

**MINUTES
OF
CITY OF WHARTON
REGULAR CITY COUNCIL MEETING
JUNE 23, 2014**

Mayor Domingo Montalvo, Jr. declared a Regular Meeting duly open for the transaction of business at 7:00 P.M at City Hall 120 E. Caney Street Wharton, TX. Mayor Montalvo led the opening devotion and the pledge of allegiance.

Councilmember's present were: Mayor Domingo Montalvo, Jr. and Councilmembers Tim Barker, Al Bryant, Jeff Gubbels, Russell Machann and Steven Schneider.

Councilmember absent was: Don Mueller.

Staff members present were: City Manager Andres Garza, Jr., Finance Director Joan Anandel, City Secretary Paula Favors, Assistant to the City Manager – Special Projects Cheryl Urbanovsky, Assistant to the City Manager Brandi Jimenez, EMS Director John Kowalik, Paramedic Emelia Rodgers, EMT Jeri Rodgers, Paramedic Frank Giesie, EMT David Bush, EMT Graciela Ortiz, Paramedic Larry Hollingsworth, Building Official Ronnie Bollom, Code Enforcement Officer Jimmy Nickolyn, Assistant to the Building Official Gwyneth Laney and Public Works Director Kyle Marchant, P.E.

Visitors present were: David Schroeder, Executive Director of the Wharton Economic Development Corporation (WEDCO), Carlos Cotton, P.E. with Jones and Carter, Inc., Guy Matula, Dustin Matula, Kathy S. Miller, Miguel Pena, Deborah Hayes, Ofilia Pena, Robert Pena, Victoria Hernandez, Ida Pena, Sarah Hudgins, Julio Aguilar and Natalie Frels with the Wharton Journal Spectator.

The second item on the agenda was Roll Call and Excused Absences. After some discussion, Councilmember Russell Machann moved to excuse Councilmember Don Mueller. Councilmember Al Bryant seconded the motion. All voted in favor.

The third item on the agenda was Public Comments. Mrs. Kathy S. Miller stated her feelings regarding renaming the Wharton Post Office in honor of Sgt. Michael C. Pena. Mrs. Miller gave a brief history of her father Mr. Delno Schulz who had a 41 year career with the Wharton Post Office. Mr. Dustin Matula, grandson of Mr. Schulz continued

City of Wharton
Regular Council Meeting
June 23, 2014

with a history of his life. Mr. Guy Matula, grandson of Mr. Schulz, stated he did not want to take away from Boling Resident Sgt. Pena's honor but wanted to uphold the history of the Wharton Post Office and those who have contributed to it. Mr. Miguel Pena, nephew of Sgt. Pena, stated the renaming of the Wharton Post Office would be a fitting tribute to his uncle. Ms. Sarah Hudgins, an advocate for Veterans in Wharton County, stated that President Barak Obama gave the highest award of valor to Sgt. Pena and the renaming of the post office would be an honor for Wharton. Mr. Julio Aguilar stated that Sgt. Pena set a critical example of honor and his name can have an incredible impact on the community.

The fourth item on the agenda was the Wharton Moment. No comments were given.

The fifth item on the agenda was to review and consider the City of Wharton Finance Report for May 2014. Finance Director Joan Andel presented the financial report for the month of May 2014. Mrs. Andel stated that the TexPool balance for May was \$151,333.33 with an average monthly yield of .02%. She said the Prosperity Bank balance for May 2014 was \$9,688,711.94 with an average monthly yield of .15%. After some discussion, Councilmember Jeff Gubbels moved to approve the City of Wharton Financial Report for the month of May 2014. Councilmember Al Bryant seconded the motion. All voted in favor.

