

DEE MARGO
MAYOR

TOMMY GONZALEZ
CITY MANAGER



CITY COUNCIL
PETER SVARZBEIN, DISTRICT 1
ALEXSANDRA ANNELLO, DISTRICT 2
CASSANDRA HERNANDEZ, DISTRICT 3
SAM MORGAN, DISTRICT 4
ISABEL SALCIDO, DISTRICT 5
CLAUDIA ORDAZ PEREZ, DISTRICT 6
HENRY RIVERA, DISTRICT 7
CISSY LIZARRAGA, DISTRICT 8

CITY COUNCIL WORK SESSION MINUTES
CITY HALL, 300 N. CAMPBELL
COUNCIL CHAMBERS
December 9, 2019
9:05 AM

.....
The City Council met at the above place and date. Meeting was called to order at 10:01 a.m. Mayor Dee Margo present and presiding and the following Council Members answered roll call: Cassandra Hernandez, Sam Morgan, Isabel Salcido, Claudia Ordaz Perez, Henry Rivera, and Cissy Lizarraga. Late arrivals: Peter Svarzbein at 10:02 a.m. and Aleksandra Annello at 10:03 a.m.
.....

AGENDA

1. For Notation Only: Formal Report of the Financial Oversight and Audit Committee meeting held on November 19, 2019.

- 1. Discussion and Action regarding the Revision to the City of El Paso's Debt Policy.**
 - **Motion made by Representative Rivera, seconded by Representative Lizarraga and approved by Representative Morgan, Representative Lizarraga and Representative Rivera to bring the revision to City Council.**
- 2. Discussion on Audit Plan Updates.**
- 3. Discussion and Action on the City of El Paso Internal Audit Charter.**
 - **Motion made by Representative Lizarraga, seconded by Representative Rivera and approved by Representative Morgan, Representative Lizarraga and Representative Rivera to approve the Internal Audit Charter.**
- 4. Discussion and Action on the FY2020 Annual Internal Audit Plan.**
 - **Motion made by Representative Rivera, seconded by Representative Lizarraga and approved by Representative Morgan, Representative Lizarraga and Representative Rivera to approve the FY 2020 Annual Internal Audit Plan.**
- 5. Discussion on Client Surveys.**

Mr. Edmundo Calderon, Chief Internal Auditor, provided an overview of the items discussed at the Financial Oversight and Audit Committee meeting held on November 19,

2019.

NO ACTION was taken on this item.

2. Presentation and discussion on the use and impact of City streets by the El Paso Water Utilities and franchise fee.

Mr. Sam Rodriguez, City Engineer, presented a PowerPoint presentation (copy on file in the City Clerk's Office).

Mayor Margo and Representatives Svarzbein, Annello, Hernandez, and Rivera commented.

The following City staff members commented and answered questions:

- Mr. Tommy Gonzalez, City Manager
- Mr. Robert Cortinas, Chief Financial Officer

NO ACTION was taken on this item.

3. Presentation and discussion by Medical Center of the Americas "MCA" on their annual report on status of activities during the fiscal year, use of grant funds, and progress in the performance measures required under the agreement with the City of El Paso.

Ms. Nicole Ferrini, Community and Human Development Director, introduced the item.

Ms. Emma Schwarz, Medical Center of the Americas President and Mr. Carlos Ortega, Chief Financial Officer along with the following community partners presented a PowerPoint presentation (copy on file in the City Clerk's Office).

- Mr. Gerald Cichon, Housing Authority of the City of El Paso Chief Executive Officer
- Ms. Qin Gao, University of Texas at El Paso Post-Doctoral Researcher and Entrepreneur Lead
- Ms. Jody Casey, Elligo Health Research Vice President of Healthcare Partnerships
- Mr. Jose Gerardo, General Labels & Printing Chief Executive Officer

Mayor Margo and Representatives Svarzbein and Lizarraga commented.

NO ACTION was taken on this item.

4. Presentation and update on the Mexican American Cultural Center (MACC).

Mr. Ben Fyffe, Museums and Cultural Affairs Director, presented a PowerPoint presentation (copy on file in the City Clerk's Office).

Representatives Svarzbein and Annello commented.

The following City staff members commented:

- Ms. Mary Helen Michaels, Downtown Library Manager
- Mr. Tommy Gonzalez, City Manager
- Mr. Sam Rodriguez, City Engineer
- Ms. Dionne Mack, Deputy City Manager

NO ACTION was taken on this item.

5.

