

**VERNON CITY COMMISSION
REGULAR MEETING
JUNE 23, 2015**

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

Present: Mayor Joe Rogers

Commissioners: Danny McMahan, Ruben Hinojosa, Travis Taylor, and Britt Ferguson.

Staff Present: City Manager Joseph Jarosek, City Attorney Jonathan Whitsitt, Police Chief Tom Wilson, Fire Chief Kade Long, Finance Director Anne Garmon, Public Works Director Darell Kennon, Community Development Director Monica Wilkinson, and City Secretary Linda Byers.

Commissioner Ferguson led the group in the Invocation and the Pledge of Allegiance to the U.S. and Texas flags.

PUBLIC COMMENT

James Waterson – Representing Wood Street Baptist Church requested street closing for the safety of their kids.

Molly Baldwin conveyed thanks to the Commission for the hours that they put in and appreciation of them taking care of all of the citizens as a whole. She also voiced appreciation of the police department.

CONSENT AGENDA

Commissioner Hinojosa made the motion to approve the consent agenda.

- A. Minutes: Attached are copies of the Regular City Commission Meeting held on Tuesday, May 26, 2015; the Special City Commission Meeting held on Monday, June 15, 2015; and Minutes of the Finance Meeting held on Tuesday, May 26, 2015.
- B. Second Reading of Ordinance No. 1666 Approving a Negotiated Settlement and the Rate Review Mechanism (RRM) with Atmos Energy Mid-Tex Division.
- C. Contract between LexisNexis Claims Solution and the Police Department.
- D. Financial Investment Report, Vouchers, and Payroll & Benefit Expense. May 1, 2015 – May 31, 2015.

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

WILBARGER COUNTY APPRAISAL DISTRICT BUDGET

Sandy Burkett, Chief Appraiser informed the Commission of the Appraisal District Budget Hearing on August 4 at 6:00 pm. The City share of the Appraisal Budget will increase \$2,815. The FY2015-2016 Budget includes increases for an additional employee and an increase to Pritchard & Abbott for appraisal services.

Digital Recording on file

There was discussion concerning the additional staff position.

Commissioner Hinojosa made the motion to approve the Wilbarger County Appraisal District Budget.

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

RESOLUTION NO. 988

**A RESOLUTION OF THE CITY OF VERNON
AUTHORIZING THE CLOSURE OF DEAN STREET
BETWEEN WHEELER STREET AND WOOD STREET FOR
TWO HOURS EACH WEDNESDAY AND PROVIDING FOR
AN EFFECTIVE DATE.**

James Waterson explained the need to have crosswalks instead of closing the street. Church will pay for "Children at Play" signs.

City Attorney Whitsitt noted that the Commission could address the Resolution at this time, and have the City Manager get crosswalks painted at later date.

Commissioner Taylor made the motion to approve Resolution No. 988 – Road Closure for Wood Street Baptist Church.

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

ORDINANCE NO. 1668

**AN ORDINANCE OF THE CITY COMMISSION OF THE
CITY OF VERNON, TEXAS, APPROVING THE SALE OF
THE PROPERTY AT 2005 CANAL STREET, 1411 EAGLE
STREET AND 2400 MAIDEN STREET, APPROVING THE
SALES PRICE, AND REQUIRING THAT DELIVERY OF
THE PROPERTY BE EXECUTED TO THE PERSON
NAMED BELOW**

City Secretary Byers explained that there have been three bids received for 2005 Canal, including a bid received today for \$5,500.

Community Development Director Wilkinson explained the process of tax sales.

Commissioner Hinojosa made the motion to approve Ordinance No. 1668 – Sale of 2005 Canal Street, 1411 Eagle Street and 2400 Maiden Street, with the adjusted price of \$5,500 for Lots 5 and Lots 6 at 2005 Canal Street.

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

Digital Recording on file

**PUBLIC HEARING PARTIALLY CLOSE A PORTION
OF ANTELOPE STREET NORTH OF MILL STREET**

Mayor Rogers opened the Public Hearing.

Paula Bailey owns a home at the end of Antelope Street behind Tyson Foods. This street is her only way in and out of her property, and narrowing the road limits access to her property.

Dan Bonfy, the Tyson Plant Manager, explained that Tyson is asking to cut the street down to 14 feet to enlarge the water treatment facility.

City Manager Jarosek explained the minimum width of a two way street. Fourteen feet would be a one-way street. City Attorney Whitsitt will get an answer about the minimum street width before second reading.

Mayor Rogers closed the Public Hearing.

ORDINANCE NO. 1669

AN ORDINANCE DETERMINING LACK OF PUBLIC NECESSITY FOR A PORTION OF ANTELOPE STREET'S RIGHT-OF-WAY; VACATING AND ABANDONING SAID PORTION OF ANTELOPE STREET'S RIGHT-OF-WAY; AND PROVIDING FOR REPEALING, SEVERABILITY, RECORDING AND AN EFFECTIVE DATE.

Commissioner McMahan made the motion to approve First Reading of Ordinance No. 1669 - Request from Tyson Prepared Foods, Inc. to Partially Close a Portion of Antelope Street North of Mill Street and South of the BNSF Railroad.

Commissioner Hinojosa seconded the motion, which passed by a vote of 4-1, with Commissioner Ferguson voting against.

**CHANGES IN THE PERSONNEL POLICY MANUAL FOR POLICY ON
POLITICAL ACTIVITY AND SOCIAL MEDIA USE.**

City Manager Jarosek explained that this Personnel Policy change addresses city employees' political involvement with municipal office candidates and the use of social media and identification with the City. The policy change will prevent patronage and eliminates unauthorized dissemination of information by the City employees. City Attorney Whitsitt researched wording for the policy change.

