

**MINUTES
OF
CITY OF WHARTON
SPECIAL CITY COUNCIL MEETING
AUGUST 11, 2009**

Mayor David W. Samuelson declared a Special Meeting duly open for the transaction of business at 6:01 P.M. Mayor David W. Samuelson led the opening devotion.

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

Councilmember absent was: None.

Staff members present were: City Manager Andres Garza, Jr., Finance Director Joyce Vasut, City Secretary Lisa Olmeda, and EMS Director John Kowalik.

Visitors present were: Barry Halvorson with Wharton Journal Spectator.

The third item on the agenda was Proposed 2009 Certificates of Obligation Bond Issue:

- A. Capital Outlay Budget.
- B. Re-financing Capital Lease(s).

City Manager Andres Garza, Jr. stated that City was consulting with Coastal Securities. Finance Director Joyce Vasut stated that on July 31, 2009, the City Council Finance Committee met and discussed the proposed 2009 Certificate of Obligation Bond Issue, Capital Outlay Budget and the refinancing of capital leases. She then presented a copy of the memorandum dated July 31, 2009 from the Finance Committee providing its recommendation. She said that the City Council Finance Committee voted to recommend the City Council consider approving the following:

1. Approve the presented Capital Needs items to be included in the 2009-2010 fiscal year budget and the bond issue.
2. To refinance the \$300,000 loan with Houston Community Bank.
3. Include the payout of the capital lease for water meters in the amount of \$640,000 in the bond issue.
4. Issue the proposed bonds in the amount of \$4 million.

After some discussion, Councilmember Domingo Montalvo, Jr. made a motion to approve the recommended Capital Needs items to be included in the bond issue and 2009-2010 fiscal year budget; to refinance the \$300,000 loan with Houston Community Bank; to include the payout of the capital lease for water meters in the amount of \$640,000; and to issue the proposed bonds in the amount of \$4 million. Councilmember Don Mueller seconded the motion. All voted in favor.

The fourth item on the agenda was Budget Workshop: City of Wharton 2009-2010 Fiscal Year Budget:

- A. General Fund.
- B. Hotel Motel Fund.
- C. Narcotics Seizure Fund.

- D. Debt Fund.
- E. Water & Sewer Fund.
- F. Solid Waste Fund.
- G. Emergency Medical Services Fund.
- H. Civic Center Fund.
- I. Airport Fund.

Finance Director Joyce Vasut stated that the EMS fund consisted of collections estimated to be increased by nearly \$90,000. She stated that ESD No. 3 would meet on Thursday, August 13, 2009 to discuss the EMS fund. She stated that the City would present three options for the ESD Board regarding their budget and the proposed tax rate: 1) \$0.03 – tax rate for same service level; 2) \$0.035 – tax rate to increase service level, and 3) \$0.04 – tax rate to add a third crew during peak hours for 12 hours each day. EMS Director John Kowalik stated that the EMS Department currently was staffed with 6 full-time paramedics and part-time personnel was utilized to staff two crews 24 hours a day/7days a week.

Mrs. Vasut stated that the general fund revenues were \$5,073,542. She stated that the increase in expenditures in the proposed 2009-2010 budget included health insurance 10% increase, cost of living 3%, and full-time Emergency Management position. She stated that Boys & Girls Club was previously funded at \$15,000 and that Just Do It Now was also requesting \$15,000 from the General Fund.

Mrs. Vasut stated that the excess revenues in Hotel/Motel fund totaled approximately \$23,356 of which the Chamber of Commerce submitted a request for \$56,244. She said that the Seizure Fund had a cash balance of \$20,000 and would transfer \$40,000 to the General Fund for the Narcotics Officer and drug awareness and prevention.

Mrs. Vasut stated that the debt fund service requirement was \$140,481 more than last year, and the fund balance was estimated at \$360,000 at September 30, 2009. She stated that the fund balance increases approximately \$30,000 per year from interest income and penalty and interest from taxes. She stated that the capital improvement fund consisted of street improvements of \$125,000, with \$75,000 funded from the Water/Sewer Fund and \$50,000 funded from the solid waste fund.

Mrs. Vasut stated that the water/sewer fund water sales were projected at \$1,366,000 and the sewer charges were projected at \$1,275,000. She then stated that he City Staff was going to recommend a five percent increase to the water and sewer rates effective January 1, 2010. She stated that the Solid Waste Fund would include the adjusted rates as of October 1, 2009 based on CPI.

Mrs. Vasut stated that the civic center fund included a transfer from the Hotel/Motel fund of \$130,000, and \$30,000 from fund balance. She stated that the funds cash balance was \$180,000. She stated that the airport fund would include increases in expenditures and contractual changes in hangar rental fees. She stated that the airport budget included the industrial hangar being rented for six months. She stated that any shortfall in the airport budget would be funded from the airport fund balance. After some discussion, no action was taken.

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The fifth item on the agenda was adjournment. After some discussion, Councilmember Don Mueller made a motion to adjourn. Councilmember Jeff Gubbels seconded the motion. All voted in favor.

The meeting adjourned at 7:59 p.m.

CITY OF WHARTON, TEXAS

By: _____
DAVID W. SAMUELSON
Mayor

ATTEST:

LISA OLMEDA
City Secretary