

JOHN F. COOK
MAYOR



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

JOYCE WILSON
CITY MANAGER

SPECIAL WORK SESSION MEETING OF THE CITY COUNCIL MEETING MINUTES
10th Floor Conference Room, City Hall, Two Civic Center Plaza,
El Paso, TX 79901
July 30, 2012

The City Council met at the above place and date. Meeting was called to order at 9:02 a.m. Mayor Pro Tempore Ann Morgan Lilly present and presiding and the following Council Members answered roll call: Susie Byrd, Carl Robinson, Michiel Noe, Steve Ortega and Cortney Carlisle Niland. Late arrivals: Emma Acosta at 9:03. Request to be excused: Mayor John Cook and Representative Eddie Holguin, Jr.

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Ms. Lynly Leeper, Director, Office of Management and Budget commented.

Representative Ortega questioned if this was the final certified value?

Representatives Byrd and Acosta questioned what is the discount on property valuation comparison and TIRZ value?

Representative Acosta questioned the TIRZ debt payment for transportation and requested a breakdown on both.

Ms. Joyce Wilson, City Manager, explained.

Representative Acosta questioned if this meeting was being recorded.

Ms. Wilson stated that "Yes, live."

Representative Niland asked what could be used for debt service.

Representative Robinson asked the amount budgeted for contingency and what we have used out of that and how much.

Ms. Joyce Wilson stated that some was used for the boxing match and some for special studies.

Representative Acosta asked what the bridge inspection fee was.

Ms. Wilson explained it is going to be set up in a special fund to be used solely for transportation infrastructure. Six months into the fiscal year they would come back and appropriate it. She estimated \$2.5 million per year.

Representative Ortega questioned Bill Studer on the best practices for percent of total budget in restricted vs. unrestricted funds

Ms. Bill Studer, Deputy City Manager, stated 8-12% restricted funds. We are at almost 10%

Representative Ortega questioned what would make us go into operating contingency before we go into fund balance?

Ms. Wilson stated it is best to use operating contingency first. She gave examples such as economic initiatives.

Representative Ortega asked Mr. Studer to e-mail him the figures on restricted vs. unrestricted funds. He also stated he would like a policy on how to use the bridge inspection fee, commerce, bridge traffic and pedestrian flow. He would like a discussion on revenue bonds.

Ms. Wilson stated that first priority should be the bridges themselves, then into the transportation infrastructure.

Representative Niland stated that it would be a great resource to use these funds for street infrastructure because a lot of the damage on the roads comes from bridge commercial traffic.

Representative Robinson asked if the valuation just for the City or for every taxing entity? The taxing levy is just for us.

Representative Ortega questioned why the value has gone down on an average home?

Ms. Wilson responded that it is the market.

Representative Ortega asked if we have commercial property valuations.

Ms. Lynly Leeper, Director, Office of Management and Budget, responded, not yet.

Representative Ortega stated he wants to keep the drum beat going on accurate assessment of commercial property. He wants property valuations that truly reflect market value. Homeowners are getting a raw deal on property taxes.

Representative Acosta questioned if the effective tax rate is going up?

Ms. Wilson stated that it is 8/10 of a penny above the current rate.

Representative Acosta asked what that is in dollars.

Ms. Wilson replied it is \$2.8 million dollars?

Ms. Leeper stated we can not raise the tax rates after the introduction of the Ordinance, but we can reduce it.

Representative Robinson asked if commercial property valuations are not reflected here.

Ms. Wilson and Ms. Leeper stated that we are required by law to introduce the effective tax rate on the residential values. We can show the commercial rates.

Representative Niland questioned the debt service. Is it tapped out?

Representative Niland questioned the proposed budget changes from City Council. She asked if today's proposal includes those suggestions.

Ms. Wilson stated "No." We are setting it at the budget rate OMB and City manager think Council will approve. The budget does have Police, Fire, Parks, and Land Management - the things most important to Council.

Representative Noe questioned the schedule of events for levying the tax rate and adopting the budget.

Representative Acosta asked what the proposed tax rate is. Is it the same, 6.58404%? Is the effective tax rate 6.50442%?

Representative Ortega questioned the effective tax rate vs the proposed tax rate.

Representative Niland questioned the Parks and Recreation budget. But she was informed that posting does not cover it. She is not allowed to do so at this meeting as the agenda posting did not include that topic.

PUBLIC COMMENT:

Ms. Lisa Turner, citizen, commented that \$2.11 million difference between certified TIRZ2 and TIRZ3 which could account for a 50% margin of error.

Ms. Leeper stated that this information comes from CAD (Central Appraisal District).

Ms. Wilson said that this is not the City's process or system. It is the CAD's.

Ms. Turner stated that in the budget we are taking about \$3 million is from debt service yet we have a debt service deficit. She asked for an explanation.

Ms. Wilson explained.

Representative Byrd asked for an analysis of how the transportation TIRZ varies from what we anticipated it would be.

Mr. Bill Studer stated that it is not doing as poorly as expected.

Ms. Wilson stated that we did not expect it to yield much in the beginning years.

1. INTRODUCTION

Motion made by Representative Byrd, seconded by Representative Acosta, and carried that the following Ordinance, having been introduced pursuant to Section 3.9 of the El Paso City Charter, be ADVERTISED for public hearing:

AYES: Representatives Lilly, Byrd, Acosta, Robinson, Noe, Ortega and Niland

NAYS: None

ABSENT: Representative Holguin

PUBLIC HEARING WILL BE HELD ON AUGUST 21, 2012 FOR THE ITEM.

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Motion made by Representative Robinson, seconded by Representative Ortega, and unanimously carried to
adjourn this meeting at 9:45 a.m.
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APPROVED AS TO CONTENT:

Richarda Duffy Momsen, City Clerk