



**CITY COUNCIL RETREAT MINUTES
CITY OF ODESSA, TEXAS
JULY 20, 2010**

On July 20, 2010, a retreat meeting of the Odessa City Council was held at 5:27 p.m., at City Hall, 411 W. 8th St., third floor conference room, Odessa, Texas.

Members present: Mayor Larry L. Melton, Councilmembers Bill Cleaver, James B. Goates, Barbara Graff, Dean Combs, and Roy Hunton.

Others present: Richard Morton, City Manager; Larry Long, City Attorney; Norma Grimaldo, City Secretary; James Zentner, Assistant City Manager; and Michael Marrero, Assistant City Manager.

A quorum being present, the following proceedings were held:

Review the draft FY 2010-11 Budget. Mr. Morton stated that there were minor changes in the budget. He proposed to establish an annual revenue stream using property tax rate for street maintenance. A program was needed to maintain city streets. He proposed a property tax rate increase. Mayor Melton stated that the timing was not right due to the economy. He recommended postponing for one or two years. Councilmember Graff agreed that the roads need the maintenance. Mr. Morton stated that improvements to parks, golf course and some streets were made without a tax impact. Mayor Melton stated that staff has done an outstanding job in keeping costs down. Councilmember Goates stated that TxDOT would not help with city streets. TxDOT would rehab for one or two years on the interstate. He agreed that the program must be done but it is not the right time to raise taxes. He recommended planning for next year.

Mr. Morton discussed the homestead exemption options. A 10% reduction to homestead exemption would set \$1 million in additional revenue.

Mr. Morton discussed the TMRS options. The city's annuity was 70% repeating. He proposed to move it to 50% repeating which would affect retirees. He reviewed the affected changes to the retirees. After further discussion, it was a consensus to move the annuity to 50% repeating. Mr. Morton reported that the retiree numbers were rising. He would prepare a notice and explain the changes, if adopted.

Mr. Morton reviewed the property tax rate over the years. The City Council reduced the property tax rate by 16.715 cents. In assessed valuation, Odessa is the lowest compared to the six pick cities. He reviewed the appraisal values. The mineral, real estate and commercial personal property have gone down.

General Fund. Mr. Morton reviewed the General Fund's revenues and expenditures. Sales tax is estimated less than the current budget. Councilmember Combs asked if the EMS fees were being collected on accidents on the interstate. Mr. Zentner reported that they were not.

Mr. Morton stated that the fire operations would be changed. He stated that 95% of calls are medical. Currently, the engines follow all ambulances. The design would be made more in line of providing services.



The city would keep the eight engines and build up to eight ambulances. The change would move more toward meeting the demand of EMS. Currently, the city does not get paid with the runs made in Midland County that is outside the city limits. Yet, there is a charge to Ector County.

Mr. Morton stated that there is a 4% step increase to police and fire. The step increase is set up every two years. He explained the step program. He reviewed the personal services. He proposed a 2% salary increase for the employees. There was no salary increase for the current year. There would be a TMRS savings and currently there are 73 vacancies. One attorney would be added. There was a cut in travel, picnic and the awards banquet. The street lighting rates have come down. A flat fee was paid on lights.

Water and Sewer Fund. Mr. Morton proposed no increase in water and sewer rates. There may be a CRMWD water rate increase. He stated that the rates were not high compared to the other cities.

Storm Water Fund. Mr. Morton stated that this was a federally mandated program and there is no change.

Equipment Services Fund. Mr. Morton stated that the fund was healthy. There was one year deferral on police cars.

Risk Management Fund. Mr. Morton stated that the fund was doing well. The Family Health Clinic was used and it helped the bottom line. The fund was in the black and there is no proposed increase.

Golf Course Fund. Mr. Morton stated that the fund would break even.

Mr. Zentner stated that there was little refunding debt, but not enough for a cost savings. The budget would be filed on August 2. The Council would consider adopting the budget on September 14.

Councilmember Combs asked if there were any other sources of revenue. Councilmember Graff stated that there is a 1% for cell phones that the cities could receive. Staff would research it. Mr. Morton thanked the Council for their time. There was no other business, the meeting adjourned at 7:16 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC
City Secretary

Larry L. Melton
Mayor