



**CITY OF WHARTON
FINANCE COMMITTEE MEETING**

**Monday, November 09, 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, November 09, 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 5th day of November 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 November 5, 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 5th day of November 2020.

CITY OF WHARTON

By: 
Paula Favors
City Secretary



A G E N D A
CITY OF WHARTON
Finance Committee Meeting
Monday, November 09, 2020
City Hall - 5:30 PM

Call to Order.

Roll Call.

Public Comments.

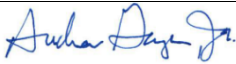
Review & Consider:

1. Minutes from the meeting held October 26, 2020.
2. Wharton Civic Center Improvements:
 - A. Resolution: A resolution of the Wharton City Council awarding a contract for improvements to the Duncan Meeting Room in the Civic Center and authorizing the Mayor of the City of Wharton to execute all documents related to said contract.
 - B. Resolution: A resolution of the Wharton City Council awarding a contract for Civic Center Improvements and authorizing the Mayor of the City of Wharton to execute all documents related to said contract.
3. Resolution: A resolution of the Wharton City Council adopting the City of Wharton Investment Policy after the Annual Review of City of Wharton Investment Policy and setting an effective date.
4. Proposed write offs:
 - A. City of Wharton EMS.
 - B. Utilities.
5. Update on City of Wharton Projects:
 - A. Update on the City of Wharton 2020 Street Improvement Project.
 - B. Update on the City of Wharton Drainage Projects.
 - C. Update on the Utility Improvements and Relocation Projects.

Adjournment.

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

FINANCE COMMITTEE

Meeting Date:	11/9/2020	Agenda Item:	Minutes from the meeting held October 26, 2020.
Attached are a copy of the draft minutes from the meeting held October 26, 2020.			
City Manager: Andres Garza, Jr.		Date: Thursday, November 5, 2020	
Approval: 			
Mayor: Tim Barker			

**MINUTES
OF
CITY OF WHARTON
FINANCE COMMITTEE MEETING
120 EAST CANEY STREET
WHARTON, TEXAS 77488
Monday, October 26, 2020 –5:30 p.m.**

City Manager Andres Garza, Jr., declared a meeting of the City Council Finance Committee duly open for the transaction of business at 5:37 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: Councilmember Terry Freese and Councilmember Clifford Jackson.

Staff members present were: City Manager Andres Garza, Jr., Assistant to the City Manager Brandi Jimenez, Finance Director Joan Andel 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 September 12, 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 Coronavirus Aid, Relief and Economic Security Act:

A. Update on Obligated Funds.

B. Resolution: A resolution of the Wharton City Council authorizing the establishment of one (1) or more programs for the expenditure of funds from the Texas Department of Emergency Management Coronavirus Relief Fund and authorizing the Mayor of the City of Wharton to execute all documents related to said program.

Community Development Director Gwyn Teves stated to the Committee that the Texas Department of Emergency Management (TDEM) notified entities on May 11, 2020 of funding through the Coronavirus Relief Fund (CRF) that was enacted as part of the Coronavirus Aid Relief and Economic Security (CARES) Act. She stated that the disbursement of funds was handled through TDEM and the City of Wharton was allocated up to \$474,870.00. She stated that the first 20% of the allocation had been advanced to the City. She stated that the funds were tied to COVID-19 expenditures incurred due to the medical health emergency. She stated that the funding was available for reimbursement up to the max amount and for the period of March 1, 2020 through December 30, 2020. She stated that the following expenditures had been completed or are being requested under the CRF funding allocated to the City during the current state of emergency:

Testing:

Citywide testing to be provided by OakBend Medical \$100,000.00
(\$600 expended at termination of contract)

Wharton EMS Department:

Laptop for Telework \$1,361.00
Disinfection Lamps for 5 Ambulances \$23,784.00
Portable Handheld Radios (10) \$32,734.00
Video Laryngoscopes (6) \$15,526.00 (complete)
Power Load System \$22,111.00 (complete)
4th Ambulance Crew Personnel \$52,400.00

Code Enforcement:

Incode Contactless Permitting/Inspections \$2,300.00
Fire Inspection Contactless Inspections \$2,425.00
iPad (3) for Contactless inspection implementation \$2,100.00

Wharton Fire Department:

Portable Handheld Radios (10) \$41,738.00

Human Resources Department:

Contactless Personnel Software \$11,000.00 (complete)

Community Development:

Masks for Businesses \$2,800.00 (complete)
Handsfree Sanitizing stations and sanitizer for businesses \$28,000.00 (complete)
Zoom Teleconferencing Software \$2,500.00

Utilities/Finance:

Laptops for Telework (2) \$2,700.00

Civic Center:

Handsfree Sanitizing stations and sanitizer \$2,500.00 (complete)

Misc:

Approx. expended on personnel and response to date \$80,000.00

Assistance Program(s):

Rental Assistance
Utility Bill Assistance
Small Business Grant Assistance \$40,000.00

After some discussion, Councilmember Russell Machann made a motion to recommend to the City Council that the remaining funds be used for the following:
funds for the following:

1. Lucas Device.
2. Police Department Salary and Benefits.
3. Completion of Contactless Area in City Hall.

Councilmember Alice Heard seconded the motion. All voted in favor.

The third item on the agenda was to review and consider Food Trucks in Guffey Park. Community Development Director Teves stated to the Committee that there had been some interest in food trucks wanting to utilize Guffey Park other than on Food Truck Mondays. The City Staff stated that the City's efforts were to build-up Guffey Parks usage. Also, that it was important that it is not over used to the point that demand would fall completely. The Committee suggested that any further use by additional food trucks be delayed until an overall plan for Guffey Park be developed. After some discussion, no action was taken.

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 6:10 p.m.

Andres Garza, Jr., City Manager

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

FINANCE COMMITTEE

Meeting Date:	11/9/2020	Agenda Item:	Wharton Civic Center Improvements: A. Resolution: A resolution of the Wharton City Council awarding a contract for improvements to the Duncan Meeting Room in the Civic Center and authorizing the Mayor of the City of Wharton to execute all documents related to said contract. B. Resolution: A resolution of the Wharton City Council awarding a contract for Civic Center Improvements and authorizing the Mayor of the City of Wharton to execute all documents related to said contract.
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Attached you will find a memo to me from Finance Director Joan Andel regarding the improvements to the Wharton Civic Center.

Also attached are bids for the Main Hall. The bids include removing all existing wallpaper in the Main Hall and the Pre-Function, painting the entire Main Hall including the ceiling, Pre-Function Area, office hallway, O'Quinn hallway, kitchen and back hallways and new cove base will be installed where needed.


