

BUDGET WORK SESSION  
JULY 24 and 25, 1995

CITY COUNCIL OF THE CITY OF ABILENE, TEXAS,  
BASEMENT CONFERENCE ROOM

July 24, 1995

The City Council of the City of Abilene, Texas, met in a budget work session on July 24 and 25, 1995, in the Basement Conference Room of City Hall. Mayor Gary D. McCaleb was present and presiding with Councilmen Paul R. Vasquez, A. Don Drennan, Jimmy McNeil, Ray Ferguson and Councilwoman Kay Alexander. Also present were City Manager Lanny Lambert, Assistant City Manager Roy McDaniel, Director of Finance David M. Wright, City Secretary Jo Moore, Assistant to the City Manager Debra Guerra, and various other members of staff. Councilman Russell Berry was absent.

Invocation was given by Councilman Don Drennan.

The Council convened at 1:30 p.m. on July 24, 1995. Mayor McCaleb opened the session by welcoming all and reviewing the expectations of the two days, indicating today would be the information session and tomorrow would be the decision session. The Mayor stated following the City Manager's comments, Roy McDaniel, Assistant City manager and David Wright, Director of Finance, would make the budget presentation.

City Manager Lanny Lambert welcomed all to the 112th budget worksession of the City of Abilene. Mr. Lambert stated this budget includes a tax rate decrease, and no increase in City charges or fees because of anticipated increases in sales tax and property values, and a year end balance of \$970,000.00.

The City Manager's proposed budget includes a 6% salary increase for Police and Fire, and 0-8% for others, with an average of 3.9%. His goal is to pay at least average. City Manager Lambert stated his personal philosophy is not the most, but the best.

This year had a 27th pay period, which happens every 11 years as a result of having every other Friday paydays. Recommended payment is to borrow \$400,000 from the fund balance over the next three years, along with \$870,000 of the year end balance, and establish the payback of the \$400,000 by Ordinance.

The City Manager reviewed major expenditures and reviewed the economic outlook.

Director of Finance David Wright indicated he had received the certified tax roll and would be ready to address it following a discussion with Richard Petree. Roy McDaniel explained the effective tax rate versus the proposed rate, the rate of 13.07 the retirement system budget was built on, the letter received from TMRS stating the cost was going to 13.50, detailed information on the TMRS program, and the 1984-85 situation with the extra pay period, and the budget plan of financing the accounting treatment of the 1996 27th pay period over two years, using the revised 1995 and proposed 1996 budgets.

Mr. McDaniel then outlined the major cost impact as follows:

1. Civic Center requires extra employee
2. Street maintenance upgrade in material
3. Additional library materials
4. Child Advocacy Center expected to open in October
5. Animal Shelter expansion to be complete by November
6. Health Plan (over \$3 million this year has been spent)

Following a short break at 3:00 p.m., David Wright reviewed the financial summaries, significant changes, and rate, which was above the effective rate of 55.16 cents, needed to fund the proposed budget. The following funds were reviewed:

1. General Fund Summary of Revenues & Expenditures 95-96
2. Water & Sewer
3. Equipment Replacement
4. Transit
5. Senior Citizens
6. Health
7. Self Insurance

Councilman Drennan commented on the expense budget and revised salary budgets, which shows nearly 10% due to the 27th pay period.

Councilman Ferguson inquired as to additional funding requests.

There being no further business, the meeting adjourned at 5:05 p.m.

July 25, 1995

The Council convened at 1:30 p.m. Mayor McCaleb opened the floor to the staff to respond to requests for additional information from yesterday's worksession.

David Wright addressed the refuse barrel replacement program and distributed the Development Corporation of Abilene's proposed budget.

Roy McDaniel commented on the key to success of the DCOA is the structure, flexibility and being under the control of the Council.

Councilman Drennan addressed the transit system, stating the downtown circulation is a possibility for the Trolley, and questioned whether a decision had to be made now. Mayor McCaleb stated that it did not have to be decided on with the approval of this budget, but would during the year. A routing report will be presented at a later date.

Mayor McCaleb thanked everyone for their participation, recommendations, or comments in the information phase, and asked Councilman Ferguson to start Council deliberations on their part of the budget recommendations. Councilman Ferguson addressed possible reductions, increases, and property taxes as follows:

Reductions:

Fire & Police salary to 3% in January (let chiefs decide how 3% will be allocated for the benefit of their organizations)	
Other employees' average salary 3% (1/2% professional recruiting & market adjustment, 2-1/2% pay for performance)	(Total of 1st 2 items:) \$322,029
Traffic Signs/Signal Heads	
50,000	
Street Maintenance	
48,630	
Equipment Replacement	
50,000	
TMRS Adjustment	1,180
Adjust Police overstaffing by 2	
54,780	

Increases:

Microcomputer/Van	\$
18,050	
Internal Auditor Upgrade and additional auditor	
51,960	
Police Keyboards & Monitors	10,000
Civic Center Maintenance	
20,000	
Automated Field Inspection, Building Inspection	
23,400	
Provide for future 27th pay period	
100,000	

In addition, the revision included appropriating \$100,000 more of fund balance and reduce the General Fund tax levy by \$396,330.

Councilman McNeil stated we need to be sure we don't lower morale, and recommended that the salary package for Fire and Police be increased to the equivalent of 4% instead of 3% and pay for performance at 1/2% and 3-1/2%. This would require an additional .68 cents on the effective tax rate for a total tax rate of 55.84 cents. Councilman Vasquez requested the 27th pay period be explained to City employees.

Councilman McNeil moved to approve first reading of the Ordinance approving the revised 1994-95 budget as amended, the proposed budget for FY 1995-96 as amended including the Development Corporation of Abilene (DCOA) budget, the Ordinance setting the tax levy at 55.84 cents, and call a public hearing for August 10, 1995 at 9:00 a.m. The motion was seconded by Councilman Vasquez and the motion carried. Councilman Drennan again stated his objections to using Certificates of Obligation for nominal expenses.

AYES: Councilmen Vasquez, Drennan, McNeil, Ferguson, Councilwoman Alexander and Mayor McCaleb.

NAYS: None.

The Ordinances are captioned as follows:

### **BUDGET ORDINANCE**

AN ORDINANCE APPROVING REVISED BUDGET FIGURES FOR FISCAL YEAR 1994-1995; APPROVING AND ADOPTING BUDGET FOR THE FISCAL YEAR OCTOBER 1, 1995, THROUGH SEPTEMBER 30, 1996, FOR THE CITY OF ABILENE; APPROPRIATING FUNDS; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; CALLING A PUBLIC HEARING.

### **TAX LEVY ORDINANCE**

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, APPROVING THE ASSESSMENT ROLL FOR 1995, LEVYING AN AD VALOREM TAX FOR THE CITY OF ABILENE, TEXAS, FOR THE YEAR 1995; PROVIDING FOR THE ASSESSMENT AND COLLECTION THEREOF; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING AN EFFECTIVE DATE.

There being no further business, the meeting was adjourned at 3:10 p.m.

---

Jo Moore  
City Secretary

---

Gary D. McCaleb  
Mayor