The sixth item on the agenda was the introduction of City Employees to Mayor and City Councilmembers. City Manager Andres Garza, Jr. stated Department Heads would continue introducing City Staff to the Mayor and City Councilmembers. EMS Director John Kowalik introduced his staff as follows: Paramedic Emelia Rodgers, EMT Jeri Rodgers, Paramedic Frank Giesie, EMT David Bush, EMT Graciela Ortiz and Paramedic Larry Hollingsworth. Building Official Ronnie Bollom introduced his staff as follows: Code Enforcement Officer Jimmy Nickolyn, Assistant to the Building Official Gwyneth Laney, and Fire Marshal Hector Hernandez.

The seventh item on the agenda was to review and consider a Resolution of the Wharton City Council supporting the naming of the Post Office in Wharton in Honor of Master Sergeant Michael C. Pena and setting an effective date. City Manager Andres Garza, Jr. stated that at the June 9, 2014 City Council meeting, Mayor Montalvo stated that he would be presenting a resolution to the City Council seeking support for Congressman Blake Farenthold's bill naming the City Post Office in honor of Master Sergeant Michael C. Pena. After some discussion, Councilmember Russell Machann moved to table the item until the next regular City Council meeting. Councilmember Tim Barker seconded the motion. All voted in favor.

The eighth item on the agenda was to review and consider a resolution of the Wharton City Council approving an Airport Project Participation Agreement with the Texas Department of Transportation for the Airport Hangar Project CSJ No. 14HGWHRTN and authorizing the Mayor of the City of Wharton to execute the agreement. City Manager Andres Garza, Jr. presented the Texas Department of Transportation Airport Project

City of Wharton
Regular Council Meeting
June 23, 2014

Participation Agreement for the Wharton Regional Airport Hangar Construction Project. City Manager Garza stated the construction project was for a hangar at the Wharton Regional Airport. After some discussion, Councilmember Jeff Gubbels moved to approve City of Wharton Resolution No. 2014-46, which read as follows:

**CITY OF WHARTON
RESOLUTION NO. 2014-46**

A RESOLUTION OF THE WHARTON CITY COUNCIL APPROVING AN AIRPORT PROJECT PARTICIPATION AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION FOR THE AIRPORT HANGAR PROJECT CSJ NO. 14HGWHRTN AND AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE THE AGREEMENT.

WHEREAS, On February 10, 2014 the Wharton City Council approved the construction of a hangar at the Wharton Regional Airport; and,

WHEREAS, The City of Wharton wishes to enter into a grant agreement with Texas Department of Transportation for the Wharton Regional Airport Hangar Project CSJ No. 14HGWHRTN; and,

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

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

Section I: The City of Wharton hereby approves a grant agreement with Texas Department of Transportation Aviation Division for the Wharton Regional Airport Hangar Project CSJ No. 14HGWHRTN.

Section II: The Wharton City Council hereby authorizes the Mayor of the City of Wharton to execute all documents related to said project.

Section III: This resolution will become effective immediately upon its passage.

PASSED, APPROVED AND ADOPTED this the 23rd day of June 2014.

City of Wharton
Regular Council Meeting
June 23, 2014

CITY OF WHARTON, TEXAS

By: _____
DOMINGO MONTALVO, JR.
Mayor

Attest:

PAULA FAVORS
City Secretary

Councilmember Russell Machann seconded the motion. All voted in favor.

The ninth item on the agenda was to review and consider Contract Agreements with the Texas Municipal League MultiState – Intergovernmental Employee Benefits Pool (TML MultiState IEBP).

A. **Resolution:** A resolution of the Wharton City Council approving an interlocal contract with the Texas Municipal League MultiState – Intergovernmental Employee Benefits Pool (TML-IEBP) for medical, long-term disability, life, accidental death and dismemberment for City employees; authorizing the Mayor of the City of Wharton to execute all documents relating to said contracts.

