

BUDGET WORK SESSION
JULY 23 and 26, 1996

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

July 23, 1996

The City Council of the City of Abilene, Texas, met in a budget work session on July 23 and 26, 1996, in the Basement Conference Room of City Hall. Mayor Gary D. McCaleb was present and presiding with Councilmen Paul R. Vasquez and A. Don Drennan, Councilwoman Carol Martinez, Councilmen Rob Beckham and 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, and various other members of staff.

The Council convened at 8:30 a.m. on July 23, 1996. Mayor McCaleb opened the session by welcoming all and reviewing the expectations of the two days, indicating today would be the information session and Friday 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.

Invocation was given by Councilman Paul Vasquez.

City Manager Lanny Lambert welcomed all to the 113th budget worksession of the City of Abilene. Mr. Lambert noted two bookkeeping corrections: page 2, Sanitation revenue for the proposed rate increase was overstated by \$225,000. Finance staff distributed corrections.

Mr. Lambert reviewed his proposals:

- .A tax rate of 53.81 cents is proposed this year, due to an increase in property value and sales tax. Last year's tax rate was 55.84 cents.
- .3% salary increase for Civil Service employees effective first pay period in 1997.
- . 0-5% pay for performance increase for non-Civil Service employees.
- . Increase in pay for Master certification achievement for police officers.
- . Two Firefighter positions to be upgraded to Captain status.
- . Reclassification of employee positions as deemed appropriate
- . A net of 3 new full-time positions:
 1. City Marshal
 2. Refuse driver
 3. Computer programmer
 4. Human Resource specialist (downgrade of Internal Services Administrator)
 5. Theater Technical Coordinator for the Civic Center (eliminate custodian)
 6. Permit specialist for Building Inspection request submitted last Friday
 7. Eliminate two (2) positions in the Water Utility Fund

New Programs:

- 2 refuse vehicle upgrades
- Police Athletic League (PAL program)
- Household Hazardous Waste Center
- Traffic & Street sign program
- Street crack pouring program
- Inmate labor creek cleaning program

\$185,400 is included in the FY 97 budget for the water & sewer department to comply with new EPA regulations.

Refuse rates are proposed to increase 30 cents per month for residential accounts, 5% for commercial front loader, and 10% for commercial roll off service.

A correction to the City Manager's letter was noted; page 11. City Manager Lanny Lambert stated in FY 97, it is anticipated the number of employees to receive customer service training is expected to double - the letter stated "approximately the same number of employees will receive this training". Organization initiatives as recommended by the City Manager are to continue reviewing operation through a process called right-sizing, composed of the following procedures:

- A. Vacancy Review Board
- B. Privatization Review Board
- C. Special Savings Reserve

Councilman Vasquez recommended cross-training be utilized; supervisors should provide employees the opportunity to be cross-trained. Mayor McCaleb agreed and expanded on the recommendation.

Mr. Lambert stated for the record that he doesn't believe the City will lose the bid against privatization.

Following discussion regarding the Employee Special Savings Reserve, Council questioned this issue being a budget item and directed the City Manager to establish perimeters and outline specifics for this process to be brought back to them at a later date. City Manager Lambert stated for the record he believes front line employees can save the City money.

Following a short break at 9:50 a.m., David Wright, Director of Finance, submitted corrected information on the General Fund Summary of Revenues and Expenditures; Revised 95-96 and Proposed 96-97.

The following funds were reviewed:

1. General Fund Summary of Revenues & Expenditures 96-97
2. Water & Sewer
3. Equipment Replacement & Maintenance
4. Transit System
5. Senior Citizens
6. Health
7. Self Insurance
8. Debt Service
9. DCOA
10. Grant Utilization
11. Cypress Plaza

Roy McDaniel commented that the Council might want to consider having the Cypress Plaza Fund begin repaying the General Fund for the purchase of the property.

Councilman Drennan questioned the 27th pay period every 11 years; and suggested changing the payroll period to the first and 15th so a reserve is not needed. Mr. Wright responded that the schedule affected logistics and morale. Mayor suggested staff evaluate the payroll process over the next few months.

Mr. Wright discussed residential property values being up, commercial values stabilized, and the tax base as a whole is improving. He reviewed the summary of revenues, summary of departmental expenditures, general fund capital outlay requests, and unfunded requests; noting on page 11 the Technical Advisory Committee - \$50,000 and the Expo for \$30,000 and NEA for \$34,000 could be removed, as they were now proposed to be funded.

Dwayne Hargesheimer, Director of Water Utilities, gave a brief status report on the water supply, concluding with the fact that there is no projection of rationing to date. Mr. Wright indicated there is a projected surplus in the water fund for FY 97 of \$2.4 million.

Following a break at 11:15 a.m., Mr. Wright reviewed individual division funds.

Mike Morrison, Director of Economic Development, reviewed the CDBG summary of projects; noting that reduction of funding was recommended for two agencies: Center for Non-Profit Management and Mend-A-Child, and briefed the Council on the DCOA funds.

