

**VERNON CITY COMMISSION
REGULAR MEETING
APRIL 26, 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 J.J. Oznick, Public Works Director Darell Kennon, Finance Director Anne Garmon, Community Development Director Monica Wilkinson, and City Secretary Linda Byers.

RECESS MEETING

The threatened storms were discussed and Commissioner Taylor made the motion to recess the meeting until 8:00 pm.

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

RECONVENE MEETING

Mayor Joe Rogers reconvened the Regular Meeting of the Vernon City Commission at 8:00 p.m. in City Hall, and a quorum was declared present.

Mayor Rogers led the group in the Invocation and the Pledge of Allegiance to the U.S. and Texas flags.

Due to the delay in the meeting, by consent of the Commission members, the agenda order will be changed to allow citizens input on items of interest.

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

Agenda Item No. 3:
Commissioner Taylor made the motion to approve the consent agenda.

Digital Recording on file

- A. Approve Minutes: Attached are Minutes of the Regular City Commission Meeting held on Tuesday, March 29, 2016 and Minutes of the Finance Meeting held on Monday, March 28, 2016.
- B. Approve Financial Investment Report, Vouchers, and Payroll & Benefit Expense. March 1, 2016 – March 31, 2016.

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

PRESENTATION CONCERNING COMMUNITY GARDEN

Agenda Item No. 5:

Robert Thomas with the Town North Community Center would like to start a community garden to unify and beautify North Vernon. Kim Arnold has donated land for use as a garden. The proposal will be for sixteen plots, 20x40 each, separated by railroad ties. Mr. Thomas would like for the city to help sponsor the project by donating water, fencing, gravel and a shed. Cost estimate on the fencing is \$2500.00. The cost of a shed would be \$895 for an 8x12 plus the cost of the concrete.

There was discussion concerning the need for additional information on cost and the use of or lease of land owned by someone else.

RELINQUISHING OF GRAVEL LEASE

Agenda Item No. 8:

City Manager Jarosek explained that the City had an agreement dated June 14, 1957 to purchase clay, gravel, rock and dirt on property recently purchased by John and Meredith Wright. The City has not taken any material from that property in over twenty-five years, and staff has determined that the area will no longer yield any useful material. Staff recommends release of this agreement.

Commissioner Taylor made the motion to approve relinquishing of Gravel Lease to John T. Wright and Meredith A Wright.

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

ORDINANCE NO. 1685

AN ORDINANCE AMENDING SECTION 26-28 TRANSFER STATION AND CONVENIENCE STATION USER FEES 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.

Agenda Item No. 11:

Digital Recording on file

City Manager Jarosek explained that during contract negotiations with Progressive Waste Solutions there was discussion of the rates at the transfer station and the convenience station fees, but staff was concerned that the increase in rates would cause illegal dumping. The subsequent contract exchanges did not include the rate sheet for the transfer station and convenience station fees.

After second reading of the ordinance to accept the franchise agreement and adopt rates, we received notification from Progressive Waste Solutions that the rates adopted are below their cost for handling specific types of refuse. This proposed ordinance contains negotiated rates for consideration.

There was discussion of the contract negotiations and a different means to dispose of tires by shredding them.

Commissioner Hinojosa made the motion to approve Ordinance No. 1685 Amending Transfer Station and Convenience Station User Fees.

Commissioner Taylor seconded the motion. The vote was two in favor and two against, with Mayor Rogers and Commissioner Ferguson voting against.

Motion fails for lack of a majority vote.

EXECUTIVE SESSION
DELIBERATION CONCERNING REAL PROPERTY - WATER.

Agenda Item No. 17:

Commissioner Hinojosa made the motion to enter Executive Session – Government Code, Title 5, Chapter 551- Section 551.072 – Deliberation Concerning Real Property – Water at 8:35 pm.

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

RESUME REGULAR SESSION

Commissioner Ferguson made the motion to resume regular session at 9:11 pm.

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

EXECUTION OF GROUNDWATER LEASE

Agenda Item No. 18:

Commissioner Hinojosa made the motion to approve execution of Groundwater Lease with West Acres, LLC.

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

CONTRACT FOR ENGINEERING SERVICES

Agenda Item No. 19:

City Manager Jarosek and Charles Keith with Jacob & Martin, LLC explained that this engineering contract is to develop the West Acres, LLC wells for municipal use and Texas Commission on Environmental Quality approval. This will be a phased in project.