The bid totals are as follows:

- \$41,856.00 – Rosenberg Carpet & Flooring
- \$42,100.00 – Houston Painting S&S LLC
- \$41,675.00 – Martinez Painting and Contractors

Also attached are the bids for the Duncan Auditorium. The bids include removal of all wallpaper, sheetrock repair and fresh paint. The bid totals are as follows:

- \$7,450.00 – Rosenberg Carpet & Flooring
- \$8,700.00 – Houston Painting S&S LLC
- \$10,550.00 – Martinez Painting and Contractors

Civic Center Manager Makyla Monroe will be present to answer any questions.

City Manager: Andres Garza, Jr.	Date: Thursday, November 5, 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: November 4, 2020

Re: Civic Center Improvements

Attached please find a memo from Makyla Monroe to me regarding Civic Center Improvements as well as attached bids. I would like to have this placed on the Finance Committee meeting agenda for Monday, November 9, 2020 and if approved to be placed on the City Council agenda for the same evening.

Please contact me should you have any questions.

Thank you.



Wharton Civic Center

1924 N. Fulton, Wharton, TX 77488
Phone (979) 532-2491 x 603 Fax (979) 532-2213

MEMORANDUM

Date: November 3, 2020
From: Makyla Monroe, Civic Center Director
To: Joan Andel, Finance Director
Subject: Main Hall & Duncan Auditorium Bids

Please find the attached bids for the Main Hall. The bids include removing all existing wallpaper in the Main Hall and the Pre-Function, painting the entire Main Hall including the ceiling, Pre-Function, office hallway, O'Quinn hallway, Kitchen and back hallways and new cove base will be installed where needed. The bid totals are as follows:

Main Hall:

- \$41,856.00 – Rosenberg Carpet & Flooring
- \$42,100.00 – Houston Painting S&S LLC
- \$41,675.00 – Martinez Painting and Contractors

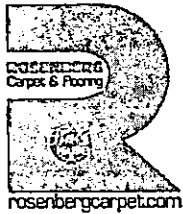
Although Rosenberg Carpet is not the low bid on this project, I am recommending we use this company. The difference is \$181.00 and we have worked with Rosenberg Carpet on previous projects at the Civic Center and were thoroughly pleased. They are also available to start as soon as we are ready for them.

You will also find the attached bids for the Duncan Auditorium. The bids include removal of all wallpaper, sheetrock repair, and fresh paint. The bid totals are as follows:

Duncan Auditorium:

- \$7,450.00 – Rosenberg Carpet & Flooring
- \$8,700.00 – Houston Painting S&S LLC
- \$10,550.00 – Martinez Painting and Contractors

Again, I am recommending Rosenberg Carpet for the job. They are the lowest bid and because we have worked with them in the past. We know that they are efficient, do a great job and are available to start as soon as we are ready for them.



ROSENBERG CARPET & FLOORING
PO Box 731
Rosenberg, TX 77471
281-342-5193
RosenbergCarpetCenter@gmail.com
www.rosenbergcarpet.com

Estimate 083311

ADDRESS

Wharton Civic Center
1924 N Fulton St
Wharton, TX 77488
United States

DATE
10/31/2020

TOTAL
\$41,856.00

SALES REP
Mike Lopez

Table with 3 columns: ACTIVITY, DESCRIPTION, AMOUNT. Rows include: 6010- Specialty Materials (REPAINTING THE AREAS...), 6020- Specialty Labor (Removal of all wallpaper...), 6020- Specialty Labor (Texture overlay...), 6010- Specialty Materials (Wallbase & Adhesive...), 6020- Specialty Labor (Remove and replace wallbase...), 5050-Labor-Sand and Refinish (Labor to Sand & Refinish...), 5010- Materials-Wood/Laminate (Sand & Refinish Materials...), 9000- Surcharges/Freight (1 @ \$100.00).

Quote Includes all Materials, Equipment & Labor

TOTAL \$41,856.00

THANK YOU.

Accepted By

Accepted Date

Houston Painting S & S, L.L.C

Estimate



HOUSTON PAINTING S & S LLC

sergiom0909@att.net

ADDRESS
MAKYLA MONROE CITY OF WHARTON TEXAS 1846 1924 N. FULTON WHARTON, TX 77488

SHIP TO
MAKYLA MONROE CITY OF WHARTON TEXAS 1846 1924 N. FULTON WHARTON, TX 77488

ESTIMATE #	DATE
1363	07/08/2019

ACTIVITY	QTY	RATE	AMOUNT
Job Type REMOVE WALL PAPER FROM WALLS @ ENTRY ROOM & GYMNASIUM SKIM WALLS AND ROLL TEXTURE ENTRY ENTRY HALL WAY LEFT SIDE MAIN AREA	1	12,800.00	12,800.00
Interior Painting -PRIMER WALLS TEXTURE (APPLY PRIMER WHERE -THERE USED TO BE WALLPAPER) -PAINT WALLS -PAINT ENTRY (CLIENT TO REMOVE DONOR PLAQUES AT ENTRY ROOM) -PAINT ENTRY HALLWAY LEFT SIDE -PAINT GYMNASIUM WALLS AND CEILING -PAINT ENTRY ROOM WALLS -PAINT KITCHEN HALL WAYS -PAINT WALLS AT KITCHEN -PAINT DOORS JAMBS AND DOORS- 36 IN THE BACK HALL WAYS -BLOCK PRIMER TO COVER ALL FOUX FINISH FOR FRP AND BACK HALL WAY PAINT -ALL MATERIALS INCLUDED -ALL LIFT RENTALS INCLUDED	1	22,600.00	22,600.00
Alternate - REMOVE AND REINSTALL COVE BASE AT GYMNASIUM	1	1,100.00	1,100.00
Alternate - PROVIDE, INSTALL, PREPARE, SAND, AND STAIN GYMNASIUM DANCE FLOOR - USE CLEAR COAT	1	5,600.00	5,600.00

Item-2.

