

**MINUTES
OF
CITY OF WHARTON
REGULAR CITY COUNCIL MEETING
MARCH 22, 2004**

Mayor Bryce D. Kocian declared a Regular Meeting duly open for the transaction of business at 7:00 p.m. Councilmember Don Mueller led the opening devotion and then Mayor Bryce D. Kocian led the pledge of allegiance.

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

Councilmember absent was: None.

Staff members present were: City Manager, Andres Garza, Jr., Finance Director Joyce Vasut, Deputy City Secretary Lisa Stavena, Assistant to City Manager Jackie Jansky, Public Works Director Phillip Bush, Building Official Ronnie Bollom, EMS Director John Kowalik, Community Services Director Jo Knezek, and City Attorney Paul Webb.

Visitors present were: Benjamin Sharp with Wharton Journal-Spectator, David Schroeder with WEDCo, Carlos Cotton, Anthony Rachunek, Robert Adase, Lewis Fortenberry, Alvin Matthys, Billie Jones, Art Schulze, Randy Rodriguez, Mike Murphy, Scott Hughes, I.O. Coleman, Jr., Glenn Erdelt, Suzette Wells-Young, Don Naiser, and Lynda Nichols.

The third item on the agenda was Public Comments. Mr. Art Schulze addressed the City Council and stated that he was the President of the Chamber of Commerce and publicly invited the City Council to attend the Texas Rural Partners Town Hall Meeting on March 31, 2004 at 5:00 p.m. at the Wharton Independent School District Administration Office. No action was taken.

The fourth item on the agenda was the Wharton Moment. City Manager Andres Garza, Jr. publicly recognized Deputy City Secretary Lisa Stavena for having successfully completed a Texas Municipal Clerk Certification to be a Texas Registered Municipal Clerk. He then publicly recognized Building Official Ronnie Bollom for successfully completing certification as a Certified Floodplain Manager.

Councilmember V. L. Wiley, Jr. informed the City Council that Councilmember Ray Linseisen and himself attended 2004 Annual Meeting of the H-GAC General Assembly on March 19, 2004 and the meeting was very informative. No action was taken.

The fifth item on the agenda was to review and consider the City of Wharton Financial Report for the month of February 2004. Finance Director Joyce Vasut presented the financial report for

the month of February 2004, which was at 42% or five months into the fiscal year. Mrs. Vasut stated that the general fund revenues were at 55.40% and the expenditures were at 41.75%. The total ad valorem taxes collected were \$1,611,666.00. The sales tax for the month of January 2004 was \$119,782 with \$79,855 going to the City and \$39,927 to WEDCo. The TexPool balance for February 2004 was \$456,631.93 with an average monthly yield of 1.0378%. After some discussion, Councilmember Ray Linseisen made a motion to approve the financial report for the month of February 2004. Councilmember Ken Freese seconded the motion. All voted in favor.

The sixth item discussed on the agenda was to review and consider Center Point Energy Filing of Currently Effective Residential and Commercial Rate Schedules. City Manager Andres Garza, Jr. presented a copy of the letter dated March 15, 2004 from Mr. Steve Yarbrough, Region Manager for Center Point Energy regarding the filing of currently effective residential and commercial rate schedules for the City of Wharton. He stated that the item was being presented to the City Council for informational purposes. He stated that formal action by the City Council was not required. Councilmember Domingo Montalvo, Jr. asked if the increase was due to the increase in fuel. Mr. Steve Yarbrough addressed the City Council and stated that the increase was due to the Pension Fund increase and personnel cost; the fuel cost was separate. After some discussion, no action was taken.

The seventh item discussed on the agenda was to review and consider Charter Communications Notice of Price Adjustments. City Manager Andres Garza, Jr. presented a copy of his memorandum dated March 15, 2004 to the City Council regarding the letter dated March 8, 2004 from Charter Communications General Manager Rick Almond, informing the City of Wharton that Charter Communications would be increasing the rates for cable products and services offered to the City. He stated that the rate increase would become effective during the April customer billing statement cycle. Mr. Garza stated that Mayor Bryce D. Kocian requested this item be placed on the agenda. After some discussion, no action was taken.

The eighth item discussed on the agenda was to review and consider the recommendation by the Planning Commission:

A. Request by Mr. Marshall Francis for a variance to construct a storage facility over an interior property line at 815 North Richmond Road, Wharton, Block 40, Lots 4A, 4B and 6A.

