

OSCAR LEESER
MAYOR

TOMMY GONZALEZ
CITY MANAGER



CITY COUNCIL
PETER SVARZBEIN, DISTRICT 1
JIM TOLBERT, DISTRICT 2
EMMA ACOSTA, DISTRICT 3
CARL L. ROBINSON, DISTRICT 4
MICHEL R. NOE, DISTRICT 5
CLAUDIA ORDAZ, DISTRICT 6
LILY LIMÓN, DISTRICT 7
CORTNEY CARLISLE NILAND, DISTRICT 8

SPECIAL MEETING OF THE CITY COUNCIL MEETING MINUTES
MAIN CONFERENCE ROOM
July 28, 2016

The City Council met at the above place and date. Meeting was called to order at 9:43 a.m. Mayor Leeser present and presiding and the following Council Members answered roll call: Jim Tolbert, Emma Acosta, Carl Robinson, Michiel Noe, and Lilia Limón. Late arrivals: Claudia Ordaz at 9:44 a.m. and Peter Svarzbein at 9:45 a.m. Cortney Niland requested to be excused.

AGENDA

1. Introduction of Ordinance levying FY 2017 Tax Rate.

Mr. Robert Cortinas, Director of Office of Management and Budget, presented a PowerPoint presentation (copy on file in City Clerk's Office).

Representative Noe questioned the CAD (Central Appraisal District) values that are being challenged.

Mr. Tommy Gonzalez, City Manager, and Ms. Sylvia Firth, City Attorney, commented on the CAD challenges.

Dr. Mark Sutter, Chief Financial Officer, added, "Settlements always go down, never up. We are not going to recover anything about the certified values."

Mayor Leeser stated the difference is 0.27% not 0.28%.

Representative Robinson asked if the Slide on Disability/Over 65 years of age includes the disabled veterans to which Mr. Cortinas replied, "No".

Representative Robinson questioned the Water Conservation Grant shown on Slide 12.

Mr. Joel McKnight, Assistant Director for Parks and Recreation, explained the grant would have funded a Water Conservation Program to better manage irrigation for our larger parks.

Mayor Leeser asked if it has been figured out why we did not get it.

Mr. McKnight replied, "Not yet, but we have asked for feedback from the grant agency."

Representative Robinson asked, "Can we tie some military value to the grant application?"

Mr. Gonzalez replied that the Northeast parks closer to Fort Bliss would probably be the most applicable to that.

Representative Limón asked, "On Slide 12 - Recommended Reductions - are they on top of the red, yellow, green cuts previously presented?"

Representative Svarzbein asked what the water usage is in the larger regional parks.

Mr. McKnight replied that the information was not available at the moment but it could be obtained for Council.

Representative Acosta asked why the water conservation grant match is not coming from El Paso Water Utilities.

Mr. McKnight said it was because El Paso Water Utilities had their own projects they were going for.

Representative Acosta asked what action will take place on the Tuesday, August 23 meeting.

Representative Tolbert asked how much salaries have gone up this year compared to last year. He also questioned the application of pay increases.

Mr. Cortinas explained the numbers.

Representative Limón asked, "How much is the top level amount?" She commented on the number of raises given.

Representative Limón questioned Ms. Linda Thomas, Director of Human Resources, on employees.

Representative Acosta asked for the totals for employees under \$50,000.

Robert Cortinas answered, "\$2.3 million total; 50 to 100 \$400,000; over 100 \$90,000."

Representative Limón asked how the additional Council requested items were prioritized. She asked, "Where is the request for a raise in threshold pay for contract employees?"

Representative Noe asked why, on Slide 8, certain requested items have been singled out.

Mayor Leeser asked what the number of line items in the total budget is. He added that the red colored reductions showed have not even been considered.

Ms. Nancy Bartlett, Chief Performance Officer, mentioned that 58% of the budget to Police and Fire Departments were off lined for reductions.

Representative Svarzbein questioned the yellow economic incentives reduction and how it is a budget cut.

Mr. Gonzalez explained how that is handled.

Mayor Leeser says the incentives, as a budget reduction, do not add up; they are incremental.

Representative Ordaz asked what the percentage is that departments use as a cushion.

Robert Cortinas replied, "The Office of Management and Budget asks departments to submit a baseline budget; departments do not budget cushions."

Mr. Gonzalez commented on vacancy management.

Representative Acosta asked on the reduction of economic incentives, "Does it include amounts for infill development?"

Mr. Cortinas responded, "Yes, it does. We will continue to do the reimbursements throughout the year, though."

Mr. Gonzalez added, "If they perform the infill development, we will have to pay the incentive. We need to manage closely the payout."

Representative Acosta commented, "We do not want to discourage infill; we want to encourage infill."

Mr. Gonzalez replied, "We are talking about the timing of the reimbursements; it will impact the budget if the infill developers perform."

Mayor Leeser asked how the \$500,000 figure was determined.