TOTAL

\$42,100.00

Accepted By

Accepted Date

Estimate

Martinez Painting and Contractors

Jesus Martinez - Owner 713-557-9914
2200 Grayson Street
Wharton, TX 77488

Date: 11/3/2020
Quote: 497
Expiration Date: 10 Days

To: Wharton Civic Center
1924 N. Fulton St.
Wharton, TX 77488
979-532-2491

Salesperson	Payment Terms		
Jesus Martinez	TBD		
Description	Unit Price	Discount	Line Total
Remove wall paper from walls @ lobby, lobby hallway, main area, hallway to the left of main area, ballroom including stage area.			4,200.00
Interior Paint Work/ Repair			
Skim walls and texture where wallpaper was removed.			
Put primer and two coats of Sherwin Williams paint in lobby, lobby hallway, main front area, hallway to left of main front area, ballroom, stage area, ceiling, kitchen, kitchen hallway, kitchen area door jambs, & 36 doors.			
Replace cove base where needed, Install chair rail moulding in back wall by kitchen area.			32,675.00
Ballroom Floor			
Refinish, Stain and Seal			4,800.00
Price includes labor, material and equipment rental.			
Sales Tax			
Total, \$			41,675.00

Estimate prepared by 

This is an estimate on the goods named, subject to the conditions noted below:
(Describe any conditions pertaining to these prices and any additional terms of the agreement.
You may want to include contingencies that will affect the estimate.)

To accept this quotation, sign here and return: _____

Thank you for your business!

martinezpaintingandcontractors@gmail.com

Estimate



ROSENBERG CARPET & FLOORING
 PO Box 731
 Rosenberg, TX 77471
 281-342-5193
 RosenbergCarpetCenter@gmail.com
 www.rosenbergcarpet.com

ADDRESS
 Wharton Civic Center
 1924 N Fulton St
 Wharton, TX 77488
 United States

ESTIMATE #	DATE
2331	12/20/2019

DATE	ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
12/20/2019		ESTIMATE FOR THE DUNCAN ROOM			
12/20/2019	6010-Specialty Materials	Tape, Float, Texture, Paint	1	800.00	800.00
12/20/2019	6020-Specialty Labor	Labor to Strip Wall Paper, Tape and Float, Texture, and Paint ALL WALLS	1	5,400.00	5,400.00
12/20/2019		TOTAL FOR PAINTING: \$6,200.00			
12/20/2019	6010-Specialty Materials	Chair Rail Material OPTION 1	1	450.00	450.00
12/20/2019	6020-Specialty Labor	Labor to Install Chair Rail	1	800.00	800.00
12/20/2019		TOTAL FOR CHAIR RAIL: \$1,250.00			
12/20/2019	6010-Specialty Materials	Block Paneling and Trim OPTION 2	1	1,600.00	1,600.00
12/20/2019	6020-Specialty Labor	Labor to Install Block Paneling and Trim	1	2,800.00	2,800.00
12/20/2019		TOTAL FOR BLOCK PANELING: \$4,400.00			

Total with option 1 = **\$7,450⁰⁰**

Houston Painting S & S, L.L.C

Estimate



HOUSTON PAINTING S & S LLC

sergiom0909@att.net

ADDRESS

MAKYLA MONROE
CITY OF WHARTON TEXAS
1846
1924 N. FULTON
WHARTON, TX 77488

SHIP TO

The Duncan, Civic Wharton Center

ESTIMATE #	DATE
1689	10/28/2020

ACTIVITY	QTY	RATE	AMOUNT
demolition - REMOVE COVE BASE THROUGHOUT ROOM - REMOVE WALLPAPER AT COLUMNS - REMOVE DRYWALL WHERE NEEDED	1	800.00	800.00
Tape and Float - Tape and float areas where sheetrock was installed - SKIM ALL WALLS WHERE WALLPAPER WAS REMOVED	1	2,500.00	2,500.00
Texture - ROLL TEXTURE @ WALLS	1	900.00	900.00
Interior Painting - PRIME AND PAINT 2 COATS @ WALLS - WALLS TO BE 2 TONE.	1	1,800.00	1,800.00
Alternate - PROVIDE AND INSTALL CHAIR RAIL THROUGHOUT ROOM - PAINT CHAIR RAIL	1	1,600.00	1,600.00
Sheetrock/Sheetrock Replacement - INSTALL SHEETROCK @ EXPOSED BRICK	1	300.00	300.00
COVE BASE - PROVIDE AND INSTALL COVE BASE THROUGHOUT ROOM	1	800.00	800.00
TOTAL			\$8,700.00

Accepted By

Accepted Date

Estimate

Martinez Painting and Contractors

Jesus Martinez - Owner 713-557-9914
2200 Grayson Street
Wharton, TX 77488

Date: 11/3/2020
Quote: 497
Expiration Date: 10 Days

To: Wharton Civic Center
1924 N. Fulton St.
Wharton, TX 77488
979-532-2491

Jesus Martinez	TBD
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The Duncan Auditorium Interior Paint/ Repair

Remove wallpaper, repair damaged sheetrock, skim walls, texture walls, place sheetrock where brick is exposed to be flush with existing wall, replace cove base and install chair rail moulding around room and paint.

Price includes labor and material

Estimate prepared by: 

Sales Tax 10,550.00
Total \$ 10,550.00

This is an estimate on the goods named, subject to the conditions noted below:
(Describe any conditions pertaining to these prices and any additional terms of the agreement.
You may want to include contingencies that will affect the estimate.)

To accept this quotation, sign here and return: _____

Thank you for your business!

martinezpaintingandcontractors@gmail.com

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

A RESOLUTION OF THE WHARTON CITY COUNCIL AWARDDING A CONTRACT FOR IMPROVEMNTS TO THE DUNCAN MEETING ROOM IN THE CIVIC CENTER AND AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATED TO SAID CONTRACT.

WHEREAS, The Wharton City Council wishes to enter into a contract for Improvements in the Duncan Meeting room in the Civic Center with _____; and,

WHEREAS, The City of Wharton and _____ wishes to be bound by the conditions as set forth in the agreement; and,

WHEREAS, The Wharton City Council wishes to authorize the Mayor of the City of Wharton to execute said contract.

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

Section I. The Wharton City Council hereby authorizes the Mayor of the City of Wharton to execute an agreement with _____ for Improvements in the Duncan Meeting room in the Civic Center.

Section II. The City of Wharton and _____ are hereby bound by the conditions as set forth in the contract.

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

Passed, Approved, and Adopted this 9th day of November 2020.

CITY OF WHARTON, TEXAS

By: _____
TIM BARKER
Mayor

ATTEST:

PAULA FAVORS
City Secretary

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

A RESOLUTION OF THE WHARTON CITY COUNCIL AWARDING A CONTRACT FOR CIVIC CENTER IMPROVEMNTS AND AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATED TO SAID CONTRACT.

WHEREAS, The Wharton City Council wishes to enter into a contract for Civic Center Improvements with _____; and,

WHEREAS, The City of Wharton and _____ wishes to be bound by the conditions as set forth in the agreement; and,

WHEREAS, The Wharton City Council wishes to authorize the Mayor of the City of Wharton to execute said contract.

