

REGULAR MEETING
AUGUST 23, 2010

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, With Commissioner Taylor being absent.

Present: Mayor Jeff Bearden

Commissioners: Jimmy Dennis, Russell Brownlow, and Phil McCuiston

Staff Present: City Manager Mitch Grant, City Attorney Trish Byars, Fire Chief Kent Smead, Police Chief Tom Wilson, Finance Director Anne Garmon, Public Works Director Bob Cochran, Code Enforcement Officer David Pilcher and City Secretary Linda Byers.

Commissioner McCuiston 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.

Charles McArthur thanked the City for their help in obtaining bleachers for Lyday Park, with special thanks to Tony Dehoyas and Commissioner Taylor.

CONSENT AGENDA

Commissioner Dennis moved the following items, under the Consent Agenda are approved:

- A. Minutes of the Regular City Commission meeting held on Tuesday, July 27, 2010 and minutes of the Finance Committee Meeting held on July 26, 2010.
- B. Budget Amendment for the Business Development Corporation of Vernon in the amount of \$885,000 regarding the BDC's earlier loan from the State of Texas via the Texas Economic Development Bank's Texas Leverage Fund on behalf of Tangarie Alternative Power.
- C. Texas Railroad Commission Administrative Penalty in the amount of \$250.00 assessed to the City regarding damage to underground gas line during water line repair.
- D. Second reading of Ordinance No. 1545 – Prohibiting Interference with Parades.
- E. Financial Investment Report for July 1, 2010 through July 31, 2010 reflecting interest earnings of \$22,573.33, and Vouchers for the same period in the amount of \$1,044,311.70.

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

2010 REFINANCING BOND

City Manager Grant informed the Commission that the refinancing of our 2000 bond has resulted in a better than expected benefit for the city. Our goal was to get a savings of 4.8% with a minimum savings target of 3%. With the favorable market conditions, we netted a total present value savings of 7.26%. The debt service savings through the life of the refunding issue are \$226,039.

TANK CONSTRUCTION REPORT

Public Works Director Cochran reported that the tank on Strayhan was 85% complete, and the Vernon logo had been painted on the tank. A walk through was conducted 08-17-2010, and tank testing should begin soon. The Odell tank construction is scheduled to start when the Strayhan tank is completed.

AQUATIC CENTER

City Manager Grant informed the commission that the city did not receive the Texas Parks and Wildlife Outdoor Recreation Grant. Mark Hatchell and Adam Brewster, with Kimley Horn and Associates, Inc. presented options for possible construction of an aquatic center. Progress to date include completion of a topographic survey, reviewed existing facilities, borings have been completed for a geo-technical report, preliminary meetings with staff and a programming session with staff and the aquatics committee, and from that meeting have completed some preliminary designs:

- Option A: 6 lane lap pool
30 x 40 group shelter
1925 sq. ft. Spray ground
Cost \$1.3 million
- Option B: 5480 Sq. ft. Multi Use pool
Family waterslide & tot slide
20 ft. Coolbrellas
Cost \$1.4 million
- Option C: 5640 Sq. ft. Multi Use pool
Family waterslide & tot slide
20 ft. Coolbrellas
Vortex
Cost \$1.4 million
- Option D: 7370 Sq. ft. Multi Use pool
Family waterslide & tot slide
200 LF Lazy River
Diving Board
Cost \$1.7 million

The existing building pavilion could be used as a shade area, and parking could be expanded to the East. It would be very easy to build on what we have.

After meetings with the swimming pool committee, they noted that this would be a 40 year decision, and preferred Option D even if they had to phase it in and have some alternates. They did not want to modify the existing building, but have a separate bath house and operations area. The Committee asked Kimley Horn to modify Option D to lower the cost.

Option D-1: 6423 sq. ft. Multi-use pool with smaller beach area
Eliminate crossing activity between the waterslide and the lazy river
Eliminate Group Shelter
Family waterslide and tot slide
150 LF Lazy River
Diving Board
Play structure and larger waterslide as alternates
Cost \$1.4 million

Mr. Hatchell noted that there is a good market for these types of facilities at this time.

During lengthy discussion it was noted that:

- The capacity for this facility would be approximately 400 people, but with ½ day turnover, attendance could be higher each day,
- Kimley Horn has engineered 3-4 facilities with 3 lap lanes,
- Staff required would be 2 on the lazy river, 2 on the waterslide, 1 for deep water, and 1 for shallow water,
- Admission of \$3.00 to \$4.00 for 80 people would pay daily expenses
- Pool would have pool lights for after dark parties.
- Additional costs would be offset by attendance with lazy river and waterslides.

City Manager Grant explained the financing options:

- \$500,000 on hand
- \$600,000 loan to be repaid with park fee from utility bills
- \$600,000 from donors
- If no money from donations, use \$400,000 from reserves and phase in the slide.

There was lengthy discussion concerning the different options offered, financing and cost.

Commissioner Dennis voiced concern about the costs associated with the D-1 option and advocated a separation between the kiddy side and the adult side of a facility.

