

REGULAR MEETING
November 24, 2009

Mayor Jeff Bearden called the Regular Meeting of the City Commission to order at 6:30 p.m. in the Commission Chambers, and a quorum was declared present.

Present: Mayor Jeff Bearden

Commissioners: Jimmy Dennis, Russell Brownlow, Travis Taylor and Phil McCuistion

Staff Present: City Manager Mitch Grant, City Attorney Trish Byars, Police Chief Tom Wilson, Fire Chief Kent Smead, Public Works Director Bob Cochran, Finance Director Anne Garmon, Community Development Director Monica Wilkinson, and City Secretary Linda Byers.

Mayor Bearden led the group in the Pledge of Allegiance to the U.S. and Texas flags, followed by the invocation.

PUBLIC COMMENT

Mayor Bearden opened the meeting to Public Comment from those who had submitted Requests to Speak during Public Comment Forms.

Cory Curtis asked the City Commission to limit and not allow open containers in the Central Business District.

CONSENT AGENDA

Commissioner McCuistion moved the following items under the Consent Agenda be approved:

- A. Minutes of the Regular City Commission Meeting held on Tuesday, October 27, 2009.
- B. Second Reading of Ordinance 1515, Amending Section 19-22 and Section 19-23 of Article II, Chapter 19, Parks and Recreation to abolish the Roy Orbison Park Pavilion Scheduling Board and transferring those duties to the City Secretary.
- C. Approve the sale of surplus property at the City Warehouse and Fire Department, and authorize the sale of the old Calvary Baptist Church lots on Paradise Street.
- D. Approve the closure of the 1700 Block of Pease Street on Saturday, December 12, 2009 from 8:00 am to 9:00 pm for the Christmas Parade Entertainment.
- E. Approve acceptance of a JAG grant (technology grant) through the Governor's Office Criminal Justice Division to support local criminal justice programs.
- F. Approve purchases through the JAG Grant of six (6) desktop computer systems, one (1) printer/fax/scanner, and a specialized audio-visual system. Expenses will be reimbursed from the grant and there is no local match.
- G. Approve vouchers for October 1, 2009 through October 31, 2009.

SWIMMING POOL UPDATE

City Manager Grant informed the Commission that the City is in fundraising mode and is waiting to hear from Texas Parks & Wildlife (TPW) about our grant application. Current in-kind funds available are \$448,921.49 including remaining bond funds, Tyson and AEP donations and swimming pool fees.

The City received favorable comments from TPW on our application. No money can be spent until the grant is approved. If the grant is approved, other funding should be received. Total cost estimate for the project is \$1.5 million.

BDC REPORT

Sean Stockard, President and CEO for the Business Development Corporation updated the City Commission on the Tang Project which is a wind generation project they are attempting to relocate from New Jersey. The BDC has made the company a cash offer of \$885,000 plus other considerations, and has offered Industrial Foundation Property or Brantley Hanger or the new hanger at the airport for use by the company.

The BDC would borrow the funds for the cash offer and repay the loan over a 15 year period with an anticipated interest rate of around 5.5%. Loan payments would be less than \$7,000 per month. City Commission approval would be required and a special meeting may possibly be necessary. The City approval only encumbers Hotel/Motel Tax Funds received by the BDC.

This project would create 40 jobs with the possibility of 100 jobs after the first year. They will be well paying, skilled labor jobs with 90% - 95% expected to be local hires. Vernon College would be used for skills training.

The BDC has received notification that the Leadership Vernon has obtained corporate status as an official charitable organization.

CHAMBER OF COMMERCE CONTRACT

As a consideration for Chamber of Commerce President Robert Webb this item was moved to earlier in the agenda.

Mr. Webb explained the new contract between the City and the Chamber of Commerce that will separate the Chamber activities from the Hotel/Motel Tax and Tourism activities. The Chamber hopes to have a new Chamber Director hired by January 12.

He presented a summary budget for the Hotel/Motel Tax receipts and a finance report for the prior year. Highlights of the Chamber contract are as follows:

- All deposits will be transferred over to the City of Vernon. As of October 31, 2009 that amount is \$195,178.96 less a quarterly payment as per the new contract.
- The Chamber Tourism Committee will have to submit a yearly budget for events and any other items they will want the City to pay directly.
- All checks for tourism will be written by the City and the City will provide monthly accounting for a 1% fee.
- A quarterly payment will be made to the Chamber in a set amount in return for a specific list of performance measures that are in the Scope of Work that meet "Heads in Beds" requirements for activities.
- The contract requires quarterly reporting.