City Manager Andres Garza, Jr. presented a copy of the memorandum of recommendation dated March 18, 2004 from Planning Commission Chairman A. J. Rath recommending the City Council consider approving the item. He also presented a copy of the Planning Commission communications from the meeting that was held March 15, 2004. Building Official Ronnie Bollom stated that Mr. Marshall Francis was requesting to build over the property line. After some discussion, Councilmember Darryl Darnell made a motion to approve the request by Mr. Marshall Francis for a variance to construct a storage facility over an interior property line at 815 North Richmond Road, Wharton, Block 40, Lots 4A, 4B and 6A. Councilmember Domingo Montalvo, Jr. seconded the motion. All voted in favor.

B. Request by Mr. Clement Kovar for final approval of re-plat at 215 West Alabama Street, Hawes, Block D, Lots 1 and 2.

City Manager Andres Garza, Jr. presented a copy of the memorandum of recommendation dated March 18, 2004 from Planning Commission Chairman A. J. Rath recommending the City

Council consider approving the item. He also presented a copy of the Planning Commission communications from the meeting that was held March 15, 2004. Building Official Ronnie Bollom stated that Mr. Clement Kovar was requesting to replat in order to change the interior direction of the lots. City Manager Garza informed the City Council that on February 23, 2004, the City Council had approved the preliminary plat. After some discussion, Councilmember Ken Freese made a motion to approve the request by Mr. Clement Kovar for final approval of re-plat at 215 West Alabama Street, Hawes, Block D, Lots 1 and 2. Councilmember Ray Linseisen seconded the motion. All voted in favor.

C. Request by Mr. Harold Andersen for the following:

1. Variances located at 2827 Golf Crest Drive and 2829 Golf Crest Drive, Golf Crest Drive, Golf Crest Estates, Lots 1 and 2:
 - a. Approval for a four (4) unit patio home development verses six (6) units as stated in the City Ordinance.
 - b. Approval of a side street building set back requirement to be five (5) feet from the side street property line at Golf Crest Estates, Lot 1, 2827 Golf Crest Drive.
 - c. Approval of three (3) side yard building set back requirement variances to be five (5) feet from the side lot lines at Golf Crest Estates, Lots 1 and 2; 2827 Golf Crest Drive and 2829 Golf Crest Drive.
2. For a preliminary/final approval of the re-plat at 2827 Golf Crest Drive and 2829 Golf Crest Estates, Lots 1 and 2.

City Manager Andres Garza, Jr. presented a copy of the memorandum of recommendation dated March 18, 2004 from Planning Commission Chairman A. J. Rath recommending the City Council consider approving the item. He also presented a copy of the Planning Commission communications from the meeting that was held March 15, 2004. Building Official Ronnie Bollom informed the City Council that Mr. Harold Anderson was requesting that the lots be subdivided into four lots, for a four unit patio home development, and variances of set back requirements. After some discussion, Councilmember Don Mueller made a motion to approve the request by Mr. Harold Andersen for variances located at 2827 Golf Crest Drive and 2829 Golf Crest Drive, Golf Crest Drive, Golf Crest Estates, Lots 1 and 2, approval for a four (4) unit patio home development verses six (6) units as stated in the City Ordinance, approval of a side street building set back requirement to be five (5) feet from the side street property line at Golf Crest Estates, Lot 1, 2827 Golf Crest Drive, approval of three (3) side yard building set back requirement variances to be five (5) feet from the side lot lines at Golf Crest Estates, Lots 1 and 2; 2827 Golf Crest Drive and 2829 Golf Crest Drive, and for a preliminary/final approval of the re-plat at 2827 Golf Crest Drive and 2829 Golf Crest Estates, Lots 1 and 2. Councilmember Domingo Montalvo, Jr. seconded the motion. Councilmembers V. L. Wiley, Jr., Darryl Darnell, Don Mueller, Domingo Montalvo, Jr., and Ray Linseisen voted for the motion. Councilmember Ken Freese abstained. The motion carried.

D. Request by Mr. Ben Bell (Purchaser), Southeast Avenue, Wharton, Block 58, Lot 3, for the following:

1. To re-plat South East Avenue, Wharton, Block 58, Lot 3 to create four (4) 50' x 150' lots for the construction of homes.
2. Request for variance of ten (10) feet from the required sixty (60) feet minimum lot size.

