

**MINUTES  
OF  
CITY OF WHARTON  
SPECIAL CITY COUNCIL MEETING  
MAY 20, 2002**

Mayor Garland S. Novosad declared a Special Meeting duly open for the transaction of business at 6:04 P.M.

Councilmembers present were: Mayor Garland S. Novosad, V. L. Wiley, Jr., Darryl Darnell, Ken Freese, Don Mueller and Domingo Montalvo, Jr., and Bryce Kocian.

Councilmember absent was: None.

Staff members present were: City Manager, Andres Garza, Jr., Finance Director Joyce Vasut, and Deputy City Secretary Lisa Stavena.

Visitors present were: Ron Sanders.

The second item on the agenda was Public Comments. No comments were given. No action was taken.

The third item on the agenda was Discussion: Budget Workshop for the City of Wharton 2002-2003 Fiscal Year Budget.

- A. General Fund.
- B. Hotel Motel Fund.
- C. Narcotics Seizure Fund.
- D. Dare Fund.
- E. Water & Sewer Fund.
- F. Solid Waste Fund.
  - 1. Solid Waste Collections and Disposal Contract with Waste Management of Southeast Texas.
  - 2. Transfer Station Contract with Waste Management of Southeast Texas.
- G. Emergency Medical Services Fund.
- H. Civic Center Fund.
- I. Airport Fund.
- J. Debt Service Fund.
- K. Current Projects.

City Manager Andres Garza, Jr. presented the City Council with the Five-Year Projections and Capital Needs for the Fiscal Year 2002-2003. He stated that this would be an opportunity for City Council to address the City Staff and to look at the needs and the costs of projects. City Manager Garza stated that franchise fees and other general fund revenues may be below budget for the current year. He said the current year's budget would be very tight and the City Staff would probably have to cut some expenditures in order for the general fund to end with an

excess. Finance Director Joyce Vasut addressed the City Council and stated that the General Fund Revenue for fiscal year 2002-03 would come from the following sources:

Property Taxes 36%  
Franchise Taxes 23%  
Sales Tax 21%  
Fines and Forfeitures 5%  
Miscellaneous 4%  
Transfers In 11%

General Fund Expenditures would be as follows:

Salaries and Benefits	69%	-	\$2,682,916
Operational Expenses	10%	-	\$ 368,969
Operating Transfers	8%	-	\$ 306,000
Equipment Maintenance	4%	-	\$ 160,800
Supplies	4%	-	\$ 153,231
Capital Outlay	2%	-	\$ 72,000
Building Maintenance	2%	-	\$ 70,360
Other Operational Expenses	1%	-	\$ 53,550
Bond/Lease Payments	0%	-	\$ 13,339

Mayor Garland S. Novosad questioned the Reliant Energy franchise fees since deregulation. Finance Director Joyce Vasut stated the franchise fee for the first quarter of 2002 was approximately \$30,000 less than anticipated; and that the City Staff was were currently looking into the matter. She also stated that electricity franchise fees prior to deregulation were calculated on gross receipts. She said that since deregulation, the fees were calculated on kilowatt hours.

Finance Director Joyce Vasut stated that the property tax rate would decrease to 0.56944 from 0.59528. She said tax rate of 0.56944 was calculated based on the current general fund tax rate of 0.43570, and the debt service tax rate of 0.13374 was less than previous years due to the allocation of debt to the enterprise funds. Mayor Garland S. Novosad suggested the City Staff speak with Mr. Jim Gilley of Coastal Securities regarding early pay off of long-term debt or other alternatives that may be available in order to not reduce the property tax rate.

Finance Director Joyce Vasut stated the sales tax was 1.55% below last year's actual; however, a 2% increase over this year's actual sales tax would be estimated for next year. Mayor Garland S. Novosad stated at what point, would the City go back to the voters regarding Wharton Economic Development Corporation (WEDCo) in order to get back some of the sales tax monies. City Manager Andres Garza, Jr. stated that the voters voted for a 1/2 cent sales tax to be allocated to WEDCo. He stated that legislature had passed a bill that allowed cities to hold an election where up to 1/4 cent could be used for street improvements for four years or the voters could vote for 1/4 or 1/8 cent of the sales tax to go back to the general fund.

Councilmember Don Mueller stated that the funds could be used currently for infrastructure. City Manager Andres Garza, Jr. stated that the infrastructure would have to be for commercial or industrial development.

Finance Director Joyce Vasut stated that the franchise fees for the month of May 2002 were down 30%, and that she had already contacted the consultants to look into the matter. City Manager Andres Garza, Jr. informed the City Council that the electric franchise fees since January 1, 2002 were based on electric kilowatt hours and the telephone franchise fees were based on a per line fee. He stated in prior years both franchise fees were based on gross receipts.

Finance Director Joyce Vasut stated that a 25% increase for health insurance, a 20% increase for worker's compensation, and a 15% increase for property and casualty insurance were included in the 2002-03 proposed budget. City Manager Andres Garza, Jr. said that at this time for the fiscal year 2002-2003 budget, the expenditures exceeded the revenues by \$55,090 prior to capital needs.

Police Chief Tim Guin addressed the City Council regarding the capital needs for emergency management. He stated that an upgrade to the electronic siren system would cost \$20,000. He also stated that Citywide, a new telephone switchboard would be needed to replace the current system at a cost of \$20,000 and a Laserfiche system for archiving records would cost about \$25,000. Mayor Garland S. Novosad stated that he felt some grants were available for upgrading the emergency siren system.

