



**CITY COUNCIL BUDGET WORKSHOP MINUTES  
CITY OF ODESSA, TEXAS  
JULY 27, 2015**

On July 27, 2015, a budget workshop meeting of the Odessa City Council was held at 12:07 p.m., at City Hall, 3<sup>rd</sup> floor conference room, 411 W. 8<sup>th</sup> St., Odessa, Texas.

Members present: Mayor David R. Turner, Council members: Roger McNeil, District One; Dewey Bryant, District Two; Barbara Graff, District Three; Michael Gardner, District Four; and Filiberto Gonzales, District Five.

Others present: Richard Morton, City Manager; Larry Long, City Attorney; Norma Aguilar-Grimaldo, City Secretary; Michael Marrero, Deputy City Manager; Konrad Hildebrandt, Assistant City Manager; and Cindy Muncy, Financial Reporting Accountant.

A quorum being present, the following proceedings were held:

Mayor Turner called the meeting to order and there was a short break for lunch.

The meeting resumed at 12:24 p.m.

**Review proposed FY 2015-16 Budget.** Mr. Morton provided an overview of the current and proposed budget. He stated that excess revenue over expenses were \$8,570,699 and recommended that six million dollars be used for the conference center and two million dollars be used to fund the radio arc switch. He explained the switch which the City maintained and 17 counties use the switch. The counties would contribute to the replacement cost. The switch manages and interconnects with the radio systems. There were 17 different antennas. The proposed budget includes a 3% raise for employees at a cost of \$1.79 million and a cost increase for the Risk Management Fund at \$350,000. The estimated roll back tax rate is 0.470591 cents. He recommended four new positions to be added to the General Fund budget and have a one-time and ongoing supplementals in the amount of \$2.9 million. For the Water and Sewer Fund there was a \$3.2 million in one-time and ongoing projects and a rate increase of 10% from CRMWD causing the water rates to include an 8% increase. He stated that CRMWD spent out of its rate stabilization fund last year. CRMWD has secured water rights at \$210 million which it has not had to use. A pipeline was being built from Ward County and the cities must cover the cost. Council member Graff asked that CRMWD board members address the Council on the water. There was no proposed increase to the sewer rates. There would be a rate increase affecting commercial customers for solid waste at a 23% increase. There would be four new positions funded in the Solid Waste Fund. The Risk Management Fund has a proposed increase for the employee and one dependent classification. He recommended that \$16.6 million be set aside for the conference center and set an allocation to outside agencies at \$3.8 million. He stated that the General Fund had 67% in personnel services which was the main cost of expenses. He reviewed a summary of Council's goals and priorities.

Mr. Morton reviewed the proposed budget. He stated that with the downturn of the economy it was a tight balanced budget. The ad valorem comparisons were reviewed. The summary of revenues and expenditures were reviewed.

Council member Bryant asked about city facilities if space was available. Mr. Morton stated that the city purchased a building for \$125,000 that has 19,000 square feet but it need renovation. The building was gutted but could currently be used for storage. The building would require major improvements. Mr. Marrero updated the progress of the City Hall renovations that included renovation of the Council Chambers and the foyer area, briefing room, secure the building and the interior of the entrance. The improvements allocated for City Hall were \$400,000.

**General Fund.** The General Fund in personal services included a 3% merit increase which all employees would receive, if they receive a meet requirements or higher on their evaluation. The incentive pay for Finance was for specific pay. Council member Graff requested to see the incentive pay guidelines. The cost for the crossing guard was to the company that would be used for the crossing guards. The City was the administrators of the contract.

Mr. Morton reviewed the one-time supplemental requests from each department. The City Attorney was funded a senior assistant city attorney. Council member Graff asked if the salary was enough to hire and keep the position filled. Mr. Long stated that the salary would be in the low \$80,000. He stated that the amount would not entice people that have municipal experience but was willing to train the person hired. If he needed to negotiate the salary, Mr. Morton was willing to work with Mr. Long on the salary. Mr. Morton stated that there was a recent compensation study and it was within other cities comparisons. The City Secretary's request for a new office support specialist was discussed. The position would be to scan and manage the contracts into the Laserfiche records management module. After further discussion, more information was needed on the program and the duties of the office support specialist. The Community Development requests were discussed. Mayor Turner stated that the strategic plan identified that this was a dirty community. He stated that there was not enough enforcement for shopping centers. Council member Graff stated that the city needed to be cleaned up. There was a consensus to fund three new code enforcement officers with the vehicles and equipment. The funds would be taken from the \$915,000. The Finance requests were discussed. New positions were requested but the highest priority was the request for a controller position. Mr. Hildebrandt stated that the work level has increased. Mr. Morton recommended the controller be funded and give the flexibility of the new director to hire the person. The Council had a consensus to fund the \$95,000 for the controller. It was noted that the Downtown Odessa funding would be out of Hotel Motel Funds.

There was a short break at 2:02 p.m.

The meeting continued at 2:10 p.m.

