



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

June 2, 2020

On June 2, 2020, a work session meeting of the Odessa City Council was held at 10:00 a.m. in the Council Chambers, City Hall, 411 West 8th Street, Odessa, Texas.

Due to the COVID-19, the meeting was teleconferenced, as allowed by the Governor's executive order. Mayor Turner was present through teleconference.

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

City Council absent: Tom Sprawls, District Four.

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

Odessa Teen Court Presentation. Rebecca Grisham, Teen Court Director, provided the background on Teen Court. Youth that participate were from 10 years old to 17 years old. Violations included speeding, traffic, alcohol, drug paraphernalia, and theft. The school and City funded Teen Court. There was an interlocal agreement with the County. She explained the process of a jury trial. The state Teen Court conference will be held in 2021 in Odessa. Teen Court provided outreach across the State. Denise Swanner, Teen Court, stated that students were given volunteer hours that helped the non-profit. During the COVID-10, the students were allowed to pay for their hours. Ms. Grisham stated that it was difficult to measure the success rate but it was about 85%. The Council commended Teen Court for their work.

Contract renewal for auctioneering services. JoAnn Samaniego, Director of Purchasing, stated that the renewal was for the annual action with the school and hospital. Each had its own auction but it was a joint contract. The auction included fleet and miscellaneous equipment. The auctioneer received 5% of the sales.

Install and remove traffic signals. Hal Feldman, Traffic Engineer, stated that the ordinance was to update the listing of the traffic signals. The University widening project had some traffic signal changes and the update would include the change. He stated that Muskingum and University would have a signalized pedestrian crossing. He explained the crossing as it was different from other crossings.

Bid for 2020 traffic signal improvements. Mr. Feldman stated that the project was for two traffic signals. The traffic signal poles for this job have already been purchased for \$63,632, making the total project cost of \$361,632. This project will be funded from an approved supplemental budget request and the remainder of funds will come from the Street Maintenance account. The low bidder was Willis Electric for \$298,000.

Betenbough Homes of final plat of Ratliff Ridge, 5th filing. Randy Brinlee, Director of Development Services, stated that this was an appeal for the Betenbough homes at Partner Lane and west of Loop 338. City staff initiated the request of a secondary access out of public safety concerns. He explained the appeal process. The cost was not an issue as it would be an added cost of \$150 a lot. Betenbough did not want to add the secondary access as it would eliminate lots for development and increase the cost of the property. The Police Department and Fire Rescue supported the secondary access. For the emergency response, two accesses were preferred. Council member Willis appreciated the options given for the safety of the public.

Allocation of CDBG and HOME funds. Merita Sandoval, Director of Community Development, stated that the allocation for CDBG funds was \$874,693 and \$53,015 in unprogrammed CDBG funds. HOME funds were \$269,062. There was over \$1.1 million in requested funds. The HOME funds must be spent on housing projects. She reviewed the caps for the funds. She explained the Community Housing Development Organization (CHDO) funds. The CARES CV funding was available under the act.

Discuss CARES Funding. Mr. Marrero stated that the CARES funding was a total of \$6.6 million. For the CDBG program, there was no public service cap for the CARES CV funding. With the application, there was \$1.3 million available. He thanked the committee of Councilmembers Bryant, Dean and Shelton. A list of priorities was developed. He outlined the categories with targets to be used from the CARES funding. The categories included medical expenses, which would be for past medical expenses, and future costs to the city. A plan was being developed for a targeting testing mobile program to be proactive or hit hot spots. Another category was public health expenses that included public education and PPE expenses. Under this category, it allowed for disinfecting city facilities and technical assistance. Other categories were payroll expenses and compliance for health measures. Under health measures, it would allow for food assistance, care of the homeless population and improve telework capabilities for the public employees. The targeted economic support category included the grant program and assistance to local small businesses. He stated that 75% would be spent on medical, health and payroll. The funds were to be used on expenses from March 1 to December 30, 2020.