3. Request for a one (1) foot side yard setback variance from the required ten (10) feet side yard setback.

City Manager Andres Garza, Jr. presented a copy of the memorandum of recommendation dated March 18, 2004 from Planning Commission Chairman A. J. Rath recommending the City Council consider approving the item. He also presented a copy of the Planning Commission communications from the meeting that was held March 15, 2004. Building Official Ronnie Bollom stated that Mr. Ben Bell was requesting to subdivide the lot into four lots, variance for minimum lot size, and variances for setback requirements. After some discussion, Councilmember Don Mueller made a motion to approve the request by Mr. Ben Bell (Purchaser), Southeast Avenue, Wharton, Block 58, Lot 3, To re-plat South East Avenue, Wharton, Block 58, Lot 3 to create four (4) 50' x 150' lots for the construction of homes, approval variance of ten (10) feet from the required sixty (60) feet minimum lot size, and approval for a one (1) foot side yard setback variance from the required ten (10) feet side yard setback. Councilmember Darryl Darnell seconded the motion. All voted in favor.

The ninth item discussed on the agenda was Public Hearing: Comments from interested parties may be received regarding the Jr's Texas Best Smokehouse & Bakery Project which is located in the 100-year floodplain. City Manager Andres Garza, Jr. presented a copy of the public notice regarding the public hearing for the Jr's Texas Best Smokehouse & Bakery project. He stated that the public hearing was required to be held in accordance with the requirements of the Texas Department of Community Development under the Texas Capital Fund program since the project was located in the 100-year floodplain.

Mayor Bryce D. Kocian opened the Public Hearing for public comments at 7:21p.m.
No comments were given.

Mayor Bryce D. Kocian closed the Public Hearing for public comments at 7:22 p.m.
No action was taken.

The tenth item discussed on the agenda was to review and consider Jr's Texas Best Smokehouse & Bakery Project:

- A. **Resolution:** A resolution approving a contract between the City of Wharton and Jr's Texas Best, LLC and authorizing the Mayor of the City of Wharton to execute all documents related to said contract. City Manager Andres Garza, Jr. presented a draft copy of the agreement between the City of Wharton and Jr's Texas Best, LLC for the Texas Capital Fund project, Contract No. 723092. After some discussion, Councilmember Domingo Montalvo, Jr. made a motion to approve Resolution No. 2004-21, which read as follows:

CITY OF WHARTON RESOLUTION NO. 2004-21

A RESOLUTION APPROVING A CONTRACT BETWEEN THE CITY OF WHARTON AND JR'S TEXAS BEST, LLC AND AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXEUCTE ALL DOCUMENTS RELATED TO SAID CONTRACT.

WHEREAS, the Wharton City Council wishes to enter into a contract with Jr's Texas Best, LLC for the Jr's Texas Best Smokehouse & Bakery project; and

WHEREAS, the Wharton City Council wishes to authorize the Mayor of the City of Wharton to execute all documents related to said contract; and

WHEREAS, the City of Wharton and the Jr's Texas Best, LLC wishes to be bound by the conditions as set forth in the contract.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS as follows:

Section I. That the City Council of the City of Wharton hereby approves the contract between the City of Wharton and Jr's Texas Best, LLC for the Jr's Texas Best Smokehouse & Bakery project.

Section II. That the Wharton City Council hereby authorizes the Mayor of the City of Wharton to execute all documents related to contract.

Section III. That this resolution shall become effective immediately upon its passage.

Passed, Approved, and Adopted this 22nd day of March 2004.

CITY OF WHARTON, TEXAS

By: _____
BRYCE D. KOCIAN
Mayor

ATTEST:

JOYCE VASUT

City Secretary

Councilmember V. L. Wiley, Jr. seconded the motion. All voted in favor.

B. Resolution: A resolution approving a lease agreement between the City of Wharton and Jr's Texas Best, LLC and authorizing the Mayor of the City of Wharton to execute all documents related to said agreement. City Manager Andres Garza, Jr. presented a draft resolution approving the agreement. He stated that certain special conditions must be met by Jr's Texas Best as required by the Texas Capital Fund Contract, therefore the agreement must be implemented. He stated that as a requirement of the Texas Capital Fund Contract No. 723092, the City of Wharton must own the property that the grant funds would be used to make improvements. Therefore, Jr's Texas Best, LLC would deed the property to the City of Wharton as stated in the contract. The City would then lease the property back to Jr's Texas Best, LLC, with the option provided to Jr's Texas Best that it could purchase the property back after a five year period. Or, the property would revert back to Jr's Texas Best after a period of twenty years and all funds expended by the Texas Capital Fund for the project were paid in full. Mr. Garza then presented a draft lease agreement between the City of Wharton and Jr's Texas Best, LLC and a draft resolution approving the agreement. He stated that Ms.