City Manager Andres Garza, Jr. presented the renewal information the City of Wharton received from the Texas Municipal League (TML) MultiState – Intergovernmental Employee Benefits Pool (IEBP) for the City of Wharton employee health coverage. City Manager Garza stated that at the June 10, 2014 City Council Budget Workshop meeting, the City Staff presented four options for health coverage and the City Council voted to approve the option that would remain in same in benefits but would increase rates by 7%. City Manager said the City Council approved to contribute \$750 to the employee's flex plan for the 2014-2015 fiscal year. City Manager Garza presented a copy of the memorandum dated June 17, 2014 from City Secretary Paula Favors to him indicating the cost of the proposed health coverage for City employees for fiscal year 2014-2015 as compared to the fiscal year 2013-2014 rates and the difference of a 7% increase in the proposed rates from the current rates for health coverage and there were no changes in the rates for the Life, AD&D and Long Term Disability. After some discussion, Councilmember Jeff Gubbels moved to approve City of Wharton Resolution No. 2014-49, which read as follows:

**CITY OF WHARTON
RESOLUTION NO. 2014-49**

**A RESOLUTION OF THE WHARTON CITY COUNCIL APPROVING AN
INTERLOCAL AGREEMENT WITH THE TEXAS MUNICIPAL LEAGUE**

City of Wharton
Regular Council Meeting
June 23, 2014

MULTISTATE INTERGOVERNMENT EMPLOYEE BENEFITS POOL (TML MULTISTATE-IEBP) FOR MEDICAL, LONGTERM DISABILITY, LIFE, ACCIDENTAL DEATH & DISMEMBERMENT FOR CITY EMPLOYEES; AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATIONG TO SAID CONTRACTS.

WHEREAS, the City of Wharton received the renewal rate for medical, long-term disability, life, accidental death & dismemberment for city employees; and,

WHEREAS, the City of Wharton medical plan with Texas Municipal League MultiState-Intergovernmental Employee Benefits Pool would be renewed with a 7% increase; and,

WHEREAS, the City of Wharton would provide to each full time employee a \$750 yearly contribution to the employee flex plan administered by the TML Multistate-IEBP; and

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

- Section I.** That the Wharton City Council hereby approves an interlocal contract with the Texas Municipal League MultiState - Intergovernmental Employee Benefits Pool for medical, long-term disability, life and accidental death & dismemberment coverage.
- Section II.** That Wharton City Council hereby approves providing to each full time employee a \$750 yearly contribution to the employee flex plan administered by the TML MultiState – IEBP.
- Section III.** That the Mayor of the City of Wharton is hereby authorized to sign any documents relating to the aforementioned contracts.
- Section IV.** That this resolution shall become effective immediately upon its passage.

Passed, Approved, and Adopted this 23 day of June 2014.

CITY OF WHARTON, TEXAS

By: _____
DOMINGO MONTALVO, JR.
Mayor

ATTEST:

PAULA FAVORS

City of Wharton
Regular Council Meeting
June 23, 2014

City Secretary

Councilmember Al Bryant seconded the motion. All voted in favor.

B. Resolution: A resolution of the Wharton City Council approving a Section 125 Flexible Spending Arrangement (FSA) Account – Carryover Service Agreement with the Texas Municipal League Multistate – Intergovernmental Employee Benefits Pool (TML MultiState IEBP) for the Flexible Spending benefits under Section 125 of the Internal Revenue Code of City Employees; Authorizing the Mayor of the City of Wharton to execute all documents relating to said contracts.

City Manager Andres Garza, Jr. presented a Section 125 Flexible Spending Arrangement (FSA) Account – Carryover Service Agreement from the Texas Municipal League (TML) MultiState – Intergovernmental Employee Benefits Pool (IEBP). City Manager Garza stated that in the past, if funds from in the Flexible Spending account were not used on eligible healthcare expenses by mid-December City employee would lose them and pursuant to IRS Notice 2013-71, FSA qualified health expenses could be made into the next plan year with a rollover of no more than \$500. City Manager Garza said City Staff was recommending City Council consider approving the agreement. After some discussion, Councilmember Jeff Gubbels moved to approve City of Wharton Resolution No. 2014-48, which read as follows:

**CITY OF WHARTON
RESOLUTION NO. 2014-48**

A RESOLUTION OF THE WHARTON CITY COUNCIL APPROVING A SECTION 125 FLEXIBLE SPENDING ARRANGEMENT (FSA) ACCOUNT – CARRYOVER SERVICE AGREEMENT WITH THE TEXAS MUNICIPAL LEAGUE MULTISTATE - INTERGOVERNMENTAL EMPLOYEE BENEFITS POOL (TML MULTISTATE-IEBP) FOR THE FLEXIBLE SPENDING BENEFITS UNDER SECTION 125 OF THE INTERNAL REVENUE CODE FOR CITY EMPLOYEES; AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATING TO SAID CONTRACTS.

