

**SPECIAL MEETING
BUDGET WORKSESSION
JULY 27, 2004, 8:30 a.m.**

**CITY COUNCIL OF THE CITY OF ABILENE, TEXAS,
CITY COUNCIL CHAMBERS OF CITY HALL**

The City Council of the City of Abilene, Texas, met in a Special Meeting to conduct a budget worksession at 8:30 a.m. on July 27, 2004, in the City Council Chambers of City Hall. Mayor Norm Archibald was present and presiding with Councilmen Sam Chase, Kris Southward, Anthony Williams, John Hill, Stormy Higgins, and Councilwoman Laura Moore. Also present were City Manager Larry D. Gilley, Assistant City Manager's Michael Morrison and Kathy Merrill, Director of Finance David M. Wright, Assistant Director of Finance Mindy Whisenhunt, City Attorney Sharon Hicks, City Secretary Jo Moore, and various other members of staff.

Mayor Archibald called the meeting to order.

Councilman Chase gave the invocation.

Mayor Archibald led the Pledge of Allegiance.

Mayor Archibald reviewed the weeks expected schedule for the budget worksessions. The Mayor noted budget worksessions are scheduled for 8:30 a.m. Wednesday, July 28, 2004, and if needed, 8:30 a.m. Thursday, July 29, 2004. The Mayor further noted that public hearings on the budget and tax levy are not set for today's meeting but will be set for August 26, 2004. The Mayor then turned the meeting over to City Manager Larry Gilley.

Mr. Gilley stated the City Council has reviewed the proposed budget and have noted specific issues that will be addressed during the budget worksessions. Mr. Gilley thanked the City Council and staff for their guidance and countless hours spent on the budget process, which began several months ago. Mr. Gilley further noted that the budget process focused on the City's Mission Statement, **"We work together to build a community of the highest quality for present and future generations"**.

Mr. Gilley presented an overview of the proposed Budget Expenditures/Revenues for Fiscal Year 2005. Mr. Gilley noted the proposed budget has an increase in expenditures of \$743,860 or 1.33 percent above last year. The proposed budget would require no property tax rate increase and would include the addition of one Deputy City Marshall in Municipal Court and one Assistant City Attorney who will primarily serve as a Municipal Court Prosecutor. These employees are expected to speed up the court process and bring in more revenue from fines.

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Mr. Gilley reviewed the General Fund Revenue by Category, which included:

- Proposed User Fees (increased revenue, \$144,340)
- Property, Sales, & Franchise Taxes

Mr. Gilley reviewed the General Fund Expenditures by Department and Category.

Mr. Gilley noted city employees are the city's greatest asset and that personnel costs also represent the greatest expenditure from the general fund. In addressing city expenditures these costs were addressed by not including employee salary increases versus a reduction in force. Mr. Gilley also reviewed the Water Fund Revenue/Expenditures by Category.

Mr. Gilley then listed major budgetary additional issues and initiatives that are not addressed in the proposed budget, but that should be considered in the coming year. These issues included:

- Public Safety Communications System Replacement Project
- Self Insurance Fund
- Facilities Survey/Facilities Improvement Fund
- Technology Fund
- Financial Accounting and Payroll Software System
- Water Treatment and Distribution

In conclusion Mr. Gilley noted the proposed FY 04-05 budget is a balanced budget. Mr. Gilley also noted that the list Council has of Unfunded Needs in the 2004-05 Proposed Budget truly represents needs.

Mayor Archibald thanked Mr. Gilley and his staff for the work on, and presentation of, the proposed budget.

Council and staff reviewed the 2004-05 Proposed Budget Unfunded Needs with discussion that included: 1) funding 2 full time Environmental Code Enforcement Officers, with computer, vehicle and furniture at a cost of \$138,870, with potential revenue in citations and uncollected liens to offset the cost; 2) the Comprehensive Land Use Plan and community supporting more aggressive code enforcement; 3) maintaining tax base and not letting properties decrease in value; 4) current code enforcement officer funded by CBDG and enforcement limitations including servicing only low and moderate income neighborhoods (approximately 50% of the city); 5) encouraging neighborhoods to maintain their property; 6) what cost benefits additional marshal and/or attorney would generate and possible outsourcing, and; 7) Council's suggestion to consider a 0.41 cent property tax increase to pay for two additional code enforcement officers and related costs.

The Council recessed for a break at 10:00 a.m. and reconvened at 10:20 a.m.

Council and staff reviewed the Additional Issues and Initiatives with discussion that included: 1) projected timelines to address the issues and initiatives; 2) under the

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Facilities Survey/Improvement Fund Issue the maintenance and or upgrades accomplished in 2004; 3) the Financial Accounting and Payroll Software System needs; 4) Water Treatment and Distribution operational issues; 5) effect of increase to Self Insurance Fund with no salary increases; 6) cost to taxpayers to fund additional issues and initiatives and possible funding sources, and; 7) possible bond election to fund other major issues.

Council and staff further reviewed unfunded needs and other issues with discussion that included: 1) the benefits of Airport programs, analysis and contracts with return seen on investments; 2) sector planning, community policing and philosophical approach to code enforcement; 3) certification pay; 4) timeline of 12 months expected for evaluation of 1st responder for Fire Dept.; 5) cost increase of communication system; 6) sale of Ft. Phantom property to generate revenue stream and limitations in doing so, and; 7) salary increases for lower scaled employees and mechanical and morale issues involved.

Councilman Williams left the meeting at 11:45 a.m.

Discussion continued that included: 1) number of needed paramedics and equipment; 2) possibility of phasing in cost for police shotguns and stop sticks; 3) updating of Parks Master Plan, and; 4) possible elimination or reduction in services/programs or a tax increase to provide additional revenue.

Mr. Gilley stated that although there are stand alone programs that could be cut or reduced he is not advocating eliminating any program. Mr. Gilley noted all programs impact some sector of the community and their quality of life.

Council noted Mr. Gilley's commitment as seen in the summary and conclusions portion of his budget letter that stated, "We are at a critical juncture, as an organization and as a community. Working together, we must redefine what services are to be provided to our citizens and how we will deliver those services. I have asked the management team to begin an immediate review of the organization. We will examine our organizational structure, we will determine if we are sized appropriately, we will evaluate how competitive we are in the delivery of services, and we will further explore options for future revenue. What will result is a series of recommendations in the coming year that will position this organization to effectively meet the needs of our citizens in the future. These recommendations will be presented for City Council approval over the next year. The City staff looks forward to working with the Mayor and City Council as we address the challenges of the coming year."

EXECUTIVE SESSION

Mayor Archibald recessed the Council into Executive Session pursuant to Sections 551.071, 551.074, and 551.072 of the Open Meetings Act, to seek the advice of the City Attorney with respect to pending and contemplated litigation, to consider the

appointment and evaluation of public officers, and to consider the purchase, exchange, lease or value of real property.

REGULAR SESSION

The Council reconvened from Executive Session and reported no action taken.

There being no further business, the meeting was adjourned at 12:30 p.m.

Jo Moore
City Secretary

Norm Archibald
Mayor