



**CITY COUNCIL WORKSHOP MINUTES  
CITY OF ODESSA, TEXAS**

**May 7, 2019**

On May 7, 2019, a workshop meeting of the Odessa City Council was held at 3:00 p.m., in the fifth floor conference room, City Hall, 411 West 8th Street, Odessa, Texas.

City Council present: Mayor David R. Turner; Council members: Dewey Bryant, District Two; Detra White, District Three; Tom Sprawls, District Four; Mari Willis, District Five; and Peggy Dean, At-Large.

City Council absent: Council member Malcolm Hamilton, District One.

Others present: Michael Marrero, City Manager; Norma Aguilar-Grimaldo, City Secretary; Gary Landers, Interim City Attorney; Phillip Urrutia, Assistant City Manager; Cindy Muncy, Interim Assistant City Manager; and other City staff.

Mayor Turner called the meeting to order and the following proceedings were held:

Council member Dean gave the invocation.

**Discuss debt issuance.** Mr. Marrero introduced George Williford, Financial Advisor with Hilltop Securities. Mr. Williford reviewed the financing alternatives for Texas cities that included General Obligation Bonds, Certificates of Obligation, Revenue Bonds, Tax Notes, Contractual Obligations and Contract Revenue Bonds. He outlined the different professions involved in the debt issuance process. The City uses Moody's and Standard & Poor's for rating agencies. He reported that the City was in the double A categories but the pension plans dinged the City.

Council member Bryant arrived at 3:14 p.m.

Mr. Williford reviewed the debt issuance process. The financial advisor helps determine how much to finance. Council would set how to allocate the funds. He explained the plan to finance for bond projects. Mr. Williford identified the sources of capital, as public market financing was the most efficient method. There were two types of sale with competitive and negotiate sales. He suggested the competitive sale.

**Discuss the City's Capital Projects.** Mr. Williford stated that the City has a total of outstanding debt of \$99,470,000. He reviewed the General Obligation debt and the Self-Supporting debt. The Water and Sewer debt would be completed in 2027, which would allow new debt. A ten-year history of table value was provided. The growth experience allowed more debt issue. He reviewed the estimated tax supported debt capacity. Mrs. Muncy stated that the City wanted to keep the debt per capita at \$1,000.

Council member Willis arrived at 3:28 p.m.

Mr. Williford reviewed the projected annual bond debt payments with 10 year, 20 year and 30 year payments. He explained the Water & Sewer Fund on debt service. The Pioneer funds were discussed as there were eight more years.

Mr. Marrero provided the CIP requests along with recommendations for funding. The Water and Sewer requests were not included. The sales tax revenue was on target to date. Mrs. Muncy reviewed the requests and the recommendations. The Parks Development and Improvements category was added to allow for more flexibility with parks projects. Mr. Marrero discussed the options for Grant Street on requesting that the City take over the street or have TxDOT maintain as priority and enhance. Mrs. Muncy reported that the issuance should be done by late August. Pioneer funds were being used on the plant rehab and the RO plant.

Council member Sprawls suggested public input. Mr. Marrero stated public meetings would be held. Council member Bryant was concerned with waiting for projects into the future. He stated that we needed to tackle the projects due to the City's growth. He asked about issuance of \$100 million. Mr. Williford stated that if reasonability supported that could be justified right under \$100 million. Council member Bryant stated that the safety of the people was a concern. There were needs that needed to be addressed such as the fire stations. Mayor Turner stated that the streets were a concern. Discussion was held on park needs and the amount for debt issuance.

Council member Bryant stated that more funds were needed for Downtown and to identify long-term debt. Council member Dean had concerns of the funds not being used for the projects until years later. She wanted a faster process to put the projects into progress. Mr. Marrero stated that the design process took a long time. Council member White stated that the City needed to stay on top of the parks and possibly use the excess sales tax revenue. Council member Willis wanted to see growth in all parts of Odessa. The Council asked to see debt issuance around \$95 million and with two other options. Mrs. Muncy would run the impact debt numbers.

There was no other business, the meeting adjourned at 4:56 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC, CMC  
City Secretary

David R. Turner  
Mayor