

**VERNON CITY COMMISSION
REGULAR MEETING
APRIL 28, 2020**

Mayor Pro-Tem Pam Gosline called the Regular Meeting of the Vernon City Commission to order at 6:30 p.m. on April 28, 2020 at City Hall, and a quorum was declared present.

Mayor: Douglas Jeffrey

Commissioners: Pam Gosline, Don Aydelott, Britt Ferguson – by phone, Justin Marsh – by phone

Staff Present: City Manager Martin Mangum, City Attorney Jon Whitsitt, Tourism Director Amanda Lehman, Finance Director Dee Boatenhamer, City Secretary Marsha Jo Stone

Staff Present in Commissioner's Room: Police Chief Randy Agan, Fire Chief J.J. Oznick, Public Works Director Darell Kennon, Community Development Director Monica Wilkinson

Mayor Douglas Jeffrey, IV advised due to COVID-19 only ten people would be allowed in attendance. He advised the Regular Meeting was being broadcast live on Facebook and encouraged citizens to comment during the meeting.

Proclamation

Mayor Jeffrey recognized staff from Rusty Spur Steakhouse, Vernon Auto Group and United Supermarkets and read Proclamation proclaiming May 4 – 8, 2020 as "National Volunteer Week."

**Proclamation
National Volunteer Week
May 4 - 9, 2020**

WHEREAS, COVID-19 threatened not only the City of Vernon but the entire World; and
WHEREAS, the City of Vernon has been under an emergency order for the past month; and
WHEREAS, local children were not sure where their next meal would come from; and
WHEREAS, those that had fallen on hard times were unsure of where they would stay or what they would wear; and
WHEREAS, our community continues to meet those challenges; and
WHEREAS, Vernon Auto Group, The Rusty Spur, United Supermarket and many others donated their time volunteering and organizing; and
WHEREAS, at risk to their own health, volunteers fed, clothed and sheltered our community; and
WHEREAS, volunteering creates a community pride and emboldens spirits; and
WHEREAS, in times of crisis volunteers help show a way forward.

NOW THEREFORE, I, Douglas Jeffrey, IV, Mayor of the City of Vernon, do hereby proclaim May 4 – 8, 2020, as
National Volunteer Week

In the City of Vernon and urge my fellow citizens to continue to volunteer in one of our many local community organizations. By both volunteering and recognizing those who serve, we can come together as a community to make a difference.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Vernon, Texas, to be affixed this 28th day of April, 2020.

Douglas Jeffrey, IV, Mayor

1. Call To Order

- A. Declaration of Quorum – Mayor Jeffrey declared a quorum
- B. Invocation – Commissioner Gosline led the group in the Invocation
- C. Pledge of Allegiance – Commissioner Gosline led the group in the pledge to the United States Flag and to the Texas Flag

2. Consent Agenda:

- A. Approval of the Minutes of the Regular City Commission meeting held on March 24, 2020 and Special Emergency Meeting held on March 18, 2020.
- B. Approval of the Finance Investment Report, Vouchers, Payroll and Benefit Expense for March 1, 2020 to March 31, 2020.
- C. Approval of other Department Reports

Commissioner Aydelott moved to approve the consent agenda.

Commissioner Gosline seconded the motion, which passed with a unanimous vote.

3. Public Comment - None

4. Discussion, Consideration and Take Possible Action on approval of the 2018/2019 City of Vernon Annual Audit and hear report on the audit by Edgin, Parkman, Fleming and Fleming, PC

Mike Edgin presented the Commission with a detailed audit for the 2018/2019 year.

5. Discussion, Consideration and Take Possible Action request from Andy and Carrie Hawkins for the city to assume the maintenance of utility lines located in an easement on their property at 2624 Paradise, Vernon, Texas

The agenda item was tabled

6. Discussion, Consideration and Take Possible Action on granting a request from Hillcrest Country Club to allow them to purchase water from the City of Vernon at rates commensurate to inside city limits rates

Terry Bourland addressed the Commission concerning the request.

No action was taken on the agenda item.

