



**CITY COUNCIL MINUTES
CITY OF ODESSA, TEXAS
AUGUST 28, 2012**

On August 28, 2012, a regular meeting of the Odessa City Council was held at 6:00 p.m., in the Council Chambers, 5th Floor, City Hall, 411 West 8th Street, Odessa, Texas.

Members present: Mayor Larry L. Melton; Council members: Bill Cleaver, District One; James B. Goates, District Two; Barbara Graff, District Three; and Dean Combs, District Four and Sandra Carrasco, District Five.

Others present: Richard Morton, City Manager; Larry Long, City Attorney; Norma Aguilar-Grimaldo, City Secretary; James Zentner, Assistant City Manager; other members of City staff; and members of the news media.

A quorum being present, Mayor Melton called the meeting to order and the following proceedings were held:

The invocation was given by Mayor Melton and followed by the Pledge of Allegiance to the United States and Texas flags.

CONSENT AGENDA ITEMS

- A. City Council Minutes, August 14, 2012;
- B. **Resolution No. 2012R-66 – Emergency Communication District of Ector County’s 2012-2013 budget;**
- C. **Resolution No. 2012R-67 - Authorize the Odessa Police Department to accept a STEP Speed, Intersection Traffic Control, and Seat Belt Grant;**
- D. **Resolution No. 2012R-68 – Odessa Chamber of Commerce temporary lease agreement;**
- E. **Ordinance No. 2012-49 - Request of First Baptist Church of Odessa, owner, to rezone from Central Business District-One (CB-1) to Planned Development-Central Business District-One (PD-CB-1) Lots 4-6, Block 16, Original Town (southeast corner of the intersection of W. 8th St. and Sam Houston Ave.);**
- F. **Ordinance No. 2012-50 - Request of the City of Odessa, owners, to amend the Planned Development-Office (PD-O), Lot 4, Block 2, North Park Addition, 2nd Filing (555 E. 92nd St.);**
- G. **Resolution No. 2012R-69 – Adopt the Midland Odessa Transportation Organization (MOTOR) SH 191 Corridor Study/Management Plan Final Report;**
- H. **Resolution No. 2012R-70 - City's Investment Policy and the Approved Brokers/Dealers & Financial Institutions List;**
- I. Review monthly Financial Summary Report for July 2012.

Motion was made by Council member Combs and seconded by Council member Carrasco that the consent agenda items be approved. The motion was approved by unanimous vote.

OTHER COUNCIL ACTION

The next item was taken out of order.

Resolution No. 2012R-71 – Odessa Development Corporation’s budget and General Development Plan. Charles Carlson, ODC’s President, stated that the budget was reviewed by the Finance Committee. Proposed revenues were \$6,270,000 and expenditures were \$2,756,000.

Motion was made by Council member Goates and seconded by Council member Cleaver to amend the resolution to move \$5,275 from business incentives to the Chamber of Commerce. The amended motion was approved by unanimous vote. The motion with the amendment was approved by unanimous vote.

PUBLIC HEARINGS

Ordinance No. 2012-51 - Open a public hearing to consider approval of The Morrison Group, owner, for annexation to the City of Odessa of approximately 22 ac. tract in Sections 10 and 15, Block 41, T&P Ry. Co. Survey, Midland Co., Texas (south of Mission Santiago Dr.) and SJL Partners, GP, Owner, for annexation to the City of Odessa approximately 532.5 ac. tract in Section 21, 22, 27 and 28, Block 41, T-2-S, T&P Ry. Co Survey, Midland Co., Texas (west, southwest and southeast of the intersection of IH-20 and proposed Faudree Rd.) Marwan Khoury, Director of Planning, reviewed the location. The purpose was to add a residential area and Industrial District. Margie Frasier, 2402 N. Washington, stated that the annexation would cost the taxpayers. She stated that the citizens do not know anything about the agenda or the financing. Mr. Morton stated that the agenda was posted on-line and a copy was available upon request. No one else came forward and the public hearing was closed.

Motion was made by Council member Cleaver and seconded by Council member Goates that the ordinance be approved on second and final approval. The motion was approved by unanimous vote.

Open a public hearing for the 2012-13 annual budget. Mr. Zentner stated that proposed revenues were \$161,501,683 and expenditures were \$156,006,375 plus equipment replacement needs of \$8,176,751. The budget was filed with the City Secretary on August 3. In the General Fund, the revenues equal expenditures. The proposed budget has a 10.02% increase over last year’s budget. Included was a 40% increase in water rate but no rate change in sewer rate. The tax rate has a reduction to 51.275 cents. No one else came forward and the public hearing was closed.

Motion was made by Council member Combs and seconded by Council member Goates that the budget be approved. The motion was approved by unanimous vote.

Open the first public hearing for proposed tax rate. Mr. Zentner stated that the proposed tax rate was 51.2750 cents, which is one cent less than last year. The second public hearing would be held September 11 at 6 p.m. The vote for the tax rate would be held on September 18 and September 25. The tax rate has dropped for the past nine years.

