of Commerce, a Texas non-profit corporation (the “Chamber”) on the 3rd day of December, 2023.

WHEREAS, the City assesses a municipal hotel occupancy tax of seven percent (7 %) within the City pursuant to Chapter 351 of the Texas Tax Code;

WHEREAS, Section 351.101(a) of the Texas Tax Code authorizes the City to use revenue from its municipal hotel occupancy tax to promote tourism and the convention and hotel industry by advertising and conducting solicitations and promotional programs to attract tourists, the furnishing of facilities, personnel and materials for convention registration, and operating and maintaining a visitor information center;

WHEREAS, Section 351.101(c) of the Texas Tax Code authorizes the City to delegate management of hotel occupancy tax revenue to a third party by contract, provided that the City approves the budget of the third party annually, the third party provides reports showing expenditures from the revenue at least quarterly, and that the third party maintain the revenue in a separate bank account from other funds, and Section 351.101(d) requires said third party to maintain “complete and accurate financial records of each expenditure of hotel occupancy tax revenue” made by the party;

WHEREAS, certain administrative costs associated with the management of programs using hotel occupancy tax revenues can be paid for with those tax revenues pursuant to Section 351.101(e) of the Texas Tax Code, and specific travel can be funded with said revenues pursuant to Section 351.101(f); and

WHEREAS, the City and the Chamber wish to enter into an agreement delegating to the Chamber the oversight of the use of a certain amount of hotel occupancy tax receipts collected by the City in exchange for the Chamber agreeing to use the funds for purposes authorized by law and providing financial transparency in the use and maintenance of said funds.

NOW, THEREFORE, the City and the Chamber agree as follows.

1. Definitions.

Terms defined in the preamble have their assigned meanings and each of the following terms shall mean as follows:

1.1 “Fiscal Year” means the twelve-month period beginning October 1 and ending September 30.

1.2 “Hotel Tax Revenue” means the revenue from the municipal hotel occupancy tax that is levied and collected by the City in accordance with Chapter 351 of the Texas Tax Code.

1.3 “Tourism Activities” means activities to directly enhance and promote tourism and the convention and hotel industry by:

- (a) Advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the City;
- (b) Furnishing facilities, personnel, and materials for the registration of convention delegates or registrants;
- (c) Encouraging, promoting, improvement, and applying the arts;
- (d) Engaging in historical restoration and preservation projects or activities and advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums in the City; and
- (e) Installing signage directing the public to sights and attractions that are visited frequently by hotel guests in the City.

1.4 “Tourism Funds” is defined in Section 3.1.

2. Term and Termination.

2.1 Term. The term of this Agreement begins on October 1, 2024 and ends on September 30, 2024. Thereafter, the term of this Agreement shall renew for successive one (1) year terms if the Chamber is in compliance with this Agreement, unless one party notifies the other party in writing at least ninety (90) days prior to the expiration of the then current term.

2.2 Termination. This Agreement may be terminated by either party, with or without cause, by tendering ninety (90) days written notice to the other party. In the event of such a termination, the following provisions apply:

- (a) *Reimbursements for Contractual Obligations.* The City agrees to reimburse the Chamber for any contractual obligations undertaken by the Chamber in satisfactory performance of the Tourism Activities that were approved by the City Council through the Chamber budget. This reimbursement obligation is conditioned upon such contractual obligations having been incurred and entered into in the good faith performance of the Tourism Activities.
- (b) *Return of Tourism Funds.* Subject to Section 2.2(a), the Chamber agrees to return any unencumbered or unused Tourism Funds to the City no later than sixty (60) days following the termination of this Agreement.

3. Tourism Funds.

3.1 Allocation. Subject to the provisions of this Agreement, the City agrees to allocate one hundred percent (100%) of Hotel Tax Revenue, except for amounts necessary to reimburse the City for its costs in administering and collecting the Hotel Tax itself (the “Tourism Funds”).

3.2 Disbursement. The Tourism Funds shall be paid to the Chamber in four (4) quarterly installments during this Agreement.