7. Discussion, Consideration and Take Possible Action to Approve Sale of Tax Property: Parcel 8524001, 1122 Houston to Skyline Real Estate for \$56.00

Commissioner Aydelott made the motion to approve sale of Tax Property: Parcel 8524001, 1122 Houston to Skyline Real Estate for \$56.00.

Commissioner Marsh seconded the motion, which passed with a unanimous vote.

8. Discussion, Consideration and Take Possible Action on the hiring of a contractor to complete the City of Vernon 2019-2020 Seal Coat and Street Repair Project

Adolph Nuncio addressed the Commission "I am here concerning Pearl Street and this street is too narrow and high. I would like for you to do something about it."

Public Works Director Darell Kennon presented the Commission with a bid from Freeman Paving LLC in the amount of \$379,970.00 for Seal Coat and Street Repair. Kennon also present two options or streets for consideration and advised Pearl Street is included in both options.

Commissioner Gosline made the motion to accept the bid from Freeman Paving LLC in the amount of \$379,970.00 to complete the City of Vernon 2019-2020 seal coat and street repair project for Option B.

Commissioner Ferguson seconded the motion, which passed with a 4 to 1 vote. Yes (Gosline, Jeffrey, Aydelott, Ferguson) No (Marsh)

9. Discussion, Consideration and Take Possible Action to approve the awarding of a bid for the installation of "Headworks Equipment" at the Wastewater Treatment Plant

Commissioner Aydelott made the motion to approve awarding the bid from Alltech Engineering Corp. for \$270,564.00.

Commissioner Gosline seconded the motion, which passed with a unanimous vote.

10. Discussion, Consideration and Take Possible Action on Resolution Number 1046, A Resolution finding that AEP Texas, Inc.'s Application to Amend its Distribution Costs Recovery Factors to Increase Distribution Rates be denied

RESOLUTION NO. 1046

A RESOLUTION OF THE CITY OF VERNON, TEXAS FINDING THAT AEP TEXAS INC.'S APPLICATION TO AMEND ITS DISTRIBUTION COST RECOVERY FACTORS TO INCREASE DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; AUTHORIZING PARTICIPATION WITH THE CITIES SERVED BY AEP TEXAS; AUTHORIZING HIRING OF LEGAL COUNSEL; 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.

WHEREAS, the City of Vernon, Texas ("City") is an electric utility customer of AEP Texas Inc. ("AEP" or "Company"), and a regulatory authority with an interest in the rates and charges of AEP; and

WHEREAS, the City is a member of the Cities Served by AEP ("Cities"), a membership of similarly situated cities served by AEP that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in AEP's service area; and

WHEREAS, on or about April 3, 2020 AEP filed with the City an Application to Amend its Distribution Cost Recovery Factor ("DCRF"), PUC Docket No. 50733, seeking to increase electric distribution rates by approximately \$39.87 million (an approximately \$1.83 increase to the average residential customer's bill from the rates just approved in the Company's rate case); and

WHEREAS, all electric utility customers residing in the City will be impacted by this ratemaking proceeding if it is granted; and

WHEREAS, Cities are coordinating its review of AEP's DCRF filing with designated attorneys and consultants to resolve issues in the Company's application; and

WHEREAS, Cities members and attorneys recommend that members deny the DCRF.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VERNON, TEXAS:

Section 1. That the City is authorized to participate with Cities in PUC Docket No. 50733.

Section 2. That subject to the right to terminate employment at any time, the City of hereby authorizes the hiring of the law firm of Lloyd Gosselink and consultants to negotiate with the Company, make recommendations to the City regarding reasonable rates, and to direct any necessary administrative proceedings or court litigation associated with an appeal of this application filed with the PUC.

Section 3. That the rates proposed by AEP to be recovered through its DCRF charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

Section 4. That the Company shall continue to charge its existing rates to customers within the City.

Section 5. That the City's reasonable rate case expenses shall be reimbursed in full by AEP within 30 days of presentation of an invoice to AEP.

Section 6. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

Section 7. That a copy of this Resolution shall be sent to Melissa Gage, American Electric Power Service Corporation, 400 West 15th Street, Suite 1520, Austin, Texas 78701 and to Thomas Brocato, General Counsel to the Cities, at Lloyd Gosselink Rochelle & Townsend, 816 Congress Ave., Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED this _____ day of _____, 2020.