WHEREAS, the City of Wharton received the carryover service agreement for the Section 125 Flexible Spending Arrangement; and

WHEREAS, the City of Wharton Section 125 Flexible Spending Arrangement plan with Texas Municipal League MultiState - Intergovernmental Employee Benefits Pool would allow eligible healthcare expense reimbursements to carryover up to \$500 to the next fiscal year; and

WHEREAS, the City of Wharton would provide to each full time eligible employee with the Section 125 Flexible Spending Plan administered by the TML MultiState – IEBP; and

City of Wharton
Regular Council Meeting
June 23, 2014

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

- Section I.** That the Wharton City Council hereby approves the Section 125 Flexible Spending Arrangement (FSA) Account with Carryover Service Agreement with the Texas Municipal League MultiState - Intergovernmental Employee Benefits Pool.
- Section II.** That Wharton City Council hereby approves providing to each full time eligible employee with the Section 125 Flexible Spending Arrangement plan with up to \$500 carryover to the next fiscal year for eligible healthcare expense reimbursements.
- Section III.** That the Mayor of the City of Wharton is hereby authorized to sign any documents relating to the aforementioned contracts.
- Section IV.** That this resolution shall become effective immediately upon its passage.

Passed, Approved, and Adopted this 23 day of June 2014.

CITY OF WHARTON, TEXAS

By: _____
DOMINGO MONTALVO, JR.
Mayor

ATTEST:

PAULA FAVORS
City Secretary

Councilmember Al Bryant seconded the motion. All voted in favor.

The tenth item on the agenda was the status report on the City of Wharton Projects. City Manager Andres Garza, Jr. presented a copy of the memorandum dated June 19, 2014 providing an update on the City of Wharton current projects.

FLOOD REDUCTION (LEVEE) PROJECT

The U.S. Army Corp of Engineers (USACE) Lower Colorado River Phase I Report - City of Wharton Flood Prevention Project and Recommended report is located at the Wharton County Library and the office of the City of Wharton City Secretary for viewing or the report may be viewed on line at <http://www.cityofwharton.com/information-a-notices/lcrb-feasibility-study>.

Halff Associates submitted the 100% set of construction plans for the portion of the levee under design and the City Staff has reviewed the document. The City Staff has indicated to Halff Associates that it is too early to acquire the services of a professional land surveyor to prepare metes and bounds since we do not know for sure if the alignment will stay as shown on the current set of construction plans. The City Staff and Halff Associates went through the plan set page by page to identify utility relocations that will be necessary during or prior to construction of the levee. The City will be responsible for all relocations of water, sewer and drainage infrastructure. The City will work together with Halff Associates to coordinate other utility relocations. These include utilities owned by others including CenterPoint Electric, CenterPoint Gas, MidCoast Cable, and Panther Pipeline. The City Staff worked with Jones & Carter and has completed the preliminary layout for the Hughes St. utility relocation. Halff along with the City Staff are working together to solve the issue of spoil disposal.

This design is for the first phase of levee construction along the Colorado River from FM 102 to Business 59. The U.S. Corps of Engineers requested the City submit a letter of support for the 2016 Federal Budget. Mayor Montalvo has submitted to the Corp a letter requesting assistance for this project. The City is awaiting a response.