Mr. Cortinas replied, "There is an economic incentive fund balance that we could look if we need them."

Representative Acosta asked for specific total figures for the economic incentive budget.

Representative Svarzbein asked why the economic incentive reduction is in the yellow category. He also asked, "Will new projects be jeopardized?"

Mr. Gonzalez replied, "No, it will not jeopardize new projects."

Ms. Bartlett explained that the Office of Management and Budget and the City Manager presented a budget that they believe to be a good budget. She added that if

Council wants cuts, there is a very small category that can be considered. She stated that all of the reductions presented are painful.

Representative Svarzbein asked, "What is the pain associated with the economic incentives reduction?"

Mr. Gonzalez explained that reoccurring expenses and reoccurring revenues have to match or there is a deficit. He stated that the success of programs and services has been tied to adequate funding. He explained a big city has a lot of valid needs.

Representative Svarzbein asked for the length of time to fill positions under vacancy management and what specific positions are being cited.

Ms. Bartlett explained that vacancy management does not mean specific positions have been identified.

Mr. Cortinas added, "We have not targeted specific positions or departments as targets. It will be achieved through a slowdown in hiring."

Ms. Dionne Mack, Interim Quality of Life Director, added that department budgets take into account a lag in hiring and budget the positions accordingly.

Representative Robinson asked about delinquent taxes, "Do we know how much is out there?"

Ms. Firth answered, "The Tax Office has data on delinquent taxes."

Dr. Sutter mentioned that he will work with the City Attorney's Office on getting information about specific delinquent cases.

Ms. Firth added, "We constantly have lawsuits pending; it is a long, protracted collection effort." She will speak to the law firm about amounts outstanding.

Representative Acosta questioned the economic development budget as it detailed \$8 million in economic incentives.

Dr. Sutter added, "The \$8 million is not economic incentives."

Representative Acosta asked, "What is the \$8.1 million?"

Mayor Leeser commented, "Mr. Gonzalez identified \$3 million balance."

Mr. Gonzalez added, "Existing agreements are already budgeted. New projects will not be affected. This is a counterintuitive reduction, it is about the timing of the reimbursement; it is still an expense."

Representative Acosta asked again what the \$8.1 million is.

Mr. Eddie Garcia, Economic Development Manager, said he will get Council that information.

Representative Svarzbein asked Mayor Leeser, "Exactly what are we doing today with the budget?"

Representative Acosta questioned the debt service rate.

Dr. Sutter replied, "Proposed budget is 2.73 for debt service."

Mr. Gonzalez added, "We are asking Council to give us the authority to move forward on the use of debt capacity today."

Representative Noe asked about the San Jacinto Plaza restrooms part of Slide 15.

Ms. Mack explained budgeting of San Jacinto Plaza restrooms and the one-restroom per district for parks and that we need to lease space for San Jacinto Park.

Mayor Leeser explained his concerns about pain to the tax payer.

Representative Robinson added he understands the \$815,000 in certified values and questioned the Mayor on his flat budget statement.

Representative Svarzbein pointed out that yes, taxes have gone up in the last 10 years, but in at least two recent elections, voters approved investments under the Quality of Life bond election and the Firefighters referendums.. He spoke of the importance of maintaining public services and added we need to follow through on our promises.

Representative Ordaz asked, "With the additional Council requests, will the tax rate go over the 0.768310?"

Ms. Firth replied, "The 0.768310 is to adopt budget as presented by City Manager."

Mr. Gonzalez added, "It would be two pennies to add the \$7.6 million."

Representative Noe expressed his concerns about kicking the can down the road for future Councils to handle.

Representative Acosta question Slide 10 – Debt Payment Budgeting.

Representatives Limón and Acosta asked for one consolidated document for proposed budget changes. Mr. Gonzalez agreed to get that to Council by next week.

Representative Svarzbein and Representative Acosta discussed the Student Exchange Program and South by Southwest event.

Representative Limón asked for the breakdown of a slowly phased increase in salary to the contract employees.

Recess at 11:56 a.m.

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Reconvene at 12:55 p.m.
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MOTION

Motion made by Representative Ordaz, seconded by Representative Acosta, and unanimously carried to **APPROVE** the introduction of the Ordinance setting the tax rate at the rate of 0.768310 of one percent of the assessed value on all property, real, personal and mixed, with the intent to come back on August 9, 2016 to vote up or down additional Council requests.

AYES: Representatives Svarzbein, Tolbert, Acosta, Noe, Ordaz, and Limón

NAYS: None

NOT PRESENT: Representative Robinson

ABSENT: Representative Niland

2. Discussion and action on the FY 2017 Budget.

NO ACTION taken on this item.

ADJOURN

Motion made by Mayor Pro Tempore Noe, seconded by Representative Acosta, and unanimously carried to **ADJOURN** this meeting at 1:03 p.m.

APPROVED AS TO CONTENT:

Richarda Duffy Momsen, City Clerk