There was discussion of the phases of the project and that the contract would be billed by phase.

Commissioner Hinojosa made the motion to approve a contract for engineering services with Jacob & Martin, LLC.

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

PROCLAMATION –LUPUS AWARENESS MONTH

Agenda Item No. 4:

Mayor Rogers read the proclamation declaring May as Lupus Awareness Month.

RESOLUTION NO. 996

A RESOLUTION OF THE CITY OF VERNON, TEXAS FINDING THAT AEP TEXAS NORTH COMPANY'S APPLICATION FOR APPROVAL OF A DISTRIBUTION COST RECOVERY FACTOR TO INCREASE DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

Agenda Item No. 6:

City Manager Jarosek explained that American Electric Power – TNC filed a petition to the Public Utility Commission of Texas (PUCT) for a rate increase to recover capital investments that it has made in its infrastructure since 2006. If the request is approved by the PUCT, residential customer's bill would increase by approximately \$4.20. The law firm of Lloyd Gosselink Rochelle and Townsend represents the Steering Committee of cities that is served by AEP. The firm is recommending that cities take action to demonstrate to the PUCT strength in numbers and identify our city as an opposing party. The Commission has the discretion to take no action and this type of request will automatically be denied.

Digital Recording on file

Following discussion of taxpayers increase and the sovereignty of the city to pass rate increases, Commissioner Taylor made a motion to approve Resolution No. 996 denying AEP Texas North Company's application for approval of a distribution cost recovery factor to increase distribution rates within the City.

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

RESOLUTION NO. 995

A RESOLUTION OF THE CITY OF VERNON, TEXAS AMENDING RESOLUTION NO. 985 AND AUTHORIZING CERTAIN ELECTRONIC PAYMENTS BE MADE WITHOUT TWO SIGNATURES, PROVIDING FOR RECORDING AND FOR AN EFFECTIVE DATE.

Agenda Item No. 7:

City Manager Jarosek explained that this is a housekeeping matter to make the rules align with practice. State and Federal agencies, Blue Cross and Blue Shield and TIB Merchant Services all require auto-pay transactions. This resolution will authorize certain electronic payments be made without two signatures.

Commissioner Hinojosa made the motion to approve Resolution No. 995 authorizing certain electronic bank payments.

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

ASSISTANCE TO FIREFIGHTERS GRANT – 2015

Agenda Item No. 9:

City Manager Jarosek and Fire Chief Oznick explained that the City had granted authorization for our Fire Department to join with the City of Wichita Falls and the City of Burkburnett to apply for an Assistance to Firefighters Grant (AFG) for replacement of Self Contained Breathing Apparatus (SCBA), and had included \$6,000 in the FY 2015-2016 Budget for the matching funds.

The AFG grant, if approved will allow the Vernon Fire Department to replace 24 SCBA's, 48 bottles and seven extra masks for a total of \$165,550, of which the City will have to match ten percent or \$16,555. If the memorandum of understanding is approved and funding is authorized, a budget amendment will be required to cover the cost, but will result in a savings of \$150,000 for equipment that the State requires be replaced.

Following a short discussion of the budget amendment, Commissioner Taylor made the motion to approve Memorandum of Understanding and authorize funding concerning Assistance to Firefighters Grant – 2015.

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

CONTRACT FOR FIREWORKS

Agenda Item No. 10:

Fire Chief Oznick explained that he solicited bids for a fireworks display and Pirate Fireworks, LLC submitted a proposal for a fireworks display on July 3, 2016 at a cost of \$6,000.

Commissioner Taylor made the motion to approve contract with Pirate Fireworks LLC for City fireworks display on July 3, 2016.

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

FIRE DEPARTMENT GENERATOR

Agenda Item No. 13:

Fire Chief Oznick explained that the generator at the fire station is over thirty years old and can no longer be repaired. There were three bids received and the lowest bid was for a Cummins generator similar to the one recently installed at the Police Department at a cost of \$24,150. The cost of installation has not been determined, but quotes are being acquired to connect the generator to natural gas and for a new transfer switch which are estimated to cost up to \$5,000.