DRAINAGE:

1. Santa Fe Outfall Channel.

The Public Works Department has finished excavation of the channel. During the month of May, routine maintenance was done on the Channel. The channel is slowly increasing in grass cover which is allowing several eroded areas to heal themselves over time. Public Works will continue installing grade stabilization structures to eliminate erosion thereby reducing or eliminating the need to reshape the channel areas with active erosion. The Public Works Department has installed six grade stabilization structures or pipe drops along the channel so far. These structures are part of the original engineering design and not only control erosion but are helping to improve drainage in the city by serving as the outfall for water that has been redirected to the Santa Fe Channel. Work on property owners land is now complete.

2. Stavena Addition Drainage Project.

The City Council on January 27, 2014 authorized the project. The Staff will be meeting with Schiebe Engineering to complete the design and construction preparation. The challenge on this project is to find locations to place approximately 35,000 cubic yards of soil.

3. Ahldag Ditch Improvement.

The City Staff has met with Schiebe Engineering to develop the plans and specifications for the Ahldag Ditch Improvements from Wayside Street downstream to the point where the ditch is concrete lined. The project was approved in the 2013 Bond Program.

WATER/SEWER IMPROVEMENTS:

1. Alabama Road Water Plant Storage Tank Renovation Project.

The City Council approved a contract with J & A Coating, LLC. The company has begun the work. A pre-construction meeting was held on June 4, 2014.

2. On-going Water and Sewer Maintenance Program.

Water leaks and sewer failures were on average the month of April.

Grease build up has continued to be a problem in the sanitary sewer lines and manholes along Richmond Rd. This results in sewer back-ups and has kept crews busy. The Public Works Department is coordinating with Code Enforcement to begin a grease trap inspection program at restaurants throughout town. The City Staff hopes this will eliminate some of the unnecessary grease build up and sewer back-ups along Richmond Rd and other areas of the City.

3. Alabama Street Sewer Line Project/Kelving Way and Croom/Price Waterline Project.

BEFCO Engineering has begun the preliminary engineering work on this project.

4. South Highway 60 Waterline Extension Project.

The Project is moving forward. The construction contracts have been executed. A pre-construction meeting was held on June 11, 2014. Construction notice to proceed will be June 16, 2014.

5. Wastewater Treatment Plant No. 1 Improvement Project.

Jones & Carter, Inc. has begun the engineering design for the project.

STREET IMPROVEMENTS

1. FM 1301 Extension and Overpass Project Progress Report.

IDC Inc. continues to work with City Staff in an effort to develop preliminary engineering for the project. The City Staff continues to coordinate with TxDOT to ensure the project continues to move forward.

The City Staff and IDC Inc. have worked on placing the four (4) phases on the TxDOT State Transportation Improvement Plan (STIP). The City has submitted the City Council

approved letter to TxDOT and is awaiting a response. The Federal Highway Administration (FHWA) has issued a satisfactory for further processing and public involvement. A Public Hearing has been set for June 11, 2014 at the Wharton Civic Center. IDC has submitted to TxDOT the railroad overpass package of plans for TxDOT to acquire the necessary permit.

2. 2014 Street Improvement Program.

The City Staff is in the process of implementing the 2014 Street Improvement Program as approved by the City Council. The work has begun in the Briar Grove Addition.

3. Wharton Sidewalk Accessibility and Historic Streetscape Project.

A. Phase I:

The project is complete. The close out phase of the project has begun.

B. Phase II:

The City Staff has received the executed Advance Funding Agreement (AFA) from TxDOT. The implementation phase will begin.

4. On-going Street and Drainage Maintenance Program.

The Public Works Department has continued working on cleaning residential drainage ditches that have experienced poor drainage.

5. Kansas City Southern Railroad Quiet Zone.

BEFCO Engineering has begun the gathering of information on the project. The City Staff has met with Federal Railroad and Kansas City Southern representatives. Once all necessary information is received it will be presented to the City Council Public Works Committee and then to the City Council.

WHARTON REGIONAL AIRPORT

1. Hangar Construction Project.

This project has been approved by the City Council. The City Staff is awaiting the grant agreement.

After some discussion, no action was taken.