3.3 Return of Excess Funds. Any Tourism Funds which are not used by the Chamber at the end of a Fiscal Year shall be returned to the City on or before the 1st day of November following said Fiscal Year.

4. Use of Tourism Funds.

4.1 Generally. In accordance with Section 351.101 of the Texas Tax Code, the Chamber shall use the Tourism Funds solely for the Tourism Activities.

4.2 Administrative Costs. The Chamber may spend Tourism Funds for day-to-day operations, supplies, salaries, office rental, travel expenses, and other administrative costs only if those administrative costs are incurred directly in the Tourism Activities. The portion of the total administrative costs of the Chamber for which Tourism Funds may be used may not exceed the portion of those administrative costs actually incurred in conducting the Tourism Activities.

4.3 Restrictions on Travel Expenditures. In accordance with Section 351.101(f) of the Texas Tax Code, Tourism Funds may not be spent for travel for a person to attend an event or conduct an activity the primary purpose of which is not directly related to the promotion of tourism and the convention and hotel industry or the performance of the person's job in an efficient and professional manner.

4.4 Promotion of the City. In all promotional material generated or used by the Chamber in the performance of the Tourism Activities, the Chamber shall include reference to the City's funding of the Tourism Activities.

5. Recordkeeping and Reporting Requirements.

5.1 Fiduciary Relationship. The Chamber acknowledges that the approval of this Agreement by the City Commission creates a fiduciary duty in the Chamber with respect to the Tourism Funds. The Chamber shall spend Tourism Funds only in the manner and for the purposes specified in this Agreement and Section 351.101 of the Texas Tax Code.

5.2 Separate Account. The Chamber shall maintain the Tourism Funds in a separate account. The Chamber shall not commingle Tourism Funds with any other money.

5.3 Financial Records. The Chamber shall maintain complete and accurate financial records of each expenditure of Tourism Funds made by the Chamber and, on request of the City Manager or the City Manager's designee, or as may be required by law, the Chamber shall make the records available for inspection and review during normal business hours.

5.4 Audit. The Chamber shall furnish the City an independent audit of the Tourism Funds for the preceding Fiscal Year not later than January 1st of the following year. Said audit shall be done by a qualified accountant selected by, and at the expense of, the Chamber.

5.7 Quarterly Reports. The Chamber shall submit a quarterly report to the City Manager, in a mutually acceptable format, no later than thirty (30) days after the end of each quarter. Said report shall describe the activities of the Chamber using Tourism Funds and the Tourism Funds expended by the Chamber during the previous quarter. The Chamber shall include administrative expenses and

any allocation of personnel resources related to this Agreement in the quarterly report. The City will review the quarterly reports to ensure that the Tourism Funds have been used for purposes allowed by this Agreement.

6. General Provisions.

6.1 **Governing Law.** The laws of Texas govern all matters relating to this Agreement, including torts, without regard to its conflict of law principles. The venue for any disputes concerning this Agreement shall be in Stephens County, Texas.

6.2 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which is an original, and all of which constitute only one agreement between the parties.

6.3 **Merger.** This Agreement states the full agreement between the parties and supersedes all prior negotiations and agreements. Specifically, this Agreement supersedes and replaces the Contract between the parties dated January 7, 2022.

6.4 **Severability.** It is the intention of the parties that the provisions of this Agreement will be enforceable to the fullest extent permissible under Texas law. If any clause or provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, that provision is severed from this Agreement and the other provisions remain in force.

6.5 **Successors and Assigns.** This Agreement binds and benefits the parties and their respective permitted successors and assigns.

6.6 **Amendments.** The parties shall not amend this Agreement, except by an agreement in writing signed by both parties.

6.7 **No Waiver.** Failure of a party to give notice of any breach by the other party of any provision of this Agreement will not be deemed a waiver of any prior or subsequent breach.

6.8 **Authority.** Each party has the full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The persons executing this Agreement represent that they have authorization to sign on behalf of their respective organizations.

