

**MINUTES  
OF  
CITY OF WHARTON  
SPECIAL CITY COUNCIL MEETING  
JULY 19, 2004**

Mayor Bryce D. Kocian declared a Special Meeting duly open for the transaction of business at 6:17 P.M.

Councilmembers present were: Mayor Bryce D. Kocian , Councilmembers V. L. Wiley, Jr., David Samuelson, 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, and Deputy City Secretary Lisa Stavena.

Visitors present were: None.

The third item on the agenda was Discussion: Budget Workshop for the City of Wharton 2004-2005 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 2004-2005 Budget, which consisted of the Department Heads requests for capital outlay needs. He stated that the City Council would need to prioritize the services to be delivered to the citizens. He stated that the City could only spend what was generated. He stated that the City generated the majority of General Fund revenue from property taxes, sales taxes, and franchise taxes; however the only source of revenue the City has control over would be property taxes. He stated that the City Council needed to stay within the perimeter of the additional revenues that would be generated and decide where to spend the funds.

Mr. Garza stated that he was looking at reorganizing; however, it would not reduce the bottom line. Councilmember Don Mueller asked what was the total of Department Heads requests. Finance Director stated that the requests for the 2004-2005 fiscal year were approximately \$3.3 million in the General Fund that included the Jr. College Project of \$2.5 million.

Councilmember Domingo Montalvo, Jr. asked about the fund balance reserve policy that was adopted. Finance Director Joyce Vasut stated that the City of Wharton was over the amount adopted.

Mayor Bryce D. Kocian stated that he would recommend the \$187,938 to be spent on one-time expenditures. He stated that personnel were re-occurring charges that would cost beyond the \$187,938. Councilmember Don Mueller asked when was the last time the City of Wharton had issued bonds. Finance Director Joyce Vasut stated that 2000 bonds were issued and used for Infrastructure improvements.

City Manager Andres Garza, Jr. stated that the requested positions in the General Fund totaled \$246,967. Councilmember Domingo Montalvo, Jr. asked why would the City need to hire a full-time Maintenance Worker at the Civic Center when the Facilities Maintenance Department could mow the property. Councilmember Ken Freese stated that the Facilities Maintenance Department could also mow the Pool. Councilmember Ken Freese stated that he would like to see the City change the mowing of the property that would require the citizens to mow the right-of-way and if the City would mow then an invoice would be sent to the property owner. Councilmember Domingo Montalvo, Jr. stated that issue had been addressed in the past and was not successful.

Councilmember Don Mueller stated that City of El Campo Civic Center was closed and the citizens would call City Hall for reservations and then open the Civic Center when appropriate. Councilmember Ray Linseisen stated that citizens were complaining about the Civic Center employees watching television during the day.

Mayor Bryce D. Kocian stated that he would recommend two officers for the Police Department. Councilmember Domingo Montalvo, Jr. stated that with the call volume, the extra officers would be beneficial. He stated that retention had been a problem due to the 8-hour shifts. He stated that if the two additional officers were hired, then a 12-hour shift schedule could be implemented giving the officers every other weekend off. Councilmember Domingo Montalvo, Jr. stated that hiring an additional Emergency Services Telecommunicator would not solve any problems. Councilmember Don Mueller stated that the Communication Services needed to be combined with Wharton County and City of El Campo. Councilmember Domingo Montalvo, Jr. stated that the Communication Services could be set up through a Tier System that the Judge would have the authority to set up the board and have a manager to administer the department. He stated that the citizens would be the stakeholders. He stated that he would like the transaction to occur within the next three years. He stated that the transition would take approximately two years and the City of Wharton would need to start the process. Finance Director Joyce Vasut stated the amount budgeted for Communications was \$323,910. Councilmember Ken Freese asked if the City Council could receive statistical information in providing the two additional officers, such as response time and percentages.

Councilmember Domingo Montalvo, Jr. stated that he received information regarding the ground water issue that would affect the distribution of water. He stated that the City of Wharton needed to protect their water rights and not allow a company to take the water from the City. He stated that with the rule of capture, if the water would be brought up to the surface, then it would belong to that company. He stated that the water would be distributed to Ft. Bend County, Harris County and the City of Houston. Councilmember David Samuelson asked it that would be the job of the Coastal

Bend Water District. Councilmember Domingo Montalvo, Jr. stated that Coastal Bend Water District regulates and monitors the flows and would not regulate the water out of the basin.

Councilmember David Samuelson stated that he would like to see a comparison of salaries and staff to the City of El Campo. Deputy City Secretary Lisa Stavena stated that City of Wharton was below the salaries of the City of El Campo. Finance Director Joyce Vasut stated that the City of El Campo had approximately 105 employees compared to the City of Wharton with 85 employees. City Manager Andres Garza, Jr. stated that there should be one employee per one hundred citizens. Mr. Garza stated that the City of El Campo Emergency Medical Services had approximately 800 calls less per year than the City of Wharton.

