

**MINUTES
OF
CITY OF WHARTON
SPECIAL CITY COUNCIL MEETING
AUGUST 18, 2003**

Mayor Bryce D. Kocian declared a Special Meeting duly open for the transaction of business at 6:11 P.M.

Councilmembers present were: Mayor Bryce D. Kocian , Councilmembers V. L. Wiley, Jr., Darryl Darnell, Ken Freese, Domingo Montalvo, Jr. and Ray Linseisen

Councilmember absent was: Don Mueller.

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

Visitors present were: Benjamin Sharp with Wharton Journal Spectator.

The third item on the agenda was review and consider the State of Texas (FEMA/DEM) Hazard Mitigation Grant Program. City Manager Andres Garza, Jr. informed the City Council that the City Staff had learned from Ms. Samantha Medlock, Lower Colorado River Authority (LCRA), that the City could apply for Claudette HMGP (Hazard Mitigation Grant Program) funds, which the deadline for non-planning grants outside the disaster-declared counties was September 5, 2003. He stated that the City may also apply for PDM-C (Pre-Disaster Mitigation Competitive) funds, which the deadline was August 22, 2003. He stated that the applications must be submitted to the Department of Emergency Management, Department of Public Safety. The City's registration for these programs would allow it to apply for funding for disaster mitigation. He stated if the City registers, that would not obligate the city to pursue the grant, but rather allow the City to place its name on a list as an entity interested in pursuing funding under the hazard mitigation program. Councilmember Domingo Montalvo, Jr. stated that the deadline for submission was August 22, 2003 and September 5, 2003 and if the City of Wharton was not registered it would not be eligible to receive any additional hazard mitigation funds. After some discussion, Councilmember Ken Freese made a motion to register for the State of Texas (FEMA/DEM) Hazard Mitigation Grant Program. Councilmember Domingo Montalvo, Jr. seconded the motion. All voted in favor.

The fourth item on the agenda was Discussion: Budget Workshop for the City of Wharton 2003-2004 Fiscal Year Budget.

- A. General Fund.
- B. Hotel Motel Fund.
- C. Narcotics Seizure Fund.
- D. Dare Fund.
- E. Debt Fund.
- F. Water & Sewer Fund.
- G. Solid Waste Fund.

H. Emergency Medical Services Fund.

I. Civic Center Fund.

J. Airport Fund.

City Manager Andres Garza, Jr. presented the first draft of the budget to the City Council. He stated that the budget exceeded the revenues over expenditures by \$300,000, therefore it was not a balanced budget.

Finance Director Joyce Vasut presented the Budget Workshop documents to the City Council for their review. She stated that the General Fund revenues were \$3,419,433 with 37% from property taxes, 21% from sales taxes, 20% from franchise taxes, 12% from transfers in, 5% from fines and forfeitures, and 5% from miscellaneous revenue sources. She stated that the General Fund expenditures were \$3,881,494 with 69% for salaries and benefits, 10% for operational expenses, 8% for operations transfers, 4% for equipment maintenance, 4% for supplies, 2% for capital outlay, 2% for building maintenance, and 1% for other operational expenses. She then stated that the General Fund deficit was \$314,511 which included the cost of living increase of \$43,611, merit increase of \$21,805, an increase in city attorneys fees of \$11,000, four new positions totaling \$137,698, a Fire - I.S.O. rating study of \$8,100, a lease purchase agreement of \$87,100, and transfer out - Civic Center of \$23,950. Mrs. Vasut stated that the four positions included Police Officer, Emergency Services Telecommunicator, Code Enforcement Officer, and Facilities Maintenance Worker. She stated that the additional transfer out for the Civic Center was due to WEDCo not being able to fund the Civic Center due to legislative requirements. City Manager Andres Garza, Jr. stated that the Fire - I.S.O. Rating Study would consist of components that would evaluate the fire flow, equipment, planning and code enforcement, and allow the City to identify areas in the rating system that could be improved upon to lower fire insurance rates within the City. Mrs. Vasut stated that the Lease Purchase included equipment with a life greater than 5 years totaling \$387,000, which included the following:

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| Animal Control Replacement Truck | \$30,000 |
| Communications Software Upgrade CAD | \$15,000 |
| Fire Department Command Vehicle | \$35,000 |
| Streets | |
| Backhoe | \$55,000 |
| Tractor and Shredder | \$35,000 |
| Front Mounted Mower | \$9,000 |
| Pick-up 3/4 Ton | \$24,000 |
| Replace 12 cy Dump Truck | \$25,000 |
| Flat Bed Truck | \$55,000 |
| Patch Truck | \$60,000 |
| Facilities Maintenance | |
| Two 72" Rotary Mowers | \$26,000 |
| 1/2 Ton Pickup | \$18,000 |

Councilmember Domingo Montalvo, Jr. stated that the City has been having losses occurring in the Communications Department, at the Civic Center, and Pool. He stated that the City Council needed to look at the pool expenses, since the old city pool used to cost \$30,000 to operate and the budget for the current city pool was over \$80,000, with only \$7,000 in revenues. City Manager Andres Garza, Jr. stated that when the old city pool was operated, the salaries of the city employees were not included in the Pool Fund. Councilmember Darryl Darnell asked about

the telephone expenses. Finance Director Joyce Vasut stated that was the cost of the pay phone. Councilmember Darryl Darnell requested the City look into a public phone and block long distance charges and then disconnecting the pay phone. City Manager Andres Garza, Jr. stated that the old city pool did not have to be maintained all year since it was shut down at the end of summer, drained yearly and re-opened in the Spring. He stated that the current city pool must be maintained all year. He stated that the cost to operate the City Pool was approximately \$0.03 of the tax rate. Councilmember Domingo Montalvo, Jr. stated that the City Council needed to look at other opinions and that he would speak to Ms. Grosser who formerly was the City Pool Manager.

Councilmember Domingo Montalvo, Jr. stated that the City Council needed to make priorities and to best reduce the losses. City Manager Andres Garza, Jr. stated that the cost to operate the Civic Center was approximately \$0.04 of the tax rate. Finance Director Joyce Vasut stated that the Hotel/Motel Taxes funded both the Civic Center Fund and the Chamber of Commerce. Councilmember Domingo Montalvo, Jr. stated that he spoke to Billie Jones and Gordon Franklin regarding the contribution to the Chamber of Commerce. He stated that he met with Art Schulz and Larry Jackson regarding housing the Chamber of Commerce at the Civic Center in order to reduce the cost. After some discussion, Councilmember V. L. Wiley, Jr. made a motion to offer the Chamber of Commerce the use office space in the renovated wing of the Civic Center in lieu of the monetary contribution. Councilmember Domingo Montalvo, Jr. seconded the motion. All voted in favor.

Councilmember Domingo Montalvo, Jr. stated that the Communications needed to be a combined effort with the City of Wharton, City of El Campo, and Wharton County. He stated that funding could be split three ways. Councilmember Darryl Darnell stated that the problem was that everyone wants their own domain, and a community wide communications committee could be established. Councilmember Ken Freese stated that the elected officials should meet and discuss the combined effort. Mayor Bryce D. Kocian stated that the Police Chiefs, Sheriff, and Judge need to discuss the combined effort, then the elected officials would meet with the Intergovernmental Relations Committee. Councilmember Domingo Montalvo, Jr. requested that he be placed on the committee. City Manager Andres Garza, Jr. stated that the Communications Department requested an additional employee for the 2003-2004 fiscal year and for the 2004-2005 fiscal year. He also stated that Communications Department requested replacement of the equipment and upgrades to the software.

Councilmember Domingo Montalvo, Jr. stated that the EMS operations were expensive and if the County was going to fund the EMS operations through the Emergency Services District, then the amount of savings to the city would be approximately \$0.04 to \$0.06 of the tax rate. He stated that the EMS could work more closely together with the Fire Department, and the Fire Department day crew could stabilize the scene until the paramedics arrived. He stated that the City of Wharton and the City of El Campo could split the funding from the Wharton County Emergency Services District, then citizens of Wharton and El Campo would no longer have to subsidize the cost to pick up patients outside the city limits.

