

**VERNON CITY COMMISSION
REGULAR MEETING
MAY 22, 2014**

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

Present: Mayor Joe Rogers

Commissioners: Jimmy Dennis, Ruben Hinojosa, Travis Taylor, and Pat Bryant.

Staff Present: City Manager Mitch Grant, City Prosecutor Jonathan Whittsit, Police Chief Tom Wilson, Fire Chief Kent Smead, Public Works Director Bob Cochran, Community Development Director Monica Wilkinson, Finance Director Anne Garmon, Main Street Director Dan Kelleher, EMS Director Kade Long and City Secretary Linda Byers.

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

PUBLIC COMMENT

There was not public comment.

CONSENT AGENDA

Commissioner Bryant moved the following items under the Consent Agenda are approved:

- A. Minutes of the Regular City Commission Meeting held on Tuesday, April 22, 2014, minutes of a Special Meeting held on Wednesday May 7, 2014, minutes of a Special Meeting held on Thursday May 15, 2014 and minutes of the Finance Committee Meeting held on Monday, April 21, 2014.
- B. Second Reading of Ordinance No. 1635 approving water tap and boring fees.
- C. Financial Investment Report for the month of April, 2014 with interest earned totaling \$3,076.85 and vouchers from April 1, 2014 – April 30, 2014 in the amount of \$510,355.02 and Payroll & Benefits costs totaling \$481,134.60.

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

RESOLUTION NO. 963

**A RESOLUTION APPROVING AN APPLICATION FOR
FUNDING AND AUTORIZING THE PROJECT THROUGH
THE BUSINESS DEVELOPMENT CORPORATION OF
VERNON AS AUTHORIZED BY LOCAL GOVERNMENT
CODE §505.158 TO COY'S DISCOUNT FOODS.**

Rick Hardcastle, Managing Consultant for the Business Development Corporation explained that LGC §505.158 requires City Commission approval for this grant after approval from the BDC. This is for a \$125,000 grant to Coy's Discount Foods to upgrade lighting, flooring, refrigeration cases and the front entrance. A performance agreement will be executed by the BDC which is personally guaranteed by the owners of Coy's.

Commissioner Dennis made the motion to approve Resolution No. 963 Business Development Corporation of Vernon Grant to Coy's Discount Food contingent upon a completed performance agreement.

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

RESOLUTION NO. 964

A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND AUTORIZING THE PROJECT THROUGH THE BUSINESS DEVELOPMENT CORPORATION OF VERNON AS AUTHORIZED BY LOCAL GOVERNMENT CODE §505.158 TO VERNON PLAZA THEATER.

Rick Hardcastle, Managing Consultant for the Business Development Corporation explained that this is a BDC grant to Vernon Plaza Theater in the amount of \$42,175 to upgrade projection and lighting, but does not include upgrades to seating.

Commissioner Taylor made the motion to approve Resolution No. 964 Business Development Corporation of Vernon Grant to Vernon Plaza Theater contingent upon a completed performance agreement.

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

ORDINANCE NO. 1640

AN ORDINANCE AMENDING CHAPTER 50 – TAXATION AND LICENSES – ARTICLE I. IN GENERAL, BY CREATING SECTION 50-4. CHAPTER 380 INCENTIVE POLICY FOR COMMERCIAL, RETAIL, AND INDUSTRIAL DEVELOPMENT; OF THE CODE OF ORDINANCES OF THE CITY OF VERNON, AND PROVIDING FOR A REPEALING SECTION, A SAVINGS SECTION, A RECORDING SECTION AND FOR AN EFFECTIVE DATE.

City Manager Grant explained that this Chapter 380 Policy must be in place before any agreements can be implemented. This policy contains guidelines to restrict what and how City funds can be used for development.

Digital Recording on file

Commissioner Taylor made the motion to approve Ordinance No 1640 – Government Code 380 Policy regarding business incentives.

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

**MAIN STREET FUNDING AGREEMENT WITH
VERNON PLAZA THEATER**

City Manager Grant explained that this is a \$20,000 Grant to the Vernon Plaza Theater from Main Street Funding in addition to the funding from Resolution No 964. The Main Street Committee recommends approval of the grant.

Commissioner Taylor made the motion to approve the agreement with Vernon Plaza Theater for funding from the Main Street Fund contingent upon attorney review.

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

LETTER OF INTENT REGARDING WATER PIPELINE

City Manager Grant noted that this was a non-binding letter of intent to participate in the water pipeline project discussed at the May 7 Special Meeting. The City would not be held to any amount included in the letter of intent.

City Prosecutor Jonathan Whittsit told the Commission that any agreement would be for a term of 10 years.

Discussion included different aspects of the proposal, the fact that the city uses 800 million gallons of water per year, and would save \$500,000 per year by not running the nitrate plant.

Commissioner Dennis made the motion to approve the letter of intent regarding the proposed new water pipeline with an amount of 2700 acre feet per year.

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

METEOROLOGICAL TOWER AGREEMENT

City Manager Grant explained that the City currently has an agreement for weather equipment placed on City land on CR 99. The new agreement would be for \$4,000 per month. City Prosecutor Whittsit voiced concerns over the fact that there was no limit to how many towers could be put up.

Commissioner Taylor made the motion to approve renewal of the lease of Meteorological Tower Agreement with Tower Associates contingent upon individual approval of the City Commission on any number of towers erected.

