

DEE MARGO
MAYOR

TOMMY GONZALEZ
CITY MANAGER



CITY COUNCIL
PETER SVARZBEIN, DISTRICT 1
ALEXSANDRA ANNELLO, DISTRICT 2
CASSANDRA HERNANDEZ-BROWN, DISTRICT 3
SAM MORGAN, DISTRICT 4
MICHEL R. NOE, DISTRICT 5
CLAUDIA ORDAZ PEREZ, DISTRICT 6
HENRY RIVERA, DISTRICT 7
CISSY LIZARRAGA, DISTRICT 8

CITY COUNCIL WORK SESSION MINUTES
MAIN CONFERENCE ROOM, 2ND FLOOR
January 8, 2018
9:05 AM

The City Council met at the above place and date. Meeting called to order at 9:32 a.m. Mayor Dee Margo present and presiding and the following Council Members answered roll call: Peter Svarzbein, Alexsandra Annello, Sam Morgan, Michiel Noe, Claudia Ordaz Perez, Henry Rivera, and Cissy Lizarraga. Cassandra Hernandez-Brown requested to be excused.

AGENDA

1. Tax Reform Legislation Impact to Municipal Bonds.

Mr. Robert Cortinas, Office of Management and Budget Director, introduced the item.

Ms. Maria Urbina, Hilltop Securities Director, financial advisor for the City of El Paso, presented a PowerPoint presentation (copy on file in City Clerk's Office), which included a snapshot of the three most important provisions affecting Municipal Bonds based on the Tax Cuts and Jobs Act signed into law December 22, 2017.

Mayor Margo asked how many bonds the City has coming up in 2019 and what the valuation is.

Ms. Urbina replied there are two and the valuation is \$40 million.

Representative Svarzbein asked how these tax changes impact current bond projects

Ms. Urbina explained that the City is not going to have opportunities to refund or save as much as in the past.

Mayor Margo added that in part of the declining interest rates now bonds won't be wanted by corporate because of the tax rate; he asked if future offerings are going to require a higher interest rate, which will cost more long term.

Ms. Urbina replied that we are in a price discovery mode now and the reduction is important because we have lost some investors and banks and insurance companies will not be interested in buying tax-exempt deb but we may see an uptick with retail investors.

Mayor Margo commented that this may create buyers we may have not had otherwise.

Ms. Urbina added that as the supply is a lot less now and new money will impact pricing going forward.

Mayor Margo commented this is a premature briefing to have basic understanding to which Ms. Urbina replied she could return later with pricing.

Representative Lizarraga asked Ms. Urbina to explain “sequestration”.

Ms. Urbina explained and gave as an example it is when they continue to reduce the amount already promised.

NO ACTION was taken on this item.

2. Presentation by Patrick Schaefer from Hunt Institute for Global Competitiveness.

Mr. Patrick Schaefer, Executive Director for the Hunt Institute for Global Competitiveness, presented a PowerPoint presentation (copy on file in City Clerk’s Office) which included an overview of the Institute and the reach and extent of the value that it can provide to the City of El Paso.

Representative Svarzbein commented on how to get this information out.

Mr. Schaefer commented that this helps him get the information on Council’s needs.

Representative Svarzbein told Mr. Schaefer he is looking forward to working with the Institute on Mayor’s Summit.

Mayor Margo commented.

Representative Annello thanked Mr. Schaefer for his presentation.

NO ACTION was taken on this item.

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ADJOURN

Motion made by Representative Ordaz Perez, seconded by Mayor Pro Tempore Noe, and unanimously carried to **ADJOURN** this meeting at 10:23 a.m.

ABSENT: Representative Hernandez-Brown

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APPROVED AS TO CONTENT:

Laura D. Prine, Interim City Clerk