

JOHN F. COOK
MAYOR



CITY COUNCIL
ANN MORGAN LILLY, DISTRICT 1
SUSANNAH M. BYRD, DISTRICT 2
EMMA ACOSTA, DISTRICT 3
CARL ROBINSON, DISTRICT 4
MICHEL NOE, DISTRICT 5
EDDIE HOLGUIN JR., DISTRICT 6
STEVE ORTEGA, DISTRICT 7
CORTNEY NILAND, DISTRICT 8

JOYCE WILSON
CITY MANAGER

SPECIAL MEETING OF THE CITY COUNCIL MEETING MINUTES
10th Floor Conference Room
MARCH 27, 2012

The City Council met at the above place and date. Meeting was called to order at 1:09 p.m. Mayor John Cook present and presiding and the following Council Members answered roll call: Ann Morgan Lilly, Carl Robinson, Michiel Noe, Eddie Holguin, Jr., Steve Ortega, and Cortney Carlisle Niland. Representative Susie Byrd requested to be excused.

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AGENDA

Discussion and action on the following topics regarding Council direction on maintaining a sustainable financial structure for the City of El Paso now and in the future as it relates to capital expenditures and the operations and maintenance expenditures of the City:

1. Presentation and discussion on the revenue and expenditures for the first six months of Fiscal Year 2012, the year end projection for Fiscal Year 2012, and its impact on the development of the City Manager's Proposed Budget for Fiscal Year 2013.
2. Discussion and action on City Council's key priorities and strategic goals for Fiscal Year 2013.
3. Discussion and action on the City's implementation of a performance management system to include a performance based budget with a description of the process, anticipated time frame, and deliverables.
4. Adjournment

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Mayor Cook introduced the meeting and explained that he was leaving the City in a better place than which he found it. That it is important to step. He stated that it is important to step back and look at the value systems.

Ms. Joyce Wilson, City Manager explained what she hopes Council will achieve today and she introduced the consultants who are going to assist us in our Performance Budgeting and Strategic Planning. She proceeded to introduce the company, Weidner, Inc, of Austin, Texas. They will help us prepare for the 2013 budget, which will be the last budget for this Mayor and some Council members. What do the Mayor and Council want to make sure they have finished or put in place to allow a targeted focus of resources for the next 12 months.

Ms. Lynly Leeper, Office of Management and Budget presented an overview of the information in the Council members' binders.

Mr. Marv Weidner and Mr. Charles Curry presented a PowerPoint presentation (copy on file in City Clerk's office). They stated that this is a three part plan: 1) Communications plan, 2) Training plan and 3) In house.

Mr. Weidner wants Council's questions on the desired results for the El Paso Plan. The Plan is tied to results, and allows an organization to become crystal clear as to the customer results it wants to see. It integrates planning and results into the budget process.

Mr. Charles Curry focused on what Management for Results will do for El Paso. It will provide continuous improvement and transparency. The three levels of greatness are:

- 1) Service
- 2) Programs
- 3) Divisions

It ties Service to Performance.

Provides a program structure for Performance Based Budget aligned to the resources, to the results, and to City employees completing facilitator training.

Representative Ortega questioned what the Council was being asked to vote on today.

Ms. Wilson stated that no vote would be taken today. That the business processes include moving from an annual budget to a two year budget cycle. A one year cycle is very short. In Managing for Results a 24 month window is better for planning of goals and objectives.

Summer of 2014

- Present Council with a two year budget plan for all departments.
- Adopt a 2 year plan – Automatic the first year
- Year 2 Council would only look at what changed – shorter process.
- Less workload for the organization; changes the way we utilize staff and resources greatly
- For Council – a new Council is now thrust into the budget process – Under a 2 year plan the new Council will come in on the second “change” year – less inundated with information.

Representative Ortega asked if the Council had approved a two year budget cycle.

Ms. Wilson stated no, not yet, that Council would need to vote on that later.

Representative Ortega inquired as to what the practices in other communities are – do the budget cycles run concurrent with the terms of the Council members or do they not?

Mr. Curry stated that it's a mixed situation – some do; some don't. He explained what is being proposed.

Representative Ortega asked “What is the best practice regarding terms of elected officials and the budget cycle?”

Ms. Wilson replied that we can look into that. She also said she could change it to the current model. She asked how Council wants to handle – coming in as first year of budget or second year.

