

**SPECIAL MEETING  
BUDGET WORKSESSION  
SEPTEMBER 7, 2005, 8:30 a.m.**

**CITY COUNCIL OF THE CITY OF ABILENE, TEXAS,  
BASEMENT CONFERENCE ROOM 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 September 7, 2005, in the Basement Conference Room of City Hall. Mayor Norm Archibald was present and presiding with Councilmen Sam Chase, Kris Southward, Anthony Williams, 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. Councilman John Hill was absent from the meeting.

Mayor Archibald called the meeting to order.

Mayor Archibald gave the invocation and led the Pledge of Allegiance.

The Mayor stated the meeting today is being held in order for Council and staff to continue the budget review and to discuss the Public Safety Communications Radio System. Following the budget workshop the Council is also scheduled to tour the Abilene Regional Airport. The Mayor further stated no Council action is required at today's meeting and noted a budget worksession is scheduled following the Regular City Council meeting on Thursday, September 8, 2005. The second public hearing on the Ordinance Setting the Tax Levy will be held at the Council's September 8, 2005 meeting and the final public hearings, with Council action on the Ordinances, for the Revised FY 2005 and Proposed FY 2006 Budgets and Setting the Tax Levy is scheduled for the September 22, 2005 Council meeting. The Mayor then turned the meeting over to Mr. Gilley.

Mr. Gilley stated Council has received information concerning specific questions that were asked by Council at the August 25<sup>th</sup> Budget Worksession. Mr. Gilley noted a response in reference to the 5 year vesting for the retirement system was received late yesterday from the Texas Municipal Retirement System (TMRS). Mr. Gilley stated TMRS relayed that 668 cities (87.5% of all TMRS cities) have adopted the 5 year vesting.

Council and staff discussion included: 1) a review of other entities showed 5 year vesting to be competitive with other cities and the private sector; 2) Council's concerns of the impact 5 year vesting would have; 3) three peer cities, Midland, Odessa, and San Angelo do not have 5 year vesting; 4) all peer cities do a 2 to 1 retirement match, and; 5) average citizens do not have 15% retirement.

Mayor Archibald stated whatever results from the budget discussions, retaining the tax rate of 63.55 cents per \$100.00 valuation for the next fiscal year has been proposed.

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Mr. Gilley stated street paving and some park improvements are the type of items to possibly consider for the annual Certificates of Obligation program, or a request could be made to the Bond Election Advisory Committee to consider these items (i.e., improvements at Fort Phantom).

Council and staff discussion included: 1) the need for Council and staff to dialogue in the spring on priorities for the Certificates of Obligation program (i.e., lakes, recreational park items); 2) Bond Election Advisory Committee having requested information concerning the streets that are unpaved and/or are in poor condition; 3) Council stated appreciation to Mr. Gilley and staff for submitting a good budget; 4) concerns over fees/taxes issues; 5) Council's concerns with the worthiness of the City investing in a 5 year vesting program; 6) Council's concerns surrounding an alley paving program versus street paving needs; 7) proposed revenue from a Solid Waste fee increase of \$1.00 in FY 05 versus proposed fee increase of .75 cents in FY 06 not being equitable (staff noted there are other adjustment factors in FY 06, and that fees for FY 05 and FY 06 are not a one to one equation); 8) not misleading the public by stating or implying that a program cannot pay for itself when it can (with the fact being if fees are not raised the general budget would have to be reduced); 9) Council to discuss in the near future the philosophy of user fees and how they relate to the tax rate and the individual users; 10) amount budgeted for fuel being due to a rise in fuel prices; 11) staff noting that if unknown expenses arise they are reviewed during the mid-year adjustment period and the issues surrounding the adjustments are brought to Council as soon as possible; 12) the need to monitor and adjust, as needed, the income projection from sales tax; 13) the impact that a future tax rate increase will have, and; 14) Council noting concerns about the City not operating within its current means.

Council and staff discussion continued and included: 1) the lowering of debt services and the decrease in annual payments; 2) employees currently pay low rates for health insurance and the possibility of an employee health insurance rate increase; 3) staff currently reviewing the health insurance program, and; 4) Council requested the health insurance program become part of the budget review process in the future and placed on a fiscal year instead of a calendar year timeline.

