

**MINUTES  
OF  
CITY OF WHARTON  
FINANCE COMMITTEE MEETING  
120 EAST CANEY STREET  
WHARTON, TEXAS 77488  
Monday, May 16, 2022–5:00 p.m.**

City Manager, Joseph R. Pace, declared a meeting of the City Council Finance Committee duly open for the transaction of business at 5:00 p.m.

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

Committee Member absent was: Councilmember, Alice Heard-Roberts.

City Council Member present was: None.

Staff members present were: City Manager, Joseph R. Pace; Assistant to the City Manager, Brandi Jimenez; Finance Director, Joan Andel; City Secretary, Paula Favors and Director of Planning & Development, Gwyn Teves.

Staff member absent was: None.

Visitors: Ms. Melissa Terry, Harrison, Waldrop & Uherek, LLP.

Public Comments. There were no public comments.

The first item on the agenda was to review and consider minutes from the meeting held April 25, 2022. Councilmember, Russell Machann, made a motion to approve the minutes as presented. Mayor, Tim Barker, seconded the motion. All voted in favor.

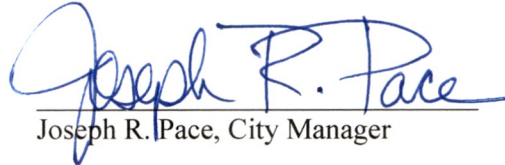
The second item on the agenda was to review and consider City of Wharton Annual Financial Report for Fiscal Year October 1, 2020 to September 30, 2021 by Harrison, Waldrop & Uherek, L.L.P. Ms. Melissa Terry, of Harrison, Waldrop & Uherek, LLP, the City Auditors, presented the City of Wharton Annual Financial Report for Fiscal Year October 1, 2020 to September 30, 2021 to the Committee. After some discussion, Councilmember, Russell Machann, made a motion to recommend to the City Council the approval of the City of Wharton Annual Financial Report for Fiscal Year October 1, 2020 to September 30, 2021. Mayor, Tim Barker, seconded the motion. All voted in favor.

The third item on the agenda was to review and consider an Ordinance: An Ordinance allowing certain employees of the City who have terminated previous memberships in the Texas municipal retirement system, to deposit the sums so withdrawn, plus annual withdrawal charges, and allowing and undertaking the cost of allowing any such employee credit in such system for all service to which such employee had been entitled at date of such withdrawal, with like effect as if all such service had been performed as an employee of this City. City Secretary, Paula Favors, stated to the Committee that the City of Wharton has Texas Municipal Retirement System (TMRS) retirement for its full-time employees. She stated that the Personnel Department was requesting the City Council consider adopting a Buy Back option through TMRS. She stated that this option would allow City employees, who have previously refunded and forfeited TMRS service, to purchase and reestablish that service credit. She stated that as of the valuation date, December 31, 2020, there were 12 employees with previously forfeited service credit eligible for buyback under a previously adopted ordinance. She stated that assuming the immediate purchase of all this credit, the increase in liability and contribution rate would be \$391,035.00 and 0.38% during the next actuarial valuation cycle; however, the City's contribution rate would not be affected until an individual buys the previously forfeited credit. She stated that the purchase would be included in that year's valuation impacting the following year's contribution rate. She stated that several employees had showed interest in participating in the Buy Back program, which would allow them to rebuild retirement that they would

otherwise would have lost. After some discussion, Mayor, Tim Barker, made a motion to recommend to the City Council the approval of the ordinance allowing certain employees of the City who have terminated previous memberships in the Texas Municipal Retirement System, to deposit the sums so withdrawn, plus annual withdrawal charges, and allowing and undertaking the cost of allowing any such employee credit in such system for all service to which such employee had been entitled at date of such withdrawal, with like effect as if all such service had been performed as an employee of this City. Councilmember, Russell Machann, seconded the motion. All voted in favor.

The fourth item on the agenda was adjournment.

The meeting adjourned at 5:45 p.m.

  
Joseph R. Pace, City Manager