Amy Rod has reviewed the draft agreement on behalf of the City. After some discussion, Councilmember Ken Freese made a motion to approve Resolution No. 2004-22, which read as follows:

**CITY OF WHARTON
RESOLUTION NO. 2004-22**

A RESOLUTION APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF WHARTON AND JR'S TEXAS BEST, LLC AND AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATED TO SAID AGREEMENT.

WHEREAS, the Wharton City Council wishes to enter into a lease agreement with Jr's Texas Best, LLC for the Jr's Texas Best Smokehouse & Bakery project; and

WHEREAS, the Wharton City Council wishes to authorize the Mayor of the City of Wharton to execute all documents related to said agreement; and

WHEREAS, the City of Wharton and the Jr's Texas Best, LLC wishes to be bound by the conditions as set forth in the lease agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS as follows:

Section I. That the City Council of the City of Wharton hereby approves the lease agreement between the City of Wharton and Jr's Texas Best, LLC for the Jr's Texas Best Smokehouse & Bakery project.

Section II. That the Wharton City Council hereby authorizes the Mayor of the City of Wharton to execute all documents related to said lease.

Section III. That this resolution shall become effective immediately upon its passage.

Passed, Approved, and Adopted this 22nd day of March 2004.

CITY OF WHARTON, TEXAS

By: _____
BRYCE D. KOCIAN
Mayor

ATTEST:

JOYCE VASUT

City Secretary

Councilmember Ray Linseisen seconded the motion. All voted in favor.

- C. Authorization to solicit bids for the construction phase of the project. City Manager Andres Garza, Jr. stated that Jr's Texas Best, LLC had hired Mr. Don Naiser, P.E. as their engineer with their own funds for the development of the plans and specifications for the project. Mr. Don Naiser addressed the City Council and stated that the plans would be completed within the next two weeks. He stated that advertisement would begin on March 31, 2004 with the bid opening of April 26, 2004. He stated that the location would have a convenience store, bakery, and FDA approved sausage-processing plant. Mr. Naiser stated that he was hired by Jr's Smokehouse but he would be representing the City of Wharton since the building and property would be under the City's name. Councilmember Don Mueller asked about the elevation of the building. Mr. Naiser stated that the building would have to be elevated 4 1/2 about feet to reach the base flood elevation (BFE). After some discussion, Councilmember Don Mueller made a motion to authorize the solicitation of bids for the construction phase of the Jr's Texas Best Smokehouse & Bakery Project. Councilmember V. L. Wiley, Jr. seconded the motion. All voted in favor.

The eleventh item discussed on the agenda was to review and consider the request by Wharton Economic Development Corporation to amend the Fiscal Year 2003-2004. City Manager Andres Garza, Jr. presented a copy of the letter dated March 16, 2004 from Wharton Economic Development Corporation (WEDCo) Executive Director David Schroeder. The WEDCo Board of Directors was requesting the City Council to approve budget amendments to the WEDCo budget for fiscal year 2003-2004. He then presented a copy of the current WEDCo budget and amended budget. WEDCo Executive Director David Schroeder addressed the City Council and stated that the WEDCo Board was recommending approval on the following:

1. Under Appropriations, amending 2003-2004 Fiscal Budget reducing line item for Project Lodging from \$250,000 to \$198,000.
2. Increasing line item for Business Incentive Project from \$50,000 to \$102,000.
3. Estimated Revenues, Reserves/Funding Options for Loan and/or Bond Funding for Wal-Mart/Lodging Project, the line item should be reduced from \$550,000 to \$498,000.
4. WEDCo entering into a contract with the City of Wharton to provide a 6-inch water line and sewer services at 2933 Highway 60 for %52,000 in providing a business incentive to Prime Eco Fluids.

After some discussion, Councilmember Domingo Montalvo, Jr. made a motion to approve the request by Wharton Economic Development Corporation to amend the Fiscal Year 2003-2004 as presented. Councilmember Ray Linseisen seconded the motion. All voted in favor.