Mr. Gilley stated Susan Smith, Texas Municipal League (TML) will meet with Council during a Council Workshop on September 20<sup>th</sup> to discuss with Council various health insurance issues.

Further Council and staff discussion included: 1) Council requested that monthly financial statements be submitted to them; 2) Council supporting not charging non-profit organizations for temporary food permits; 3) concerns surrounding alarm fees and Council's preference to not bill citizens for false alarms that they are not causing; 4) Council's support of 0-4% employee pay for performance increases and 2.75% across the board; 5) employee morale suffering due to no pay increases and consideration being given to employees receiving a 3% raise; 6) Council's support of a 0-5% merit based employee raise with expectations of being able to offer a satisfactory level of raises next year; 7) the need for supervisors to be trained in the Pay for Performance program; 8) employees being the City's

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greatest investment; 9) how updating the Parks Master Plan might qualify the City for additional State and Federal grants; 10) staff not being able to predict budget numbers as early as April/May; 11) the possibility of 0-5% raises for both civil and non-civil service employees; 12) the cost to do an extra 1% raise in January for Police and Fire; 13) staff explained that starting base pay for patrolmen's classifications are the same, how salaries can vary with certifications, and the perimeters of Civil Service regulations and limitations; 14) competitive review of specific ranks and the possibility of a salary study; 15) Council noting a current Council's commitment cannot be made for future Council's; 16) probationary and various salary scales for Police and Fire; 17) Abilene being a competitive market, the possibility of comparing the average salaries in the 10 peer cities, and; 18) moving proposed budgets forward but tying future goals to established criteria in areas of civil service salaries.

Council recessed for a break at 10:15 a.m. and reconvened at 10:30 a.m.

### **EXECUTIVE SESSION**

Mayor Archibald convened the Council into Executive Session, in the 2<sup>nd</sup> floor Conference Room, 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.

The Council reconvened from Executive Session and reported no votes or action was taken in Executive Session.

Mayor Archibald stated Council has reviewed the full scope of potential employee raises and the discussion, if needed, could continue at tomorrow's Budget Workshop following the Regular City Council meeting.

Various Council questions included: 1) how much revenue could be generated if fair market rates were charged for the Police Training Facility and trainers; 2) what are the unpaved streets inside the "loop" within the City limits and the cost to pave those; 3) how much General Fund money could be generated if City-owned land and/or buildings, that are not necessary to the City's current or reasonably anticipated operations, were sold; 4) what is a reasonable estimation of the amount of additional money in State or Federal Grants the City could qualify for if/when the Parks Master Plan is updated, and; 5) what is an estimate of the cost to appropriately improve/repair/upgrades at Ft. Phantom ( i.e., restroom, park, etc.).

Council and staff discussion included: 1) staff explained the competition for state and federal grants and that match requirements are limited; 2) further study would be required to estimate the amount of revenue that would be generated from the sale of City land or structures; 3) Council noting previous property list provided to Council consists mostly of streets; 4) Council's request that staff designate what City property is not

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needed and to determine what revenue could be generated from the sale of that property; 5) alley paving versus the paving of unpaved streets (including those outside of loop); 6) the possibility of paving streets to citizens homes that have been unpaved for many years; 7) the need to maintain alleys for access by refuse trucks; 8) the dual issues of problems arising from streets that were never paved and alleys that were once paved, then due to budget restraints, were no longer maintained; 9) the alley program proposal being one part of a complete package, and; 10) alleys being proposed by staff to be paved and basis for proposal.

Councilman Williams left the meeting.

Mayor Archibald stated the next item is for discussion only on the Public Safety Communications Radio System proposal.

Mr. Gilley stated the proposal is for Council discussion only today but will be considered at tomorrow's Council meeting and due to the expense of the project today's meeting is to provide Council with additional time for questions and answers concerning the Communications Radio System proposal.