Representative Niland stated that this is an exciting process and that she likes budgeting for results. She asked if any other Texas cities had adopted the two year budget cycle.

Mr. Curry replied, "No, Ma'am"

Representative Niland, "Then why are you recommending it to us? I'm concerning about moving to a 2 year budget. What's the flexibility to address changing situations?"

Mr. Curry replied, "Sometimes you do not achieve the results you've set out to achieve. You need to report challenges as well as successes. If it does not work, you need to reallocate the resources. Departments right now are doing their strategic business plans. Of those, three departments will prepare and submit Performance Based Budgets this year. Only after you see those will Council be asked to change for the second year budget.

Ms Wilson stated that Weidner, Inc is not proponent of the 2 year budget; she is the proponent as City Manager. She has implemented a 2 year budget cycle in other cities where she has been involved.

- Develop a two year budget plan
- Actually adopt budget annually.

We do not have to go to a two year budget right now.

Representative Niland stated that she is not convinced about the wisdom of a two year budget since it is not a best practice. She asked how the three departments were selected.

Ms. Wilson explained that some volunteered and others were deemed good trial departments

- Sun Metro – Enterprise Funding
- MCAD – Small Department
- General Services – Support Services

By 2014 all departments will be ready to prepare performance budgets.

Rep. Niland: If this is going to be a cultural change, would it be beneficial for us to align departments to the next 18 months of goals Council wants to achieve?

Representative Lilly stated that this sounds great and would like to move forward, however, how can we plan for two years if we get Central Appraisal District (CAD) figures annually?

Mayor Cook responded that we would made CAD assumptions based on historical data.

Representative Lilly commented that she is concerned about this practice because of tax valuation protests and how they impact the total tax base.

Mr. David Almonte, Deputy City Manager explained how Office of Management and Budget has estimated CAD revenues in the past for budget projections.

Representative Noe said he appreciates the attempt to allow new Council members to acclimate themselves and spoke on his own experience. But he said he is alarmed by the two year budget process:

1. On cycle with someone's election?

2. If we made it off cycle, politics will intrude and complicate budgeting.
3. If we even consider a two year budget it should coincide with new Council terms.

Representative Robinson stated that a two year plan is just a plan. He said it is worthwhile to explore. The military does short term planning and long term planning.

Representative Acosta stated that she has prepared many City budgets and does know that it is time consuming. Her research for performance budgeting shows it sometimes works and sometimes does not, but today the Council has not received data showing where it has worked, where it has not and what we need to avoid.

A two year budget will allow better planning, but next year we may have an entirely new Council – so this Council's decisions could be undone by that Council.

Ms. Wilson explained how she wants it to work with the training. She believes having Council come in on a second year will be helpful to acclimate the new Council members and to let them get their footing.

Representative Acosta wants Weidner, Inc. to come back and tell Council where and how Managing for Results has not worked.

Ms. Lynly Leeper Agenda , OMB Director, went over FY12 projections of revenues and expenditures.

Mayor Cook asked what would be left in the emergency reserve fund.

Ms. Leeper and Ms Wilson stated that no reserve fund will be tapped.

Ms. Leeper stated that the goal is not to touch the unrestricted General Fund balance at all.

Representative Ortega asked “Do we have any justification for bridge numbers being lower than expected for pedestrians and passenger vehicles?”

Ms. Wilson responded that commercial crossing are up; pedestrian and passenger vehicles crossings are down. Wait times may be an impact, as has the devaluation of the peso. Violence in Juarez may also be a factor.

Mayor Cook stated that we may see more Mexican shoppers due to the devaluation of the peso.

Representative Ortega questioned the debt service requirements.

Ms. Leeper explained.

Representative Acosta questioned slide #9

Representative Ortega asked if the ratio of debt service is acceptable.

Representative Niland – Debt issuance – how does this affect Quality of Life bond initiative. 5 cents?

Ms. Wilson replied that it depends on the size of the Quality of Life bond issuance and how fast projects are moved forward. We time debt issuance and only use it when we need the funding for the project.

Representative Niland wants to sell return on investment for Quality of Life bond projects to citizens, equating investment with return.

Representative Acosta questioned TIRS, and 380 Agreements, how have these affected the General Fund.

Ms. Wilson stated there is a short term impact for their incentive programs but in the long term there will be new infrastructure.