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

Section I. The Wharton City Council hereby authorizes the Mayor of the City of Wharton to execute an agreement with _____ for Civic Center Improvements.

Section II. The City of Wharton and _____ are hereby bound by the conditions as set forth in the contract.

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

Passed, Approved, and Adopted this 9th day of November 2020.

CITY OF WHARTON, TEXAS

By: _____
TIM BARKER
Mayor

ATTEST:

PAULA FAVORS
City Secretary

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


FINANCE COMMITTEE

Meeting Date:	11/9/2020	Agenda Item:	Resolution: A resolution of the Wharton City Council adopting the City of Wharton Investment Policy after the Annual Review of City of Wharton Investment Policy and setting an effective date.
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The City of Wharton Investment Policy must be reviewed and adopted annually.

Attached is a memo from Finance Director Joan Andel of the current policy.

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

City Manager: Andres Garza, Jr.	Date: Thursday, November 5, 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: November 2, 2020

Re: Investment Policy

I have submitted the current City of Wharton's Investment Policy to Mr. James Gilley, Financial Advisor at U.S. Capital Advisors for his review and at this time no changes are needed to the Policy.

I would like to have the City of Wharton Investment Policy on the agenda for the Finance Committee on Monday, November 9, 2020 for approval and if approved submit to the City Council for final approval and implementation.

Should you have any further questions, please contact me.

Thank you.

EXHIBIT A

CITY OF WHARTON INVESTMENT POLICY

INTRODUCTION

The purpose of this document is to set forth-specific investment policy and strategy guidelines for the City of Wharton in order to achieve the goals of safety, liquidity, yield, and public trust for all investment activity. The City Council of the City of Wharton shall review and adopt, by resolution, its investment strategies and policy not less than annually. The resolution shall include a record of changes made to either the investment policy or strategy. This policy serves to satisfy the statutory requirement (specifically the Public Funds Investment Act, Article 342a-2 V.T.C.S. (the "Act) to define, adopt and review a formal investment strategy and policy.

INVESTMENT STRATEGY

The City of Wharton maintains portfolios, which utilize three specific investment strategy considerations, designed to address the unique characteristics of the fund groups represented in the portfolios:

- A. Investment strategies for operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure, which will experience minimal volatility during economic cycles. This may be accomplished by purchasing high quality, short- to medium-term securities and maintaining balances in investment pools.
- B. Investment strategies for debt service funds and debt service reserve funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date, which exceeds the debt service payment date.
- C. Investment strategies for special projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility and unanticipated project outlays. The stated final maturity dates of securities held should not exceed the estimated project completion date.

INVESTMENT POLICY

I. SCOPE

This investment policy applies to all financial assets of the City of Wharton. These funds are accounted for in the City's Comprehensive Annual Financial Report (CAFR) and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Projects Funds
- Proprietary Funds
- All Other Funds

II. OBJECTIVES

The City of Wharton shall manage and invest its cash with four objectives, listed in order of priority: Safety, Liquidity, Yield, and Public Trust. The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with State and Local law.

The City shall maintain a comprehensive cash management program, which includes collection of account receivable, vendor payment in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to insure maximum cash availability and maximum yield on short-term investment of pooled idle cash.

Safety

The primary objective of the City's investment activity is the preservation of capital in the overall portfolio. Each investment transaction shall be conducted in a manner to avoid capital losses, whether they be from securities defaults or erosion of market value.

Liquidity

The City's investment portfolio shall be structured such that the City is able to meet all obligations in a timely manner. This shall be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.

Yield

The City's cash management portfolio shall be designed with the objective of regularly exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the City's weighted average maturity in days. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified herein and prudent investment policies. The cash management portfolio yield objective shall in no way limit the investment at rates below

the portfolio-yield objective, consistent with prudent investment practices.

Public Trust

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction, which might impair public confidence in the City's ability to govern effectively.

III. RESPONSIBILITY AND CONTROL

Investment Committee

An Investment Committee, consisting of the Director of Finance, the City Manager and the Finance and Budget Committee shall meet at least annually to determine operational strategies and to monitor results. The Investment Committee shall include in its deliberation such topics as: performance reports, economic outlook, portfolio diversification, maturity structure, potential risk to the City's funds, authorized brokers and dealers, and the target rate of return on the investment portfolio.

Delegation of Authority and Training

Authority to manage the City's investment program is derived from a resolution of the City Council. The Director of Finance is designated as investment officer of the City and is responsible for investment decisions and activities. The Director of Finance shall establish written procedures for the operation of the investment program, consistent with this investment policy. The investment officer shall attend at least one training session relating to the officer's responsibility under the Act within 12 months after assuming duties. Training must be obtained not less than once every two years and receive 10 hours of training. Such training from an independent source shall be approved or endorsed by either the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments, University of North Texas Center for Public Management.

Internal Controls

The Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Director of Finance shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The results of this review shall be reported to the City Council. The internal controls shall address the following points:

- A. Control of collusion.

- B. Separation of transaction authority from accounting and record keeping.
- C. Custodial safekeeping.
- D. Avoidance of physical delivery securities.
- E. Clear delegation of authority to subordinate staff members.
- F. Written confirmation for telephone (voice) transactions for investments and wire transfers.
- G. Development of a wire transfer agreement with the depository bank or third party custodian.

Prudence

The standard of prudence to be applied by the investment officer shall be the "prudent investor" rule, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- A. The investment of all funds, or funds under the City's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment.
- B. Whether the investment decision was consistent with the written investment policy of the City.

The investment officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

Ethics and Conflicts of Interest

City staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. City staff shall disclose to the City Manager any material financial interests in financial institutions that conduct business with the City and they shall further disclose positions that could be related to the performance of the City's portfolio. City staff shall subordinate their personal financial transactions to those of the City, particularly with regard to timing of purchases and sales.

An investment officer of the City who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the entity.

IV. REPORTING

Quarterly Reporting

The Director of Finance shall submit a signed quarterly investment report. The report shall summarize investment strategies employed in the most recent quarter, and describe the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the quarter.

Annual Report

Within 60 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council.

Methods

The quarterly investment report shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner, which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will be provided to the City Manager and City Council. The report will include the following:

- A. A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired.
- B. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased.
- C. Additions and changes to the market value during the period.
- D. Fully accrued interest for the reporting period.
- E. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks.
- F. Listing of investments by maturity date.
- G. The percentage of the total portfolio which each type of investment represents.
- H. Statement of compliance of the City's investment portfolio with State Law and the

investment strategy and policy approved by the City Council.