Commissioner Brownlow noted that the swimming pool committee has made their recommendation. This will be a forty year decision and he does not recommend stepping back to a 1960's pool as in Option A. He liked the options that could be added later.

Commissioner McCuiston agreed with that noting that 90% of people use shallow part of the pool. Option A uses 50% shallow water and 50% deep water. The bulk of the money should go toward the parts of the facility that will be used the most.

Tape #867 and #868

Mayor Bearden stated that he wants a facility that everyone can use, noting that it would be a community recruitment tool.

Mr. Hatchell asked the commission for direction on concept and cost, and indicated that he will get estimates for cost of operation for each of the pool options offered.

Commissioner Brownlow made the motion to table the aquatic center plans for thirty days to enable the Swimming pool committee to check fund raising options.

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

RESOLUTION NO. 905

A RESOLUTION CALLING FOR A PUBLIC HEARING TO DETERMINE WHETHER CERTAIN IMPROVEMENTS DESCRIBED HEREIN ARE EACH DANGEROUS STRUCTURES AND A PUBLIC NUISANCE.

Code Enforcement Officer David Pilcher explained that this resolution would call for a public hearing at the next Regular City Commission Meeting for the following structures:

2204 Fannin St.	David & Maria Hernandez owner
3204 Maiden St.	James Watts owner
3212 Maiden St.	James Watts owner

Commissioner McCuiston made the motion to approve Resolution No. 905.

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

RESOLUTION NO. 906

A RESOLUTION OF THE COMMISSIONERS COURT OF VERNON, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF RURAL AFFAIRS FOR THE COMMUNITY DEVELOPMENT FUND; AND AUTHORIZING THE MAYOR TO ACT AS THE CITY'S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

City Manager Grant explained that staff used data obtained for the last grant application for a water and paving grant on Lexington Street beginning at Central School and extending southward. The Lexington Street waterline is undersized and needs fire hydrants. The line is approximately 80 years old, and requires frequent repairs. This application is a water grant with some paving and our match will be \$55,000.

Tape #867 and #868

The commission must decide as to whether to make this application or possibly change to another option. Staff recommends that we apply for the Lexington Water Line and four blocks of paving because water is still critical to residents.

Commissioner Dennis made the motion to approve Resolution No. 906.

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

ORDINANCE NO. 1548

AMENDING THE BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2009, AND THROUGH SEPTEMBER 30, 2010, FOR THE CITY OF VERNON; APPROPRIATING MONEY FOR THE VARIOUS FUNDS AND PURPOSES OF SUCH BUDGETS; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES AND APPROPRIATIONS IN CONFLICT; AND PROVIDING FOR AN EFFECTIVE DATE.

City Manager Grant explained that this Budget Amendment would amend the 2009-2010 budget to address overruns for the Hollifield lawsuit, Charter Election and Re-codification of our Code of Ordinances. This amendment would essentially be adopting the "Estimated 12 month Expenditure" column in the proposed budget.

Commissioner McCuiston made the motion to approve the first reading of Ordinance No. 1548.

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

BUDGET HEARING FISCAL 2010-2011

Mayor Bearden opened the meeting for a public hearing and public comment on the Fiscal 2010-2011 City of Vernon Budget.

There was no public comment.

ORDINANCE NO. 1549

AN ORDINANCE ADOPTING THE BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2010, AND THROUGH SEPTEMBER 30, 2011, FOR THE CITY OF VERNON; APPROPRIATING MONEY FOR THE VARIOUS FUNDS AND PURPOSES OF SUCH BUDGETS; ESTABLISHING AND ADOPTING AN OFFICIAL CLASSIFICATION PLAN FOR ALL POSITIONS AND ABOLISHING ALL POSITIONS NOT LISTED IN SAID BUDGETS; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES AND APPROPRIATIONS IN CONFLICT; DECLARING AN EMERGENCY AND PROVIDING FOR AN EFFECTIVE DATE.

In the Transmittal message to the commission for the budget total proposed expenditures are \$13,923,067. Budgetary expenditures by fund are:

• General Fund	\$6,306,855	up 1.7%
• Enterprise Fund	\$6,140,781	down 0.38%
• Hotel/Motel Fund	\$ 232,590	up 3.37%
• Debt Service Fund	\$1,221,841	up 0.46%
• Electric Trust Expense Fund	\$ 21,000	down 44%

There are no increases budgeted for water and sewer rates. Tax revenue is budgeted at the effective tax rate of \$0.370683, based on tax valuations of \$3,364,517. Sales Tax revenues are expected to decrease \$61,000 or 4.88%. The proposed budget provides for a transfer of \$672,453 of net profits out of the Enterprise Fund to the General Fund to offset costs of administration.

Capital Requests include:

• (3) Police Vehicles (SUVs)	\$ 71,374
• Ladder Truck for Fire Department	\$ 540,000
• New Street Paving	\$ 20,000
• Street Sander	\$ 5,000
• Aquatic Center	\$1,500,000
• Telephone system for City Hall	\$ 6,500

Total employment will be 102 full time employees with the Public Works request that a part-time employee be increased to full-time. Total budgeted cost for personnel is \$5.2 million. A salary increase of 2% was included for Division Directors and City Manager, an increase of \$5,000 for the City Secretary, and Step & Grade increases for all other employees.