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

APPOINT MAYOR PRO-TEM

Commissioner Taylor nominated Commissioner Taylor out of respect to his tenure on the Commission. Commissioner Hinojosa nominated Commissioner Bryant.

In an individual voice vote Commissioner Bryant, Commissioner Hinojosa and Mayor Rogers voted for Commissioner Bryant. Commissioner Dennis and Commissioner Taylor voted for Commissioner Taylor.

Commissioner Bryant was voted Mayor Pro-Tem.

RESOLUTION NO. 962

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF VERNON, TEXAS, DENYING THE RATE INCREASE REQUESTED BY ATMOS ENERGY CORP., MID-TEX DIVISION UNDER THE COMPANY'S 2014 ANNUAL RATE REVIEW MECHANISM FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES PERTAINING TO REVIEW OF THE RRM; AUTHORIZING THE CITY'S PARTICIPATION WITH ATMOS CITIES STEERING COMMITTEE IN ANY APPEAL FILED AT THE RAILROAD COMMISSION OF TEXAS BY THE COMPANY; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES IN ANY SUCH APPEAL TO THE RAILROAD COMMISSION; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE STEERING COMMITTEE'S LEGAL COUNSEL

City Manager Grant explained that this resolution is to deny a rate increase requested by Atmos Energy Corporation. The City is in a consortium with 124 other cities in the Atmos Cities Steering Committee who have also denied the requested rate increase.

Commissioner Dennis made the motion to approve Resolution No. 962 denying the Atmos gas rate increase under the second annual Rate Review Mechanism.

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

PLANNING & ZONING COMMISSION BOARD APPOINTMENT

City Manager Grant informed the Commission that Gib Baskerville is resigning from the Board. The only application received is from Charles McArthur.

Commissioner Taylor made the motion to approve the nomination of Charles McArthur to fill the vacancy on the Planning & Zoning Commission.

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

HOUSING AUTHORITY BOARD APPOINTMENT

City Manager Grant explained that the Housing Authority is Federally owned property managed by a Board appointed by the City Commission. The vacant Board position is for a resident Board member and Debra Varela has been nominated by the Housing Authority Director.

Commissioner Hinojosa made the motion to approve the appointment of Debra Varela to the Vernon Housing Authority Board.

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

RESOLUTION NO. 969

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF VERNON, TEXAS, THAT AUTHORIZES THE CITY OF VERNON INVESTMENT POLICY AND PROVIDING FOR RECORDING AND AN EFFECTIVE DATE.

City Manager Grant explained that the City Investment Policy is approved annually.

Commissioner Dennis made the motion to approve Resolution No. 969 regarding the Investment Policy.

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

ORDINANCE NO. 1637

AN ORDINANCE EXTENDING SECTION 36-11 "CURFEW HOURS FOR MINORS" OF THE CODE OF ORDINANCES OF THE CITY OF VERNON, TEXAS, PROVIDING FOR A PENALTY, PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE, PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

Digital Recording on file

Police Chief Wilson explained that this ordinance has been in the City Code of Ordinance for many years, but requires re-adoption every three years.

Commissioner Taylor made the motion to approve Ordinance No. 1637 renewing curfew regulations.

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

ORDINANCE NO. 1639

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF VERNON, TEXAS, APPROVING THE SALE OF THE PROPERTY AT 2120 MAIDEN STREET. APPROVING THE SALES PRICE, AND REQUIRING THAT DELIVERY OF THE PROPERTY BE EXECUTED TO THE PERSON NAMED BELOW

City Manager Grant explained that this is property that did not sell at the Sheriffs Sale because the minimum bid was so high. It has been on the City rolls for less than one year and the bid received directly with our tax attorneys is \$500. The Commission has the option to accept the bid received, open the bids up to anyone, or deny the bid.

Following a short discussion, Commissioner Taylor made the motion to deny the sale of 2120 Maiden and reopen the property to sealed bids.

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

ORDINANCE NO. #1638

AN ORDINANCE AMENDING ARTICLE IV, DISCHARGE OF INDUSTRIAL WASTES OF CHAPTER 54 - UTILITIES, SECTIONS 54-89; 54-90; 54-94; 54-99; 54-100 AND 54-106; OF THE CODE OF ORDINANCES OF THE CITY OF VERNON; AND PROVIDING FOR PENALTIES, A REPEALING SECTION, A SAVINGS SECTION, A RECORDING SECTION AND FOR AN EFFECTIVE DATE.

City Manager Grant explained that this ordinance is driven by Federal and State regulations concerning what goes into the Wastewater Treatment Plant, and the City has been working diligently with local industry to protect our interests and City/Industry concerns and State/Federal regulations need to be balanced, but the requirements of the Texas Commission on Environmental Quality requires approval of this ordinance and application to TCEQ by mid-July.

Digital Recording on file

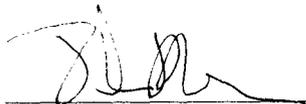
Following discussion, Commissioner Taylor made the motion to approve first reading of Ordinance No. 1638 amending Industrial Waste Regulations with the stipulation that the City staff work with engineers and negotiate with industry contingent upon reaching mutual agreement for final regulations.

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

ADJOURN

Commissioner Dennis made the motion to adjourn the meeting at 7:40 p.m.

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



Joe Rogers
Mayor

ATTEST:



Linda Byers
City Secretary