The Fire Department's requests were discussed. There were three fire stations that needed to be rebuilt. The tanker replacement was a scheduled replacement. Discussion was held on the Parks Department's requests. Mr. Marrero stated that the Lawndale Community Center would be completed very soon. The request for the expansion to the parking lot was an additional request that was not included in the original request for the community center. More parking would be needed to accommodate the Lawndale Community Center. The requests follow the needs identified in the Parks Master Plan. Council member Graff stated that the quality of life was not up to par with Odessa's growth. Mr. Morton stated that Council has improved the parks over the years. The Council had a consensus to add the Lawndale

parking lot/landscaping for \$230,000. Mayor Turner stated that the strategic plan would be reviewed and prioritize the findings of the study. The Animal Control was funded one kennel attendant. Council member Graff asked about the prior storage vehicle building for \$2 million that was approved a few years ago. Mr. Morton stated that the development design would be brought to the City Council very soon. The autopsies funding was explained. A staff person was sent with the autopsies to Fort Worth. The County's forensic building was not cost effective. Council member Graff requested if the building could be under the city and it may pay for itself. Mr. Morton would look into the building. In the area of Public Works, the transportation and drainage master plans were not funded because it was a component of other plans. The request for seal coat and rejuvenation projects was to increase the amount of quantity and seal coat more streets. Purchasing's request would be done under the current budget.

Mr. Morton would add the code enforcement officers and equipment and would watch the sales tax before hiring those positions. The Lawndale parking would be funded and it would spend down the \$915,000.

**Water and Sewer Fund.** Mr. Morton stated that Pioneer would make its first payment this year. The funds would be used for water quality improvements on 42<sup>nd</sup> St. Mr. Marrero stated that the new large meters were installed. The residential meters were currently being installed. The meters were reading very well and it provides very detailed information on water usage. Line items were explained. The supplemental requests were reviewed. The Water/Wastewater Master Plan was funded for a study to look at the system. An 8% increase of water was proposed. Ms. Muncy explained the tiers from the commercial high end users.

**Solid Waste Fund.** Mr. Morton proposed adding four new positions in the Solid Waste Fund. The service expenses included the landfill tipping fees. There was a scale installed at the landfill for the City trucks. Two request for proposals (RFP) were received for an alternate use of our waste to either recycle or burn for energy. One of the RFPs was being reviewed. The outside city limits service revenue went down due to cutting back down on outside services. The service was focusing more city residents. Mr. Morton discussed the roll out fleet. The cost savings was less than \$2.00 for the customers; therefore, he was looking into providing a smaller container in the alley for every two houses as opposed to one dumpster for every four houses. More information would be provided at a later time. He proposed a 23% increase in solid waste rates for commercial and roll-offs only. There would be no increase for the residential rates.

**Storm Water Fund.** Mr. Morton was gathering information on storm water fees and there may need to be an increase in fees but not until January. The cost could be covered if the fees were raised in January. Most cities have a tiers based on size which would determine the fee. He will be gathering data from the appraisal district to build the tiers appropriately. The \$1.85 fee has remained the same since the inception of this program. The funds would be used to provide more education. Most of the expenses have been used for street sweeping.

**Equipment Service Fund.** Mr. Morton stated that this was a pass through fund to pay for fuel and maintenance of the fleet. The auction funds go back to the Equipment Service Fund. The equipment replacement has reached or exceeded its life expectancy. The new police vehicles would have a life expectancy of eight years. It was difficult to estimate if the

selling of specialized items at the auction brings in more funds.

**Information Technology Fund.** This fund is a pass through fund.

**Risk Management Fund.** Mr. Morton stated that there has been no insurance rate increase to the employees over seven years. Employees have the option of choosing one of three tier plans with deductibles of \$700, \$1,000 or \$1,250. Mr. Morton proposed raising the employee plus one dependent to pay \$15. It would only be for this classification. Council member Graff stated that insurance was different with public entities and it was a way to keep employees with the insurance and pension. She was not in favor of the increase. Council member Bryant stated that this was an ever changing world and it would be less expensive to increase at \$15 now than later with a possible higher increase. After further discussion, Council had a consensus to increase \$15 to the employee plus one dependent category.

**Golf Course Fund.** The golf course was still being subsidized.

**Debt Service Fund.** There was no change with the debt. Mr. Morton reviewed the debt per capital ranking with other Texas cities.

**Hotel/Motel Tax Fund.** Mr. Morton stated that the Odessa Hispanic Chamber withdrew its \$120,000 request. He recommended that \$3.8 million be allocated. There were \$4.3 million in requests. He recommended that \$6.6 million be used for the conference center. The City of Midland will fund the CAF Air Sho which was now hosted by the High Sky Wing. He reviewed the contractual requests that were needed to be funded. Council member Graff stated that there was no limit with historical requests. She preferred the cap be lower than \$3.8 million.

Council thanked staff for their work on the budget. There was no other business, the meeting adjourned at 4:12 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC, CMC  
City Secretary

David R. Turner  
Mayor