

**MINUTES
OF
CITY OF WHARTON
SPECIAL CITY COUNCIL MEETING
AUGUST 1, 2005**

Mayor Bryce D. Kocian declared a Special Meeting duly open for the transaction of business at 6:08 P.M.

Councilmembers present were: Mayor Bryce D. Kocian , Councilmembers V. L. Wiley, Jr., David Samuelson, Don Mueller, and Domingo Montalvo, Jr.

Councilmember absent was: Councilmembers Ken Freese, and Ray Linseisen.

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

Visitors present were: David Schroeder with WEDC, Brandi Currie with Chamber of Commerce, Kris Cerny, Benjamin Sharp, and Chester Houston.

The third item on the agenda was Discussion: Budget Workshop for the City of Wharton 2005-2006 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 City Council with a draft proposed budget for 2005 - 2006 fiscal year. He then presented a copy of the Wharton Chamber of Commerce and Agriculture contract agreement to the City Council. Councilmember Ken Freese stated that he would like to see what the Chamber of Commerce and the Wharton Economic Development Corporation (WEDC) were responsible for. He stated that he would also like WEDC to fund the Chamber of Commerce. Ms. Brandi Currie stated that WEDC allocates 10% of its budget to market the City. Councilmember David Samuelson stated that he would like to see the composite budget for the Chamber. He would like to see a list of contributors, such as the City, WEDC, and Chamber members and see where the funds are spent.

Ms. Brandi Currie with Wharton Chamber of Commerce and Agriculture addressed the City Council and presented the Chamber of Commerce Economic Growth through promotion proposal. She stated that the long-term goals of tourism included: friendly parks for public recreation, beautifying/enlarging City entrances, river access for recreation, revitalization for downtown,

creation of merchant co-ops, restoration projects(Courthouse, The Depot, and Plaza Theater), tourism trainings for volunteers and festival committees, farmers' market on the square, tourin' Wharton - by bus and on foot, and for senior citizens and kids, beautification projects (Santa Fe Trail and the Murals), revising County and City maps towards a tourism focus, public restroom availability, grant writing for monies to promote events, highway and city signage (billboards, directions and attractions, and growing festivals). She addressed marketing attractions. She stated that the bottom line was money. She asked How can it be a "win-win for everyone and where will the dollars be spent? She stated that the Chamber is currently receiving \$23,450 yearly and the proposed Hotel/Motel tax revenue in 2005/2006 was at \$65,200; however, the projected revenue for Holiday Inn was an additional \$52,000 which brings the total to \$109,200. She stated that the Chamber needed 38%, which was \$42,500 per year or \$3,541.67 per month. She stated that other cities use the Hotel/Motel tax dollars for the activities listed: Angleton: Chamber 25%, Museum 25%, City 50%; Cuero: Chamber 64.2%, City Museum 12.5%, County Museum 10.8%, City 12.5%; El Campo: Chamber 68%, Beautification 12%, City Museum 20%; Gonzales: Chamber 80%, City 20%; Hallettsville: Chamber 100%; Port Aransas: Chamber 42%, City 58%, and Victoria CVB 29%, City 57%, Cultural Arts 14%. Ms. Currie then presented where the dollars would be spent for the Wharton Chamber of Commerce and Agriculture with the allocation from the City of Wharton in the amount of \$42,500.

Finance Director Joyce Vasut stated that the certified appraisal of \$291,815,997 that was published was very misleading. The \$291,815,997 was the freeze adjusted taxable value, which does not include the value of the properties that will be affected by the tax freeze for property owners and disabled persons over age 65. The maximum ad valorem taxes that can be generated from properties affected by the tax ceiling is \$203,336 using the current tax rate. It is very likely that the current tax rate will be greater than the effective tax rate since the net taxable value before the freeze increased by nearly \$15 million and only about \$3 million was new property. Therefore, if the City would adopt the current tax rate or a tax rate over the effective tax rate, then two public hearings must be held and other guidelines followed based on the Truth in Taxation rules and regulations because it would be considered a property tax increase.

Ms. Vasut stated that the proposed budget included a 2 ½ cent Cost of Living increase for the employees. Councilmember Ken Freese stated that there were some employees that were making below \$20,000 yearly and their salary would need to be increased. Mayor Bryce D. Kocian stated that he would recommend a flat increase, which would allow all employees to receive the same amount. He stated that the employees below \$25,000 could receive a 5%, whereas the employees above \$25,000 could receive a 2%.

City Manager Andres Garza, Jr. stated that the Police Department requested a Narcotics Officer, which was included the draft proposed budget. He stated that the funds from seized and forfeiture account could purchase a vehicle; however, salaries could not be paid from these funds.

Mr. Garza stated that the sidewalks in the downtown area could be repaired by including the improvements in the bond issuance for the Airport Project. Councilmember Ken Freese stated that a tax increment financing district could be implemented.

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Mrs. Vasut stated that EMS was staffing two crews; therefore the part-time wages were increased \$55,000. She stated that the collection was up to 57% collection rate. She stated that EMS would be proposing a rate increase for services provided and mileage. Councilmember David Samuelson asked about the Emergency Services District. City Manager Andres Garza, Jr. stated that the County Judge had not taken action as of this date.

After reviewing the draft proposed budget as presented, the City Council held a discussion. No action was taken.

The fourth item on the agenda was adjournment. Councilmember Ken Freese made the motion to adjourn. Councilmember David Samuelson seconded the motion. All voted in favor.

The meeting adjourned at 8:33 p.m.

CITY OF WHARTON, TEXAS

By: _____
BRYCE D. KOCIAN
Mayor

ATTEST:

LISA STAVENA
City Secretary