Representative Holguin questioned the 5 cents for debt service: A \$500,000,000 Quality of Live bond project at the maximum will be 5 cents per \$100 value. The rate of debt service will go up 5 cents.

Representative Niland stated if the FY13 Budget Quality of Life bond issue passes in November – she would like to wait until the next budget cycle to pass the corresponding debt service.

Ms. Wilson responded, “There is a 12 to 24 month window to lay out any project, so the debt would not be issued immediately.”

Representative Niland stated that the increase in debt service tax rate would be slowly phased in on the Quality of Life bond projects.

Ms. Wilson stated that physically it will take about 10 years to execute such a huge bond issue.

Agenda Item: Key priorities – Strategic Goals

Ms. Leila Melendez, City Manager’s Assistant, gave an overview of Strategic Goals and Plan update.

Mayor Cook stated the parks district regional system failed as a constitutional amendment, but as City Manager Wilson explained, there are other ways to create something similar, such as through interlocal agreement.

Ms. Wilson said that the Blue Ribbon Committee had recommended that State enabling legislation should be adopted first.

Representative Holguin questioned a separate taxing entity for parks. Why are we pursuing park projects on the Quality of Life bond project if we are seeking to create a separate taxing entity for parks? We should adopt or abandon the regional park system idea.

Ms. Wilson discussed various ballot wordings.

Representative Ortega questioned what the non-emergency call center phone number is.

Ms. Wilson replied that the 311 system is going to be up and operating by the beginning of the new fiscal year – a full launch.

Mr. Mark Weidner asked Council to review with him their comments on each strategic goal. He asked Council, “What would you like to see accomplished in the next year to year and a half?”

Representative Ortega questioned why the Rapid Transit System project started in 2006 is taking so long. The first phase is set for 2013. Seven years of planning for this is very long. Much bigger projects had been accomplished in less time – Golden Gate Bridge; Tunnel between Britain and France.

Mayor Cook stated that environmental laws are different now. He has had to explain and offer apologies to Washington for unspent federal monies. He said in his conversations with Federal Transit Authority staff members in Washington, DC, they have told him they think the project is moving quickly.

Representative Ortega explained that the Alameda portion of the project is City funded, not federal funded, and he asked if that portion could be done quicker. He reiterated that 7 years is too long.

Ms. Wilson explained why it can not be done more quickly.

Representative Acosta said she has received many complaints from constituents about the lack of pavement and resurfacing of streets in neighborhood areas. She would like to know where we are deficient and how long it will be to catch up. The data does not appear to be updated.

Ms. Wilson replied that she and Daryl Cole can explain what is needed to catch up and then get ahead of the curve.

Representative Acosta questioned how long it will take to get caught up: 10 years?, 40 years?

Ms. Wilson stated that it depend on how much Council will authorize for street work each year.

Representative Niland agrees with Representative Acosta that it is a reoccurring citizen concern. Roads are a huge issue. She urged Ms. Wilson to come to Council in the Budget Session and say "if we fixed all roads in 5 years it will cost this amount of money in taxes."

Representative Acosta stated that once we find out the total cost to fix the streets, we can parcel it out.

- Pavement Management Funding
- Traffic Control System Funding

Representative Niland asked if DOT be included in the initial departments to engage in the performance budgeting.

Ms. Wilson stated that it would be very difficult. Department of Transportation is a newly organized department and this is not the time to give them that project. The issue here with street resurfacing is funding.

Representative Niland stated that Performance Based Budgeting will allow us to tell taxpayers what they will get for the dollars.

Ms. Wilson said that DOT does not have the capacity to take on Performance Based Budgeting right now and it should not be forced upon a department that is not ready.

Representative Holguin questioned Daryl Cole, Department of Transportation Director, concerning the last time pavement management data was uploaded? Eighteen – 24 months ago? 2005? 2007? Residential is coming up.

Representative Acosta requested an update on pavement management: When will streets be updated, cost, total cost of fixing all streets in El Paso and she would like that report placed on the City Council agenda for a briefing.

Representative Holguin questioned Daryl Cole on a van that drives all the pavement and collects data and takes them by 300 ft segments to determine their condition. Then you get a grade for the street whether it is a local street or a collector street and you get the cost figures in today's dollars or future dollars.