Commissioner Dennis made the motion to approve the new Chamber of Commerce Contract for administration of Tourism activities and continue the current funding level for the Red River Valley Museum.

Commissioner Taylor seconded the motion.

Commissioner Taylor made the motion to add item #22 to the contract to require the Chamber to make quarterly reports to the City Commission.

Commissioner McCuiston seconded the amendment, which passed by unanimous vote. After short discussion, the motion passed by unanimous vote.

ORDINANCE #1531

AUTHORIZING THE ISSUANCE OF CITY OF VERNON, TEXAS TAX AND WATERWORKS AND SEWER SYSTEM SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2009, IN THE PRINCIPAL AMOUNT OF \$3,175,000, APPROVING AN OFFICIAL STATEMENT, AUTHORIZING THE EXECUTION OF A PURCHASE CONTRACT, AWARDING THE SALE, MAKING PROVISIONS FOR THE SECURITY THEREOF AND ORDAINING OTHER MATTERS RELATING TO THE SUBJECT.

City Manager Grant explained the probable cost of construction and the manner in which the loan funds would be spent:

General, Legal, Financial	\$ 149,590
TWDB Loan Origination Fee	\$ 68,800
Strahan St. 2.0 MG Concrete Tank	\$1,410,000
Odell South 0.75 MG Steel Tank	\$ 690,000
Ion Exchange Units Rehabilitation	\$ 180,000
Brine Discharge Line	\$ 330,000
Tank Demolition / Remaining Funds	\$ 346,610

Erick Macha, Assistant Vice President with First Southwest Company, explained to the Commission that the CO's sold yesterday on the public market. The City received an "A" rating from Standard & Poor's, and also purchased Bond Insurance which allowed the CO's to sell at a better interest rate of "AAA". The interest savings will pay the cost of the bond insurance. The interest rate at the time of sale was 4.83%. Mr. Macha explained the sources and uses for this offering and debt service schedule for the City's overall debt.

***tape side B:

Following discussion Commissioner McCuiston made the motion to approve Ordinance #1531 with only one reading required, authorizing the issuance of such certificates of obligation, approving an official statement, authorizing the execution of a purchase contract, awarding the sale and ordaining other matters related thereto.

Commissioner Brownlow seconded the motion, which passed by unanimous vote.

FINDING FOR THE TEXAS ALCOHOLIC BEVERAGE COMMISSION
OPEN CONTAINERS IN THE CENTRAL BUSINESS DISTRICT

The Texas Alcoholic Beverage Commission requires a finding by the City Commission that “the possession of an open container or the public consumption of alcoholic beverages in the Central Business District of the Municipality is a risk to the health and safety of the citizens of the Municipality.”

Commissioner Dennis made the motion to approve that finding.

Commissioner McCuiston seconded the motion, which passed by unanimous vote.

BUILDING DEMOLITIONS

City Manager Grant explained the items that are scheduled for demolition. These structures will use up approximately half of the FY Budget. The structures that are owned by the taxing entities have received approval from those other taxing entities. The structures scheduled for demolition are:

1. 4981 Cottonwood
2. 2200 Maiden (owned by taxing entities)
3. 2313 Bowie (owned by taxing entities)
4. 928 Indian (owned by taxing entities)
5. 2920 Cumberland

Commissioner McCuiston made the motion to approve this demolition list.

Commissioner Taylor seconded the motion, which passed by unanimous vote after a brief discussion.