6.9 **Notice.** The parties must send all notices required by this Agreement in writing by certified mail. A notice is effective when the intended recipient receives it. If a party’s address for notice changes, that party must send a signed notice in writing by certified mail to the other party within ten (10) business days of the address change. The current address for notice for each party is as follows:

| | | | |
|-----------------|---|-----------------|--|
| City: | City of Breckenridge Attn: City Manager 105 N. Rose Breckenridge, TX 76424 | Chamber: | Breckenridge Chamber of Commerce Attn: Executive Director 100 E. Elm Breckenridge, TX 76424 |
| Chamber: | Breckenridge Chamber of Commerce | | |

EXECUTED this the 3rd day of December, 2024.

CITY OF BRECKENRIDGE

Cynthia Northrop, City Manager

ATTEST:

Jessica Sutter, City Secretary

BRECKENRIDGE CHAMBER OF COMMERCE

_____, President



BRECKENRIDGE CITY COMMISSION
AGENDA SUMMARY FORM

Subject: Discussion and any necessary action regarding the first reading of Ordinance 2025-01; Texas Gas Service franchise agreement renewal.

Department: Administration

Staff Contact: Cynthia Northrop

Title: City Manager

BACKGROUND INFORMATION:

The City of Breckenridge has a franchise agreement with Texas Gas Service that grants them the right, privilege, franchise to use streets, alleys, and thoroughfares to operate and maintain a natural gas distribution system in the City of Breckenridge. The last agreement was approved in 2009 for 15 years. This ordinance updates that agreement.

FINANCIAL IMPACT:

TGS pays a franchise to the city (see agreement)

STAFF RECOMMENDATION:

Consider approval the first reading of Ordinance 2025-01 Texas Gas Service Franchise agreement renewal as presented.

ORDINANCE NO. 2025-01

AN ORDINANCE OF THE CITY OF BRECKENRIDGE, TEXAS GRANTING TO ONE GAS, INC., ACTING BY AND THROUGH ITS TEXAS GAS SERVICE COMPANY DIVISION, AND ITS SUCCESSORS AND ASSIGNS, FOR A PERIOD OF TWENTY (20) YEARS FROM APPROVAL AND ACCEPTANCE OF THIS ORDINANCE, A NON-EXCLUSIVE FRANCHISE AND RIGHT TO ENTER THE PUBLIC WAYS TO INSTALL, OPERATE AND MAINTAIN A DISTRIBUTION SYSTEM WITHIN, ALONG, ACROSS, OVER AND UNDER THE PUBLIC WAYS OF THE CITY OF BRECKENRIDGE, STEPHENS COUNTY, TEXAS FOR THE TRANSPORTATION, DISTRIBUTION AND/OR SALE OF GAS TO CUSTOMERS AND THE PUBLIC GENERALLY IN THE CITY; DEFINING THE WORDS AND PHRASES THEREIN; PROVIDING FOR ASSIGNMENT, SALE OR LEASE OF THE FRANCHISE; PROVIDING THAT THE CITY MAY ENACT AN ORDINANCE CHARGING PERSONS TRANSPORTING GAS THROUGH GRANTEE'S DISTRIBUTION SYSTEM A FEE ON THE CALCULATED VALUE OF SUCH TRANSPORTED GAS; PROVIDING FOR USE AND REPAIR OF THE PUBLIC WAYS; PROVIDING FOR REGULATION OF SERVICE; ESTABLISHING DEPTH OF PIPELINES; ESTABLISHING RIGHTS AND DUTIES IN THE MOVEMENT AND ALTERATION OF PIPELINES; PROVIDING FOR INDEMNIFICATION OF THE CITY OF BRECKENRIDGE; PROVIDING FOR GRANTEE'S RULES AND REGULATIONS; PROVIDING FOR INSPECTION OF GRANTEE'S RECORDS; REQUIRING GRANTEE TO PAY A FRANCHISE FEE; PROVIDING FOR CONDITIONS OF THE FRANCHISE; PROVIDING FOR CONSTRUCTION OF THIS ORDINANCE UPON THE INVALIDITY OF ANY PART THEREOF; PROVIDING FOR ACCEPTANCE OF THIS FRANCHISE BY GRANTEE AND BOTH AN EFFECTIVE AND AN OPERATIVE DATE THEREOF; REPEALING ALL OTHER ORDINANCES DIRECTLY IN CONFLICT HEREWITH; AND PROVIDING FOR SEVERABILITY.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF BRECKENRIDGE, TEXAS:

