

**VERNON CITY COMMISSION
SPECIAL MEETING
SEPTEMBER 9, 2015**

Mayor Joe Rogers called the Special Meeting of the Vernon City Commission to order at 5:30 pm at City Commission Chambers, and a quorum was declared present.

Present: Mayor Joe Rogers

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

Staff Present: City Manager Joe Jarosek, Police Chief Tom Wilson, Public Works Director Darell Kennon, Finance Director Anne Garmon, Community Development Director Monica Wilkinson, Municipal Judge Lori Adams and City Secretary Linda Byers.

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

PUBLIC HEARING ON TAX INCREASE PROPOSAL

Mayor Rogers opened the Public Hearing:

Jimmy Baldwin was concerned about the tax increase, but requests additional code enforcement on properties that do not mow their lots. He requested more representation for the additional taxation.

Sonny Coffee noted that there are a lot of elderly people who cannot pay the tax increase, which will lead to more delinquent taxes. He suggests adopting a rate with a \$0.10 reduction.

Randy Boyd pointed out that the City did not get here overnight and should not try to get out of it in just one year.

Pay Bryant complained that the advertised positions starting salary is too high with benefits.

J.W. Brackeen noted that parts of town are getting in bad shape. Taxpayers are being burdened with devaluation of property and higher taxes. He encouraged the Commission to sharpen their pencils on budget cuts, and do not put the entire burden on taxpayer.

Mike Bauman also complained that the appraised value of property is inflated, and increased taxation will put pressure on people with a fixed income.

Charles McArthur pointed out that there are problems with the weeds all over town. Citizens should help by pitching in and get out and do something for their neighbors. He does not like additional taxes, but we have to do something.

Sherry Yoakum praised the Commission for taking a hard stance. Our rate is not as high as surrounding cities, and she appreciates what they have done.

With no further comments, Mayor Rogers closed the public hearing.

FY 2015-2016 BUDGET WORK SESSION

City Manager Jarosek explained the changes to the budget from the August 25th Regular Meeting in which the staff was directed to make additional budget cuts.

Those cuts as outlined in Exhibit A totaled \$286,161 and include:

- Paving - \$225,000
- Building Generator for the Fire Department - \$17,500
- Software for Purchase Orders - \$12,100
- Bar Screen at Wastewater Plant - \$238,000
- Generator at Wastewater Plant - \$20,000
- Increase cost for additional water purchases \$237,250
- Additional increases and decreases to more closely meet need.

Mr. Jarosek clarified how the I&S levy would be accounted for at a 94% collection rate with \$572,401 dedicated to the Enterprise Fund debt and \$103,315 to be deposited into the Debt Service Fund to pay the bond for the Fire Station and Aquatic Center.

This budget includes ninety staff positions, with one added in the Street Department and one in the Water Department in this budget to replace positions that were frozen in April.

Mr. Jarosek also reviewed the proposed net income in Budget Version 5F which will provide additional fund balance of \$184,937 in General Fund and \$63,681 in Enterprise Fund.

Fund transfers from Enterprise Fund of \$796,402 are required in order to compensate the General Fund expenses that exceed General Fund revenues.

There was discussion of the percentage of payroll and benefit costs in the current budget; street paving was removed from this version of the budget but materials were included for street repairs; the need for improvements at the Nitrate Plant to enable the City to produce additional water; and including cost of additional water purchases for future needs.

City Manager Jarosek noted that the budget has been cut as much as it could be and still maintain services. The tax increase is needed to maintain these services. This budget is very lean. No raises were proposed, retirement benefits decreased but the cost health insurance increased. We are in the process of seeking new proposals for health care, and if a lower cost is found, it will be implemented in the budget. There was discussion of the cost of the Affordable Care Act and the need to maintain fund balance and the danger of continuing to delay replacing capital improvements such as police cars and street improvements.

Mayor Rogers suggested negotiating with Wilbarger County to help cover the cost of Fire Protection in the County.

There followed extended discussion of the options that might be suggested to the County concerning the total cost of fire protection. The Fire Department budget is \$1.4 million and the County only pays \$12,000 of that cost.

Digital Recording on file

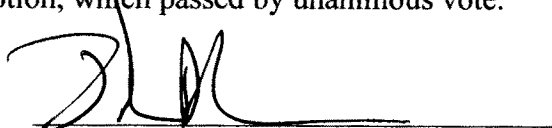
There were also questions and discussion of the Hotel Tax Funds budget, payments to outside agencies, and the cost of providing lights at the school tennis courts and the possibility of Vernon ISD paying part of this cost.

All Commission members approved of the cuts that had been made and accepted Version 5F as the working budget for Fiscal Year 2015-2016.

ADJOURN

Commissioner Hinojosa made the motion to adjourn the meeting at 6:38 p.m.

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



Joe Rogers
Mayor

ATTEST:

Linda Byers
City Secretary