



**CITY OF WHARTON
FINANCE COMMITTEE MEETING**

**Monday, October 12, 2020
5:30 PM**


CITY HALL

**NOTICE OF
CITY OF WHARTON
FINANCE COMMITTEE MEETING**

Notice is hereby given that a Finance Committee Meeting will be held on Monday, October 12, 2020 at 5:30 PM at the Wharton City Hall, 120 East Caney Street, Wharton, Texas, at which time the following subjects will be discussed to-wit:

SEE ATTACHED AGENDA

Dated this 8th day of October 2020.


By: 
Andres Garza, Jr., City Manager

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Finance Committee Meeting is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin board, at City Hall of said City or Town in Wharton, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted on October 8, 2020, at 4:30 p.m. and remained so posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

The Wharton City Hall is wheelchair accessible. Access to the building and special parking is available at the primary entrance. Persons with disabilities, who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, or large print, are requested to contact the City Secretary's Office at (979) 532-4811 Ext. 225 or by FAX (979) 532-0181 at least two (2) days prior to the meeting date. BRAILLE IS NOT AVAILABLE.

Dated this 8th day of October 2020.

CITY OF WHARTON

By: 
Paula Favors
City Secretary



A G E N D A
CITY OF WHARTON
Finance Committee Meeting
Monday, October 12, 2020
City Hall - 5:30 PM

Call to Order.

Roll Call.

Public Comments.

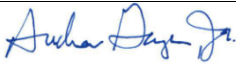
Review & Consider:

1. Minutes from the meeting held September 14, 2020.
2. Ordinance: An ordinance authorizing the issuance of City of Wharton, Texas Tax Anticipation Notes, Series 2020.
3. 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.

Adjournment.

City of Wharton
120 E. Caney Street
Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	10/12/2020	Agenda Item:	Minutes from the meeting held September 14, 2020.
Attached are a copy of the draft minutes from the meeting held September 14, 2020.			
City Manager: Andres Garza, Jr.		Date: Thursday, October 8, 2020	
Approval: 			
Mayor: Tim Barker			

**MINUTES
OF
CITY OF WHARTON
FINANCE COMMITTEE MEETING
120 EAST CANEY STREET
WHARTON, TEXAS 77488
Monday, September 14, 2020 –5:45 p.m.**

City Manager Andres Garza, Jr. declared a meeting of the City Council Finance Committee duly open for the transaction of business at 5:50 p.m.

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

Committee Member absent was: Councilmember Alice Heard.

City Council Member present was: Councilmember Terry Freese, Councilmember Clifford Jackson and Councilmember Don Mueller.

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

Staff member absent was: None.

Visitors: None.

Public Comments. There were no public comments.

The first item on the agenda was to review and consider minutes from the meeting held August 24, 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 Resolution: Resolution authorizing Publication of Notice of Intention to Issue Certificates of Obligations. Finance Director Joan Anandel stated to the Committee that the City staff had been working with Mr. James Gilley of U.S. Capital Advisors LLC, the City's financial advisor, and Mr. Tom Sage, bond counsel with Hunton Andrews Kurth LLP, regarding the intention to issue certificates of obligation for the State Infrastructure Bank (SIB) loan thru the Texas Department of Transportation (TxDOT) for the Extension of FM1301 from SH 60 to US 59 in Wharton. She stated that the notice is required to be published once a week for two (2) consecutive weeks. She stated that the date of the first publication had to be at least forty-six (46) days before the date of the passage of the ordinance authorizing the issuance of the certificates of obligation. She stated that in order to have all of the funding in place to move forward with the implementation of the project, it was necessary to publish this notice of intent with the first publication being on Saturday, September 19, 2020. After some discussion, Councilmember Russell Machann made a motion to recommend to the City Council approval for the authorization of the Public Notice of Intention to Issue Certificates of Obligations. Mayor Tim Barker seconded the motion. All voted in favor.

The third item on the agenda was to review and consider Resolution: Resolution of the City Council of the City of Wharton, Texas, expressing intent to finance expenditures to be incurred.

Finance Director Joan Andel stated to the Committee that the City issued Tax Anticipation Notes, Series 2019 on March 25, 2019 to be used to fund the acquisition of land or interest in land for the purpose of flood control and the cost of professional services incurred for the Lower Colorado River Basin Phase I, Texas Wharton Flood Risk Management Project in the amount of \$1,555,000. She stated that at that time, the City Staff thought that this amount would be sufficient to cover the necessary expenditures and to be reimbursed timely from the United States Army Corp of Engineers (USACE). She stated that the City had not been receiving reimbursements timely from the USACE and had worked diligently to provide all requested documentation and clarification of items to the USACE so that reimbursements could be made to the City. She stated that the City Staff felt the need to issue additional debt in the interim so that the project can move forward. She stated that the City Staff had been working with Mr. James Gilley of U.S. Capital Advisors LLC, the financial advisor for the City of Wharton, to discuss additional funding for this project as well as any other funding needs that could be included. She stated that the City Staff was requesting that the City seek additional funding in the amount of \$5,000,000 to cover costs incurred for the levee project, HMGP drainage projects and the auxiliary power project. She stated that Mr. Gilley had recommended the City seek to obtain Tax Anticipation Notes for a maximum period of 7 years with the option of having these callable at any time. After some discussion, Councilmember Russell Machann made a motion to recommend to the City Council the approval of the resolution expressing intent to finance expenditures to be incurred. Mayor Tim Barker seconded the motion. All voted in favor.