The eleventh item on the agenda was to review and consider Appointments to the City of Wharton Boards, Commissions and Committees:

1. Appointments:

- A. Electrical Board.
- B. Holiday Light Decorating Chairman.
- C. Planning Commission.

City of Wharton
Regular Council Meeting
June 23, 2014

- D. Wharton Economic Development Corporation Board of Directors.
- E. City Council Committees:
 - 1. Legislative Committee.
 - 2. Wharton Economic Development Corporation Board of Directors Selection Committee.

City Manager Andres Garza, Jr. presented a copy of the list of Boards, Commissions, and Committees. City Manager Garza stated Councilmember Steve Schneider requested to serve on the two committees. After some discussion, Councilmember Russell Machann moved to appoint Councilmember Steve Schneider to the following committees:

- E. City Council Committees:
 - 1. Legislative Committee.
 - 2. Wharton Economic Development Corporation Board of Directors Selection Committee

Councilmember Al Bryant seconded the motion. All voted in favor.

The twelfth item on the agenda was to review and consider City Council Committees, Boards and Commission's Reports:

- A. Beautification Committee meeting held on June 11, 2014.

After some discussion, no action was taken.

The thirteenth item on the agenda was to review and consider the Central Appraisal District Proposed 2015 Budget and Estimated Allocations. City Manager Andrese Garza, Jr. presented the Central Appraisal District's Proposed 2015 Budget and Estimated Allocations submitted by Ms. Tylene Gamble, Chief Appraiser of the Central Appraisal District (CAD). After some discussion, Councilmember Jeff Gubbels moved to reject the Central Appraisal District Proposed 2015 Budget and Estimated Allocations. Councilmember Russell Machann seconded the motion. All voted in favor.

The fourteenth item on the agenda was to review and consider City Council may adjourn into an Executive Session in accordance with Section 551.071 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:** New Hampshire Insurance Company & SDH Education East, LLC as Subrogees of Morena Li-Siu v. City of Wharton, et al.
- B. **Discussion:** City Manager's Performance Evaluation.

Mayor Domingo Montalvo, Jr. stated that item A. on the Executive Session agenda would be withdrawn because City Attorney Paul Webb was not present, he then moved the meeting into closed session at 7:42 p.m.

The fifteenth item on the agenda was to review and consider Action on items discussed in Executive Session:

- A. Review and Consider:** New Hampshire Insurance Company & SDH Education East, LLAC as Subrogees of Morena Li-Siu v. City of Wharton, et al.
- B. Review and Consider:** City Manager's Performance Evaluation.

Mayor Domingo Montalvo, Jr. returned to open session at 7:48 p.m. Mayor Domingo Montalvo, Jr. stated that item A. was not discussed since legal counsel was not present. Councilmember Russell Machann then moved to approve a \$7,000 a year increase for City Manager Andres Garza, Jr. along with a car allowance. Councilmember Tim Barker seconded the motion. All voted in favor.

The sixteenth item on the agenda was City Manager's Reports:

- | | |
|--|---------------------------------|
| A. City Secretary/Personnel. | H. Fire Marshall. |
| B. Code Enforcement. | I. Legal Department. |
| C. Community Services Department / Civic Center. | J. Municipal Court. |
| D. Emergency Management. | K. Police Department. |
| E. E.M.S. Department. | L. Public Works Department. |
| F. Facilities Maintenance Department / Wharton Municipal Pool. | M. Water / Sewer Department. |
| G. Fire Department. | N. Weedy Lots / Sign Ordinance. |
| | O. Wharton Regional Airport. |

After some discussion, no action was taken.

The seventeenth item on the agenda was adjournment. There being no further discussion, Councilmember Jeff Gubbels moved to adjourn. Councilmember Russell Machann seconded the motion. All voted in favor.

The meeting adjourned at 7:49 p.m.

CITY OF WHARTON, TEXAS

By: _____
Domingo Montalvo, Jr.
Mayor

ATTEST:

Paula Favors

City of Wharton
Regular Council Meeting
June 23, 2014

City Secretary