Ronnie Kidd, Director of Administrative Services stated the City received responses to its Request for Proposals (RFP's) for an 800 MHz digital radio system on November 10, 2004. Mr. Kidd noted since that time, the Public Safety Communications Systems Project Team has been working with RCC Consultants Inc., the City's consulting firm, to evaluate responses to the RFP's submitted by three vendors and to identify the best solution for the City's public safety radio needs. The Public Safety Communication Project Team is comprised of the following individuals:

- Melvin Martin – Police Chief
- Jim Berry – Deputy Police Chief
- Ken Merchant – Deputy Police Chief
- Mark Moore – Deputy Police Chief
- Brad Fitzer – Fire Chief
- Alan Plumlee – Assistant Fire Chief
- Ronnie Kidd – Director of Administrative Services
- Mark Hoover – Assistant Director of Administrative Services
- Larry Swanson – Communication Services Manager
- Dispatch center personnel
- fire and police department staff

Upon completion of the evaluation of the proposals, the Project Team concluded that there was a clear first, second and third order of ranking of the proposals. Accordingly, the Project Team unanimously agreed that the proposal from Daley & Wells Communications, Inc. offered the best solution. Greg Munchrath, Senior Vice President and Western Division Manager for RCC, will be present for the Council

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meeting tomorrow, Thursday, September 8<sup>th</sup> to present an overview of the analysis process and the rationale behind the recommendation.

Mr. Kidd briefed the Council on the analysis process and the rationale for the recommendations. The following Proposal Analysis is a summary representing a 9-month process of analysis, vendor presentations, follow-through, discussion, consultation and dialogue. The Computer Assisted Dispatch and Records Management System (CAD/RMS) RFP responses have undergone simultaneous analysis. The first-ranked proposal has been identified and staff is now finalizing the recommendation to bring forward to Council within the next 30 to 60 days.

**CITY OF ABILENE  
SUMMARY ANALYSIS OF RADIO SYSTEM PROPOSALS  
As of 9/1/05**

<b>QUALIFIERS/VENDOR</b>	<b>Daley &amp; Wells</b>	<b>Motorola</b>	<b>M/A-COM</b>
<b>System Proposed</b>	EDACS 800 MHz Trunked System	LE 800 MHz Trunked System	Open Sky Voice over IP Infrastructure System
<b>Estimated Cost (12 Channel configuration)</b>	\$9,178,015	\$8,747,574	\$8,634,409
<b>Number of Towers/Sites</b>	7	2	5
<b>Tower Sites Owned by City?</b>	Yes	1 owned/1 leased	Combination
<b>Simulcast System</b>	√	√	–
<b>Coverage</b>	+	√	–
<b>P25 Compliant</b>	√	√	√
<b>Radio Upgrade Ability</b>	√	–	√
<b>Interoperability Achieved</b>	√	√	√
<b>Console Stage of Life Cycle</b>	√	–	√
<b>Technologically Sound/Stable</b>	√	√	√–
<b>Proven Installations</b>	√	√	–
<b>Operable with Analog/Digital/Both</b>	Both	Digital only	Both
<b>Requires BiDirectional Amplifiers</b>	No	Wait and See if needed, additional cost	Yes, additional cost
<b>Over the Air Programming?</b>	Yes	Not Available	Yes
<b>Fail Safe Capability</b>	Good	Vulnerable	Good

**TIC MARK LEGEND:**

**+ = Exceeds RFP minimum specifications    √ = Meets RFP minimum specifications    – = Falls short of RFP minimum specifications**

**DISTINGUISHING REVIEW REMARKS FOR EACH VENDOR'S PROPOSAL:**

**Daley & Wells:** Vendor proposed a solution that not only meets but exceeds coverage requirements specified in the RFP for both in-building and on-the-street, as evidenced by the number of tower sites in the system. The Chief of Police and the Fire Chief can best speak to the importance of this qualifier. Tower sites in this proposal are owned by the City, lease payment expense and property control are not an issue going forward...in fact, an opportunity exists for revenue generation by leasing tower space to other parties. Bi-Directional Amplifiers (BDA's), an add-on expense, are not required to penetrate buildings...the proposed coverage negates the need for BDA's and their associated costs. An operational key is the fact that vendor has demonstrated a proven history of radio equipment that can be upgraded instead of requiring total replacement to move forward as technology evolves. Further, the Fire Chief feels that an analog mode of operation is highly beneficial and desirable at the scene of a fire, based on his previous experience with other trunked radio systems. This vendor provides that capability. The vendor also provides the ability to accomplish over-the-air programming of radios. This is a great efficiency factor in maintaining the system...police officers and firefighters will not be required to bring equipment to the radio shop for programming changes. In the event of a natural or man-made disaster that renders one site inoperable, fail safe capability exists in that the overall radio system can remain operable at capacity without a particular site due to the number of tower sites. Reference checks yielded the fact that Wichita Falls recently implemented a similar solution provided by this vendor that is operating excellently and demonstrates the vendor's capability to deliver what is proposed.