Mrs. Sandoval identified the four categories for CDBG CV funds. The categories were testing, food assistance, rental/housing assistance, and mental health assistance. She stated that the application for assistance on these funds was on the website and it was sent to nonprofit agencies. A public hearing would be held on June 10 with the deadline of applications on June 19. Council would consider the funding on July 14. The grant must meet CDBG regulations that addressed the virus. The recipients had to fall in the low to moderate-income category. Council member Willis commended the task force on addressing the concerns. She stated that a support system was needed for those that tested positive.

Discuss Water and Sewer CIP Funding. Tom Kerr, Director of Public Works/Utilities, reviewed the projects for the Certificates of Obligation (CO) issue. The Water Treatment Plant needed significant improvements at \$95 million. It would take three years to build and three years to complete. Line P was needed for long term of the city. The Faudree lift station was at the eastern portion of the city. Due to the population growth, building of apartments and houses it was needed. The Southwest development system was stressed. It would take 18 to 24 months to complete. The plans for Line P were complete and the Line Q was almost ready. Line P was critical if the city were to continue its growth east. It would take 18 to 20 months to build Line P. Council member Dean stated that the lines were

needed and the city needed to catch up. Mrs. Muncy stated an option for funding, in addition to the Cos, was use the Water Development Board funding. She reviewed its stringent guidelines. The Water Treatment Rehab was a good project for the Water Development Board financing. The contractors may increase its expense, as it was extra paperwork. For Line P, there was \$17 million that were available from the Pioneer funds. The rest of the funds could be taken out of the Water/Sewer Fund or CO issuance. For the existing issues of the replacement of lines, there was a planned \$6 million annually. The increase in water rates would grow the funding for the future and possibly an annual slight increase for the operating budget yearly. She stated that the existing Water/Sewer Debt would be paid off in 2027. Additional debt could be issued. Council member Dean summarized that the Water Treatment Plant must be done, add an additional \$10 million for Line P and finance through the Water Development Board \$95 million. Council member Bryant stated that the needs have not changed due to the adversity of the pandemic. There was growth with houses and apartments. The issues needed to be addressed prudently to properly take care of the city. Mrs. Muncy stated that there would be savings through the Water Development Board. The Council had a consensus to proceed with a pre-application meeting. She would provide options on the financing.

Discuss Budget. Mrs. Muncy provided an update on the Hotel Motel tax projection. For September 2019, \$7.1 million was received and allocation of expenditures was \$2,798,297. In addition, the convention center was completed using funds of \$3,561,755. Hotel/Motel collections through May 2020 was \$4,351,853 and was at budget. She explained the allocation of funding with the agencies, which would be reimbursed with receipts. A report on this year's expenditures would be provided. Mrs. Muncy stated that in past years, Council would allocate \$3 million. Mr. Marrero recommended to allocate \$3 million and set aside the rest of the funds for projects or to spread out due to the anticipated decrease in the tax. Mrs. Muncy explained the collections and receivables. She reported that some agencies may return the funds or ask to keep the funds for the following year. The agencies would be contacted for a status on its current expenditures of its allocation.

Mrs. Muncy reviewed the status of the sales tax. She explained the projections from June to September as it was very conservative. There was a projected decrease in sales tax. Currently, there was a hiring freeze and no projected raises. There would only be critical supplemental items and a possible 10% reduction in department budgets. In property tax, there was no decrease in value. Ector County values went up slightly. Mrs. Muncy reviewed the preliminary taxable values. There was an increase of 4.4%. A portion of taxes would go to TIRZ. She reviewed the preliminary taxable values with increase of 3.5% and 8%. General Fund revenues at 3.5% would generate \$34,218,290. She stated that law allowed a disaster declaration which cities could use the 8% increase. Governor Abbott's comments asked cities to be cognizant. The proposed tax rate was based on the maintenance and operations rate. The calculations were preliminary and certified values were expected on July 25 but may be extended. The Council retreat was scheduled on July 28. The Council congratulated Mrs. Muncy for accepting the Assistant City Manager position.

There was no further business, the meeting adjourned at 12:00 p.m.

ATTEST:

APPROVED:

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ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC, CMC
City Secretary

Peggy Dean
Mayor Pro Tem