The twelfth item discussed on the agenda was to review and consider a resolution approving a contract between the City of Wharton and Wharton Economic Development Corporation for water and sewer improvements located at 2933 Highway 60, Wharton, Texas, for the Prime Eco Fluids Project and authorizing the Mayor of the City of Wharton to execute all documents related to said contract. City Manager Andres Garza, Jr. presented a copy of the letter dated March 16, 2004 from Wharton Economic Development Corporation (WEDCo) Executive Director David Schroeder. The WEDCo Board of Directors was requesting the City Council to approve a contract between the City of Wharton and WEDCo. The contract would state the City would provide a 6-inch water line and sewer services to 2933 Highway 60, Wharton, Texas, for the Prime Eco Fluids project and WEDCo would pay the City of Wharton the cost to complete the

infrastructure improvements, which was estimated at \$52,000. He then presented a copy of a diagram indicating the location of the proposed project, a copy of the executive summary provided by Prime Eco Fluids, a draft agreement and a draft resolution. WEDCo Executive Director David Schroeder addressed the City Council and stated the property did not have sewer service and was being serviced by a 2-inch water line that needed to be replaced with at least a 6-inch water line. He said the property was located inside the City limits. Councilmember Darryl Darnell asked if the water line extension would include a fire hydrant. Public Works Director Phillip Bush stated that the new water line included a fire hydrant. After some discussion, Councilmember Darryl Darnell made a motion to approve Resolution No. 2004-23, which read as follows:

**CITY OF WHARTON
RESOLUTION NO. 2004-23**

A RESOLUTION APPROVING A CONTRACT BETWEEN THE CITY OF WHARTON AND WHARTON ECONOMIC DEVELOPMENT CORPORATION FOR WATER & SEWER IMPROVEMENTS LOCATED AT 2933 HIGHWAY 60, WHARTON, TEXAS, FOR THE PRIME ECO FLUIDS PROJECT AND AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATED TO SAID CONTRACT.

WHEREAS, the Wharton City Council wishes to enter into a contract with the Wharton Economic Development Corporation for water and sewer improvements located at 2933 Highway 60, Wharton, Texas, for the Prime Eco Fluids Project; and

WHEREAS, the Wharton City Council wishes to authorize the Mayor of the City of Wharton to execute all documents related to said agreement; and

WHEREAS, the City of Wharton and the Wharton Economic Development Corporation wishes to be bound by the conditions as set forth in the contract.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS as follows:

Section I. That the City Council of the City of Wharton hereby approves the contract between the City of Wharton and the Wharton Economic Development Corporation for water and sewer improvements located at 2933 Highway 60, Wharton, Texas, for the Prime Eco Fluids Project.

Section II. That the Wharton City Council hereby authorizes the Mayor of the City of Wharton to execute all documents related to said lease.

Section III. That this resolution shall become effective immediately upon its passage.

Passed, Approved, and Adopted this 22nd day of March 2004.

CITY OF WHARTON, TEXAS

By: _____
BRYCE D. KOCIAN
Mayor

ATTEST:

JOYCE VASUT

City Secretary

Councilmember Domingo Montalvo, Jr. seconded the motion. All voted in favor.

The thirteenth item discussed on the agenda was to review and consider the request by Gulf Coast Medical Center for City of Wharton assistance for sewer infrastructure improvements along Hospital Drive. City Manager Andres Garza, Jr. stated that Gulf Coast Medical Center had contracted with Critical Air, a California based Air Ambulance Services, to base a "Life-Flight" type helicopter at the hospital. He stated that this step taken by the hospital would improve response time for air ambulance to arrive at a trauma scene in this area or in transferring inpatients that meet the clinical criteria for transfer by air ambulance. Critical Air would also work closely with Wharton EMS and surrounding EMS organizations. The hospital was constructing a "Crew Quarters" near the helipad that would be used by those on call 24 hours a day, 7 days per week. He stated that Mr. Mike Murphy, CEO of GCMC Hospitals, was requesting the City of Wharton to assist with the sewer improvements to the building. He then presented a copy of Mr. Murphy's email dated March 17, 2004. The sewer line was estimated to cost approximately \$13,112.00. Mr. Garza then presented a map indicating the location of the proposed line. After some discussion, Councilmember Domingo Montalvo, Jr. made a motion to approve the request by Gulf Coast Medical Center for City of Wharton assistance for sewer infrastructure improvements along Hospital Drive. Councilmember Don Mueller seconded the motion. All voted in favor.