V. INVESTMENT PORTFOLIO

Investments

Assets of the City of Wharton may be invested in the following instruments; provided, however, that at no time shall assets of the City be invested in any instrument or security not authorized for investment under the Act, as the Act may from time to time be amended. The City is not required to liquidate investments that were authorized investments at the time of purchase.

Authorized

- A. Obligations of the United States of America, its agencies and instrumentalities, which have a liquid market with a readily determinable market value.
- B. Direct obligations of the State of Texas and agencies thereof.
- C. Other obligations, the principal of and interest on which are unconditionally guaranteed by the State of Texas or United States of America.
- D. Obligations of the States, agencies thereof, Counties, Cities, and other political subdivisions of any state having an underlying rating of not less than "A" or its equivalent. However, if the obligations are insured by municipal bonds insurance having a rating of "double-A" equivalent or higher, then the underlying rating of the obligations shall be not less than the lowest investment grade rating.
- E. Certificates of Deposit of state and national banks domiciled in Texas, a savings bank domiciled in Texas, or a state or federal credit union domiciled in Texas, which is:
 1. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 2. Secured by obligations described in A through D above, which are intended to include all direct agency or instrumentality issued mortgage backed securities rated AAA by a nationally recognized rating agency, or by Article 2529b-1, V.T.C.S., and that have a market value of not less than the principal amount of the certificates.
- F. Fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies and instrumentalities pledged with a third party, selected by the Director of Finance, other than an agency for the pledgor. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a bank domiciled in Texas. A Master Repurchase Agreement must be signed by the bank/dealer prior to investment in a

repurchase agreement.

- G. Joint pools of political subdivisions in the State of Texas, which invest in instruments and follow practices allowed by current law. A pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- H. No-load money market mutual funds who are rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service, registered with the SEC, provide a prospectus, have a dollar-weighted average stated maturity of 90 days or less and includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share. The City shall invest in the aggregate no more than 80 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service in no-load money market mutual funds.

Not Authorized

The City's authorized investments options are more restrictive than those allowed by State law. State law specifically prohibits investment in the following investment securities.

- A. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
- B. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.

Holding Period

The City of Wharton intends to match the holding periods of investment funds with liquidity needs of the City. In no case will the average maturity of investments of the City's operating funds exceed one year. The maximum final stated maturity of any investment shall not exceed five years.

Investments in all funds shall be managed in such a way that the market price losses resulting from interest rate volatility would be minimized by coupon income and current income received from the volume of the portfolio during a twelve-month period.

Risk and Diversification

The City of Wharton recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification, which shall be achieved by the following general guidelines:

- A. Risk of issuer default is controlled by limiting investments to those instruments allowed by the Act, which are described herein.
- B. Risk of market price changes shall be controlled by avoiding over-concentration of assets in a specific maturity sector, limitation of average maturity of operating funds investments to one year, and avoidance of over-concentration of assets in specific instruments other than U.S. Treasury Securities and Insured or Collateralized Certificates of Deposits.
- C. Risk of illiquidity due to technical complications shall be controlled by the selection of securities dealers as described herein.

VI. SELECTION OF BANKS AND DEALERS

Depository

A Depository shall be selected through the City's banking service procurement process, which shall include a formal request for proposal (RFP). In selecting a depository, the credit worthiness of institutions shall be considered, and the Director of Finance shall conduct a comprehensive review of prospective depositories credit characteristics and financial history. The term for depository contracts may be no longer than five years.

Certificates of Deposit

Banks seeking to establish eligibility for the City's competitive certificate of deposit purchase program shall submit for review annual financial statements, evidence of federal insurance and other information as required by the Director of Finance.

Securities Dealers

For brokers and dealers of government securities, the City shall select only those dealers that are adequately financed to conduct public business. Investment officials shall not knowingly conduct business with any firm with whom public entities have sustained losses on investments. All Securities dealers shall provide the City with references from public entities, which they are currently serving. The Investment Committee shall adopt and annually review a list of qualified brokers authorized to engage in investment transactions with the entity.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:

- audited financial statements
- proof of Financial Industry Regulatory Authority (FINRA) certification
- proof of state registration

- completed broker/dealer questionnaire
- certification of having read the City's investment policy signed by a qualified representative of the organization
- acknowledgment that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the City and the organization

Qualified representative means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization, and who is one of the following:

- A. For a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the FINRA;
- B. For a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution; or
- C. For an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the certification on behalf of the investment pool.

Investment Pools

A thorough investigation of the pool is required prior to investing, and on a continual basis. All investment pools must supply the following information in order to be eligible to receive funds.

- the types of investments in which money is allowed to be invested.
- the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool.
- the maximum stated maturity date of any investment security within the portfolio.
- the objectives of the pool.
- the size of the pool.
- the names of the members of the advisory board of the pool and the dates their terms expire.
- the custodian bank that will safekeep the pool's assets.
- whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation.
- whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment.
- the name and address of the independent auditor of the pool.
- the requirements to be satisfied for an entity to deposit funds in and withdraw funds

- from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool.
- the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.
 - a description of interest calculations and how interest is distributed, and how gains and losses are treated.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Director of Finance.

VII. SAFEKEEPING AND CUSTODY

Insurance or Collateral

All deposits of City funds shall be secured by pledged collateral. When a pledge of collateral is necessary it must meet the following FIRREA requirements: (1) the collateral pledge agreement must be in writing, (2) the collateral pledge agreement must be approved by the depository's board of directors or loan committee, (3) the depository's approval of the collateral pledge agreement must be reflected in the minutes of the meeting of the depository's board or loan committee approving same, and (4) the collateral pledge agreement must be kept in the official records of the depository. The depository must provide the Investment Officer with written proof of the depository's approval of the pledge agreement as required herein in the form of a signed or certified copy of the minutes of the meeting of the depository's board or loan committee reflecting the approval.

In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC or FSLIC. Evidence of the pledged collateral shall be maintained by the Director of Finance or a third party financial institution. Repurchase agreements shall be documented by a specific agreement noting the collateral pledge in each agreement. Collateral shall be reviewed weekly to assure that the market value of the pledged securities is adequate.

Safekeeping Agreement

Collateral pledged to secure deposits of the City shall be held by a safekeeping institution in accordance with a safekeeping agreement which clearly defines the procedural steps for gaining access to the collateral should the City of Wharton determine that the City's funds are in jeopardy. The safekeeping institution, or Trustee, shall be the Federal Reserve Bank or an institution not affiliated with the firm pledging the collateral. The safekeeping agreement shall include the signatures of authorized representatives of the City of Wharton, the firm pledging the collateral, and the Trustee.

