

**MINUTES
OF
CITY OF WHARTON
SPECIAL CITY COUNCIL MEETING
AUGUST 16, 2004**

Mayor Bryce D. Kocian declared a Special Meeting duly open for the transaction of business at 6:10 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: Wharton Chamber of Commerce & Agriculture Executive Director Abby Schubach.

The third item on the agenda was public comments. No comments were given. No action was taken.

The fourth item on the agenda was to review and consider the City of Wharton Budget Amendments for fiscal year 2003-2004. City Manager Andres Garza, Jr. presented a copy of the memorandum from City Finance Director, Joyce Vasut and himself presenting the projections and proposed budget amendments for fiscal year 2003-04. He stated that the projected General Fund Revenues for the 2003-2004 fiscal year exceeded the expenditures by approximately \$170,000. These projections were based on the current trends in revenues and the anticipated expenditures for the remaining two months. He stated that any changes in the projected revenues or the expected expenditures could change the amount of excess revenue over expenditures. He stated that the \$170,000 of excess could be used for the purchase of: three police vehicles the amount of \$ 62,000; the City's contributions to the 2004-05 Feasibility Study in the amount of \$25,000; the Street Improvement Program in the amount of \$70,000; and Other Capital Expenditures in the amount of \$17,000. He stated that if the additional funds were allocated in the current fiscal year, then these amount would not be included in the next fiscal year. He said if it was acceptable to the City Council, then these expenditures could be presented to the City Council as budget amendments for 2003-04 fiscal year. After some discussion, no action was taken.

The fifth item on the agenda was to review and consider the City of Wharton Proposed Budget for fiscal year 2004-2005. City Manager Andres Garza, Jr. presented a copy of the memorandum from City Finance Director Joyce Vasut and himself, summarizing the differences between the adopted fiscal year 2003-04 budget and the proposed budget for fiscal year 2004-05. He then presented a copy of the proposed budget for fiscal year 2004-05. Finance Director Joyce Vasut presented the changes to revenues, which included an increase to Ad Valorem Taxes in the amount of \$93,572; increase to Sales Tax in the amount of \$205,675; increase in Franchise Taxes in the amount of \$27,319, and other increases in the amount of \$15,175. She stated that the largest decrease to General Fund

Revenues included a reduction of Transfers-In in the amount of \$65,000, and contributions from the Wharton Fire Department in the amount of \$50,000 since the fire truck had been paid. She stated that increases to General Fund expenditures included a 3% Cost of Living in the amount of \$66,168 in the General Fund; a bonus of \$500 per employee in the amount of \$31,430; Transfer Out to EMS in the amount of \$65,900. She also stated that other increase include two new police officer positions in the amount of \$100,705; and the reclassification of the Civic Center Secretary position to the City Secretary Department in the amount of \$18,685, the reclassification of the Community Services Director from the Civic Center to the Grant/Housing Department in the amount of \$14,644, reclassification of a part-time Civic Center Maintenance position to the Facilities Maintenance position in the amount of \$20,582. She stated that additional increases included the Street Lighting in the amount of \$23,000; Property and Casualty Insurance in the amount of \$9,500; Audit Services in the amount of \$7,500; and other increases totaling \$20,339. She stated that the decreases to General Fund Expenditures included a decrease to Capital Outlay for Police Vehicle in the amount of \$62,000; a decrease to Transfer Out – Street Improvements in the amount of \$70,000; a decrease to Transfer Out for Civic Center in the amount of \$21,950; and other decreases totaling \$20,618. After some discussion, no action was taken.

The sixth item on the agenda was to review and consider the proposed Bond Issue for water/sewer and drainage improvements. City Manager Andres Garza, Jr. presented a copy of the memorandum from City Finance Director Joyce Vasut and himself, presenting a proposed bond issuance for fiscal year 2004-05. He stated that the projects totaled approximately \$1.66 million (\$1.2 million for the General Fund and \$400,000 for the Water/Sewer Fund). Finance Director Joyce Vasut stated that in reviewing the debt schedules, the City could support a \$1.5 million bond issue. She said that a \$1.5 million issue at fifteen years would require a debt service of approximately \$40,000 for fiscal year 2004-05; approximately \$113,000 for fiscal years 2006 through 2014; and approximately \$205,000 for fiscal years ending 2015 through 2021. Mr. Garza stated that the bond would include funding for the Ahldag Outfall Ditch Project, the Santa Fe Railroad Outfall Ditch Project, a Waterline Replacement Project, the Richmond Road Sewerline Rehabilitation Project, and the Fulton Street Sewerline Replacement Project. He then presented cost estimates and revisions for each of the projects, as well as the estimated debt service calculations for both a fifteen-year certificate and a twenty-year certificate. After some discussion, no action was taken.

The seventh 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 8:08 p.m.

CITY OF WHARTON, TEXAS

By: _____
BRYCE D. KOCIAN
Mayor

City of Wharton
Special City Council Meeting
August 16, 2004

ATTEST:

JOYCE VASUT
City Secretary