

MINUTES
OF
CITY OF WHARTON
SPECIAL CITY COUNCIL MEETING
JUNE 5, 2006

Mayor Pro-Tem Don Mueller declared a Special Meeting duly open for the transaction of business at 6:25 P.M. Mayor Pro-Tem Don Mueller led the opening devotion and then led the pledge of allegiance.

Councilmembers present were: Councilmembers V. L. Wiley, Jr., David Samuelson, Ken Freese, Don Mueller, and Ray Linseisen.

Councilmember absent was: Mayor Bryce D. Kocian, and Councilmember Domingo Montalvo, Jr.

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

Visitors present were: Benjamin Sharp with Wharton Journal Spectator, David Schroeder with Wharton Economic Development Corporation, and Police Captain Richard Coleman.

The seconded item on the agenda was roll call and excused absences. Councilmember V. L. Wiley, Jr. made a motion to excuse the absence of Mayor Bryce D. Kocian, and Councilmember Domingo Montalvo, Jr. from the Special City Council Meeting held June 5, 2006. Councilmember David Samuelson seconded the motion. All voted in favor.

The third item on the agenda was review and consider setting a Public Hearing for the 2005 Annual Drinking Water Quality Report – Consumer Confidence Report. City Manager Andres Garza, Jr. presented a copy of the public notice for the City of Wharton 2005 Annual Drinking Water Quality Report – Consumer Confidence Report. He stated that the U.S. Environmental Protection Agency (EPA) and the Texas Commission on Environmental Quality (TCEQ) required that all utility customers were provided the 2005 Annual Drinking Water Quality Report and given an opportunity to address any questions regarding the report. He stated that the City Staff was recommending the public hearing be scheduled for Tuesday, June 20, 2006 at Wharton City Hall. He also presented a copy of the report that the City Staff was preparing for distribution to the general public. After some discussion, Councilmember Ray Linseisen made a motion to approve June 20, 2006 as the public hearing date for the 2005 Annual Drinking Water Quality Report – Consumer Confidence Report. Councilmember Ken Freese seconded the motion. All voted in favor.

The fourth item on the agenda was review and consider a resolution of the Wharton City Council approving the agreement between Harris County and the City of Wharton for use of the Harris County 800 megahertz radio system and authorizing the Mayor of the City of Wharton to execute the agreement. City Manager Andres Garza, Jr. presented a copy of the letter dated May 25, 2006

from Mr. Steven W. Jennings, Harris County Chief Information Officer to Police Chief Tim Guin providing the City the agreement between Harris County and the City of Wharton for use of the Harris County 800 megahertz radio system. He then presented a copy of the agreement. He stated that the agreement was submitted to City Attorney Paul Webb for his review, which he would provide his recommendation during the meeting. He then presented a copy of a draft resolution approving the agreement. He stated that purchasing the 800 megahertz radio system would allow the police, fire, and emergency medical services departments to communicate more efficiently with other agencies. He stated that the agreement would also allow the City to lease available equipment. After some discussion, Councilmember V. L. Wiley, Jr. made a motion to approve Resolution No. 2006-40, which read as follows:

**CITY OF WHARTON
RESOLUTION NO. 2006 - 40**

A RESOLUTION OF THE WHARTON CITY COUNCIL APPROVING THE AGREEMENT BETWEEN HARRIS COUNTY AND THE CITY OF WHARTON FOR USE OF THE HARRIS COUNTY 800 MEGAHERTZ RADIO SYSTEM AND AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE THE AGREEMENT.

WHEREAS, the City of Wharton wishes to enter into an agreement with Harris County for the use of the Harris County 800 megahertz radio system; and

WHEREAS, Harris County wishes to enter into an agreement with the City of Wharton to provide the use of the Harris County 800 megahertz radio system; and

WHEREAS, Harris County and the City of Wharton wishes to be bound by the conditions as outlined in the agreement; and

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

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

Section I. Authorizes the Mayor of the City of Wharton to execute an agreement with Harris County and the City of Wharton for the use of the Harris County 800 megahertz radio system.

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

Passed, Approved, and Adopted this 5th day of June 2006.