Margie Frasier, 2402 N. Washington, stated that the 40% water increase was excessive and suggested the City to keep the tax rate the same as last year. Council member Goates

stated that the water rate was reviewed and set every year, which was an enterprise in itself. No one else came forward and the public hearing was closed.

Motion was made by Council member Goates and seconded by Council member Combs that the tax rate be approved. The motion was approved by unanimous vote.

ORDINANCE

Abandonment of a portion of Hillcrest Avenue one block South from 2nd Street. Matt Squyres, Director of Public Works, stated that the request of abandonment of a street was made by the property owner. The street was not used. The same owner owns the offices on each side of the street. He would fence in the area. The City would keep the easements. This would abandon the street and sale the property.

Motion was made by Council member Goates and seconded by Council member Carrasco that the ordinance be approved on first approval. The motion was approved by unanimous vote.

Ordinance No. 2012-52 - Approval of new water rates. Mr. Zentner stated that the proposed water rate was a 40% increase which on a residential that uses 2,000 gallons would see an increase of \$5. The only change that was made was that the senior and disability citizens' base rate would remain the same. A user of 10,000 gallons would see an increase of \$16.13. Mr. Morton reviewed the different tiers of usage. Council member Graff stated that the City spends \$11 million before it buys water for the capital and debit cost. Mr. Zentner stated that if the water fund was spent down it was possible that it would affect the bond ratings. With the high rate, the City has been able to refinance at a lower interest rate.

Margie Fraiser, 2402 N. Washington, stated that the drought was temporary and the increase was a lot of money. She stated that more gallons would be used with the annexation and hotels. Blake Stephenson, General Manager of Unifirst Corp., stated that the company was in the top 10 water consumers. The water increase would be an additional \$40,000 a year for the business. Council member Goates stated that the lakes were not collecting water and it would be out by June 2013. Other cities have higher rates. The water and sewer lines must be replaced due to leaks and it was an old system that needed update. Mr. Morton stated that CRMWD invested in the Ward County water by purchase, develop and construct the pipeline. The cost increase and the city must pay its share for this additional cost. This year, \$8 million was lost in revenues. This past budget based on selling 22 million gallons of water and after the budget was approved, CRMWD limited the use of water to \$16 million. The revenue was based on selling 22 million gallons.

Mayor Melton stated that Council considers the water rates each year. Mr. Morton stated that the City had to pay for other sources of water. Due to restrictions, customers have installed water wells and gone to zero landscape which was no guarantee of selling the same amount of water.

Motion was made by Council member Goates and seconded by Council member Combs that the ordinance be approved on second and final approval. The motion was approved by a 4 – 1 vote with Council member Cleaver casting the nay vote.

RESOLUTIONS

Resolution No. 2012R-72 – Odessa Development Corporation agreement with the University of Texas of the Permian Basin Small Business Development Center. Mr.

Long stated that in prior years, ODC has appropriated \$22,250 for West Texas Coal Commercial Center which was forwarded to UTPB-SBDC. UTPB-SBDC uses the funds to provide management and technical assistance to the small business sector in the community by training and counseling businesses. The contract would fund \$20,000 directly to UTPB-SBDC. Enrique Romero, Director of UTPB-SBDC, highlighted the center's accomplishments.

Motion was made by Council member Goates and seconded by Council member Cleaver that the resolution be approved. The motion was approved by unanimous vote.

Resolution No. 2012R-73 – Ector County Independent School District interlocal agreement for school attendance court program. Mr. Long stated that the contract would provide continuance of the truancy program. The city would provide a court room and proceedings. The cost would be paid by ECISD in the amount of \$12,000 a year plus any year extensions.

Motion was made by Council member Graff and seconded by Council member Cleaver that the resolution be approved. The motion was approved by unanimous vote.

Resolution No. 2012R-74 – Professional services agreement for design of waterline and sewer line improvements. Mr. Squyres stated that the agreement was for LCA to design the infrastructure for water and sewer line improvements. The project was part of the 2007 CIP program. It would take one year for completion.

Motion was made by Council member Combs and seconded by Council member Graff that the resolution be approved. The motion was approved by unanimous vote.

Resolution No. 2012R-75 – Support Council member Barbara Graff as a candidate for Texas Municipal League President-Elect. Mrs. Grimaldo stated that the resolution would support Council member Graff as a candidate for the Texas Municipal League for President Elect in 2013. She served on several TML committees.

Motion was made by Council member Cleaver and seconded by Council member Carrasco that the resolution be approved. The motion was approved by unanimous vote.

MISCELLANEOUS

Appointment of Boards. Community Development Advisory Committee, Traffic Advisory Committee, Parks and Recreation Advisory Committee. Appointment of Officers. Zoning Board of Adjustment. Motion was made by Council member Goates and seconded by Council member Combs that the following be reappointed:

Rhonda Gibson and Ray Beaty to the Community Development Advisory Committee; and Paul Baxter appointed to the Parks and Recreation Advisory Committee.

Motion was approved by unanimous vote.

Citizen's comments on non-agenda items. None.

There was no other business, the meeting adjourned at 6:46 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TMC, CMC
City Secretary

Larry L. Melton
Mayor