Representative Holguin then questioned Sylvia Firth concerning wording of the agenda item for the cost of resurfacing all streets. He said it needs to be written broadly. He noted how confused he is about how the system works and how some streets that have never been improved get a passing grade while streets that are 15 years old get a failing grade.

Representative Acosta stated she shares Representative Holguin's concerning the ranking of the streets. She cited Montwood as a major arterial where some parts of it are in poor condition.

Ms. Wilson will have the data broken down by district, too.

Representative Acosta stated that good Street infrastructure is also a Quality of Life issue. She asked if it could go on a Quality of Life bond issue.

Ms. Wilson said that Council's philosophy is that streets will be done with Certificates of Obligation with General Obligation bonds.

Representative Acosta would like the citizens to decide on street resurfacing funding.

Ms Wilson stated that Councils directive was first to focus on Quality of Life issues and the Quality of Life bond election

Representative Acosta stated that a Hispanic Cultural Center is needed in El Paso.

Representative Noe said we are not limited our focus for Parks just to pocket parks, are we?.

Rep. Niland questioned why some issues are listed under Economic Development rather than under Community Development.

Mr. Weidner explained that it depended on how the Council member who raised the issue framed it during their discussion.

Look at Transportation Policy – any changes to address?

Mayor Cook stated that we need a decision on roundabouts. What do we bring back to the public from the public hearings? Are we going to go with the public reaction or are we going to get input from our engineers – making a technical decision.

Representative Niland asked for clarification on what Mr. Weidner is asking Council to do.

Ms. Wilson asked what the things are that Council wants us to put in place between now and June 2013? What is on the plate now do we need to have done or in motion by the time this Council leaves office?

Representative Niland replied that we should focus on goal/objectives and not on policy statements.

Representative Acosta pointed out that for the lowest car-dependent city in the southwest, we do not have any data or evidence to measure that. A City motor pool program is measurable. She would like it to come into being as a priority so we can take it to other companies and ask them to do the same.

Ms. Wilson stated that an outreach is being done with employees for a motor pool.

Representative Acosta stated that the Medical Center of the Americas special bus run was not popular; Zaragosa I-10 and Mission Valley area Park and Ride program is being requested. We could measure that. We are not showing how many cars we are taking off the street. Instead we are concentrating on bus ridership numbers that do not necessarily mean more cars have been taken off the street.

Representative Niland wants to see metrics for that goal: lowest car depended city. She wants to see the street network addressed and it needs to be presented in a measurable and justifiable way. It needs targetable data that she can hold DOT accountable for. She said that studies have shown seventy percent of the people in El Paso do not want to get out of their cars

Mayor Cook stated that it is difficult to measure success of a lot of what we have done. Smart Growth, BRT, Spur 601, Transmountain and Hike and Bike trails are hard to measure.

Representative Acosta said that a goal must be measurable and attainable. It is not enough to say that it is difficult to measure.

Mr. Weidner questioned Representative Niland that she wants target dates, right?

Representative Niland stated that last year she did not get tangible data on the street network issue during the budget session.

Representative Ortega suggested a systematic approach to street resurfacing and pavement issues and that we put pavement management plans on line.

Daryl Cole responded that it the pavement management plan has been on line for about a year.

Some Council members stated they did not know that and should have been told. Mr. Cole stated that the staff members of all Council members had been informed and trained on how to use the on line system.

Daryl Cole stated that it would cost approximately \$783 million to fix all the streets.

Ms. Wilson said that on April 10 we will have a complete discussion on Streets.

Representative Holguin said he did know that the Pavement Management was on line

Mayor Cook asked about reduced bridge wait time and how to come up with an acceptable measurement system. He would like this added to the objectives.

Representative Noe stated he wants to repair streets, especially new streets with no lighting. Put lighting in areas of new development. He would like this added to the objectives.

Representative Holguin questioned the dark sky ordinance.

Representative Ortega: MCA and Texas Tech are his priorities and working with the regional Mobility Authority to develop a parking/transportation hub in the Medical Center area.

Community Development

Mayor Cook Targeting of Community Redevelopment areas for the limited funding we have. He would like concentration of funding on large, targeted project through a lottery system.

Representative Niland stated that the Quality of Life bond issues was a unanimous concern of all Council members who were interviewed. Justify Quality of Life bond to the citizens by showing tangible data of the return on investment for specific projects. People need to know the impact of what they are being asked to fund.

Representative Ortega agreed that we need that data.