Councilmember Domingo Montalvo, Jr. stated that the number one user of the Wharton Regional Airport was Greenleaf Nursery and the City Council needed to speak to the companies in order to find out how valuable the Airport was to them and possibly partnering with the companies.

Councilmember Darryl Darnell asked about the City Engineer Department. Finance Director Joyce Vasut stated that the position was budgeted and had not been removed since the City Council had not instructed the City Staff to remove the position. City Manager Andres Garza, Jr. stated that the position could not be filled for the amount of salary included in the budget. Mayor Bryce D. Kocian stated that the City could continue contracting the engineering services out and the City could maintain the mapping system. He stated that if the City had hired an engineer, that person would not be able to complete all the current projects the City was working on.

Finance Director Joyce Vasut stated the City Council increased the water and sewer rates by 15% last year, however the revenues were down. She stated that the industry users had decreased their usage and the sewer averages for residential users had dropped by 13% less usage. City Manager Andres Garza, Jr. stated that everyone was watching their usage. Mrs. Vasut stated that Gulf Coast Medical Center, South Texas Medical Clinic, and Nan Ya Plastics Corp. have installed outflow meters, which had reduced their sewer charges. Mayor Bryce D. Kocian asked what was the life expectancy of the water meter. Mrs. Vasut stated that the City was replacing meters with the touch read device, however there were still a large number of older meters. Councilmember Ken Freese stated that the City Council could possibly adopt capping usage for the Wharton Volunteer Firefighters. Councilmember Domingo Montalvo, Jr. stated that he felt that it would not be worth it, unless the City Council wanted to add \$3,000,000 to the budget for full-time paid fire fighters.

Councilmember Darryl Darnell asked about an occupancy business license. City Manager Andres Garza, Jr. stated that there was approximately 600 businesses, which would not generate that much funding.

City Manager Andres Garza, Jr. stated that he would like to keep the cost of living increase in the budget. He stated if the employees would not receive an increase then there would be a low moral problem. Mayor Bryce D. Kocian stated that the employees needed the cost of living since the cost of living has increased.

Councilmember Darryl Darnell stated that the City could partner with the County on animal control issues. City Manager Andres Garza, Jr. stated that the City needed to look at services that could be rendered with another agency.

Councilmember Domingo Montalvo, Jr. stated that the Chamber of Commerce billed \$3,685 for membership dues and only collected \$940. He stated that the City Council needed to ask companies to join.

Councilmember Darryl Darnell asked about the increase in Attorney fees. He stated that the City should solicit bids for legal services. Councilmember Ray Linseisen stated that if the City would hire another attorney, then the biggest factor would be for that attorney to be advised of the current activities which would be time consuming and costly. Councilmember Darryl Darnell stated that the current agreement stated that faxes and postage were included, however the City had been billed for charges.

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Mayor Bryce D. Kocian stated that he requested \$10,000 budgeted for Emergency Management, since he was requesting that the City of Wharton Emergency Management Coordinator be compensated. Councilmember Darryl Darnell stated that the budget should be increased to reflect purchases of supplies and to purchase a laptop computer. Councilmember Domingo Montalvo, Jr. stated that some supplies were located at the Wharton Fire Department, which the firefighters inspect annually.

City Manager Andres Garza, Jr. stated that he would present a balanced budget to the City Council on Monday, August 25, 2003, which the City Council could set the Public Hearing for September 8, 2003.

Councilmember Darryl Darnell stated that the Facilities Maintenance Department was still using the old machine to spray for mosquitoes. City Manager Andres Garza, Jr. stated that the department would continue to use it until it would not operate. Councilmember Domingo Montalvo, Jr. asked about aerial spraying for mosquitoes. Mr. Garza stated that the City Staff would look into aerial spraying for mosquitoes.

The fifth item on the agenda was adjournment. Councilmember Ray Linseisen made the motion to adjourn. Councilmember V. L. Wiley, Jr. seconded the motion. All voted in favor.

The meeting adjourned at 8:35 p.m.

CITY OF WHARTON, TEXAS

By: _____
BRYCE D. KOCIAN
Mayor

ATTEST:

JOYCE VASUT
City Secretary