SECTION 1. DEFINITIONS

As used in this Ordinance, the following words and phrases shall have the following meanings:

- A. "City" means the City of Breckenridge, in Stephens County, Texas, a municipal corporation, hereinafter also referred to as "Grantor".
- B. "City Secretary" means the City Secretary of the City or other such officer of the City designated to serve as the filing officer for official documents and records of the City.
- C. "City Commission" means the City Commission of the City as the governing body of the City.
- D. "City Manager" means the City Manager of the City or such other chief administrative officer of the City designated to hear appeals from the decisions of other City officers.

E. “Customer” means any individual person, corporation, company, partnership, firm, unincorporated association, trust, municipality, or public or private entity located within the municipal corporate limits of the City and serviced by the Grantee through any use of the Public Ways.

F. “Franchise Fee” or “Franchise Fees” shall mean the sum of fees to be paid to the City by Grantee under Section 11 of this Ordinance.

G. “Gas Sales” means the sale of natural gas to Grantee’s Customers located within the corporate limits of the City by use of the System.

H. “Gas Transportation” means the transportation of Transport Gas for redelivery to Customers with re-delivery points located within the corporate limits of the City.

I. “Grantee” shall mean ONE Gas, Inc., an Oklahoma corporation acting by and through its Texas Gas Service Company division, and its successors and assigns.

J. “Gross Receipts from Gas Sales” shall constitute and include Grantee’s total receipts from the sale, distribution or transportation of gas to Grantee’s Customers. Grantee’s Gross Receipts from Gas Sales subject to the Franchise Fee shall specifically exclude, without limitation:

- [1] receipts from gas sales or services to Customers located at delivery points outside the corporate limits of the City;
- [2] receipts from gas consumed or transported by Grantee for its own use;
- [3] bad debt or uncollected accounts;
- [4] receipts collected for gas utility taxes;
- [5] receipts for any taxes, assessments, charges or fees of any kind charged by a governmental entity and collected by Grantee from the Customer by a pass-through charge on the gas bill, except for Franchise Fees and gross receipts taxes;
- [6] receipts for construction advances or contributions in aid of construction;
- [7] receipts for maintenance of appliances, machinery or equipment;
- [8] receipts for compensation for damage to Grantee’s property;
- [9] receipts from sales of materials, appliances or equipment, and
- [10] receipts from any non-regulated utility or non-regulated services or products.

K. “Gross Receipts from Gas Transportation” shall constitute and include Grantee’s total receipts from its transportation of Transport Gas, consisting of receipts from cost of service.

Grantee's Gross Receipts from Gas Transportation subject to the Franchise Fee shall specifically exclude, without limitation:

- [1] receipts from gas transportation services to Customers located at delivery points outside the corporate limits of the City;
- [2] receipts from gas transported by Grantee for its own use;
- [3] bad debt or uncollected accounts;
- [4] receipts collected for gas utility taxes;
- [5] receipts for any taxes, assessments, charges or fees of any kind charged by a governmental entity and collected by Grantee from the Customer by a pass-through charge on the gas bill, except for Franchise Fees and gross receipts taxes;
- [6] receipts for construction advances or contributions in aid of construction;
- [7] receipts for maintenance of appliances, machinery or equipment;
- [8] receipts for compensation for damage to Grantee's property; and
- [9] receipts from any non-regulated utility or non-regulated services or products.

L. "Permit" means the authorization to Grantee:

- [1] for the opening of the streets, avenues, alleys, other public places or Public Ways shown on maps or plans submitted by Grantee to the Public Works Director, showing the streets, avenues, alleys, and other public places and the locations thereon wherein Grantee proposes to construct new mains and pipes,
- [2] for the new construction or laying of the new mains and pipes by Grantee as shown on plans, and
- [3] to perform all work on existing Grantee facilities or the System within the Public Ways or other City rights-of-way.

