

**VERNON CITY COMMISSION
REGULAR MEETING
FEBRUARY 23, 2016**

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: Ruben Hinojosa, Travis Taylor and Britt Ferguson.

Staff Present: City Manager Joseph Jarosek, City Prosecutor Jonathan Whitsitt, Police Chief Tom Wilson, Fire Chief Marcus Smith, Public Works Director Darell Kennon, Finance Director Anne Garmon, Community Development Director Monica Wilkinson, Tourism and Main Street Director Brandy McIntyre and City Secretary Linda Byers.

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

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

Commissioner Hinojosa made the motion to approve the consent agenda.

- A. Minutes of the Regular City Commission Meeting held on Tuesday, January 26, 2016; Minutes of a Special City Commission Meeting held on Tuesday, February 2, 2016; Minutes of a Special City Commission Meeting held on February 9, 2016; and Minutes of the Finance Meeting held on Monday, January 25, 2016.
- B. Second and Final Reading of Ordinance #1677 for a Zoning Change Request by the RFJ Auto Properties, LLC to Change the Zoning of Lots 1-5, 15-19 Block 4 of the Pettit's Highway Addition and Lots 5&6 of the Scurlock & Lorance Addition to the City of Vernon from Single Family Residential (R-2) to Convenience Commercial (C-C).
- C. Second and Final Reading of Ordinance No. 1678 Clarifying the Language on Sewer Volume Billing.
- D. Second and Final Reading of Ordinance No. 1679 for the Sale of Tax Property located at 2005 Canal Street and 1614 London Street.
- E. Second and Final Reading of Ordinance No. 1680 Amending FY 2015-2016 Budget.
- F. Payment to Edgin, Parkman, Fleming & Fleming for FY2016 Financial Audit in the Amount of \$19,000.
- G. Financial Investment Report, Vouchers, and Payroll & Benefit Expense. January 1, 2016 – January 31, 2016.

Digital Recording on file

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

PUBLIC HEARING

Mayor Rogers opened the public hearing to consider a Residential Replat Request by RFJ Auto Properties, LLC for Vernon Auto Addition to the City of Vernon.

City Manager Jarosek explained that RFJ Auto Properties is proposing to develop this property for a new auto dealership. The second reading of the zoning change was approved in the consent agenda. This Vernon Auto Addition to the City of Vernon replats portions of residential subdivisions therefore a public hearing is required. Two previously dedicated but undeveloped street portions are vacated on this plat as well as one dedicated but undeveloped alley. Two utility easements are dedicated on this replat.

Project Manager Jay Reissig noted that the project would all be concrete with two entrances from the highway frontage road and a driveway exit on Lorance Street.

With no other public comment, Mayor Rogers closed the public hearing.

ORDINANCE NO. 1682

AN ORDINANCE DETERMINING LACK OF PUBLIC NECESSITY FOR A PORTION OF TWO PREVIOUSLY PLATTED BUT UNDEVELOPED STREET RIGHT-OF-WAYS AND A PORTION OF ONE PREVIOUSLY PLATTED BUT UNDEVELOPED ALLEY RIGHT-OF-WAY; VACATING AND ABANDONING SAID PORTIONS OF THE STREET & ALLEY RIGHT-OF-WAYS; APPROVING THESE CHANGES AS PRESENTED IN THE VERNON AUTO ADDITION TO THE CITY OF VERNON PLAT AND PROVIDING FOR REPEALING, SEPARABILITY, RECORDING AND AN EFFECTIVE DATE.

Commissioner Taylor made the motion to approve Ordinance No. 1682 regarding residential replat request by RFJ Auto Properties, LLC for Vernon Auto Addition to the City of Vernon.

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

Agenda Item 10 was moved up for consideration.

ORDINANCE NO. 1684

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF VERNON TEXAS, AUTHORIZING BUDGET AMENDMENT NUMBER 2 TO THE FY 2015-2016 OPERATING BUDGET

Tourism and Main Street Director McIntyre explained that the Tourism Advisory Board approved the request from the Santa Rosa Rodeo Association to pay \$100,000 for the purchase of the Santa Rosa Rodeo Grounds and recommended that the FY2015-2016 Budget for the Hotel Tax Funds be amended to include the \$100,000 payment for the purchase of the said property.

City Prosecutor Whitsitt asked if the Santa Rosa Rodeo Association was a 501(C)3 entity, and was informed that they were. There followed discussion about setting a Special City Commission Meeting on Monday, February 29 for second reading of this Ordinance so that the rodeo association would be able to meet deadlines for purchase of the property and scheduling of the rodeo.

Commissioner Taylor made the motion to approve payment of funds to the Santa Rosa Rodeo Association for purchase of Santa Rosa Rodeo Grounds and approve Ordinance No. 1684 amending FY2016 HOT Funds Budget.