The FY 2015-2016 Budget included \$22,000 for replacement of the generator, but the additional cost will require a budget amendment.

Commissioner Hinojosa made the motion to approve purchase of Fire Department generator at a cost totaling \$24,150 plus cost of installation.

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

ORDINANCE NO. 1686

AN ORDINANCE CONSIDERING ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE AND DELIVERY OF "CITY OF VERNON, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016"; ESTABLISHING PARAMETERS FOR THE REDEMPTION OF CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY; AUTHORIZING THE ISSUANCE OF THE BONDS; APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING TO SAID BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT.

Agenda Item No. 12:

City Manager Jarosek explained that Bond Series 2005 for the fire station and aquatics center and Bond Series 2009 for wastewater and sewer projects are both available for refinancing at a lower interest rate via Section 1207 of the Government Code allowing a parameter sale in which the City Commission establishes bond sale parameters.

The City's financial advisors First Southwest, a Division of Hilltop Securities L.L.P. project an estimated savings of over \$15,000 annually, and recommend approval of the ordinance to authorize refunding of Series 2005 and Series 2009 bonds and reissuance as combined Series 2016 bond at a lower interest rate with established bond parameters:

- Maximum Interest Rate – 4.75%
- Minimum Savings Threshold for Refunding – 3% present value
- Aggregate Principal Amount of Issue - \$4,500,000
- Final Maturity Date – 03-15-2036
- Expiration of Delegated Authority within six months from 04-26-2016
- Pricing Officers – City Manager and Finance Director

Commissioner Hinojosa made the motion to approve First and Final Reading of Ordinance No. 1686 considering all matters incident and related to the issuance, sale and delivery of "City of Vernon, Texas General Obligation Refunding Bonds, Series 2016; establishing parameters for the redemption of certain outstanding obligations of the City; authorizing the issuance of the bonds; approving and authorizing instruments and procedures relating to said bonds; and enacting other provisions relating to the subject.

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

CONTRACT WITH SPYGLASS LLC

Agenda Item No. 14:

City Manager Jarosek explained that Spyglass is a telecom consulting firm that will review bills for all telecom services including local voice services, long distance voice services, data/internet services and wireless services. City staff will review the firm's findings and decide which suggestions to pursue. Spyglass will work with the telecom providers to implement agreed cost savings measures. Spyglass will be paid on a contingency fee based on the City's realized savings.

Commissioner Hinojosa made the motion to approve contract with Spyglass LLC for telecom consulting and authorize city staff to review findings for possible cost savings.

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

OUT-OF-CITY LIMITS SEWER SERVICE

Agenda Item No. 15:

City Manager Jarosek explained that the current tapping fee for sewer connections is \$2.00 and has not been increased since 1952. The current ordinance also does not address outside city limits connections. Staff is proposing and increase in the tapping fee to offset the cost involved with processing, inspecting and monitoring the new tap.

There is no ordinance for outside city limits sewer rates. Staff is proposing a sewer rate in proportion to the inside city limit to outside city limit water ratio of 135%.

A discussion followed of the logistics and rules for outside city limit sewer connections.

ORDINANCE NO. 1687

AN ORDINANCE AMENDING SECTION 54-56 AND 54-62 OF ARTICLE III – SEWERS OF CHAPTER 54 – UTILITIES, OF THE CODE OF ORDINANCES OF THE CITY OF VERNON; PROVIDING FOR A REPEALING SECTION; A SAVINGS SECTION; A RECORDING SECTION; AND PROVIDING FOR AN EFFECTIVE DATE.

Agenda Item No. 16:

City Manager Jarosek noted that this ordinance raises the sewer taping fee and sets rates for service outside the city limits and the changes to the current ordinance are in italics in the written ordinance. It was suggested that outside city limit sewer customers who are not also connected to metered city water be required to provide twelve months of water bills for averaging.

Commissioner Hinojosa made the motion to approve Ordinance No. 1687 amending sewer rates for out of city limits sewer service and amending sewer tapping fees.

Commissioner Ferguson seconded the motion.

Commissioner Taylor abstained from voting. The measure passed with three votes in favor.

ADJOURN

Commissioner Hinojosa made the motion to adjourn the meeting at 10:19 p.m.



Joe Rogers
Mayor

ATTEST:



Linda Byers
City Secretary