There was discussion of Facebook activity which is not included in the policy changes, and the First Amendment Rights of employees.

Commissioner Hinojosa made the motion to approve changes in the Personnel Policy Manual for Policy on Political Activity and Social Media Use.

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

RESOLUTION NO. 983

**A RESOLUTION OF THE CITY COMMISSION OF
THE CITY OF VERNON, TEXAS, THAT
AUTHORIZES THE REPLACEMENT OF THE
EMPLOYEES BENEFIT TRUST AGREEMENT AND
DECLARATION OF TRUST.**

City Manager Jarosek explained that this Resolution is in response to instructions from the Commission earlier this year and formalizing action that was taken to use Employee Benefit Trust Fund money to fund other City activities.

Commissioner Taylor made the motion to approve Resolution No. 983 - Amending Employee Benefit Trust Agreement.

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

TERMS OF NOTE TO REPAY EMPLOYEE BENEFIT TRUST

City Manager Jarosek explained that this is the instrument to approve terms of the note to repay funds borrowed from the Employee Benefit Trust. City Attorney Whitsitt noted that this is a Promissory Note, and any pre-payment before the first monthly installment in October, 2015 will be applied to the principle of the note.

Commissioner Hinojosa made the motion to approve terms of note to repay Employee Benefit Trust and authorize pre-payment of the loan principal in the event of extraordinary claims in the Employee Benefit Trust Fund.

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

REFINANCING OF CERTAIN NON-BOND DEBT

City Manager Jarosek and Finance Director Garmon explained that following research by staff and Request for Proposals, to which there were no complete responses, it was determined that there was no economy gained by refinancing other than the debt incurred on the Quint Fire Truck.

The Herring Bank proposed to refinance the Quint at a fixed rate of 2.5% for the first five years of the loan and a fixed rate of 3.00% for the second five years.

It was also noted that bond counsel to the City advises against borrowing from Fund 80 Electric Trust Principal's \$2.8M balance to refinance non-bond debt.

Digital Recording on file

Commissioner McMahan made the motion to approve refinancing of certain non-bond debt.

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

MANDATED WORKERS COMPENSATION FUNDING

City Manager Jarosek explained that the City has received an unbudgeted bill of more than \$143,000 from the Texas Municipal League Intergovernmental Risk Pool (TML IRP) for a workers compensation claim dating back to April, 2015 when our deductible was \$250,000. There is insufficient cash in Fund 93 WC to pay this extraordinary claim. The deductibles have been corrected to a more manageable \$25,000, but we are still responsible for this unbudgeted \$143K claim. TML IRP has agreed to a 16-month payment schedule with \$1000 per month payments through September, 2015 and then budget for the payments in our FY2015-2016 budget.

Commissioner Taylor made the motion to approve mandated Workers Compensation Funding.

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

ORDINANCE NO. 1667

**AMENDING THE BUDGET FOR THE FISCAL YEAR
OCTOBER 1, 2014, AND THROUGH SEPTEMBER 30, 2015,
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 Jarosek noted that ending fund balances are best guess estimates at this point, but the City will continue to see results of increased rates and department budget cuts. There will be another final budget amendment before year end.

Finance Director Garmon explained that Enterprise Fund revenues were forecast much lower for realistic billing, and some line items had to be forecast higher for realistic operational needs. General Fund expenses were raised \$10,000 to transfer to Fund 93 Workers Comp. Revenues were forecast conservatively and expenditures were forecast realistically.

Commissioner Taylor made the motion to approve Ordinance No. 1667 Amending FY2014-2015 Annual Budget.

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

BUDGET OBJECTIVES FOR FISCAL 2015-2016

City Manager Jarosek discussed the capital improvement plan, noting that the City has voluminous capital needs in excess of maintenance and operation, and these needs should be considered in budget decisions. The preliminary budget schedule was also discussed and more certain dates will be determined by the July Regular Meeting.

City Manager Jarosek stressed that our infrastructure is in dire need of updating and we need a long term plan to reach those needs.

Mayor Rogers stated that there should be no salary increases if we cannot afford them, and the City needs to both increase revenue and decrease expenses.

RESCHEDULING JULY REGULAR CITY COMMISSION MEETING

No action was taken to reschedule the July Regular City Commission Meeting.

EXECUTIVE SESSION

Commissioner McMahan made the motion to enter Executive Session at 8:18 p.m. under Government Code Section 551.074 – Deliberation concerning Personnel – Tourism and Main Street.

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

RESUME REGULAR SESSION

Commissioner McMahan made the motion to resume regular session at 8:45 p.m.

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

ACTION FOLLOWING EXECUTIVE SESSION

There was no action following Executive Session.

EXECUTIVE SESSION

Commissioner Hinojosa made the motion to enter Executive Session at 8:47 p.m. under Government Code Section 551.072 – Deliberation concerning Real Property – Proposed sale of certain buildings and Real Property.

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

Digital Recording on file

RESUME REGULAR SESSION

Commissioner McMahan made the motion to resume regular session at 9:08 p.m.

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

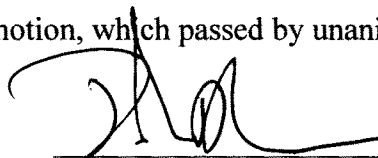
ACTION FOLLOWING EXECUTIVE SESSION

There was no action following Executive Session.

ADJOURN

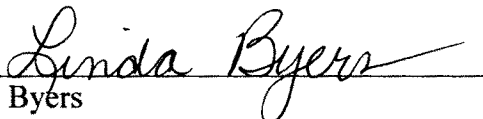
Commissioner Hinojosa made the motion to adjourn the meeting at 9:11 p.m.

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



Joe Rogers
Mayor

ATTEST:



Linda Byers
City Secretary