Notable expenditures included in the budget:

• Advanced Life Support Training for EMS	\$ 30,000
• Continued Seal Coat Project	\$200,000
• Maintenance for GPS Mapping	\$ 5,000
• Mandated Water Conservation Brochures	\$ 2,000
• Sewer Grease Cutter Chemicals	\$ 8,500
• Partial Year Chemicals for Nitrate Plant	\$177,000
• Fire Hydrant Replacements	\$ 10,000
• Operation costs for Aquatic Center	\$ 45,000
• Main Street Program operation	\$ 69,475

Commissioner Brownlow made the motion to approve Ordinance No. 1549 to adopt the Fiscal 2010-2011 Budget.

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

TAX RATE 2010 PUBLIC HEARING

Mayor Bearden opened the meeting for a public hearing and public comment on the Tax Rate for 2010.

There was no public comment.

ORDINANCE NO. 1550

AN ORDINANCE LEVYING AD VALOREM TAXES ON ALL TAXABLE PROPERTY IN THE CITY OF VERNON, TEXAS, FOR THE YEAR 2010, FIXING THE DUE DATE AND TIME OF PAYMENT THEREOF, AND PROVIDING FOR THE COLLECTION OF TAXES, DECLARING AN EMERGENCY, AND EFFECTIVE DATE.

The effective tax rate of \$0.370683 per \$100.00 assessed valuation will raise \$59.91 more taxes for maintenance and operation than last year's tax rate.

Commissioner McCuiston made the motion to approve Ordinance No. 1550 to adopt the effective tax rate of \$0.370683.

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

ORDINANCE NO. 1551

AN ORDINANCE APPROVING THE 2010 TAX ROLL OF THE CITY OF VERNON, TEXAS AND PROVIDING FOR THE MAILING OF TAX STATEMENTS, A SAVINGS CLAUSE, A REPEALING CLAUSE, RECORDING, DECLARING AN EMERGENCY, AND AN EFFECTIVE DATE.

Commissioner McCuiston made the motion to approve Ordinance No. 1551.

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

FIRE APPARATUS BIDS

Fire Chief Smead informed the commission that they received five (5) sealed bids from four (4) apparatus vendors. The low bid of \$482,652 did not meet minimum specifications. The next lowest bid was for a 77' Quint-Intruder 2 2009 Model from Ferrara-Hall Chevrolet in the amount of \$540,826.

The lowest bid did not meet specifications for load minding alarms which are a safety feature and it would not hold all of the ladders required to lower our ISO rating.

Mr. Smead recommended accepting the \$540,826 bid from Ferrara-Hall Chevrolet. Funding is already in the budget and delivery would be approximately 240 calendar days.

Commissioner McCuiston made the motion to approve purchase of the 77' Quint from Ferrara-Hall Chevrolet for \$540,826

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

POLICE DEPARTMENT VEHICLES

Police Chief Wilson explained that two (2) Ford Explorers as provided in the 2010-2011 Budget could be purchased locally for \$22,997 each, which is \$37 per unit less than the Buy Board price. These vehicles will be used by the detectives.

Commissioner Dennis made the motion to approve the purchase of two Ford Explorers at a cost of \$22,997 each from the local Ford Dealership.

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

MEMORANDUM OF UNDERSTANDING REGARDING DISPOSAL OF TAX PROPERTY

City Manager Grant explained that he would like to propose a policy for all taxing entities to allow property that has been taken for taxes to be sold and put back on the tax roll. As a policy, the properties are sold to the highest bidder if they do not sell at the required "Sheriff's Sale".

At times the expenses against these properties, including back taxes, legal fees, court fees, mowing liens and demolition disposal costs, add up to more than the value of the property. He would like permission to negotiate with the other taxing entities and offer a memorandum of understanding that would outline a process to get these properties back on the tax rolls.

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

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

FRANCHISE FEES COLLECTED BY ATMOS

City Manager Grant recommended approving this agreement which would allow the amounts billed to and collected from customers for franchise fees be added to the revenue amount that Atmos uses to calculate the City's franchise fee payment.

Commissioner Dennis made the motion to approve the acceptance of the additional franchise fees from Atmos.

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

RESOLUTION NO. 907

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE ATMOS CITIES STEERING COMMITTEE; AND AUTHORIZING THE PAYMENT OF 2 CENTS PER CAPITA TO THE ATMOS CITIES STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ATMOS ENERGY CORPORATION

City Manager Grant explained that the Atmos Cities Steering Committee is a coalition to review the rates charged by Atmos, and allows cities to accomplish more collectively than each city could do acting alone, and recommended that the city continue membership with the Atmos Cities Steering Committee by adopting this resolution.


Commissioner McCuiston made the motion to approve Resolution No. 907.

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

ADJOURN

Commissioner McCuiston made the motion to adjourn the meeting at 8:47 p.m.

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



Jeff Bearden
Mayor

ATTEST:



Linda Byers
City Secretary