PRELIMINARY CONDEMNATION LIST

The Community Development Department is proposing to condemn twenty (20) structures. The structures have been ranked using the ranking system approved by the City Commission in 2008-2009. The components of the ranking system are health and safety threat, structural condition, criminal activity, and proximity to a major corridor. Each component is ranked on a scale of 1-5. Proposed addresses and their ranking are:

- | | |
|-------------------|------------------------|
| 1. 1013 Lamar | 11. 804 Wichita |
| 2. 1826 Lexington | 12. 3026 Wheatly |
| 3. 1016 Lamar | 13. 1300 Sherman |
| 4. 1615 Bowie | 14. 2905 Luna |
| 5. 2100 Wanderer | 15. 3011 Luna |
| 6. 1306 Eastland | 16. 3316 Indian |
| 7. 1420 Sherman | 17. 1426 Maiden |
| 8. 2420 Houston | 18. 1524 Maiden |
| 9. 4019 Maple | 19. 3324 Indian |
| 10. 2602 Luna | 20. 1903 Wood (garage) |

Commissioner Brownlow made the motion to approve the preliminary condemnation list.

Commissioner McCuiston seconded the motion, which passed by unanimous vote.

MEMORANDUM OF UNDERSTANDING
CITY, COUNTY & CARNEGIE LIBRARY

City Manager Grant explained that this Memorandum of Understanding between the City of Vernon, Wilbarger County and the Carnegie City-County Library will begin the process of the trade and sale of buildings at 1800 Cumberland St. and 2808-2810 Wilbarger St. This memorandum reflects what has been agreed to in discussions between the entities. The document plans to accomplish three things:

- Provide expansion space in the existing library building at 2810 Wilbarger Street, that is currently owned by the County and City, and provide a funding plan to ultimately transfer ownership of said building to the Library.
- Transfer ownership of the building at 1800 Cumberland St.(formerly Police Department) to the County in return for its ½ ownership in the current Library/CAD building in order to provide office space for the County Appraisal District (CAD) to relocate from their current office (at 2808 Wilbarger St.) to 1800 Cumberland St.
- Reimbursement to City (by Library) for value of the entire Library building at 2810 Wilbarger St. Reimbursement will include a cash lump sum down payment of \$61,500 and remainder of the appraised value over a period of 5 years for a total dollar value amount according to appraised value. The City will maintain insurance for the building at 2810 Wilbarger for the 5 year period while the lease purchase continues.

Commissioner McCuiston made the motion to approve the memorandum of understanding.

Commissioner Brownlow seconded the motion, which passed by unanimous vote after a discussion of ownership of the library building and insurance costs.

ORDINANCE #1532

AN ORDINANCE AMENDING SECTION 26-124 OF ARTICLE VI. WATER OF CHAPTER 26, AND SECTION 26-78 OF ARTICLE IV. SEWER OF CHAPTER 26, UTILITIES – CITY OWNED, OF THE CODE OF ORDINANCES OF THE CITY OF VERNON; AND PROVIDING FOR A REPEALING SECTION, A SAVING SECTION, A RECORDING SECTION AND FOR AN EFFECTIVE DATE.

Public Works Director Bob Cochran explained that this Ordinance is to correct typographical errors in Ordinance #1527, and make changes to the demand base/upper limits for entities that we sell water to so that they can get their water systems within Texas Commission on Environmental Quality standards. There was discussion of water usage by other entities.

Commissioner Taylor made the motion to approve first reading of Ordinance #1532.

Commissioner McCuiston seconded the motion, which passed by unanimous vote.

REQUEST TO AMEND WATER PURCHASE CONTRACTS

Staff reviewed requests from the Oklaunion Water Supply Corporation and the Red River Authority of Texas, and is recommending changes to both contracts. City Manager Grant is requesting permission from the Commission to negotiate water purchase contracts with these entities for approval by the City Commission at a later meeting.

Commissioner Dennis made the motion to grant approval to the City Manager to amend contracts with Oklaunion Water Supply and Red River Authority in accordance with and final approval of Ordinance #1532.

Commissioner McCuiston seconded the motion, which passed by unanimous vote.

EXECUTIVE SESSION

Commissioner McCuiston made the motion to enter into Executive Session at 7:50 pm – Government Code, Title 5, Chapter 551, Section 551-071; Consult with Attorney. Consider City of Vernon v. Holifield recent hearing.

Commissioner Brownlow seconded the motion, which passed by unanimous vote

RESUME REGULAR SESSION


Commissioner McCuiston made the motion to resume regular session at 8:53 pm.

Commissioner Taylor seconded the motion, which passed by unanimous vote.

No action was taken following the Executive session.


ADJOURN

The meeting was declared adjourned at 8:54 p.m.



Jeff Bearden
Mayor

ATTEST:



Linda Byers
City Secretary