CITY OF WHARTON, TEXAS

By: _____
DON MUELLER
Mayor Pro-Tem

ATTEST:

LISA STAVENA

City Secretary

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

The fifth item on the agenda was to review and consider a resolution amending the contract awarded to Penner Electric for the Santa Fe Trail Electrical Improvements approved by Resolution No. 2006-37 and authorizing the Mayor of the City of Wharton to execute all documents related to the contract amendment. City Manager Andres Garza, Jr. presented a copy of the City of Wharton Resolution No. 2006-37 awarding the bid for the City of Wharton Santa Fe Trail Electrical Improvements to Penner Electric. He stated that Penner Electric was deemed the best and lowest bidder as per bid specifications in the base bid amount of \$53,000 for installation and added alternate, Option No. 3, Light Poles in the amount of \$68,300 for a total bid price of \$121,300. He stated that after submitting the contract to Penner Electric, they indicated that an increase in their materials necessitated an increase in the contract price before they would sign the agreement. He stated that the City Staff had begun to look at alternative prices and the second lowest bid was for \$71,000 for installation only and required the City to buy the materials needed. He stated that he had spoke to James Pierce with Penner Electric. He stated that Penner Electric would not enter into the agreement due to the increase in materials cost for an additional \$6,000. He stated that he informed James Pierce that the City Council could review a change order after the project was started; however, a change in the bid could not be approved prior to the start of the project. He stated that the City had three options to cash in the bid bond for the amount of \$7,500 since Penner Electric would not sign the agreement or contact the next highest bidder to complete the project, or reject all bids and rebid the project. No action was taken.

The sixth item discussed on the agenda was Executive Session: City Council may adjourn into an Executive Session in accordance with Sections 551.072 and 551.087 of the Government Code, Revised Civil Statutes of Texas. Final action, decision or vote, if any with regard to any matter considered in Executive Session shall be made in Open Meeting:

- A. **Discussion:** Acquisition of property for the City of Wharton Levee Project.
- B. **Discussion:** Deliberations regarding economic development infrastructure projects.

Mayor Pro-Tem Don Mueller adjourned into Executive Session at 6:50 p.m.

Mayor Pro-Tem Don Mueller returned to open session at 7:40 p.m.

The seventh item discussed on the agenda was Return to Open Session: Action on items discussed in Executive Session:

- A. **Review & Consider:** Acquisition of property for the City of Wharton Levee Project. Mayor Pro-Tem Don Mueller stated that no action would be taken.
- B. **Review & Consider:** Economic Development infrastructure Projects. Mayor Pro-Tem Don Mueller stated that no action would be taken.

The eighth item discussed on the agenda was to review and consider a request by the Wharton Economic Development Corporation (WEDC) for the following:

- A. Approval of WEDC 2005-2006 fiscal year budget amendments.
- B. Approval for WEDC to seek funding through various sources, including but not limited to banks and issuance of revenue bonds for special infrastructure projects.
- C. **Resolution:** A resolution of the Wharton City Council approving the Wharton Economic Development Corporation Resolution No. 2006-01 expressing intent to finance road construction for new and expanding business development and to amend the 2005-2006 budget.

City Manager Andres Garza, Jr. presented a copy of the letter dated May 31, 2006 from Wharton Economic Development Corporation (WEDC) Executive Director Mr. David Schroeder regarding WEDC's intent to finance road construction for new and expanding business development and to amend the 2005-2006 WEDC budget. He then presented a copy of WEDC's Resolution No. 2006-01, which was approved during the WEDC Board of Directors' meeting held May 30, 2006. He also presented a draft copy of the City of Wharton Resolution approving WEDC's Resolution. He said that the City's Resolution was in accordance with HB 2928, which must be formally read by the City Council during two official meetings. After some discussion, Councilmember Ken Freese made a motion to approve Resolution No. 2006-41, which read as follows:

**CITY OF WHARTON
RESOLUTION NO. 2006-41**

A RESOLUTION OF THE WHARTON CITY COUNCIL APPROVING THE WHARTON ECONOMIC DEVELOPMENT CORPORATION RESOLUTION NO. 2006-01 EXPRESSING INTENT TO FINANCE ROAD CONSTRUCTION FOR NEW AND EXPANDING BUSINESS DEVELOPMENT AND TO AMEND THE 2005 –2006 BUDGET.