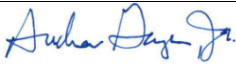
The fourth item on the agenda was adjournment. Councilmember Russell Machann moved to adjourn. Mayor Tim Barker seconded the motion. All voted in favor.

The meeting adjourned at 6:30 p.m.

Andres Garza, Jr., City Manager

City of Wharton
 120 E. Caney Street
 Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	10/12/2020	Agenda Item:	Ordinance: An ordinance authorizing the issuance of City of Wharton, Texas Tax Anticipation Notes, Series 2020.
<p>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. Mr. James Gilley, U.S. Capital Advisors, LLC, Financial Advisor for the City of Wharton, has 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.</p> <p>Mr. Gilley has reached out to several bidders and will be presenting his findings, recommendation, and draft ordinance to the Finance Committee and the City Council on Monday, October 12, 2020.</p> <p>Finance Director Joan Andel will be present to answer any questions.</p>			
City Manager: Andres Garza, Jr.		Date: Thursday, October 8, 2020	
Approval: 			
Mayor: Tim Barker			



City of Wharton

120 E. Caney Street ° Wharton, TX
77488

Phone (979) 532-2491° Fax (979) 532-
0181

MEMORANDUM

To: Mr. Andres Garza, Jr.
City Manager

From: Joan Andel

Date: October 6, 2020

Re: Tax Anticipation Notes

On September 14, 2020 the City staff brought to the Council the item of issuing 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 auxilliary power project. Mr. James Gilley, U.S. Capital Advisors, LLC, Financial Advisor recommended that the City obtain Tax Anticipation Notes for a maximum period of 7 years with the option of having these callable at any time.

Mr. Gilley has reached out to several bidders and will be presenting his findings, recommendation, and draft ordinance to the Finance Committee meeting on Monday, October 12, 2020. This item will also be on the City Council agenda for consideration.

Please contact me, if you have any questions.

Thank you.

City of Wharton
 120 E. Caney Street
 Wharton, TX 77488


FINANCE COMMITTEE

Meeting Date:	10/12/2020	Agenda Item:	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.
---------------	------------	--------------	---

Attached you will find a memo to me from Finance Director Joan Andel regarding the deferral of payroll tax obligations. 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. The deferral applies 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 is at the option of the City to participate. The notice from the Treasury Department states that the payment of these withheld wages, if chosen to participate, would be postponed until January 1, 2021 through April 30, 2021.

It is 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. By electing the deferral, the City would be responsible for recouping these taxes between the period of January 1, 2021 to April 30, 2021. 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.

Finance Director Joan Andel will be present to answer any questions.

City Manager: Andres Garza, Jr.	Date: Thursday, October 8, 2020
Approval: 	
Mayor: Tim Barker	



City of Wharton

120 E. Caney Street ° Wharton, TX
77488

Phone (979) 532-2491° Fax (979) 532-
0181

MEMORANDUM

To: Mr. Andres Garza, Jr.
City Manager

From: Joan Andel

Date: October 6, 2020

Re: Deferral of Payroll Tax Obligations

On August 8, 2020, the President of the United States issued a Presidential Memorandum directing the Secretary of the Treasury to allow for the deferral of certain payroll tax obligations for the period of September 1, 2020 through December 31, 2020. According to TML, the deferral applies only to the employee's share of social security taxes, 6.2% of wages less than \$4,000 on a bi-weekly pay period and it is at the option of the City to participate. The notice from the Treasury Department states that the payment of these withheld wages, if chosen to participate, would be postponed until January 1, 2021 through April 30, 2021.

It is my recommendation that the City not defer any applicable social security taxes for the period of September 1, 2020 through December 31, 2020. By electing the deferral, the City will be responsible for recouping these taxes between the period January 1, 2021 and April 30, 2021. The employees would in effect 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.

Attached is a draft resolution, opting out of this deferral program.

Please contact me should you have any questions.

Thank you.

**CITY OF WHARTON
RESOLUTION NO. 2020-XX**

A RESOLUTION OF THE WHARTON CITY COUNCIL NOT DEFERRING CERTAIN PAYROLL TAX OBLIGATIONS FOR THE PERIOD OF SEPTEMBER 1, 2020 THROUGH DECEMBER 31, 2020.

WHEREAS, 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 and,

WHEREAS, The Wharton City Council does not intend to participate in this deferral.

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 to not defer certain payroll tax obligations as presented by the President of the United States.

Section II. That this resolution shall become effective immediately upon its passage.

Passed, Approved, and Adopted this 12th day of October 2020.

CITY OF WHARTON, TEXAS

By: _____

TIM BARKER
Mayor

ATTEST:

PAULA FAVORS
City Secretary