



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

February 18, 2020

On February 18, 2020, a work session meeting of the Odessa City Council was held at 5:00 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 and 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; Natasha Brooks, City Attorney; Phillip Urrutia, Assistant City Manager; Cindy Muncy, Interim Assistant City Manager; and other members of City staff.

Councilmember Sprawls gave the invocation.

Abandonment of alley right of way. Yervand Hmayakyan, City Engineer, stated that the alley abandonment would be swapped with another alley to accommodate a car wash. Atmos and AT&T would relocate the lines.

Contracting the operations of the aquatic facilities for \$223,780. Steve Patton, Director of Parks and Recreation, stated that YMCA cancelled the contract and four proposals were received. After evaluation, the Parks and Recreation Advisory Committee recommended USA Management for \$223,780. The budgeted cost was \$212,000. The rest of the cost would be covered with salary savings.

Discussion on Public Finance Corporations. James Plummer, Bracewell partner, stated that Public Finance Corporations (PFC) established affordable housing. It was designed for workforce housing to fill the housing gap and produce high quality housing with lower rent and property tax exempt. The City owned the property and would lease with the developer. The developer financed the project. He explained the property tax exemption. Reasons for a PFC included workforce housing, enhanced high quality housing, and long-term revenue source to replace lost taxes. There was no risk for the PFC and City. Mr. Plummer explained the risk shift structure and expected returns. The board was appointed by the City and could be Council members. He discussed the risk in worst-case scenarios. Mr. Marrero stated that the median Odessa income was \$73,900. Mr. Plummer stated once the PFC was formed the developers would bring projects. The profits from the project could be used for public facilities such as a parking lot or sidewalk. It was not restricted to housing. He recommended a housing project be at least 250 units or more. The City was not taking anything away from the other entities with the tax exemption. The criteria could change from development to development. The PFC started in 2015 and to date no projects have failed. There were many cities in Texas providing this type of housing projects. Bracewell would only be paid by the project of \$200,000. Council member Bryant supported the PFC, as it would create an option for housing. Council member White was concerned with the taxing entities. Council member Willis stated that it did not cost anything to establish the PFC. Council member Sprawls stated that there was no downside. Council

member Dean stated that it was an attempt to create workforce housing.

PSA with LCA for roadway design of Dawn Avenue for \$307,110. Hal Feldman, Traffic Engineer, stated that the agreement was for design of Dawn to be a five-lane roadway and a linear park. The design cost was \$307,110. The design would be completed in March 2021.

Appropriate funds for payment to Oncor for services rendered for \$268,027. Mr. Feldman stated that the Oncor services were not part of the project cost. The funds would be from the interest earnings of the 2013 Certificates of Obligation. The cost was \$268,027, which was half of the total cost. Oncor would pay the other half. Mrs. Muncy explained the use of the funds from interest earnings.

Annexation and original zoning of Retail One. Randy Brinlee, Director of Development Services, stated that an annexation and zoning was requested on Faudree. The original request was Retail One but changed to Planned Development-Retail One. The owners agreed to the change. The homeowners were more comfortable with that type of zoning. The new change had conditions, which required screened fence and landscaping. A Dollar General would be built in that location as it would be a strip of retail. Mr. Brinlee met with the homeowners.

Amendment to City Code, Chapter 6, "Health and Sanitation", Article 6, "Food Establishments" and Chapter 12, "Traffic and Vehicles", Article 3, "Parking, Stopping and Standing". Mr. Brinlee stated that the amendment would establish a food court downtown.

Administrative corrections and amendments to City's Zoning Ordinance. Mr. Brinlee stated that corrections were made to the zoning ordinance.

Employee Protection and Indemnity policy. Dan Jones, Senior Assistant City Attorney, stated that the policy was not in writing to guarantee protection of elected officials and law enforcement. It is done but with no policy. Darrell Wells, Director of Risk Management, stated that every public entity has the mechanism to defend employees. Council member Dean was concerned with the language that stated it was the City's discretion. Mr. Jones explained that it was for defense of employment and done in the course of the scope of employment. The intent was to provide defense if suit was made. The language would be reviewed.

Water/Sewer CIP – Debt Issuance Discussion. Ms. Muncy stated that information was provided on revenue bond issuance. She explained the different types of debt issuance that included General Obligation, which needed an election, and Revenue Bonds. She stated that there were more restrictions with Revenue Bonds as it was not backed by taxes but was self-supported through revenues. With Revenue Bonds, the projected annual debt service would be higher. Revenue Bonds needed a debt service reserve which was needed up front. She reviewed the schedules for the Revenue Bonds. The debt service was \$95 million for rehabilitation of the plant and the \$100 million included expansion, Line P, Line Q, towers, NE water system and new development. Mr. Marrero stated that a fact sheet would be provided for the citizens. Mrs. Muncy stated it would be placed on the website. Council member Dean suggested a video with predetermined questions for citizens to view. Council member Willis stated that an explanation was needed. Council member Bryant suggested featuring the video to organizations and clubs.

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There was no further business, the meeting adjourned at 6:42 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC, CMC
City Secretary

David R. Turner
Mayor