Collateral Defined

The City of Wharton shall accept only the following securities as collateral:

All investments authorized in A-E of Section V of this investment policy.

Subject to Audit

All collateral shall be subject to inspection and audit by the Director of Finance or the City's independent auditors.

Delivery vs. Payment

Treasury Bills, Notes, Bonds, Repurchase Agreements and Government Agencies' securities shall be purchased using the delivery vs. payment method. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the Trustee. The security shall be held in the name of the City or held on behalf of the City. The Trustee's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City.

VIII. INVESTMENT POLICY ADOPTION

The City of Wharton investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed for effectiveness on an annual basis by the Investment Committee and any modifications will be recommended for approval to the City Council. The City Council shall review these investment policies and strategies not less than annually and approval must be reflected in the minutes of the meeting.

GLOSSARY of COMMON TREASURY TERMINOLOGY

Agencies: Federal agency securities.

Asked: The price at which securities are offered.

Bid: The price offered for securities.

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in inter-dealer markets.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Comprehensive Annual Financial Report (CAFR): The official annual report for the City of Wharton. It includes six combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

Coupon: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Federal Credit Agencies: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

Federal Funds Rate: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-avis member commercial banks.

Federal National Mortgage Association (FNMA): FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development, HUD. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FHM mortgages. The term pass-throughs is often used to describe Ginnie Maes.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Government Investment Pool (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement: To protect investors, many public investors will request that repurchase agreements be preceded by a master repurchase agreement between the investor and the financial institution or dealer. The master agreement should define the nature of the transaction, identify the relationship between the parties, establish normal practices regarding ownership and custody of the collateral securities during the term of the investment, provide remedies in the case of default by either party and clarify issues of ownership. The master repurchase agreement protects the investor by eliminating the uncertainty of ownership and hence, allowing investors to liquidate collateral if a bank or dealer defaults during the term of the agreement.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy.

Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

Prudent Person Rule: An investment standard. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Qualified Public Depositories: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (RP or REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SEC Rule 15C3-1: See uniform net capital rule.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

Treasury Bond: Long-term U.S. Treasury securities having initial maturities of more than ten years.

Treasury Notes: Intermediate term coupon bearing U.S. Treasury securities having initial maturities from one to ten years.

Yield: The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price of the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one-reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Broker / Dealer List

The following is a list of qualified brokers authorized to engage in investment transactions with the City of Wharton:

Mr. Wink Harvey
Deutsche Bank
700 Louisiana St.
Suite 1500
Houston, Texas 77002
832-239-3340

Ms. Polly Moore
Morgan Keegan & Co.
2801 Via Furtuna
Suite 650
Austin, Texas 78746
512-306-2514

Mr. Steve Zanone
FTN Financial Capital Markets
7500 College Blvd.
Suite 1170 Lighton Tower
Overland Park, KS 66210
913-339-5400

Zach Brewer
FTN Financial
920 Memorial City Way
Houston, TX 77024
713-435-4361

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

A RESOLUTION OF THE WHARTON CITY COUNCIL ADOPTING THE CITY OF WHARTON INVESTMENT POLICY AFTER THE ANNUAL REVIEW OF THE CITY OF WHARTON INVESTMENT POLICY, SETTING AN EFFECTIVE DATE.

WHEREAS, The Public Funds Investment Act, requires the City Council to review and adopt, by resolution, the investment policies and strategies for the City of Wharton on an annual basis; and,

WHEREAS, The City of Wharton designates the City Manager and the Finance Director as investment officers; and,

WHEREAS, The City of Wharton approves the training courses sponsored or endorsed by the Texas Municipal League, the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, or the North Central Texas Council of Governments as adequate to meet the investment training requirements; and,

WHEREAS, The attached investment policy complies with the Public Funds Investment Act and authorizes the investment of City funds in safe and prudent investments.

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

Section I. The City of Wharton has complied with the requirements of the Public Funds Investment Act and the Investment Policy attached hereto as “Exhibit A” is hereby adopted as the Investment Policy of the City of Wharton effective November 9, 2020.

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

Passed, Approved, and Adopted this 9th day of November 2020.

CITY OF WHARTON, TEXAS

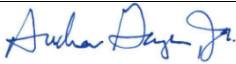
By: _____
TIM BARKER
Mayor

ATTEST:

PAULA FAVORS
City Secretary

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

FINANCE COMMITTEE

Meeting Date:	11/9/2020	Agenda Item:	Proposed write offs: A. City of Wharton EMS B. Utilities
<p>A. City of Wharton EMS. Attached is a copy of the memorandum dated November 4, 2020 from Finance Director Joan Andel to me recommending the write offs for the EMS accounts.</p> <p>B. Utilities. Attached is a copy of the memorandum dated November 4, 2020 from Finance Director Joan Andel to me that indicates the Utility Department’s request for the uncollected balances for the 2019 – 2020 fiscal year be written off due to non-payment.</p> <p>Finance Director Joan Andel will be present to answer any questions.</p>			
City Manager: Andres Garza, Jr.		Date: Thursday, November 5, 2020	
Approval: 			
Mayor: Tim Barker			



City of Wharton

120 E. Caney Street ° Wharton, TX
77488

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

MEMORANDUM

Date: November 4, 2020
From: Joan Andel, Finance Director
To: Finance Committee
Subject: EMS Write-off of Uncollectible Balances

Debra Medina from Prudentia is recommending that any account that is self-pay and has not had any activity in a year be written off. The attached list represents those accounts.

We have checked the utility billing system to see if there are any accounts that we could provide current addresses to enable Prudentia to seek further collection on any accounts that were returned with bad addresses.

All of these accounts have been transferred to Linebarger, Goggan, Blair, and Sampson LLC for collection efforts to begin from our outside collectors.

Therefore, I recommend that the total amounts be written off of the Emergency Services accounts receivable and should any future collections be received, the write-off will be reversed and the payment applied.

Thank you.



City of Wharton

120 E. Caney Street ° Wharton, TX
77488

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

MEMORANDUM

Date: November 4, 2020
From: Joan Andel, Finance Director
To: Finance Committee
Subject: Utility Write-Off

The Utility Department is requesting that uncollected balances from October 2019 through September 2020 be written-off due to non-payment. The uncollected balances are mainly due to customers who have moved away without finalizing their accounts. Therefore, the City has applied the customers' deposit to the account but a balance remains unpaid. Each of these customers has received a final bill. The customer is not allowed to open a new utility account in the future until all utility bad debts owed to the City have been cleared.