M. "Public Ways" means the present and future streets, avenues, boulevards, parkways, lanes, alleys, bridges, sidewalks, parks, easements, highways, and any other public place within the municipal corporate limits of the City, whether dedicated or not.

N. "Public Works Director" shall mean the Public Works Director of the City.

O. "System" means Grantee's system of mains, pipelines, conduits, valves, feeders, regulator stations, laterals, service lines, measuring devices, and all other necessary plants, attachments, land, structures, facilities and appurtenances for the purpose of selling, storing, supplying,

conveying, transmitting, distributing, and/or transporting natural gas and any gas, including the equivalent substitutes, for all other lawful purposes in, through, upon, under, and along the present and future streets, avenues, alleys, bridges, sidewalks, parks, easements, highways, and any other public place within the municipal corporate limits of the City.

P. “Transport Gas” means gas owned or controlled by a user or its designee (i.e., gas that is purchased or otherwise acquired by a user from someone other than Grantee) and delivered by such user or its designee to Grantee at a point on Grantee’s System, such point of delivery to be defined by Grantee, and carried, delivered or transported through Grantee’s System at a point of redelivery within the municipal corporate limits of the City by Grantee to the user for a fee.

Q. “Utility Regulated Service Charges” shall consist of charges for services (but not for natural gas sales or transportation services) that:

- [1] Grantee provides to its Customers located within the corporate limits of the City and
- [2] which are or may, from time to time, become subject to the rate regulation of the applicable regulatory authority.

Such Utility Regulated Service Charges shall not include receipts by Grantee from its Customers in the City, if applicable, for appliance sales, appliance light-ups, maintenance of Customer equipment or facilities and any other receipts that are not legally subject to the rate regulation of the applicable regulatory authority.

SECTION 2. GRANT OF FRANCHISE

A. Grantor hereby grants to Grantee, for the term of twenty (20) years from the passage and approval of this Ordinance and the filing of a written acceptance by the Grantee, the right to enter upon the Public Ways to install, operate and maintain a System along, across, over and under the Public Ways for the privilege of transporting, distributing and/or selling gas to Customers and the public generally within the municipal corporate limits of the City, and including any territory that the City may hereafter annex, acquire, purchase; and to distribute, sell, store, supply, transport, carry and/or convey natural gas and any gas through Grantee’s System in the City to other cities, towns, communities and areas outside the City and to inhabitants thereof.

B. The Ordinance shall have the effect of and shall be a contract between Grantor and Grantee and shall be the measure of the rights and liabilities of Grantor as well as Grantee.

C. The Franchise granted by this Ordinance shall in no way affect or impair the present or future rights, obligations, or remedies of the City or Grantee under the Texas Gas Utility Regulatory Act, as amended.

SECTION 3. FRANCHISE ASSIGNMENT, SALE OR LEASE

Grantee is expressly given the power and privilege to sell, transfer or assign the franchise granted hereby, or any part of this franchise, to any person, entity or corporation.

SECTION 4. USE AND REPAIR OF THE PUBLIC WAYS

A. Grantee's System shall be erected, placed, and laid or otherwise installed, operated and maintained in such a manner as will, consistent with reasonable necessity, least interfere with other public uses of the Public Ways.

B. Except in the case of an emergency, within City limits, when Grantee desires to perform work on existing Grantee facilities or the System or to lay any new mains hereunder, and before commencing such work or new construction work on mains, it shall submit to the Public Works Director, or other proper authority, a map or plan showing the streets, avenues, alleys, and other public places and the locations thereon wherein it proposes to perform work or construct new mains and pipes. The Public Works Director, or other proper authority, shall by written notice, either issue or deny the Permit to Grantee. Approval by the Public Works Director, or other proper authority, shall constitute the Permit to Grantee for the opening of the streets, avenues, alleys and other public places shown on the map or plan, for the performance of work as shown on the plan, and for the new construction or laying of the new mains and pipes by Grantee as shown on the plan. If the Public Works Director, or other proper authority, does not respond within ten (10) calendar days, the Permit shall be deemed approved.

