

**MINUTES  
OF  
CITY OF WHARTON  
FINANCE COMMITTEE MEETING  
120 EAST CANEY STREET  
WHARTON, TEXAS 77488  
Monday, October 12, 2020 –5:30 p.m.**

Finance Director Joan Andel declared a meeting of the City Council Finance Committee duly open for the transaction of business at 5:35 p.m.

Committee Members present were: Mayor Tim Barker, Councilmember Russell Machann and Councilmember Alice Heard.

Committee Member absent was: None.

City Council Member present was: None.

Staff members present were: Assistant to the City Manager Brandi Jimenez, Finance Director Joan Andel and Community Development Director Gwyn.

Staff member absent was: City Manager Andres Garza, Jr.

Visitors: Mr. James Gilley, U.S. Capital Advisors, LLC.

Public Comments. There were no public comments.

The first item on the agenda was to review and consider minutes from the meeting held September 14, 2020. Councilmember Russell Machann made a motion to approve the minutes as presented. Mayor Tim Barker seconded the motion. All voted in favor.

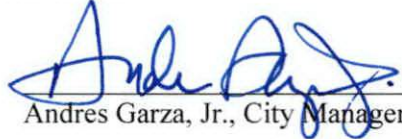
The second item on the agenda was to review and consider an Ordinance: An ordinance authorizing the issuance of City of Wharton, Texas Tax Anticipation Notes, Series 2020. Finance Director Joan Andel stated to the Committee that on September 14, 2020 the City Staff brought before the City Council the issuing of additional Tax Anticipation Notes in the amount of \$5,000,000 to fund the costs incurred for the levee project, HMGP drainage projects and the auxiliary power project. She stated that Mr. James Gilley, U.S. Capital Advisors, LLC, Financial Advisor for the City of Wharton, had recommended that the City obtain Tax Anticipation Notes for a maximum period of seven (7) years with the option of having these callable at any time. She stated that Mr. Gilley had reached out to several bidders. Mr. James Gilley presented his findings, recommendation, and draft ordinance to the Finance Committee. After some discussion, Mayor Tim Barker made a motion to recommend to the City Council the approval of the issuance of the City of Wharton, Texas Tax Anticipation Notes, Series 2020. Councilmember Russell Machann seconded the motion. All voted in favor.

The third item on the agenda was to review and consider a Resolution: A resolution of the Wharton City Council not deferring certain payroll tax obligations for the period of September 1, 2020 through December 31, 2020. Finance Director Joan Andel stated that on August 8, 2020, the President of the United States issued a Presidential Memorandum directing the Secretary of the Treasury to allow for the deference of certain payroll tax obligations for the period of September

1, 2020 through December 31, 2020. She stated that the deferral applied only to employee's whose share of social security taxes, 6.2% of wages less than \$4,000 on a bi-weekly pay period and it was an option for the City to participate. She stated that the notice from the Treasury Department stated that the payment of these withheld wages, if the City chose to participate, would be postponed until January 1, 2021 through April 30, 2021. She stated that it was the City Staff's recommendation that the City not defer any applicable social security taxes for the period of September 1, 2020 through December 31, 2020. She stated by electing the deferral, the City would be responsible for recouping these taxes between the period of January 1, 2021 to April 30, 2021. She stated that the employees would be subject to double withholding and if the employee leaves employment with the City or if the employee is not making enough to payback the deferral, this would be the responsibility of the City to pay back. After some discussion, Councilmember Russell Machann made a motion to recommend to the City Council to not defer certain payroll tax obligations for the period of September 1, 2020 through December 31, 2020. Mayor Tim Barker seconded the motion. All voted in favor.

The fourth item on the agenda was adjournment. Councilmember Alice Heard moved to adjourn. Mayor Tim Barker seconded the motion. All voted in favor.

The meeting adjourned at 6:00 p.m.

  
Andres Garza, Jr., City Manager