The fourteenth item discussed on the agenda was to review and consider the City of Wharton Water System Improvements. City Manager Andres Garza, Jr. presented a map indicating several water lines in the City of Wharton that required improvements. He said the City Staff had received complaints from people along Rusk Street regarding low water pressure. He said the line along Rusk Street was a two- (2) inch line that should be replaced with at least a six- (6) inch line. He said other lines that should be upgraded were located along Hamilton, Fulton, Moore, Old Boling Road, Grayson, and Schley streets. He said the line located along Sorrell was a six- (6) inch line that was in need of being replaced because of a high number of water leak repairs. Mr. Garza stated that the two-inch line did not provide adequate fire protection. After some discussion, Councilmember Ray Linseisen made a motion to approve the City of Wharton Water System Improvements. Councilmember Darryl Darnell seconded the motion. All voted in favor.

The fifteenth item discussed on the agenda was to review and consider a resolution approving a lease agreement between the City of Wharton and Hughes Air Aviation for a manufacturing facility to be located at the Wharton Regional Airport and authorizing the Mayor of the City of Wharton to execute all documents related to said agreement. City Manager Andres Garza, Jr.

stated that Mr. Scott Hughes of Hughes Air Aviation had approached the City and had requested a lease agreement for hangar space previously occupied by a skydiving operation. He then presented a copy of the company's executive summary and a draft agreement approved by the Wharton Regional Airport Board. He stated that the draft agreement had been submitted to the company for their review. The Wharton Regional Airport Board was recommending the City Council approve an agreement with Hughes Air Aviation. He then presented a draft resolution approving the agreement. Councilmember Darryl Darnell asked if the City of Wharton could increase the rent on the hangar. City Manager Andres Garza, Jr. stated that according to Section 5 in the agreement, the City reserved the right to amend or terminate the lease upon 30 days written notice. Mr. Scott Hughes addressed the City Council and stated that he was with Chute the Breeze, which manufactured and built Powered Parachutes. Councilmember Domingo Montalvo, Jr. publicly thanked the Wharton Regional Airport Board and Boardmember Glenn Erdelt for working with Hughes Air Aviation. After some discussion, Councilmember Ken Freese made a motion to approve the Resolution No. 2004-24, which read as follows:

**CITY OF WHARTON
RESOLUTION NO. 2004-24**

A RESOLUTION APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF WHARTON AND HUGHES AIR AVIATION FOR A MANUFACTURING FACILITY TO BE LOCATED AT THE WHARTON REGIONAL AIRPORT AND AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATED TO SAID AGREEMENT.

WHEREAS, the Wharton City Council wishes to enter into a lease agreement with Hughes Air Aviation for a manufacturing facility to be located at the Wharton Regional Airport; and

WHEREAS, the Wharton City Council wishes to authorize the Mayor of the City of Wharton to execute all documents related to said agreement; and

WHEREAS, the City of Wharton and the Hughes Air Aviation wishes to be bound by the conditions as set forth in the contract.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS as follows:

Section I. That the City Council of the City of Wharton hereby approves the lease agreement between the City of Wharton and Hughes Air Aviation for a manufacturing facility to be located at the Wharton Regional Airport.

Section II. That the Wharton City Council hereby authorizes the Mayor of the City of Wharton to execute all documents related to said lease.

Section III. That this resolution shall become effective immediately upon its passage.

Passed, Approved, and Adopted this 22nd day of March 2004.

CITY OF WHARTON, TEXAS

By: _____
BRYCE D. KOCIAN
Mayor

ATTEST:

JOYCE VASUT

City Secretary

Councilmember V. L. Wiley, Jr. seconded the motion. All voted in favor.

The sixteenth item discussed on the agenda was to review and consider the City Staff's request to solicit bids for City of Wharton Surplus Personal Property. City Manager Andres Garza, Jr. stated that the City Staff was requesting City Council approval to solicit bids for the City of Wharton surplus personal property. He stated that after the sealed bid process, any remaining surplus property would be sold in the Wharton County Public Auction, which was going to be held on May 1, 2004. After some discussion, Councilmember Domingo Montalvo, Jr. made a motion to authorize solicitation of bids and sale of City of Wharton Surplus Personal Property. Councilmember Ray Linseisen seconded the motion. All voted in favor.