Douglas Jeffrey, IV
Mayor

ATTEST:

Marsha Jo Stone, City Secretary

APPROVED AS TO FORM:

Jon Whitsitt, City Attorney

Commissioner Marsh made the motion to approve Resolution Number 1046 finding the AEP Texas, Inc.'s application to amend its distribution costs recovery factors to increase distribution rates be denied.

Commissioner Aydelott seconded the motion, which passed with a unanimous vote.

11. Discussion, Consideration and Take Possible Action on Resolution Number 1047 approving a Hazard Mitigation Plan for the City of Vernon and Wilbarger County

This agenda item was tabled

12. Discussion, Consideration and Take Possible Action on extending a bank depository agreement between the City of Vernon and Waggoner National Bank

Commissioner Aydelott made the motion to extend the bank depository agreement between the City of Vernon and Waggoner National Bank for one year.

Commissioner Gosline seconded the motion, which passed with a unanimous vote.

13. Discussion, Consideration and Take Possible Action on Approving Ordinance Number 1759 amending the budget for fiscal year October 1, 2019 through September 30, 2020 for the City of Vernon

ORDINANCE NUMBER 1759

AMENDING THE BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2019, AND THROUGH SEPTEMBER 30, 2020, 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; DECLARING AN EMERGENCY AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission desires to amend the Fiscal Year Budget of October 1, 2019 through September 30, 2020, for municipal purposes, as provided by law; and

WHEREAS, the City Commission duly considered the financial condition, and comparative expenditures and has determined that it is good management to amend said budget.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF VERNON, TEXAS:

SECTION 1. That the attached Exhibit "A" be hereby adopted as the amended budget for the fiscal year October 1, 2019 through September 30, 2020. Total of all expenditures are **\$18,344,103** including debt service requirements, inter-fund transfers, special revenues transfers, and operational expenditures.

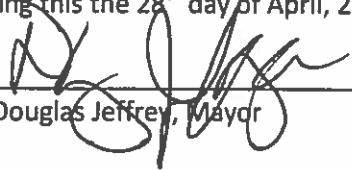
SECTION 2. Should any portion or part of this ordinance or the budget it adopts, be declared inoperative or void for any reason by a court of competent jurisdiction, such decision, opinion, or judgment shall in no way affect the remaining portions, parts, sections of this ordinance or the budget, which provisions shall be and remain in full force and effect.

SECTION 3. All ordinances, resolutions and appropriations for which provisions have heretofore been made are expressly repealed to the extent of any conflict with the provisions of this ordinance.

SECTION 4. This ordinance shall not be recorded in length in the minutes of the City Commission, but shall be filed for permanent record in the office of the City Secretary.

SECTION 5. This ordinance shall become and be effective on and after its final adoption.

PASSED and APPROVED on first reading this the 28th day of April, 2020.



Douglas Jeffrey, Mayor

ATTEST:

Marsha Jo Stone, City Secretary

Commissioner Aydelott made the motion to approve Ordinance Number 1759 amending the budget for fiscal year October 1, 2019 through September 30, 2020 for the City of Vernon.

Commissioner Ferguson seconded the motion, which passed with a unanimous vote.

14. Adjourn

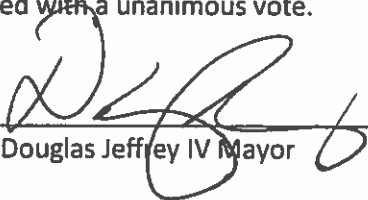
Mayor Jeffrey advised he would be resigning at the next Regular Meeting.

Commissioner Aydelott stated "I want to thank you for your service and I appreciate everything you have done for the city."

Commissioner Gosline stated "I agree."


Commissioner Aydelott made the motion to adjourn the meeting at 7:27 pm.

Commissioner Gosline seconded the motion, which passed with a unanimous vote.



Douglas Jeffrey IV Mayor

ATTEST:



Marsha Jo Stone, City Secretary