Councilmember Domingo Montalvo, Jr. arrived at 6:40 p.m.

Police Chief Tim Guin addressed the City Council regarding the following capital needs for the Police Department for the 2002-03 fiscal year: \$35,000 for firing range improvements, \$22,000 for the replacement of the animal control vehicle, \$15,000 for communications CAD software upgrade. He also stated that in fiscal year 2003-04 the police department would need: \$25,000 to paint the building, and \$250,000 to replace the two-way radio systems. In fiscal year 2004-05, he requested \$30,000 for a system for digital imaging of arrest records.

Fire Chief David Copeland addressed the City Council regarding the following capital needs for the Fire Department for the 2002-03 fiscal year: \$26,000 for replacing the windows and framing at Fire Station for \$26,000, \$10,000 for remodeling the station bathrooms to meet ADA requirements, \$15,000 to repaint the Fire Station, \$72,000 for three SUV vehicles, and \$5,000 for remodeling to add storage. He stated that the City Council could also consider in the future, purchasing truck and that a new facility may be needed depending on the growth that occurs in the City. Mayor Garland S. Novosad stated that the first priority should be to make the Fire Station ADA compliant.

Councilmember Bryce D. Kocian arrived at 7:40 p.m.

Building Official Ronnie Bollom addressed the City Council regarding the capital needs for the Code Enforcement Department for the 2002-03 fiscal year. He stated that \$20,000 was needed for a SUV vehicle.

Facilities Maintenance Director Bob Baker addressed the City Council regarding the following capital needs for the Facilities Maintenance Department for the 2002-03 fiscal year: \$26,000 for two lawnmowers, \$6,000 each year for park improvements, and \$5,000 for a mosquito sprayer.

In 2003-04 fiscal year the Facilities Maintenance Department would need \$18,000 for a new truck.

Community Services Director Jo Knezek addressed the City Council regarding the capital needs for the Civic Center for the 2002-03 fiscal year. She stated that the City needed to complete Phase IV of the Civic Center which included adding two meeting rooms at the Civic Center at a cost of \$60,000. City Manager Andres Garza, Jr. stated that Architect Barnaby Evans was designing the additional restrooms for the current year. Mayor Garland S. Novosad requested that the litigation with F. W. Walton, Inc. for the Civic Center damage be placed on the agenda for the Regular City Council meeting to be held May 28, 2002.

Mayor Garland S. Novosad recessed the City Council meeting at 8:10 p.m.  
Mayor Garland S. Novosad reconvened the meeting at 8:15 p.m.

Public Works Director Phillip Bush addressed the City Council regarding the capital needs for the Street Department for the 2002-03 fiscal year. He stated that \$298,000 was needed for improvements to the drainage ditch in the Alhdag Addition. He said improvements would consist of concrete-lining the ditch. He also requested \$55,000 for a backhoe, \$100,000 for a sweeper, \$30,000 for a rubber tire roller, \$21,000 for a 12cy dump truck, \$35,000 for an air compressor, and for fiscal year 2003-04 he requested \$23,000 for a pickup, \$45,000 for a flat bed truck, and \$35,000 for a truck cab and chassis for the patch truck.

Public Works Director Phillip Bush addressed the City Council regarding the capital needs for the Water/Sewer Department for the 2002-03 fiscal year. He stated that \$22,000 was needed to replace an existing truck. Mr. Bush also addressed the City Council regarding the capital needs that were needed to improve the City's infrastructure. He stated that these were very large projects that needed attention and would need to be funded in the future. He said these projects included \$1,279,712 for replacement of existing and installation of new fire hydrants as proposed in the preliminary fire hydrant study. He also stated that \$1,656,704 was needed for water system improvements which included replacement of existing two inch water lines with six inch water line, the replacement of badly worn water lines on Sorrell Street and the installation of additional twelve inch water lines as identified in the preliminary water system study. Public Works Director Phil Bush said that \$165,536 was needed for sewer system improvements which included the replacement of several sewer lines that were in need of replacement.

Public Works Director Phillip Bush addressed the City Council regarding the current capital projects that were taking place at the Wharton Regional Airport. He informed the City Council that the current hangar improvement project was progressing and that it appeared that there would be approximately \$30,912 of unused funds remaining when the project was completed. He also stated that the Wharton Regional Airport capital improvement project, which was funded by federal grants with a local match, would require an additional \$25,046 of local match that was not anticipated. He said the Airport Board could request that the funds left from the hangar improvement project be used to complete the capital improvement project.

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EMS Director John Kowalik addressed the City Council regarding the following capital needs for the Emergency Medical Services Department for the 2002-03 fiscal year: \$60,000 to remount the ambulance, \$11,000 to upgrade the EKG monitors, \$30,000 for a SUV vehicle for the supervisor. He also stated that \$60,000 would be needed each year to remount an ambulance except for during the 2005-06 fiscal year in which he would need \$85,000 to purchase a new ambulance. He said during the 2004-05 fiscal year, the EMS Department would also need \$20,000 to upgrade the EKG monitors.

The fourth item on the agenda was adjournment. Councilmember Don Mueller made the motion to adjourn. Councilmember Darryl Darnell seconded the motion. All voted in favor.

The meeting adjourned at 10:32 p.m.

**CITY OF WHARTON, TEXAS**

**By:** \_\_\_\_\_  
**GARLAND S. NOVOSAD**  
Mayor

**ATTEST:**

\_\_\_\_\_  
**JOYCE VASUT**  
City Secretary