Ms. Wilson: On April 18th the presentation to Council will show all that.

Representative Niland wants metrics of how some of the projects will be completed – 2 years, 5 years, 10 year? She wants full disclosure of delivery dates.

Economic Development

Representative Ortega would like us to focus on Major League Soccer – he believes we are more likely to get Major League Soccer than any other major league sport.

He also would like density of living in the urban core. He wants specific numbers targeted every year in accordance with the goals of the Plan for El Paso.

Representative Niland stated that our citizens are focused on jobs, the local economy, and government corruption and she wants to focus on job recruitment and retention, and local economic development.

Representative Robinson wants to see Ft. Bliss added to the objectives. They are the largest employer in El Paso. They have gone from 10,000 to 30,000 soldiers. We need to focus on Ft. Bliss more. One disappointment he had was Dr. Feser's report was that it ignored the impact of Ft. Bliss on our economy.

In 2005 BRAC we lost the Air Defense School but we picked up 20,000 soldiers; in 1997 we lost the 3rd Armored Division.

The Defense industry currently has \$5 billion in construction at Ft. Bliss – a new hospital is \$1 billion. This is economic development and should be acknowledged. What are we doing as an entity to promote Ft. Bliss?

Mayor Cook asked Representative Robinson to focus on a specific goal for our promotion and support of Ft. Bliss. He mentioned current efforts he is involved in or aware of.

Representative Robinson stated we should focus on what we can bring to the table to retain Ft. Bliss and attract more troops. He reiterated that he wants that included as an objective.

Representative Acosta stated that soccer fields are important. She gets 400-500 requests submitted to her office alone. One hundred forty tournaments have been held here and we had to turn away 50 teams due to an insufficient number of fields available. We need everyday soccer fields as well as tournament fields. The Mayor was going to talk to school districts about sharing facilities/grounds. The 2011 strategic planning goals listed the St. Anne Center area for soccer. But it is still boarded up and unattended.

Representative Niland stated that St. Anne Center is part of Chamizal Neighborhood Association. The same discussion regarding the site has occurred. The size of the lot is insufficient for the needs of the center. She has asked Ms. Wilson and Ms. Hamlyn to identify available properties for a new center.

Representative Acosta asked what is happening to St. Anne Center. Is it being demolished or left to stand there forever?

Representative Niland stated that they are waiting to see if a new project will be included in the Quality of Life bond. Right now the SWAT team from El Paso Police Department uses St. Anne as a training center for paintball training. This is rude and inconsiderate to the neighborhood, and she questioned in what other neighborhood such a practice would be tolerated. It is inappropriate and scary in the middle of a neighborhood.

Representative Niland also stated that having Ft. Bliss as the largest employer puts us a great risk as the government can downsize. We need to focus on new business recruitment, and/or existing business expansion. We also need to present incentives for commercial industry and once we get it, retain it.

Representative Robinson questioned Representative Niland about the 8,000 veterans that are here because of Ft. Bliss. He stated they were very important to economic development.

Representative Ortega mentioned El Paso Street, between Overland and San Antonio – Old El Paso block; create it through a private developer. This would be targeted economic development in the downtown core.

Representative Niland agreed. She is concerned that we do not have an “Old Town” like other cities do. Market the whole John Wesley Hardin connection, office, where shot, Acme Saloon, gravesite, etc.

Ms. Wilson wrapped up the discussion on economic development. She said Dr. Feser said we missed the opportunity to capitalize on private sector components of the defense industry at Ft. Bliss when we benefitted from the BRAC realignment.

Ms. Wilson said that the backbones for incentives are in place for economic development. She discussed deliverables.

Representative Niland wants to communicate to the public about the economic development efforts we are making.

Representative Acosta stated that we need to work on renewable energy projects. Are we at a disadvantage to New Mexico? Are environmental laws stricter in Texas than New Mexico? We may need to address these with legislators.

Mayor Cook stated that New Mexico has mandates that a percent of energy has to be from renewable resources. This needs to be resolved at the Texas Legislature.

The Mayor concluded the meeting by stating that the next step is to incorporate the comments from this meeting into the Council’s strategic plan.

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Motion made by Representative Niland, seconded by Representative Robinson, and unanimously carried to adjourn this meeting at 4:07 p.m.
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APPROVED AS TO CONTENT:

Richarda Duffy Momsen, City Clerk