The seventeenth item discussed on the agenda was to review and consider the City of Wharton Construction Projects:

A. Civic Center Finishes Project – Cob's Carpets:

1. Change Order No. 4.
2. Pay Request No. 4

After some discussion, Councilmember V. L. Wiley, Jr. made a motion to approve the Civic Center Finishes Project – Cob's Carpets, Change Order No. 4 in the amount of \$1,406.50 to install carpet and base for EMS facility, and Pay Request No. 4 in the amount of \$1,406.50. Councilmember Ray Linseisen seconded the motion. All voted in favor.

B. Water Plants/Wastewater Treatment Plant No. 1 Hazard Mitigation Project – Nunn Constructors, Inc., Fourth and Final Pay Request.

After some discussion, Councilmember Ray Linseisen made a motion to approve the Water Plants/Wastewater Treatment Plant No. 1 Hazard Mitigation Project – Nunn Constructors, Inc., Fourth and Final Pay Request in the amount of \$17,727.60. Councilmember Domingo Montalvo, Jr. seconded the motion. All voted in favor.

The eighteenth item discussed on the agenda was to review and consider City Council Boards, Commissions, and Committees:

A. Acceptance of the resignation of Wharton Regional Airport Board Member Mike Gilbert. City Manager Andres Garza, Jr. presented a copy of his memorandum dated March 15, 2004 informing the City Council and the Wharton Regional Airport Board of Mr. Michael Gilbert's resignation as a board member. After some discussion, Councilmember Ken Freese made a

motion to accept the resignation of Wharton Regional Airport Board Member Mike Gilbert. Councilmember Ray Linseisen seconded the motion. All voted in favor.

B. Recommendation to fill the Wharton Regional Airport Board vacancy.

City Manager Andres Garza, Jr. presented a copy of the email dated March 18, 2004 from Wharton Regional Airport Board Member Glenn Erdelt recommending the City Council consider appointing Mr. Randy Rodriguez to fill the vacancy on the Airport Board. Mayor Kocian recommended the appointment of Mr. Randy Rodriguez to the Wharton Regional Airport Board. He stated that the vacancy was an unexpired term ending June 30, 2005. After some discussion, Councilmember Domingo Montalvo, Jr. made a motion to appoint Randy Rodriguez to the Wharton Regional Airport Board with the term ending June 30, 2005. Councilmember Ken Freese seconded the motion. All voted in favor.

C. Recommendation to fill the Building Standards Commission vacancy.

City Manager Andres Garza, Jr. stated a vacancy in the Building Standards Commission existed. He said the vacancy would be for the unexpired term ending June 30, 2005. No action was taken.

The nineteenth item discussed on the agenda was to review and consider a resolution of the City of Wharton, Texas, opposing any school finance or tax system reforms that would negatively affect City revenues and economic development efforts. City Manager Andres Garza, Jr. stated that during the January 26, 2004 regular Wharton City Council meeting, the City Council was presented with information issued by the Texas Municipal League (TML) regarding the School Finance and Texas Cities Workshop that was held Friday, March 12, 2004. He said the City Council Legislative Committee Members, Councilmembers Ray Linseisen and Domingo Montalvo, Jr., had attended the workshop on behalf of the City to obtain information regarding the impact the legislative action on school reforms could create in the City's financial status. He stated that Finance Director Joyce Vasut and himself also attended the workshop. He then presented a draft resolution of the City of Wharton, Texas, opposing any school finance or tax system reforms that would negatively affect City revenues and economic development efforts. Councilmember Ray Linseisen stated that under Governor Perry's proposal the Central Appraisal District (CAD) Board would consist of the Mayor from the largest city, President from the largest school district, County Judge, and the County Tax Assessor, and the Mayor of another city selected by all cities. Councilmember Domingo Montalvo, Jr. stated that the City of Wharton needed to get involved and work with TML to oppose any action by the legislature that would negatively impact cities. He said that a county wide meeting with other elected officials would be of benefit. City Manager Andres Garza, Jr. stated that the sales tax changes could have a negative impact on the City of Wharton. Councilmember Ken Freese requested a letter be sent to House of Representative Glenn Hegar, Jr. and Senator Kenneth Armbrister. After some discussion, Councilmember Ken Freese made a motion to approve Resolution No. 2004-25, which read as follows:

**CITY OF WHARTON
RESOLUTION NO. 2004-25**

A RESOLUTION OF THE CITY OF WHARTON, TEXAS, OPPOSING ANY SCHOOL FINANCE OR TAX SYSTEM REFORMS THAT WOULD NEGATIVELY AFFECT CITY REVENUES AND ECONOMIC DEVELOPMENT EFFORTS