In the event that the Permit is denied, the Public Works Director, or other proper authority, shall advise Grantee of the reasons for the denial and all necessary steps to secure approval of the Permit. Grantee shall have the right to immediately appeal the non-issuance of the Permit to the City Manager, and if not approved within ten (10) calendar days by the City Manager, Grantee may appeal to the City Commission and be heard at a public meeting held in compliance with applicable law. If the City Commission fails to act on the appeal within ten (10) calendar days, the appeal will be deemed to be denied unless agreed otherwise in writing by Grantee and the City. Appeal of any decision made by the City Commission shall be made to the District Court of Travis County, Texas, and an appeal from any decision of the District Court shall be as in all other civil actions.

This Subsection 4 (B) shall also apply to all other facilities and equipment of Grantee to be constructed or installed on public property within the City's jurisdiction.

C. It shall not be necessary for Grantee to secure a Permit for the laying of service pipes from the mainline pipes of Grantee to its Customers.

D. After any excavation or disturbance, Grantee shall, with due diligence and dispatch, place the Public Way in a condition in compliance with the Grantor's reasonable standards and specifications.

SECTION 5. REGULATION OF SERVICE

The System of Grantee shall at all times be installed, operated and maintained in accordance with accepted good practice and in such condition as will enable the Grantee to furnish adequate and continuous service as required by the orders, rules and regulations of the Railroad Commission of Texas or other regulatory authority having jurisdiction. The requirements set forth in this Section shall not relieve Grantee of any other obligations set forth herein.

SECTION 6. DEPTH OF PIPELINES

After the operative date of this franchise, Grantee's main or lateral lines installed or replaced in Public Ways shall be installed or replaced at depths which comply with all applicable state and federal rules and regulations establishing minimum safety standards for the design, construction, maintenance and operation of pipelines. Depth shall be measured from the lower of existing grade or proposed future grade as set forth on plans or other specifications existing at the time such lines are installed or replaced.

SECTION 7. DUTY TO MOVE OR ALTER LINES

A. Grantor reserves the right to lay or permit to be laid cables, electric conduits, water, sewer, gas or other pipelines and to do or permit to be done any underground work deemed necessary and proper by the Grantor, along, across, over or under the Public Ways. In permitting such work to be done, the Grantor shall be liable to the Grantee for any damage to Grantee's pipelines and facilities caused by Grantor or its agents' or contractors' negligence.

B. When Grantee is required by Grantor to remove or relocate its mains, laterals, and other facilities to accommodate construction of streets and alleys by the Grantor, and Grantee is eligible under federal, state, county, local or other programs for reimbursement of costs and expenses incurred by Grantee as a result of such removal or relocation, and such reimbursement is required to be handled through Grantor, then Grantee's costs and expenses shall be included in any application by Grantor for reimbursement. Grantee will provide the Grantor its appropriate cost and expense documentation prior to the filing of the application.

C. When Grantee is required to remove or relocate its mains, laterals or other facilities to accommodate construction of streets or alleys by the Grantor without reimbursement, Grantee shall have the right to seek a surcharge to recover relocation costs pursuant to Section 104.112 of the Texas Utilities Code or any other applicable law or regulations.

D. If Grantor shall require the Grantee to adapt or conform its System or in any way to alter, relocate or change its property to enable any other person, firm, corporation or entity (whether public or private), other than the Grantor, to use the Public Ways, the Grantee shall be reimbursed by the person, firm corporation or entity desiring or occasioning such change for any and all loss, cost or expense occasioned thereby.

SECTION 8. INDEMNIFICATION

Grantee shall indemnify, save and hold City harmless from and against any and all claims for damages for which the City shall or might become liable to the extent caused by any negligent act or omission of Grantee, its agents or contractors in the construction and operation of the System; provided, however, that in the event of such claim or claims being prosecuted against the City, Grantee shall have the right to defend against the same, and to settle or discharge same in such manner as it may see fit, and the City shall give prompt written notice to Grantee of the presentation or prosecution of such claims. The indemnity provided for in this paragraph shall not apply to any claim or liability resulting from the acts, omissions, or negligence of the City, its employees, agents or contractors.