Mayor McCaleb thanked the Directors and Division Managers for being present, and discussed unfunded requests; asking for further information from staff.

Due to a prior engagement, Councilwoman Alexander left the meeting.

Councilman Ferguson addressed the Library Task Force recommendations, and asked staff to provide information to the Council on the status of that request as it would impact the budget.

The City Manager re-stated the Council's request for additional information by Friday's meeting as follows:

1. Proposal on correction of \$225,000 overstatement in refuse fees;
2. Library Task Force recommendations funding;
3. CDBG options; and
4. Parkridge Apartments information.

In addition, Councilman Beckham will be briefed by staff regarding the Compensation Study.

There being no further business, the meeting adjourned at 12:55 p.m.

July 26, 1996

The Council convened at 8:30 a.m. in the Basement Conference Room. Mayor McCaleb welcomed everyone and again stated appreciation to staff and Council for their work on the budget. All Councilmembers were present.

Invocation was given by Councilman Drennan.

David Wright addressed the \$225,000 overstatement on refuse fees, and briefed the Council on recommended adjustments to the Revised 95-96 and Proposed 96-97 budgets with a balance of \$49,730 in the revised budget for appropriations and \$3,270 balance in the proposed 96-97 budget; then briefed the Council on the effective tax rate. If we go above the effective tax rate by 3 percent, we are still 2 cents below the current tax rate.

Mr. Wright summarized "Where We Are", as listed below:

Tax Roll	\$2,605,000,000
Proposed Budget Taxes	13,276,000
New Proposed Rate (Rate was 53.81 cents)	53.09
Effective Rate	52.34
3% Above Effective	53.90
Additional Dollars	202,565
53.09 cents to 53.90 cents	

NOTE: 1 Cent = \$250,000

Mayor McCaleb 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:

Revised current year - Priority of Year-end Balance as of 9/30/96:

1. Library needs, as reflected through the Task Force recommendations.
2. Technology area

Reductions as proposed for next year:

1. Permit specialist (with consideration to vacancy review process)	30,370
2. Reduce Legal Library book account	7,500
3. Delay implementation of Compensation study by 6 months (from October 1, 1996 to April 1, 1997)	46,830
TOTAL:	\$84,700

Increases/Additions:

1. Lake Kirby softball field lighting	\$34,050
2. Explosive storage magazine/Police Training Facility	5,260
3. Technology Area	109,690
4. Police & Fire salaries adjusted from 3% to 4%	
Police	44,280
Fire	42,570
TOTAL:	\$236,852

These revisions would total a net increase of \$152,150. Councilman Drennan proposed adding approximately \$52,000 to go to the Equipment Replacement Fund. These changes would require a 2.98% increase above the effective tax rate of 52.34 cents to 53.90 cents.

Mayor McCaleb emphasized the need for the explosive storage device and stated that Abilene is well served by professional and competent Police and Firemen; and stated he received not one comment from either department about salaries, referencing his disappointment in a recent newspaper article in which the headlines read "Police & Fire furious about pay". He stated that the proposed increase from 3% to 4% is a result of performance, not motivated at all by any group as a result of pressure.

Police Chief Martin and Fire Chief Putnam both commented on the lack of complaints and the cooperative attitudes of their departments.

Councilman Drennan requested the 1981 contract with the Chamber of Commerce be reviewed.

Councilman Ferguson moved to approve first reading of the Ordinance approving the revised 1995-96 budget as amended, and the proposed budget for FY 1996-97 as amended, approve on first reading the Ordinance establishing the security fund and fee, and call a public hearing for August 8, 1996 at 9:00 a.m. The motion was seconded by Councilman Vasquez and the motion carried.

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

NAYS: None.

AN ORDINANCE APPROVING REVISED BUDGET FIGURES FOR FISCAL YEAR 1995-1996; APPROVING AND ADOPTING BUDGET FOR THE FISCAL YEAR OCTOBER 1, 1996, THROUGH SEPTEMBER 30, 1997, FOR THE CITY OF ABILENE; APPROPRIATING FUNDS; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; CALLING A PUBLIC HEARING.

AN ORDINANCE PROVIDING FOR A "MUNICIPAL COURT BUILDING SECURITY FUND"; PROVIDING FOR ASSESSMENT AND COLLECTION OF A MUNICIPAL COURT BUILDING SECURITY FEE; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

The Resolution setting refuse rates will also be considered on August 8.

Councilman Ferguson moved to approve first reading of the Ordinance setting the tax rate at 53.90 cents, and call a public hearing for August 8, 1996 at 9:00 a.m. The motion was seconded by Councilman Drennan and the motion carried.

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

NAYS: None.

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, APPROVING THE ASSESSMENT ROLL FOR 1996, LEVYING AN AD VALOREM TAX FOR THE CITY OF ABILENE, TEXAS, FOR THE YEAR 1996; 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 10:00 a.m.

Jo Moore
City Secretary

Gary D. McCaleb
Mayor