RESOLUTION

WHEREAS, the City Council desires to approve the 2020 Capital Funding Plan that includes the projects identified in Exhibit "A"*, with an estimated cost of \$46,026,014.50; and

WHEREAS, the El Paso City Council reviewed and amended its Debt Management Policy on February 20, 2018 which sets forth the parameters for issuing new debt for the City of El Paso; and

WHEREAS, the Debt Management Policy establishes the types of bonds that may be used to fund capital improvement projects at the lowest costs possible and states that certificates of obligation are an appropriate debt instrument for certain capital projects and acquisitions at a cumulative value of \$100 million or less; and

WHEREAS, City Council desires to consider the future issuance of Certificates of Obligation to fund the acquisition and/or construction of the projects identified in the 2020 Capital Funding Plan as funded through certificates of obligation in the estimated amount of \$46,026,014.50; and

WHEREAS, the projects identified in the 2020 Capital Funding Plan includes the federally funded portfolio that require a City match that will be funded through certificates of obligation in the estimated amount of \$5,893,910.83, which includes the City's match for the Montana RTS project in the amount of \$3,904,592; and

WHEREAS, the City further intends to make certain capital expenditures with respect to the identified projects on the 2019 Capital Funding Plan as funded through certificates of obligation, prior to the issuance of the certificates of obligation and currently desires and expects to reimburse the capital expenditures with proceeds of such debt; and

WHEREAS, under Treas. Reg. § 1.150-2 (the "Regulation"), to fund all or part of such reimbursement with proceeds of tax-exempt obligations, the City must declare its expectation to make such reimbursement; and

WHEREAS, El Paso City Council desires to authorize the City Manager to make all necessary budget transfers at the appropriate times for the execution of the 2020 Capital Funding Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:

1. **THAT** the El Paso City Council approves the capital plan referenced as "2020

Capital Funding Plan" attached hereto as Exhibit "A", with an estimated cost of \$46,026,014.50.

2. **THAT** certificates of obligation are identified as the funding source subject to annual budgeting requirements for some of the 2020 Capital Funding Plan, estimated at a cost of \$46,026,014.50, which includes two (2) percent for the arts and up to two (2) percent for bond issuance costs.
3. **THAT** the City Manager be authorized, subject to annual budgeting requirements, to make all necessary budget transfers at the appropriate times for the execution of the 2020 Capital Funding Plan; and
4. **THAT** the City reasonably expects to reimburse capital expenditures with respect to some of the project of the 2020 Capital Funding Plan with proceeds of debt hereafter to be incurred by the City, and that this resolution shall constitute a declaration of official intent under the Regulation. The maximum principal amount of obligations expected to be issued for the projects is estimated at \$46,026,014.50.

*Exhibit available in the City Clerk's Office.

Mr. Sam Rodriguez, City Engineer, presented a PowerPoint presentation (copy on file in the City Clerk's Office).

Representatives Svarzbein, Anello, and Rivera commented.

The following City staff members commented:

- Mr. Tommy Gonzalez, City Manager
- Mr. Robert Cortinas, Chief Financial Officer

Motion made by Representative Lizarraga, seconded by Representative Ordaz Perez and carried to **APPROVE** the Resolution.

AYES: Representatives Svarzbein, Hernandez, Salcido, Ordaz Perez, and Lizarraga

NAYS: Representatives Anello, Morgan, and Rivera

.....
The City Council Work Session was **RECESSED** at 11:54 a.m. in order to convene the Downtown Development Corporation Meeting.

The City Council Work Session was **RECONVENED** at 12:07 p.m.

.....
EXECUTIVE SESSION

Motion made by Representative Rivera, seconded by Representative Lizarraga, and unanimously carried that the City Council retire into **EXECUTIVE SESSION** at 12:08 p.m. pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Sections 551.071 - 551.089 to discuss the following:

Section 551.071 CONSULTATION WITH ATTORNEY

AYES: Representatives Svarzbein, Annello, Hernandez, Morgan, Salcido, Ordaz Perez, Rivera, and Lizarraga

NAYS: None

Motion made by Representative Lizarraga seconded by Representative Salcido, and unanimously carried to **ADJOURN** the Executive Session at 12:15 p.m. and **RECONVENE** the meeting of the City Council.

AYES: Representatives Svarzbein, Annello, Hernandez, Morgan, Salcido, Ordaz Perez, Rivera, and Lizarraga

NAYS: None

.....
EX1. Ex Parte: City of El Paso; Supreme Court of Texas; Case #19-0022; Matter No. 17-1001-171.002 (551.071)

NO ACTION was taken on this item.

.....
EX2. City of El Paso v. Max Grossman; 8th Court of Appeals; Case #08-19-00277-CV; Matter No. 19-1001-259 (551.071)

NO ACTION was taken on this item.

.....
EX3. Max Grossman v. City of El Paso; 8th Court of Appeals; Case #08-19-00272-CV; Matter No. 17-1001-171.001.001 (551.071)

NO ACTION was taken on this item.

.....
ADJOURN

Motion made by Representative Svarzbein, seconded by Representative Hernandez and unanimously carried to **ADJOURN** this meeting at 12:16 p.m.

AYES: Representatives Svarzbein, Annello, Hernandez, Morgan, Salcido, Ordaz Perez, Rivera and Lizarraga

NAYS: None

.....
APPROVED AS TO CONTENT:

Laura D. Prine, City Clerk