City Manager Andres Garza, Jr. stated that the budget had a 3% cost-of-living, 1:0:1:1.5 ratio for Texas Municipal Retirement System and the one-time bonus of \$500 per full-time employee. Mayor Bryce D. Kocian stated that he would like to see a comparison of the retirement increase. He also would like to see an employee pay raise. Councilmember David Samuelson stated that the City could give the employee the bonus this fiscal year and not next fiscal year. Mayor Bryce D. Kocian stated that Wharton County Junior College gave a bonus in December to every employee and the employees were appreciative.

Councilmember Domingo Montalvo, Jr. asked about the Water/Sewer Fund transfer from the General Fund of \$450,000. Finance Director Joyce Vasut stated she used a formula to calculate the amount. City Manager Andres Garza, Jr. stated that \$300,000 was for administration and \$100,000 was for debt. Councilmember Ken Freese stated that the City of Wharton's water rate was approximately \$7.00 below the average monthly charge, and the sewer rate was approximately \$5.00 below the average monthly charge. Councilmember Domingo Montalvo, Jr. stated that when the City Council adopted an increase prior, the commercial users complained. Finance Director Joyce Vasut stated that the sewer base was reduced at that time. City Manager Andres Garza, Jr. stated that separate meters were also installed for sprinkler systems, thus allowing the customer to only pay for water charges on that meter. Mrs. Vasut stated that she proposed an increase of approximately 15%, which would be approximately \$2.00 increase per meter. Councilmember Ken Freese stated that he would like to see the City conduct a major project, such as the Ahldag Ditch while raising the water and sewer rates. Mayor Bryce D. Kocian asked if the Wharton County Judge had responded to the letter received regarding the drainage assistance. Mr. Garza stated that he would be contacting Judge Murrile to discuss placement of the City's request on the Wharton County Commissioners Court Agenda.

Mrs. Vasut stated that in the current fiscal year budget, the principle was not budgeted in the Water/Sewer Fund; however, the principle would be budgeted in fiscal year 2004-2005 budget. Mr. Garza stated that the depreciation did not cover the bond payments. Councilmember Don Mueller asked about the bond ratings. Mrs. Vasut stated that the bond ratings were at Aaa and BBB+. Mr. Garza stated that the total outstanding bonds for 2004 were \$5,985,000 and for 2005 were \$5,465,000. He stated that he would contact Mr. Jim Gilley regarding Certificates of Obligations.

Councilmember Ken Freese asked about the Feasibility Study that would cost \$3.5 million. City Manager Andres Garza, Jr. stated that Congress would address the issue in legislative session in 2006 and would possibly approve by 2009; therefore the City of Wharton could issue bonds in 2009.

He stated in 2011 the bond payment would be \$756,147; 2012 payment would be \$327,128; and 2013 payment would be \$331,257. Mr. Garza stated that the Santa Fe Railroad Drainage Project could be used as the City contribution to any project that generated from the Feasibility Study.

Councilmember Ken Freese stated that he felt the two projects that were top priority were the Ahldag Drainage Ditch and the Santa Fe Railroad Drainage Project. Councilmember Don Mueller stated that the City of Wharton needed to wait on the response from Wharton County. Councilmember Ken Freese stated that the City needed to start the projects.

Mayor Bryce D. Kocian asked about the ADA capital needs. City Manager Andres Garza, Jr. stated that the City could conduct some of the ADA capital needs through building maintenance expense.

City Manager Andres Garza, Jr. stated that the contract with Gulf Coast Medical Center would expire on August 31, 2004. He stated that the difference from the prior contract and the existing contract was that Gulf Coast Medical Center paid for all transfers and with the current contract only the private pay patients would be paid by Gulf Coast Medical Center if the private pay patient did not pay. Councilmember Ken Freese stated that Gulf Coast Medical Center was the customer and should be responsible for all charges. Finance Director Joyce Vasut stated that for fiscal year 2004-2005, Wharton County would contribute \$182,825 for Emergency Medical Services to the City of Wharton according to the funding formula.

City Manager Andres Garza, Jr. stated that the HOME Elevation Project was on hold since the contractor was non-responsive. He stated that the contractor would not provide performance or payment bonds for the project and a meeting was scheduled for July 20, 2004 at 2:00 p.m. with the property owners. He stated that the City would rebid the project. There were only ten of the original nineteen property owners that would participate in the elevation project.

The fourth item on the agenda was adjournment. Councilmember Don Mueller made the motion to adjourn. Councilmember V. L. Wiley, Jr. seconded the motion. All voted in favor.

The meeting adjourned at 9:07 p.m.

**CITY OF WHARTON, TEXAS**

By: \_\_\_\_\_  
**BRYCE D. KOCIAN**  
Mayor

**ATTEST:**

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**JOYCE VASUT**  
City Secretary