



**CITY COUNCIL WORK SESSION MINUTES
CITY OF ODESSA, TEXAS**

February 4, 2020

On February 4, 2020, a work session meeting of the Odessa City Council was held at 4:38 p.m. in the fifth floor conference room, City Hall, 411 West 8th Street, Odessa, Texas.

City Council present: Council members: Dewey Bryant, District Two and Detra White, District Three; Tom Sprawls, District Four; and Peggy Dean, At-Large.

City Council absent: Mayor David R. Turner and Council member Malcolm Hamilton, District One; and Mari Willis, District Five.

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

Discussion on Water/Sewer Improvements – Certificates of Obligation. Tom Kerr, Director of Public Works, reviewed the funding options for the proposed \$195 million rehab and the new system of the Water/Wastewater Plants. Funds from Pioneer could be utilized to assist with the improvements. He reviewed the Pioneer funds. Certificates of Obligation debt was required, as the funds were needed very soon. The funds needed to be secured at the time of contract obligation. Mr. Kerr explained that existing customers would pay for the new infrastructure expansion as well as rehab and new customers would also pay the same. A program should be implemented for the replacement of lines. A debt calculation worksheet was reviewed. He provided information on Odessa's monthly water charges as compared to other cities.

George Williford, Hilltop Securities financial advisor, reviewed the improvements funding. The cost for the existing Water Treatment rehab was \$95 million and the system expansion was \$100 million. Pioneer funds would be used to fund annual line rehab and replacement and to fund the old debt until the current contract expires in FY 2027. For the CO issue, he provided a projection of a 20-year repayment at a 4% interest rate. He reviewed the debt service. Mrs. Muncy explained the Pioneer funding options on new development. Mr. Williford stated that bonds were more stringent than Certificates of Obligation and were more expensive. Bonds required a reserve. Council member Dean confirmed that the systems were falling apart and could not be patched. The City was not in a position to repatch the system. Council member Bryant stated that there was more growth and stress in the system. Staff has reviewed the issue with the studies. Mr. Williford explained the difference of bonds and Certificates of Obligation requirements. Council member Dean stated that the Certificates of Obligation needed be clearly articulated, as it was critical to the needs. Mrs. Muncy reiterated that the impact fee study needed to move forward as an option of fees. An annual increase needed to be considered for an annual rehab program. The timetable of events were reviewed for the Certificates of Obligation.

Discuss City Council/Odessa Development Corporation (ODC) joint meeting. Tim Edgmon, ODC President, requested a joint workshop on March 17 to discuss 4A and 4B and have Dr. Ray Perryman review the economic development study. Council member Dean suggested that a Midland Economic Development representative be on the agenda to

understand their use of funding with their projects. She handed out the annual report from Midland Economic Development. She stated Midland was proactive and supported economic growth. Wesley Burnett, Director of Economic Development, was receiving applications for the workforce housing. He stated that more could be done with the 4A sales tax dollars. Mr. Edgmon stated Odessa needed to be more aggressive. Odessa has stayed within a structure. Council member Dean stated that the funds should be used to offset the cost of living and give back to the community. After further discussion, a group would visit with the Midland Economic Development representative and report to the Council and ODC. The joint meeting would be held on March 17.

Purchase of Tahoe for Odessa Fire Marshal's Division (\$61,640). Saul Ortega, Assistant Fire Chief, stated that the new Tahoe was for \$61,640 for the Fire Marshal's Division. The equipment was a separate cost.

Adopt City Code Chapter 5 "Fire Prevention and Protection", Article 5-5 "Fire Marshal". Amend City Code Chapter 5 "Fire Prevention and Protection: Article 5-3 "Fire Prevention Code", Sections 5-3-1 "Adoptions" and 5-3-2 "Amendments".

Michelle Cervantes, Fire Marshal, stated that there was not a Fire Marshal ordinance in the City Code. The ordinance would establish the Fire Marshal. Dan Jones, Senior Assistant City Attorney, stated that in the future a fee schedule would be established and adopt the International Fire Code. Discussion with the public informing of the fees would be held. Ms. Cervantes stated it was common practice to have fees, as it would be in line with other cities. She would meet with the developers and contractors to explain the fees. She reported that last year a possible \$741,000 would have been made with fees in place.

TxDOT agreement for temporary street closure. Hal Feldman, Traffic Engineer, stated that the Tap Into Downtown event was March 21 on Grant St. The agreement would be for the road closure from 4th to 6th St.

Contract award for 2020 pavement rejuvenation. Yervand Hmayakyan, City Engineer, stated that pavement rejuvenation would be made to nine linear miles that was for preventative maintenance. This process held up very well.

Contract award for 2020 friction seal. Mr. Hmayakyan stated that using a friction seal was done on Charles Walker Road and was a good product. He explained the makeup of the product. It sealed the asphalt. The cost was for \$2,596,104.

There was no further business, the meeting adjourned at 6:17 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC, CMC
City Secretary

Peggy Dean
Mayor Pro Tem