

**VERNON CITY COMMISSION
REGULAR MEETING
MARCH 24, 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. There were 84 citizens present.

Present: Mayor Joe Rogers

Commissioners: Danny McMahan, Ruben Hinojosa, Travis Taylor, and Pat Bryant.

Staff Present: City Manager Mitch Grant, City Prosecutor Jonathan Whitsitt, Police Chief Tom Wilson, Fire Chief Kent Smead, Finance Director Anne Garmon, Public Works Director Darell Kennon, Community Development Director Monica Wilkinson, and City Secretary Linda Byers.

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

PUBLIC COMMENT

Pat Quisenberry commented on the transfers from the Employee Benefit Trust Fund and reporting of revenue and spending to the Commission.

Sherry Yoakum and Danita Logsdon voiced concern about the proposed budget cuts and shortages.

CONSENT AGENDA

Commissioner Taylor made the motion to approve the consent agenda.

- A. Minutes of the Regular City Commission Meeting held on Tuesday, February 24, 2015; the Special City Commission Meeting held on Monday, March 9, 2015; the Special City Commission Meeting held on Wednesday, March 11; the Special City Commission Meeting held on Monday, March 16 and Minutes of the Finance Meeting held on Monday, February 23, 2015.
- B. Second Reading of Ordinance #1658 Amending and Correcting the Industrial Discharge Waste Surcharge.
- C. Financial Investment Report, Vouchers, and Payroll & Benefit Expense. February 1, 2015 – February 28, 2015.

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

FIRE / EMS DEPARTMENT ANNUAL REPORT

Fire Chief Smead reported to the Commission that during 2014, the Department responded to 2,133 calls for service with EMS accounting for 1,787 and Fire accounting for 366. This is an increase of 5% from the previous year. There were 604 overlapping incidents in which there are two or more incidents at the same time. The Department received a total of \$16,363 in 2014.

FY 2014 YEAR END FINANCIAL REPORT

Mike Edgin with the firm of Edgin, Parkman, Fleming & Fleming reported that based on the ability of the city to change its operations the trend will continue in a negative fashion. We need to look at changes (increased tax rates, fewer employees, holding line on expenses, water rate increased – all in 2015 that are a positive sign)

Mr. Edgin reviewed the management letters – noted that three departments went over budget without budget amendments.

1. There were unfavorable budget variances.
2. The City made large material adjustments , but none were made this year.
3. The City must maintain the minimum amount required in bond payment fund.
4. The Employee Benefit Trust Fund last year had too much in account, but currently there are not funds available to lower costs.
5. Mr. Edgin voiced concern about the administrative services transfer between the Enterprise Fund and General Fund. He recommended making sure that the allocation percentage is fair and accurate so that the Enterprise Fund is charged an accurate amount.
6. He also reported that an accounts receivables collection policy should be implemented.
7. His concern about Employee Benefit Trust Fund borrowing was that a policy needs to be clarified. Loan document needs to be written and approved by council.
8. Mr. Edgin also noted that the Electric Trust Principle could possibly be used to repay debt or Employee Benefit Trust borrowing.

Mr. Edgin also noted that current year 2015 revenues are not tracking to meet budgetary needs. Changes cannot wait another year.

Commissioner McMahan made the motion to approve the FY 2014 Year End Financial Report.

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

ORDINANCE NO. 1657

AN ORDINANCE GRANTING TO AEP TEXAS NORTH COMPANY, CONSENT TO MAKE A PARTIAL ASSIGNMENT OF ITS FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE LINES AND APPURTENANCES AND APPLIANCES FOR CONDUCTING ELECTRICITY IN, OVER, UNDER AND THROUGH THE STREETS, AVENUES, ALLEYS AND PUBLIC RIGHTS-OF-WAY OF THE CITY OF VERNON, TEXAS TO ELECTRIC TRANSMISSION TEXAS, LLC.

City Manager Grant noted that the only change in this Ordinance from the First Reading is in the description in Exhibit A of the transmission lines transferred.

Commissioner Hinojosa made the motion to Approve Second Reading of Ordinance No.1657 Assigning American Electric Power (AEP) Franchise Agreement to Electric Transmission Texas (ETT).

Commissioner Taylor 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 Prosecutor Whitsitt noted that on advice of the auditor the trust agreement needs to be made specific about terms and rates. Mr. Whitsitt went over the proposed changes in section 3.9 - last paragraph on page 6 and section 5.7 on page 10.

There was discussion that future commissions should have approval of borrowing.