Commissioner Ferguson abstained due to conflict of interest.

Commissioner Hinojosa seconded the motion, which passed by unanimous vote with two Commissioners and Mayor Rogers voting for approval.

AUDITED FY 2014-2015 YEAR END FINANCIAL REPORT

Mike Edgin, with the audit firm of Edgin, Parkman, Fleming and Fleming praised the City for addressing each of the prior year's management letter comments:

- Budget Variances – there were only one minor budget variance in FY2015.
- Material Audit Adjustments – Last year the audit adjustments were noted as a material weakness, and this year there was only four material adjustments which were noted in the Financial Statements.
- Administrative Services- A recommendation was made last year to review the methodology to ensure that administrative transfers were realistic and based on known facts, and this was implemented in 2015 so that administrative transfers were reduced to a realistic amount of \$281,405.
- Accounts Receivable – During 2015 the City developed a formal procedure for writing off old balances after all collection efforts have been exhausted. This procedure reduced the amount of receivables.
- Employee Benefit Trust – During the year the City amended the Trust Agreement to specifically allow excess monies to be loaned and prepared and executed a note agreement documenting the loan including repayment terms and interest rate.
- Electric Trust Principal – The City reviewed the recommendation to use these funds to pay down the City's debt and decided not to pursue it at this time.
- Financial Concerns – The City made substantial changes to its operations including increasing the M&O tax rate, increasing water and sewer rates twice during the year

and reducing the number of personnel, travel costs, etc. Because of these changes the City's financial position dramatically improved:

- ✓ The General Fund balance increased a total of \$209,599.
- ✓ General Fund expenditures exceeded revenues by \$396,596 less than in the prior year.
- ✓ General Fund Transfers in decreased by \$367,531.
- ✓ Utility Fund generated income before transfers of \$2,814,393 compared to \$913,307 in FY2014.
- ✓ Net position increased \$1,619,672 during FY2015.

Mr. Edgin noted that the Financial Statements received a clean opinion, but pointed out the new Governmental Accounting Standards Board requirement to report the city's net pension liability which totaled \$5,276,050.

The City was required to have a single audit in FY2015 since we received federal awards in excess of \$500,000. The Schedule of Expenditures of Federal Awards received a modified opinion with one finding on a material audit adjustment.

Mr. Edgin recommended that the city make even fewer transfers in from the Utility Fund to the General Fund and work with the consulting firm to make sure that interim statements are as clean as possible and he encouraged the city to continue to increase the M&O tax rate to allow General Fund to operate without transfers in from the Utility Fund.

Commissioner Taylor made the motion to approve Audited FY 2014-2015 Year End Financial Report.

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

ORDINANCE NO. #1681

AN ORDINANCE ACCEPTING THE EXCLUSIVE FRANCHISE AGREEMENT FOR THE COLLECTION, HAULING, RECYCLING AND DISPOSAL OF MUNICIPAL SOLID WASTE, RECYCLABLE MATERIALS, AND CONSTRUCTION AND DEMOLITION WASTE; AND AMENDING SECTION 26-28; SECTION 26-34; AND ADDING SECTION 26-36(e) OF ARTICLE II, COLLECTION AND REMOVAL SERVICES OF CHAPTER 26 – GARBAGE AND TRASH, 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 Jarosek explained that the current Franchise Agreement would expire March 31, 2016, and that a Notice of Termination had been provided to Progressive Waste Solutions one hundred eighty (180) days prior to the end of the contract as required so that the City would not be subject to an automatic five-year rollover of the current contract that contained

provisions that were unfavorable to the City. Proposals were sent to four vendors, but Progressive Waste Solutions was the sole respondent.

The proposal from Progressive included a new six percent (6%) franchise fee for twenty yard roll-off containers and a \$1.00 per ton fee for all trash brought to the transfer station that is not generated by the City. The proposed rates for residential and commercial customers will not change now or within the first year of the contract, except for roll-off services which are being added to the current ordinances.

There was extensive discussion of the franchise agreement negotiations and the proposed ordinance changes.

Commissioner Hinojosa made the motion to approve Franchise Agreement with Progressive Waste Solutions and approve Ordinance No. 1681 accepting Franchise Agreement and amending residential trash collection and disposal user fees.

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

ORDINANCE NO. 1683

AN ORDINANCE OF THE CITY OF VERNON, TEXAS AMENDING CHAPTER 20 FEES; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING FOR RECORDING AND AN EFFECTIVE DATE.

City Manager Jarosek noted that customers have repeatedly requested the ability to pay by credit card. Waggoner National Bank has recommended Texas Independent Bank for those services. He also noted that Cities are allowed to assess a fee to defray the cost of credit card processing, and the goal was to make this process budget neutral.