Previous years' write-off for utility accounts is as follows:


2015-2016	\$19,492.67
2016-2017	\$166,975.78 * includes GCMC Bankruptcy of \$140,227.81
2017-2018	\$52,654.92
2018-2019	\$23,177.44
2019-2020	\$32,417.02

We are recommending that City Council Finance Committee approve the utility write-offs as presented at the meeting on November 9, 2020 and then also placed on the City Council agenda for approval the same day.

Thank you.

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

FINANCE COMMITTEE

Meeting Date:	11/9/2020	Agenda Item:	Update on City of Wharton Projects: A. Update on the City of Wharton 2020 Street Improvement Project. B. Update on the City of Wharton Drainage Projects. C. Update on the Utility Improvements and Relocation Projects.
Attached you will find an update on City of Wharton Projects.			
City Manager: Andres Garza, Jr.		Date: Thursday, November 5, 2020	
Approval: 			
Mayor: Tim Barker			

PROJECT UPDATE REPORT

I. Drainage & Flood Control Projects

- 1. Ahldag Drainage Ditch Project (Multi Phase) – Phase 1 in progress, 2 Phases pending**
Stabilizing existing ditch walls from erosion damage.

\$ 1,398,500	Construction Cost (CDBG-DR Harvey Infrastructure, TWDB FIF \$657,295/City \$741,205)
\$ TBD	Acquisition of Easements and Temporary Construction Easements (CDBG-DR Harvey Infrastructure)

- 2. Caney Creek MHP Drainage Project (Multi Phase) – Phase 1 in progress, 3 Phases pending**

Acquisition and drainage improvements of Caney Creek area behind Dairy Queen.

\$ 687,925	Construction Cost (CDBG-DR Harvey Infrastructure, TWDB FIF \$323,324.75/City \$364,600.25)
\$ 1,693,784	Acquisition (CDBG-DR Harvey Buyouts)

- 3. Delmas/Kinkaid/Mahan Drainage Project – PENDING Public Works has completed minor work already. Rest of project will need to be completed by contractor.**

Internal drainage improvements to this neighborhood.

\$ 1,974,000	Estimated Construction (TWDB FIF \$927,780/City \$1,046,220)
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- 4. Drainage Study Project – PENDING**

Internal drainage study for city.

\$ 800,000	Total (TWDB FIF \$376,000/City \$424,000)
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- 5. Levee – Phase 1, Phase 2 & Baughman Slough – IN PROCESS**

3 Phase levee project to alleviate riverine flooding.

\$ 77,000,000	100% funded (US Corp of Engineers)
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- 6. Stavena/Nelga Addition Drainage Project – PENDING**

Internal drainage improvements to this neighborhood.

\$ 1,587,000.00	Estimated Construction (TWDB FIF \$745,890/City \$841,110)
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Total City Contribution: \$ 3,417,135.50

II. Utility Infrastructure

- 1. 2018-19 HMGP Critical Infrastructure Generators – IN PROCESS**

Generators to be placed at all wastewater treatment plants.

\$ 1,785,122.00	Total
\$ 1,338,841.50	(HMGP)
\$ 334,710.38	(SB7 Reimbursement)
\$ 111,570.13	(City Match)

2. 2019-20 CDBG-TDA - S. East Ave Sanitary Sewer – PENDING CONTRACT

Repair/replace the main trunk line to the treatment plant on East Ave.

\$ 455,000 Total
 \$ 350,000 (CDBG)
 \$ 105,000 (COW Match)

3. 2020 CDBG-MIT Application – C of W Harvey HUD Mitigation Project – PENDING

The project will include an assessment of the city’s 67 miles of wastewater collection lines and 500 manholes to identify the necessary mitigation actions and options for system rehabilitation. Upon assessment, deteriorated collection lines that contribute to I&I will be rehabilitated through slip lining, pipe bursting, or removal and replacement. Manholes below the base flood elevation (BFE) will be mitigated by elevating and/or sealing manhole covers and lining manholes where possible to reduce infiltration. Some may need to be reconstructed, elevated and/or sealed. The 10 lift stations will be mitigated by elevating the foundations/pads, wet wells, and electronic components above the BFE, including any appurtenances that are affected by flood waters.

\$ 27,785,392 Total
 \$ 27,507,538.08 (CDBG-MIT)
 \$ 277,853.92 (COW Match)

4. CR 222 Water Well – PENDING

New well to provide services to City of Wharton

\$ 4,872,000 Total (City)

5. FM 102/HWY 60 Utility Improvements - PENDING

TxDOT will be making modification to the intersection to let in 2021-2022 and we will need to be ready to modify storm drainage at this location at the same time.

\$ Costs Unknown

6. I-69 Expansion Waterline Relocation (FM 102 to CR 222/Halford Rd.) - PENDING

Relocation of the waterline in City easement for expansion of I-69.

\$ 2,134,500 Total (TxDOT)

7. I-69 Expansion Sewer Line & Force Main Relocation - PENDING

Relocation of Sewer Line and Force Main in TxDOT ROW for expansion of I-69.

\$ 2,273,500 Total (City)

8. Santa Fe Channel Outfall Improvement – IN PROCESS

Repair damage to structure caused by Harvey and several other high-water events.

\$ TBD (100% US Corp of Engineers)

9. WWTP No. 2 Outfall Line (WWTP#2 to Colorado River) - PENDING

Relocation of line due to levee location and expansion of I-69.

\$ 40,000 Option A (USACE)
 \$ 800,600 Option B1 (City)
 \$ 954,100 Option B2 (City)

Total City Contribution: \$\$ 8,594,024.05

III. Transportation Infrastructure

1. 2019 Safe Routes to School – Sidewalks – APPLICATION PENDING

Construction of sidewalks along Rusk, Fulton, Pioneer and Ahldag.

\$ 908,926	Total
\$ 727,140	(TxDOT SRTS)
\$ 181,785	(COW Match)

2. City Signage Implementation (Multi Phase) – PENDING

Signs for parks, directions, streets, etc.- Design specifications currently in design.

\$ Will Vary on Phases

3. FM 1301 Extension – PENDING

Constructing corridor between HWY 59 and the FM 1301 / Richmond Rd. Intersection.

\$ 17,696,043	Total
\$ 2,347,743	State Match
\$ 15,348,300	COW Match

Total City Contribution: \$15,530,085.00

IV. Housing

1. 2016 Floods Grant – IN PROCESS

Home repair & new construction for homes impacted by 2016 flooding.