Grantee's undertakings shall be subject to its ability, by use of due diligence and normal business methods, to obtain and place in service the necessary materials and facilities. Moreover, Grantee shall be excused from failure or delay in performing such obligations if and to the extent occasioned by an act of nature or "act of God," fire, explosion, flood, act of a public enemy, contagion or contamination hazardous to human life or health, legal restraints, labor difficulties, material shortages, interruption or deficiency of gas supply not attributable to default of Grantee or, without limitation, any other cause or combination of causes not reasonably within Grantee's ability to anticipate or control. Grantee shall notify the City promptly and in no case less than thirty days of its intent to utilize this provision of this Ordinance.

SECTION 9. GRANTEE'S RULES AND REGULATIONS

Grantee shall have the right to make and enforce such reasonable rules and regulations as it may deem necessary for the extension of its facilities, the sale of its gas and the conduct of its business, provided that such rules and regulations shall neither be in conflict with the laws of the State of Texas, with the orders, rules or regulations of the Railroad Commission of Texas or other regulatory authority having jurisdiction, nor with the ordinances and regulations of the Grantor insofar as they are consistent with the jurisdiction of the Railroad Commission of Texas or such other regulatory authority. Grantee shall supply natural gas and provide regulated services at the rates and under the terms and conditions specified by such rules, its tariffs filed with the City, and as provided herein.

SECTION 10. INSPECTION OF RECORDS

Grantee shall permit Grantor or its agents to inspect, during regular business hours, the books, papers and records kept by Grantee in the ordinary course of business and pertaining to the natural gas business carried on by it in the City, such as plats, maps and atlases identifying Grantee's pipelines in the City, and the books and records necessary to verify the franchise fee payment provided for in Section 11 hereof. Notwithstanding the obligation herein, Grantee shall have the right to the reasonable protection of proprietary information and to provide redacted documents. Grantor shall promptly notify Grantee in writing of areas newly annexed into or de-annexed from the corporate limits of Grantor, and Grantee shall update its records for the purpose of payment of franchise fees as soon as reasonably practicable after receiving such notice.

SECTION 11. CONSIDERATION FOR FRANCHISE: FRANCHISE FEE

A. As full consideration for the rights and privileges conferred by this Ordinance, Grantee agrees to pay Grantor as follows:

- (1) Grantee shall collect the Franchise Fee from its Customers and shall pay Grantor a Franchise Fee the sum of which is equal to Five Percent (5%) of the Gross Receipts received by Grantee, per billing period, from the transportation, distribution, and sale of natural gas for consumption within the municipal corporate limits of the City. The Franchise Fee shall include only Gross Receipts from Gas Sales to Customers located in the City; Gross Receipts from Gas Transportation to Transport Gas Customers with re-delivery points located in the City; plus, Gross Receipts from Utility Regulated Service

Charges. All sums due from Grantee shall be in lieu of all other franchise fees, licenses, or occupational taxes, which may be levied or attempted to be levied on Grantee by the City.

(2) Grantee shall pay such Franchise Fee collected from its Customers to the Grantor under the terms of this Ordinance, based upon meters read on or after the effective date of this Ordinance. During the term of this Ordinance, Grantee shall collect from its Customers and pay the City in January and July for the preceding six months. Grantee shall include with the Franchise Fee payment a statement showing its collections of Gross Receipts from Gas Sales and Gas Transportation in the City, and Utility Regulated Service Charges in the City, including the calculation of the Franchise Fee for the subject time period. Collection and payment of Franchise Fee shall be final as to both parties unless questioned by written notice provided by one party to the other within one year after payment thereof has been made.

B. It is expressly agreed that the Franchise Fee payments shall be in lieu of any payments for the right to use the Public Ways or other public rights-of-way of the City, including expressly the charge permitted to be levied by the Texas Tax Code Sections 182.021-182.026 and 182.081-182.082, or any successor statute permitting such a charge, however designated. The Franchise Fee shall be in lieu of and accepted as payment of all of Grantee's obligations to pay all other franchise fees, licenses, easement or occupation taxes, levies, exactions, rentals, street-cut fees, inspection fees, right of way inspection fees, permit fees, franchise fees, easement taxes, or charges of any kind whatsoever which may be levied or attempted to be levied in general by the City for the use of City's Public Ways and other rights-of-way, with the sole exception of sales taxes, ad valorem taxes and special assessments which are made without reference to or dependence upon Grantee's franchise or occupancy of the streets and public right of way, e.g., special assessment paving liens.