WHEREAS, the Wharton City Council wishes to support the Wharton Economic Development Corporation in developing new and expanding businesses in the City of Wharton; and

WHEREAS, the Wharton City Council wishes to approve budget amendments to the 2005 –2006 fiscal year budget for the Wharton Economic Development Corporation to conduct certain projects as outlined in the attached resolution; and

WHEREAS, the Wharton City Council wishes to approve the Wharton Economic Development Corporation Resolution No. 2006-01 which is attached and made part of this resolution.

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

Section I. That the Wharton City Council hereby supports the Wharton Economic Development Corporation in developing new and expanding business.

Section II. That the Wharton City Council hereby approves to amend the Wharton Economic Development Corporation 2005 – 2006 fiscal year budget for certain projects as outlined in the attached resolution.

Section III: That this resolution shall be come effective after two readings as required by House Bill 2928, Section 4B(a)(3).

First Reading Passed, Approved, and Adopted this 5th day of June 2006.

CITY OF WHARTON, TEXAS

By: _____
DON MUELLER
Mayor Pro-Tem

ATTEST:

LISA STAVENA
City Secretary

Second Reading Passed, Approved, and Adopted this ____ day of _____ 2006.

CITY OF WHARTON, TEXAS

By: _____
BRYCE D. KOCIAN
Mayor

ATTEST:

LISA STAVENA
City Secretary
Councilmember V. L. Wiley, Jr. seconded the motion. All voted in favor.

The ninth item on the agenda was to review and consider a resolution of the Wharton City Council approving the Fixed Base Operator Lease Agreement with Hughes Air Aviation and authorizing the Mayor of the City of Wharton to execute the agreement. City Manager Andres Garza, Jr. presented a draft resolution approving the fixed base operator lease agreement between the City of Wharton and Hughes Air Aviation for rental of the Hangar No. 29. He stated that Hughes Air Aviation currently leased Hangars No. 30 and 31. He said that Mr. Scott Hughes had indicated that his powered parachute operations were expanding and additional space was needed. He stated that the hangar being occupied by Evanson Aero had become available. He then presented a copy of the fixed base operators lease agreement for hangar No. 29. After some discussion, Councilmember David Samuelson made a motion to approve Resolution No. 2006-42, which read as follows:

CITY OF WHARTON
RESOLUTION NO. 2006-42

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 5th day of June 2006.

CITY OF WHARTON, TEXAS

By: _____
DON MUELLER
Mayor Pro-Tem

ATTEST:

LISA STAVENA

City Secretary

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

The tenth item discussed on the agenda was Budget Workshop: City of Wharton 2006-2007 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 capital needs to the City Council. He stated that the City Council Committees (Public Safety, Finance, Public Works) had met with the Department Heads regarding the department's capital needs. He stated that City Council could develop a bond issue for the Airport Projects and also the department's capital needs.

Finance Director Joyce Vasut stated that the projections for the 2006 - 2007 fiscal year were:

Property Values 37%

Sales Tax 26%

Franchise Taxes 20%

Fines 5%

Miscellaneous 3%

Transfers 9%

She stated that Wharton County Appraisal District projected a capital industrial decrease in the amount of \$6,944,170, and a real-personal increase in the amount of \$27,060,400. She stated that the certified final value would be available by July 25, 2006. She stated that there was a homestead limit of 30%, with 10% per year over a three-year period.

She then stated that sales taxes were currently 15% above last year's budget, with \$60,000 projected over the budgeted amount.

She then presented the Capital Needs - Equipment (Capital Lease) to the City Council.

City Manager Andres Garza, Jr. stated that highest priority was the sewer machine, since the City was currently renting a sewer machine.

After reviewing the capital needs as presented, the City Council held a discussion. No action was taken.

The eleventh item on the agenda was adjournment. After some discussion, Councilmember David Samuelson made a motion to adjourn. Councilmember Ray Linseisen seconded the motion. All voted in favor.

The meeting adjourned at 9:40 p.m.

City of Wharton
Special City Council Meeting
June 5, 2006

CITY OF WHARTON, TEXAS

By: _____
DON MUELLER
Mayor Pro-Tem

ATTEST:

LISA STAVENA
City Secretary