WHEREAS, it is likely that the Texas Legislature will address school finance and tax system reforms in the near future; and

WHEREAS, during these deliberations by the Texas Legislature, proposals to limit the ability of cities to collect property taxes and sales taxes are likely to be offered by some members of the Legislature; and

WHEREAS, additional restrictions on city taxes fly in the face of a history of frugal tax administration by Texas cities; and

WHEREAS, all Texas cities combined collect only 15.3 percent of all property taxes collected in the State of Texas, while schools collect more than 60 percent; and

WHEREAS, between 1985 and 2002, the municipal share of all property tax revenue fell from 20.3 percent to 15.3 percent; and

WHEREAS, Texas cities rely on tax revenue to build basic infrastructure, to ensure public safety through police and fire departments, and to provide numerous essential services for city residents, who are 80 percent of the state's population; and

WHEREAS, Texas cities engage in numerous economic development activities that produce jobs and revenue for the entire State of Texas; and

WHEREAS, cities must meet the challenges of homeland security and compliance with state and federal mandates, many of which are unfunded mandates; and

WHEREAS, Texas cities have shown over the years that they are fiscally responsible and good stewards of taxpayers' money; and

WHEREAS, efforts to limit the ability of cities to collect sales and property tax revenues or to set tax rates would have severe negative impacts on city services, city employees, economic development efforts, and ultimately the citizens of the State of Texas;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS:

That the governing body of the City of Wharton, Texas, will oppose all school finance or tax reform efforts by the Texas Legislature that negatively impact the ability of the City to provide basic essential services, conduct economic development activities, and ensure public safety by limiting our ability, beyond the provisions of current law, to collect property tax or sales tax revenues.

PASSED AND ADOPTED this 22nd day of March 2004.

CITY OF WHARTON, TEXAS

BRYCE D. KOCIAN
Mayor

ATTEST:

JOYCE VASUT
City Secretary

APPROVED AS TO FORM:

PAUL WEBB
City Attorney

Councilmember Domingo Montalvo, Jr. seconded the motion. All voted in favor.

The twentieth item on the agenda was to review and consider the request for Travel Reimbursement for City Manager. City Manager Andres Garza, Jr. presented a copy of the request for travel reimbursement for the period February 10, 2004 through March 19, 2004 in the amount of \$722.27. After some discussion, Councilmember Domingo Montalvo, Jr. made a motion to approve the travel reimbursement for City Manager Andres Garza, Jr. for the period February 10, 2004 through March 19, 2004 in the amount of \$722.27. Councilmember V. L. Wiley, Jr. seconded the motion. All voted in favor.

The twenty-first item on the agenda was to review and consider the Boards, Commissions, and City Council Reports:

- A. Beautification Commission meeting held March 10, 2004.
 - B. Planning Commission meeting held March 15, 2004.
 - C. Wharton Economic Development Corporation meeting held March 16, 2004.
 - D. Building Standards Commission meeting held March 18, 2004.
 - E. Wharton Regional Airport Board meeting held March 18, 2004.
- City Manager Andres Garza, Jr. presented the reports to the City Council. No action was taken.

The twenty-second item discussed on the agenda was to review and consider City Manager's Reports:

- | | |
|---|--|
| A. Police Department. | I. Engineer/Planning Department. |
| B. City Secretary/Personnel. | J. Facilities Maintenance Department. |
| C. Municipal Court. | K. Community Services Department/
Civic Center. |
| D. E.M.S. Department. | L. Wharton Municipal Pool. |
| E. Fire Department Incidents/Inspections. | M. Wharton Regional Airport. |
| F. Code Enforcement Department. | N. Legal Department. |
| G. Water & Sewer Department. | |

H. Public Works Department. O. Weedy Lots/Sign Ordinance.
City Manager Andres Garza, Jr. presented the reports to the City Council. No action was taken.

The twenty-third item on the agenda was adjournment. After some discussion, Councilmember Don Mueller made a motion to adjourn. Councilmember V. L. Wiley, Jr. seconded the motion. All voted in favor.

The meeting was adjourned at 8:01 p.m.

CITY OF WHARTON, TEXAS

By: _____
BRYCE D. KOCIAN
Mayor

ATTEST:

JOYCE VASUT
City Secretary