Commissioner Taylor made the motion to approve application for credit card processing for all collections and approve Ordinance No. 1683 amending Chapter 20 – Fees to Defray Cost of Credit/Debit Card Processing but amending Section 1b to read \$0.15.

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

RESOLUTION NO. 994

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF VERNON, TEXAS AUTHORIZING SUBMISSION OF A GRANT APPLICATION FOR THE OFFICE OF THE GOVERNOR CRIMINAL JUSTICE DIVISION BODY WORN CAMERA FUNDING PROJECT

Digital Recording on file

City Manager Jarosek explained that the City would be required to match up to \$3,163.50 (25%) to obtain this grant, and those funds are already in the budget.

Commissioner Taylor made the motion to approve Resolution No. 994 approving submission of grant application for the Criminal Justice Division Body Worn Camera Project and naming the Chief of Police as the authorized official.

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

INTENDED USE PLAN TO THE TEXAS WATER DEVELOPMENT BOARD

City Manager Jarosek explained that the Texas Water Development Board has low interest loans and possible loan forgiveness through their "Clean Water State Revolving Fund" for wastewater plant repairs and the "Drinking Water State Revolving Fund for water projects such as water line replacement.

We have applied for these funds before, and if approved, we would not receive funding until 2017, and we would not be penalized if we did not accept the grant once approved, but application must be made by May 1.

Commissioner Hinojosa made the motion to approve submission of the "Intended Use Plan" to the Texas Water Development Board to obtain possible funding.

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

PURCHASE OF PARKS DEPARTMENT MOWER

City Manager Jarosek explained that the budget provides \$14,000 for the purchase of a new mower to replace the 11 year old mower in the Parks Department. Of the proposals received, the Grasshopper mower at a price of \$13,938.75 was the best.

Commissioner Taylor made the motion to approve purchase of Parks Department mower at a cost of \$13,938.75.

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

ADVERTISING AGREEMENT WITH VERNON DAILY RECORD

City Manager Jarosek explained that the current budget did not contain enough funds to cover the proposed advertising. This agreement with the Vernon Daily Record will reduce the cost of legal and public notices by nearly half, but \$4,725 will be in the FY2015-2016 budget and \$3,375 would need to be budgeted in the FY2016-2017 Budget.

Digital Recording on file

Future Budget Amendments will amend each departments legal notice budgets into one budget item.

Commissioner Hinojosa made the motion to approve advertising agreement with Vernon Daily Record.

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

PLANNING AND ZONING COMMISSION APPOINTMENTS

Commissioner Taylor made the motion to approve reappointment of Sandra Holley, Donna Stribling and Maurice Rosalez to Two-Year Terms on Planning and Zoning Commission.

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

BOARD OF ADJUSTMENT APPOINTMENTS

Commissioner Hinojosa made the motion to approve reappointment of Ricky Graf, Tip Igou, Cory Curtis and Pete Guerrero to two year terms on the Board of Adjustment.

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

MAIN STREET BOARD APPOINTMENT

Commissioner Taylor made the motion to approve appointment of Jamie Chapman to the Main Street Board for a term ending December 31, 2018.

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

MOVING CONTROL OF ANIMAL CONTROL SERVICES

City Manager Jarosek explained that animal control calls and complaints are generated from the Police Department and activities would be more efficient and economical from the Police Department. If approved, budget transfers would be done at a later date.

Commissioner Taylor made the motion to approve moving control of Animal Control Services to the Police Department.

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

FIRE AND EMS DEPARTMENT STAFFING

Fire Chief Smith presented information to the Commission explaining that the Fire/EMS Department was governed by rules of the Texas Department of State Health Services (DSHS), Texas Commission on Fire Protection (TCFP), and the National Fire Protection Agency (NFPA) as well as the Texas Administrative Code.

He also outlined the requirements for the number of firefighters on scene before going into a building and the required response time; the reserve firefighter response and training requirements and training availability.

Chief Smith asked for permission to apply for a Federal Emergency Management Agency SAFER grant to increase staffing. The grant would be for two years and provide 100% cost for six additional firefighters.

There was discussion of the two year grant period, minimum staffing, recruiting of reserve firefighters and the need for a Fire Protection Agreement with Wilbarger County. No consensus was reached.

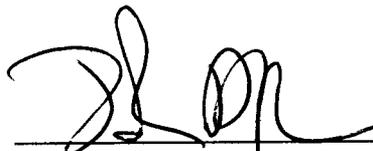
SALE OF THE GIBSON BUILDING

City Manager Jarosek explained that there were no bids received and no action required.

ADJOURN

Commissioner Taylor made the motion to adjourn the meeting at 8:35 p.m.

Commissioner Ferguson seconded the motion which passed by unanimous vote.



Joe Rogers
Mayor

ATTEST:



Linda Byers
City Secretary