

**MINUTES  
OF  
CITY OF WHARTON  
SPECIAL CITY COUNCIL JOINT MEETING WITH  
WHARTON ECONOMIC DEVELOPMENT CORPORATION  
JULY 21, 2008**

Mayor David W. Samuelson declared a Special Meeting duly open for the transaction of business at 6:10 p.m.

Councilmembers present were: Mayor David W. Samuelson, Councilmembers V. L. Wiley, Jr., Lewis Fortenberry, Jr., Ken Freese, Don Mueller, Domingo Montalvo, Jr., and Jeff Gubbels.

Councilmember absent was: None.

Wharton Economic Development Corporation (WEDC) Boardmembers present were:

Kent Hill, Gary Nunez, Kenneth Johse, and Bryce D. Kocian.

WEDC Boardmembers Absent: Ray Linseisen.

WEDC Advisory members present: Billie Jones, Mike Wootton, James Bartosh, and Ron Sanders.

Staff members present were: City Manager Andres Garza, Jr., Finance Director Joyce Vasut, City Secretary Lisa Olmeda, Community Services Director Jo Knezek, and Assistant Attorney Amy Rod. Wharton Economic Development Corporation Executive Director David Schroeder, Executive Assistant Karen Heintschel, and Attorney Larry Wadler.

Visitors present were: Barry Halvorson with Wharton Journal Spectator, Garland Novosad, Karen Novosad, Darryl Darnell, Jim Butler, Sherrill Spears, Ed Joyce, Pat Joyce, Art Schulze, and Don Erdelt.

The second item on the agenda was Roll Call and Excuses Absences. All Councilmember were present. No action was taken.

The third item on the agenda was Public Comment. Mr. Mike Wootton addressed the City Council and stated that he supported WEDC, City Council and the community. He said that he was proud of the accomplishments over the past ten years. He said that WEDC has competed

with other cities. He said that he hopes that the city will grow and be successful in the future. He publicly commended all volunteers and staff associated with WEDC. No action was taken.

The fourth item on the agenda was Wharton Economic Development Corporation.

A. Articles of Incorporation – 5 Year Review.

Mayor David W. Samuelson presented a copy of the Wharton Economic Development Corporation (WEDC) Articles of Incorporation dated March 13, 1998. He said that in accordance with Article III Duration, Item (b), the Articles of Incorporation and any subsequent amendments and By-Laws subsequently adopted would be subject to review every five (5) year period from the date at which time the City Council would review the same to determine whether the goals and purposes of the Corporation as set out in the document were met. He stated that in June 2008, the City Council evaluated WEDC. He stated that there were no questions of what had been accomplished. He stated that WEDC was established and the ½ cent sales tax was from the taxpayers. He said that the City Council approved projects over \$50,000.00. He stated that he felt that surplus funds should be built up. He stated that a lot of the funds were spent on the Industrial Park and those funds would not be returned to the City of Wharton.

Councilmember Jeff Gubbels stated that WEDC should look at the impact of every project on the average tax payer, not just the big tax base.

Councilmember Ken Freese said that the public had a right to know where the funds were being spent. He said that the projects were included in the budget with no public hearings on individual projects. He said that bonuses were paid and lumped into the budget. He requested a more detailed budget.

Councilmember Don Mueller stated that housing needed to be addressed.

Mayor David W. Samuelson stated that ½ cent sales tax is devoted to WEDC; however, the City has a lot of needs. He said that the street repairs were budgeted \$100,000; however, that should be \$400,000. He said that some funds needed to get back into the City of Wharton's General Fund.

Councilmember V. L. Wiley, Jr. stated that the City and WEDC needed to work with each other, not against.

Councilmember Domingo Montalvo, Jr. stated that he served on WEDC board and City Council. He said that there should be a willingness to diversify the tax base. He said that Nan Ya Plastics Corporation made up 30% of City's assessed value 10 years ago; however, the current value was 10%. He stated that there has been a lack of communication between the City Council and WEDC. He said that the impact of the citizens should be considered and to see Wharton grow.

Mr. Mike Wootton stated that in creating additional tax base, the benefits would need to be evaluated. He said that with the creation of jobs salaries turn around seven times. He said that a feasibility study was conducted on the projects.

Councilmember Jeff Gubbels stated that salaries for manufacturing jobs may turn over seven times, but not all jobs.

Mr. Kent Hill said that he served on the Board the first 6 years. He said that the current appointments to the WEDC Board were conducted in violation of the spirit of intent of the By-Laws. He said if the By-Laws would not be abided by, then there should not be By-Laws.

Mayor David W. Samuelson stated that he was already serving a two-year term and the City Council did not discuss the appointments behind closed doors. He stated that there was not a plan to get remove certain WEDC Boardmembers.

Kenneth Johse stated that he has been serving on the Board for the past two-months. He said that all members are stewards and were doing a good job.

Councilmember Domingo Montalvo, Jr. stated that there should be an adopted policy for conducting appointments.

**B. Economic Development Strategies.**

Mayor David W. Samuelson asked David Schroeder if they had considered a Municipal Development District since it enforced a ½ cent sales tax within the ETJ.

City Manager Andres Garza, Jr. stated that WEDC could develop comprehensive strategies for promotion of the City. He stated that excess funds from the Hotel/Motel Fund could be allocated to WEDC for distribution towards promotion of the City. In return WEDC could support the City functions.

Kent Hill said that the primary job for WEDC would be to find new businesses, not promote the City.

After some discussion, no action was taken.

The fifth 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 7:18 p.m.

**CITY OF WHARTON, TEXAS**

**By:** \_\_\_\_\_  
**DAVID W. SAMUELSON**  
**Mayor**

**ATTEST:**

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**LISA OLMEDA**  
**City Secretary**