C. The rights, privileges, and franchises granted by this Ordinance are not to be considered exclusive, and City hereby expressly reserves the right to grant, at any time as it may see fit, like privileges, rights, and franchises to any other person or corporation for the purpose of furnishing gas in the City. In the event any entity (other than Grantee) providing gas sales or gas transportation service to Customers within the City is subject to a lesser franchise fee than is required to be collected and paid by Grantee in this Ordinance, then with respect to such gas sales or transportation service to those Customers, Grantee's Franchise Fee obligation on sales or transportation service to those Customers will be reduced to a rate equal to the franchise fee rate required to be paid by such other entity.

D. Unless expressly set forth herein, or otherwise provided by law, by accepting this Ordinance, Grantee does not agree to be responsible for the payment of franchise fees other than as expressly set forth herein, or for the payment of franchise fees owed to the City by any other entity, corporation or firm.

SECTION 12. CONDITIONS OF FRANCHISE

This contract, franchise, grant and privilege is granted and accepted under and subject to all applicable laws and under and subject to all of the orders, rules, and regulations now or hereafter adopted by governmental bodies now or hereafter having jurisdiction.

To the extent that all or any other existing ordinance shall conflict with any provision of this Ordinance, this Ordinance shall prevail upon passage, adopting and acceptance of this Ordinance.

SECTION 13. INVALIDITY OF ORDINANCE

If any clause, sentence, or section of this Ordinance shall be held to be invalid, it shall not affect the remaining portions of this Ordinance, which shall remain valid and effective as if such invalid provision did not exist, although the parties shall be entitled to a judicial interpretation or construction of this Ordinance to address the validation of such provision by minimal amendment thereof. Further, should any governmental body now or hereafter having jurisdiction determine that Grantee shall not be permitted to collect in whole or in part the compensation due Grantor by others for Transport Gas as set forth in Paragraph (1) of Subsection A of Section 11 of this Ordinance, Grantee shall thereafter have no obligation to make such payment to Grantor and Paragraph (1) of Subsection A of Section 11 shall be of no force and effect with regard to the sale of Transport Gas.

SECTION 14. EFFECTIVE DATE AND TERM

This Ordinance shall take effect and be in full force from and after its final passage and approval by the City Commission and the acceptance hereof in writing by Grantee as herein provided. This Franchise Ordinance shall continue and remain in full force and effect for a period of twenty years from the effective date.

SECTION 15. ACCEPTANCE BY GRANTEE

Grantee shall have sixty days from the execution of this Ordinance within which to file in the office of the City Secretary its consent to and written acceptance of provisions and conditions of this Franchise Ordinance.

SECTION 16. REPEALER

Each and every other ordinance or part thereof which is directly in conflict with any provision herein as to the grant of a franchise for natural gas services and the regulation thereof is hereby repealed.

SECTION 17. SEVERABILITY

The provisions of this Ordinance are severable, and if any part or provision hereof shall be adjudged invalid by any court of competent jurisdiction, such adjudication shall not affect or impair any of the remaining parts or provisions hereof.

READ AND PASSED by the City Commission of the City of Breckenridge, Texas on first reading on this the 2nd day of December, 2024.

READ AND PASSED by the City Commission of the City of Breckenridge, Texas on second reading on this the 7th day of January, 2025.

READ, PASSED, ADOPTED AND APPROVED by the City Commission of the City of Breckenridge, Texas, on this the 4th day of February, 2025.

Bob Sims
Mayor

ATTEST:

Jessica Sutter
City Secretary

The above and forgoing Franchise Ordinance and the grants, franchise, powers, rights and privileges thereto were accepted by Grantee on _____.

TEXAS GAS SERVICE COMPANY,
a division of ONE Gas, Inc.

By: _____
Alejandro Limon
Vice President Operations
ONE Gas, Inc.