

**MINUTES
OF
CITY OF WHARTON
REGULAR CITY COUNCIL MEETING
OCTOBER 23, 2006**

Mayor Bryce D. Kocian declared a Regular Meeting duly open for the transaction of business at 7:00 P.M. Councilmember V. L. Wiley, Jr. 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., 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, City Secretary Lisa Stavena, Assistant to City Manager Jackie Jansky, Police Chief Tim Guin, Building Official Ronnie Bollom, Planning Director Prudencio Arriaga, Sr., Building Official Assistant Lori Jaquez, and City Attorney Paul Webb.

Visitors present were: Benjamin Sharp with Wharton Journal Spectator, David Schroeder with Wharton Economic Development Corporation, Jim Gilley, Tom Sage, Erinn Lindberg, Austin Wozniak, Jeremy Schulz, Melanie Carlson, and Louis Edwards.

The third item on the agenda was Public Comments. No action was taken.

The fourth item on the agenda was Wharton Moment. Councilmember Ken Freese stated that Wharton High School Students were observing the City Council meeting for a government project. Then, Austin Wozniak, Melanie Carson, Erinn Lindberg, and Jeremy Schulz introduced themselves to the City Council. 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 September 2006. Finance Director Joyce Vasut presented the financial report for the month of September 2006 to the City Council and stated that the auditors would be reviewing the year-end financials. Mrs. Vasut stated that the total ad valorem taxes collected were \$1,792,451 and the sales tax for the month of August 2005 was \$165,821 with \$110,547 to the City and \$55,274 to WEDC. She further stated the TexPool balance for September was \$1,227,615.64 with an average monthly yield of 5.2648%. After some discussion, Councilmember David Samuelson made a motion to approve the City of Wharton Financial Report for the month of September 2006. Councilmember V. L. Wiley, Jr. seconded the motion. All voted in favor.

The sixth item on the agenda was to review and consider an ordinance authorizing the issuance of City of Wharton, Texas, Tax and Revenue Certificates of Obligation, Series 2006. City Manager Andres Garza, Jr. presented a draft ordinance authorizing the issuance of the City of Wharton, Texas, Tax and Revenue Certificates of Obligation, Series 2006. Mr. Garza then introduced Jim Gilley with Coastal Securities and Tom Sage with Vinson & Elkins LLP. Mr. Jim Gilley informed the City Council that eight bids were received via internet for \$2,965,000. He then presented the Summary of Sale for the Tax & Revenue Certificates of Obligation Series 2006. He stated that the best bid was with Stifel Nicolaus & Company, Inc. with an interest rate of 4.155199%. He then stated that the insured rating with CIFG Services, Inc was "Aaa" and "AAA", with the underlying rating of Moody's "Baa1", and Standard & Poor's "BBB+". He stated that the principal would be paid December 1, 2007 – December 1, 2026, with a par on December 1, 2014. He stated that Mr. Tom Sage with Vinson & Elkins LLP would submit the bonds to the Attorney General; therefore, the bond sale would close the latter part of November 2006. He stated that Stifel Nicolaus & Company, Inc. had obtained the bond insurance policy; therefore, the premium would not be funded from the proceeds. After some discussion, Councilmember Domingo Montalvo, Jr. made a motion to approve Ordinance No. 2006-19, which read as follows:

**CITY OF WHARTON
ORDINANCE NO.: 2006-19**

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF WHARTON,
TEXAS, TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2006.**

**THE STATE OF TEXAS §
COUNTY OF WHARTON §
CITY OF WHARTON §**

WHEREAS, the City Council of the City of Wharton, Texas (the "City"), authorized the publication of a notice of intention to issue certificates of obligation to the effect that the City Council would meet on October 23, 2006, to adopt an ordinance and take such other action as may be deemed necessary to authorize the issuance of certificates of obligation (the "Certificates") payable from City ad valorem taxes and from a limited pledge of a subordinate lien on the net revenues of the City's waterworks and sanitary sewer system, for the purpose of evidencing the indebtedness of the City for all or any part of the cost of constructing drainage improvements, the acquisition of equipment, the acquisition of land at 1407 N. Richmond Road, Wharton, Texas, for a new police facility, renovations and improvements of City facilities, park and sidewalk improvements, water and sewer system improvements, airport improvements, and the cost of professional services incurred in connection therewith; and

WHEREAS, such notice was published at the times and in the manner required by the Constitution and laws of the State of Texas and of the United States of America, respectively, particularly Subchapter C of Chapter 271, Texas Local Government Code as amended; and

WHEREAS, no petition or other request has been filed with or presented to any official of the City requesting that any of the proceedings authorizing the Certificates be submitted to a referendum or other election; therefore

