



City of Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
cctexas.com

Meeting Minutes

City Council Workshop Session

Monday, July 16, 2018

9:00 AM

City Council Chambers

Public Notice - - ITEMS ON THIS AGENDA ARE FOR COUNCIL'S INFORMATIONAL PURPOSES ONLY. COUNCIL MAY GIVE DIRECTION TO THE CITY MANAGER, BUT NO OTHER ACTION WILL BE TAKEN AND NO PUBLIC COMMENT WILL BE SOLICITED.

THE USE OF CELLULAR PHONES AND SOUND ACTIVATED PAGERS ARE PROHIBITED IN THE COUNCIL CHAMBERS DURING MEETINGS OF THE CITY COUNCIL.

A. Mayor Joe McComb to call the meeting to order.

Mayor McComb called the meeting to order at 9:03 a.m.

B. City Secretary Rebecca L. Huerta to call the roll of the required Charter Officers.

City Secretary Rebecca L. Huerta called the roll and verified that a quorum of the City Council and the required Charter Officers were present to conduct the meeting.

Charter Officers:

Interim City Manager Keith Selman, City Attorney Miles K. Risley and City Secretary Rebecca L. Huerta.

Present 7 - Mayor Joe McComb, Council Member Michael Hunter, Council Member Debbie Lindsey-Opel, Council Member Ben Molina, Council Member Everett Roy, Council Member Greg Smith, and Council Member Rudy Garza Jr.

Absent 2 - Council Member Paulette Guajardo, and Council Member Lucy Rubio

C. BRIEFINGS TO CITY COUNCIL:

1. 2018 Bond Election and FY 2019 Budget

Mayor McComb referred to Item 1.

Executive Director of Public Works Valerie Gray presented information on the following topics related to the street improvement plan: typical urban street layout; the condition of arterial, collector and local streets; Street Improvement Plan (SIP); policy; maintenance; arterial/collector and local/residential reconstruction; and funding sources for streets.

Council members and staff discussed the following topics: the City's policy

regarding larger street cuts; boring under streets; street cuts not being allowed if the street is less than five years old; previous monetary diversions from street repair and maintenance to fund public safety; funding for the Street Preventive Maintenance Program (SPMP); history of street funding; funding/decisions/policies of past city councils; differences between the repair and maintenance of state highways and residential streets; and driveway cuts.

Executive Director Gray presented information on the following topics related to proposed Bond 2018: summary of 2018 proposed propositions; and that Proposition A is the only proposed proposition that does not require a property tax increase.

Council members and staff discussed the following topics: the date the new utility rates became effective; the City's utility billing software conversion process; Hurricane Harvey-related impacts on the utility billing and collection process; proposed utility rate increases; the need for a concise, easy-to-understand presentation on utility rates; ways to decrease the 1:1 street-to-utilities cost ratio; water line breaks due to the recent increase in water pressure; the use of asphalt versus concrete in the proposed Bond 2018 program and that street projects must be designed both ways in order to be bid both ways; evaluating the cost of concrete versus asphalt; and modifying Bond 2018 language from "concrete" or "asphalt" to "new pavement".

Executive Director Gray presented key dates and the projected implementation schedule relating to proposed Bond 2018.

Council members and staff discussed the following topics relating to proposed Bond 2018: funding the proposed Proposition E, relating to public facilities, from a source other than bonds; the need for a better City facilities maintenance program; the recent reallocation of personnel resources relating to facility maintenance; and Hurricane Harvey reimbursements.

MOTION OF DIRECTION

Council Member Lindsey-Opel made a motion directing the Interim City Manager as follows: when monies spent by the City related to Hurricane Harvey are reimbursed to the City by the Federal Emergency Management Agency (FEMA), those FEMA reimbursements are to be brought before the Council, to provide the Council with an opportunity to influence where those monies are spent, rather than the monies simply flowing back into the City, seconded by Council Member Garza and passed unanimously (Council Members Guajardo and Rubio - absent).

MOTION OF DIRECTION

Council Member Lindsey-Opel made a motion directing the Interim City Manager to eliminate the proposed Proposition E from Bond 2018 and identify another funding source(s) for the work that needs to be done on City Hall, seconded by Council Member Garza.

Council members and staff discussed the following topics: the need to maintain the City's parks; restructuring of the Facilities Department; and completing work using in-house resources versus contracting out work.

The motion of direction passed unanimously (Council Members Guajardo and Rubio - absent).

Council members and staff discussed the following topics: Park & Recreation-related monies in the proposed Bond 2018; use of Type B funds for the repair of arterials and collectors; leveraging Type B funds relating to the issuance of debt; that Proposition A addresses arterials and collectors; using Type B funds to fund repairs on Junior Beck Drive or Laguna Shores Road in lieu of using bond monies; using Type B monies on a spend-as-you-go basis versus issuing debt for certain street repairs; the amount of time the City will pay on debt; that Type B revenues come from sales tax; using Type B monies to offset debt; funding certificates of obligation with Type B monies; issuing certificates of obligation with half of Type B revenues and using the other half to support the issuance of bonds; reducing the dollar amount of the proposed Proposition A; using sales tax revenue, derived from both residents and non-residents of Corpus Christi, to repair streets versus property tax and utility rate revenues derived from residents of Corpus Christi; that the 2-2-2-cent voter-approved property tax increase for street repairs is included in the numbers in today's presentation; that the City is the second highest per capita in debt among large cities in Texas; and concerns about issuing more debt.

Assistant City Manager Manager Sylvia Trevino presented information on the tax rate and the cumulative impact on tax/utility rates given various scenarios.

Council members and staff discussed the following additional topics: which scenario provides the most monies for residential street repairs and has the least impact on residents' rates; the fund balance projected for FY17/18; that surplus in the debt rate allows for an increase in the maintenance and operations (M&O) portion and a decrease in the interest and sinking (I&S) portion of the property tax rate, thus decreasing the Debt Service fund balance, and that this would not be dependent on issuance of a Bond 2018; truth-in-taxation requirements; providing a summary of various proposals to Council; that the I&S rate is set each year to cover the then-current debt, not future debt; the need for a workshop regarding Bond 2018 relative to park operations; how Bond 2018 projects will be listed; and scheduling an additional workshop.

D. ADJOURNMENT

The meeting was adjourned at 11:33 a.m.