\$ 2,020,000	Total
\$ 2,000,000	(CDBG-DR)
\$ 20,000	(COW)

Total City Contribution: \$20,000.00

V. Disaster Funds/Projects

1. TDEM – Coronavirus Relief Funds – IN PROCESS

CARES Act funds awarded for COVID-19 related expenses.

\$ 474,870	Total (TDEM)
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2. 2021 Hazard Mitigation Plan – IN PROCESS

HMP required by FEMA every 5 years.

\$ 65,000	Estimated costs for consultants, meetings & publications (City)
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3. FEMA Public Assistance – River Front Park – PENDING OBLIGATION BY FEMA

Damages received during 2016 and applied with FEMA Public Assistance. The determination by FEMA was not satisfactory and the City appealed. The appeal was approved June 2019 and is still under review for obligation by FEMA.

\$ 3,276,060	Total
\$ 2,457,045	(FEMA)
\$ 819,015	(COW Match)

Total City Contribution: \$884,015.00

VI. Parks & Trails**1. Guffey Park Improvements (Multi Phase) – *IN PROCESS****Construction of park pavilion for community events.*

\$ 800,000	Estimated total construction cost
\$ 36,000	(Contract with David Bucek for Design)
\$ TBD	(COW Construction Share)
\$ 134,000	(WEDCO Construction Share)

2. Texas Target Communities Greenspace and Connectivity Study – *IN PROCESS**Study to design a plan for levee greenspace and City-Wide connectivity to recreational areas.*

\$ 16,000	(COW Match)
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Total City Contribution: \$52,000.00**VII. Multi-Jurisdictional****1. Waterhole Creek-Caney Creek Flood Protection Study – *PENDING* (Wharton County)***Study of Caney Creek from City of Wharton to Intercoastal Waterway*

\$ 570,000	(TWDB FIF)
\$ 18,000	(COW Contribution Resolution 2020-57)

2. WISD Safe Shelter (WISD) – *IN PROCESS**School facility built to spec for and activated as a FEMA Dome during times of disaster.*

Phase I	
\$ 446,863.00	Total
\$ 335,147.25	(HMGP)
\$ 111,715.75	(WISD)

Phase II	
\$ 3,530,523.00	Total
\$ 2,647,892.25	(HMGP)
\$ 882,630.75	(WISD)

3. Lower Colorado River FPP Study (Wharton County) – *IN PROCESS**Study of Colorado River Flooding after Hurricane Harvey from Colorado County to Matagorda County*

\$ 500,000	(TWDB)
\$ 33,083.33	(COW Contribution Resolution 2018-53)

Total City Contribution: \$ 51,083.33

COW & PROJECT COST SHARE CHART

PROJECT	CITY COST SHARE	PROJECT COST SHARE
TOTAL COW & PROJECT COST SHARES	\$ 28,548,342.88	\$ 126,167,848.70
I. DRAINAGE & FLOOD CONTROL PROJECTS	\$ 3,417,135.50	\$ 81,724,073.75
<i>Ahldag Drainage Ditch Project</i>	\$ 741,205.00	\$ 657,295.00
<i>Caney Creek MHP Drainage Project</i>	\$ 364,600.50	\$ 2,017,108.75
<i>Delmas/Kinkaid/Mahan Drainage Project</i>	\$ 1,046,220.00	\$ 927,780.00
<i>Drainage Study Project</i>	\$ 424,000.00	\$ 376,000.00
<i>Levee - Phase 1, Phase 2, & Baughman Slough</i>	\$ 0	\$ 77,000,000.00
<i>Stavena/Nelga Addition Drainage Project</i>	\$ 841,110.00	\$ 745,890.00
II. UTILITY INFRASTRUCTURE	\$ 8,594,024.05	\$ 31,705,589.95
<i>2018-19 HMGP Critical Infrastructure Generators</i>	\$ 111,570.13	\$ 1,673,551.87
<i>2019-20 CDBG-TDA - S. East Ave Sanitary Sewer</i>	\$ 105,000.00	\$ 350,000.00
<i>2020 CDBG-MIT Application - C of W Harvey HUD Mitigation Project</i>	\$ 277,853.92	\$ 27,507,538.08
<i>CR 222 Water Well</i>	\$ 4,872,000.00	\$ 0
<i>FM 102/HWY 60 Utility Improvements</i>	\$ TBD	\$ TBD
<i>I-69 Expansion Waterline Relocation (FM 102 to CR 222/Halford Rd.)</i>	\$ 0	\$ 2,134,500.00
<i>I-69 Expansion Sewer Line & Force Main Relocation</i>	\$ 2,273,500.00	\$ 0
<i>Santa Fe Channel Outfall Improvement</i>	\$ TBD	\$ TBD
<i>WWTP No. 2 Outfall Line (WWTP#2 to Colorado River)</i>	\$ 954,100.00	\$ 40,000.00
III. TRANSPORTATION INFRASTRUCTURE	\$ 15,530,085.00	\$ 3,074,884.00
<i>2019 Safe Routes to Schools - Sidewalks</i>	\$ 181,785.00	\$ 727,141.00
<i>City Signage Implementation</i>	\$ TBD	\$ TBD
<i>FM 1301 Extension</i>	\$ 15,348,300.00	\$ 2,347,743.00
IV. HOUSING	\$ 20,000.00	\$ 2,000,000.00
<i>2016 Flood Grant</i>	\$ 20,000.00	\$ 2,000,000.00
V. DISASTER FUNDS/PROJECTS	\$ 884,015.00	\$ 2,931,915.00
<i>TDEM - Coronavirus Relief Funds</i>	\$ 0	\$ 474,870.00
<i>2021 Hazard Mitigation Plan</i>	\$ 65,000.00	\$ 0
<i>FEMA Public Assistance – River Front Park</i>	\$ 819,015.00	\$ 2,457,045.00
VI. PARKS & TRAILS	\$ 52,000.00	\$ 134,000.00
<i>Guffey Park Improvements</i>	\$ 36,000.00	\$ 134,000.00
<i>Texas Target Communities Greenspace and Connectivity Study</i>	\$ 16,000.00	\$ 0
VII. MULTI-JURISDICTIONAL	\$ 51,083.33	\$ 4,597,386.00
<i>Waterhole Creek-Caney Creek Flood Protection Study</i>	\$ 18,000.00	\$ 570,000.00
<i>WISD Safe Shelter - Phase 1&2</i>	\$ 0	\$ 3,977,386.00
<i>Lower Colorado River FPP Study</i>	\$ 33,083.33	\$ 50,000.00