Commissioner McMahan made the motion to appoint mayor to work with legal council on amendment to the Employee Benefit Trust.

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

APPOINTMENT TO WICHITA-WILBARGER 9-1-1 DISTRICT

Fire Chief Smead explained the Mr. Glenn Barham is seeking reappointment to the Board.

Commissioner Hinojosa made the motion to reappoint Glenn Barham to the Wichita-Wilbarger 9-1-1 District Board.

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

PURCHASE REPLACEMENT BEADS AT ION EXCHANGE PLANT

Public Works Director Kennon explained that the budget amount of \$30,000 worth of beads will not bring plant up to the needed process capacity during peak load of over 3 mil gallons – which happened four times in the last year. He explained that the plant was designed to operate with three vessels, and now is operating with only two.

Purchasing the beads now will save \$15,000, with a total cost of \$59,774, and will overspend budget by \$36,604.

Following discussion, Public Works Director Kennon stated that he is comfortable operating with the system "as is" right now.

Mayor Rogers called for a motion. No motion was received, and no action will be taken.

ORDINANCE NO. #1660

AN ORDINANCE AMENDING SECTION 26-35 AND SECTION 26-36(a) OF ARTICLE II, COLLECTION AND REMOVAL SERVICES OF CHAPTER 26 – GARBAGE AND TRASH; AMENDING SECTION 54-152 OF ARTICLE V – WATER OF CHAPTER 54; AND SECTION 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.

City Manager Grant explained about the interactive spreadsheet provided to calculate the water and sewer rates required to raise necessary funds.

There was discussion of the need for quick action to raise funds and cut spending.

Commissioner Taylor made the motion to table Ordinance No. 1660.

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

ORDINANCE NO. 1659

AN ORDINANCE AMENDING CHAPTER 2, ADMINISTRATION BY ADDING SECTION 2-18, COLLECTION POLICY; AND AMENDING CHAPTER 6, AMBULANCES, OF THE CODE OF ORDINANCES OF THE CITY OF VERNON; ADOPTING A NEW SCHEDULE OF RATES; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES IN CONFLICT; AND PROVIDING FOR RECORDING AND AN EFFECTIVE DATE.

EMS Coordinator Kade Long addressed the change in the Ambulance rates to add specialty care transport fee. His example was patients on a ventilator or with blood transfusions, which would be a continuation of a higher level of care. The proposed fee is based on the average of other cities similar to Vernon.

City Manager Grant noted that this Ordinance also adds a Collection Policy as recommended by the auditor.

Commissioner Hinojosa made the motion to approve Ordinance No. 1659 Adopting a Collection Policy and Amending EMS Fees.

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

INTERLOCAL AGREEMENT WITH FRISCO, TX

Fire Chief Smead explained that the City of Frisco has obtained bids for uniforms that will allow other cities to purchase items through their bid. Right now there are more than twenty cities involved. We will deal directly with the vendor when we place orders.

Commissioner McMahan made the motion to approve an Interlocal Agreement with the City of Frisco for the purchase of firefighting gear.

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

EXECUTIVE SESSION

Commissioner Hinojosa made the motion to enter Executive Session at 8:35 p.m. under Government Code Section 551.072 – Deliberation concerning Real Property.

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

RESUME REGULAR SESSION

Commissioner Hinojosa made the motion to resume regular session at 9:18 p.m.

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

ACTION FOLLOWING EXECUTIVE SESSION

Commissioner Taylor made the motion to go into negotiations on the old Gibson's building.

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

EXECUTIVE SESSION

Commissioner Taylor made the motion to enter Executive Session at 9:20 p.m. under Government Code Section 551.074 – Deliberation concerning Personnel – City Manager.

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

RESUME REGULAR SESSION

Commissioner Hinojosa made the motion to resume regular session at 9:35 p.m.

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

ACTION FOLLOWING EXECUTIVE SESSION

Commissioner Bryant made the motion to accept the retirement agreement with Mitch Grant stating that Mitch Grant will be retired by March 27 or sooner.

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

Digital Recording on file

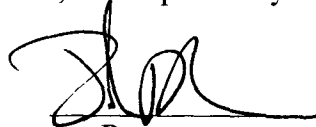
Commissioner Taylor made the motion to hire Joe Jarosek as the new City Manager.

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

ADJOURN

Commissioner Taylor made the motion to adjourn the meeting at 9:38 p.m.

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



Joe Rogers
Mayor

ATTEST:



Linda Byers
City Secretary