**Motorola:** Vendor proposal meets minimum RFP specifications in most regards. While meeting RFP specifications, coverage does not compare to the first-ranked proposal. Deficiencies noted in the proposal include the fact that the proposed fail safe capability or recovery/redundancy mode of the system is located at one of the two tower sites. Should a natural or man-made disaster render that site inoperable, the back-up capability is also rendered inoperable. Loss of either one of the two tower sites significantly reduces radio coverage in the City. Further, one proposed site is leased, therefore diminishing property control and manageability of lease expense. The vendor does not have a good track record in providing the ability to upgrade the system and associated radios as technology evolves. Frequently, older equipment and radios must be replaced with new equipment in order to migrate to newer technology. The first-ranked vendor's solution does not present this limitation. The vendor-proposed dispatch consoles are at the end-stage of the product life-cycle, according to the vendor's oral presentation. This is a significant concern...we do not want to bring up a new system with equipment that will be immediately outdated. Also, the vendor cannot support the Fire Department's critical concern for the ability to operate in analog mode at fire scenes. Vendor response to the need for BiDirectional Amplifiers (BDA's), which would incur an additional expense, was to implement without the BDA's and then determine if BDA's were needed at additional cost.

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**M/A-COM:** The proposed system utilizes a new architecture that does not yet have wide acceptance. Further, the coverage requirement is compromised by the fact that the possibility exists for dropping of connections when a user travels between ranges of tower sites (actually a “cellular-site-oriented” technology). During reference check procedures, we were unable to verify that any cities or counties have this solution up and running in a fully-implemented and problem free mode. The technology aspect of the proposed solution is intriguing, but is leading-edge, and as best we can determine, is not yet proven in the public safety environment. This system did not meet the channel capacity requirements throughout the City’s service area. Proposed radio coverage was also a concern.

David Wright, Director of Finance addressed the financing of the system noting that staff is proposing a Certificate of Obligation sale in November 2005, estimated in the amount of \$10,000,000. This will be the City’s share of both this radio system and the CAD/RMS project. Staff is proposing a twelve (12) year maturity for this issue. For FY 2007, there would only be an interest payment. In FY 2008, equal principal payments would begin. The impact to the debt tax rate is estimated at 2.03 cents in FY 2007 with an additional increase in FY 2008 of 1.36 cents for a total impact over the two (2) year period of 3.39 cents. Debt service declines thereafter. Mr. Wright further noted the contract will be secured by the Federal grants and the Fleet Replacement Fund until the Certificates are sold. Based on the contract provisions, a down payment on the radio system will be required. Staff proposes that this payment be made partially from the grants with any balance being made from the Fleet Replacement Fund. The Fleet Replacement Fund would be reimbursed from the Certificate sale. A written reimbursement Resolution will be provided at the September 8<sup>th</sup> Council meeting.

Council and staff discussion included: 1) CO’s usually having a 15 year life span and GO’s having a 20 year life span but this proposal for a 12 year CO is due to the theoretical life of technology, not necessarily replacing the radio system in 12 years; 2) this proposal being a separate issue from the Annual CO Program; 3) timing issues surrounding the CAD/RMS project implementation; 4) vendors response to the need for Bi-Directional amplifiers at additional unknown expenses and where amplifiers may be needed; 5) various funding for the project and clarification that the project cost is to not exceed \$10,000,000; 6) the estimated fully operational time frame for the communication system being 18-24 months, and; 7) communicating to the public that if a bond election is passed the tax rate during FY 06-07 could be raised and in 2008 that rate could increase by 5% from today’s rate.

Brad Fitzer, Fire Chief stated the proposed communication system will provide very needed coverage and feels it is the best system for the City.

Melvin Martin, Chief of Police stated the current system is 18 years old and is now providing ineffective communication and further stated due to the age and condition of the current system time is of the essence.

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Council and staff discussed the pro's and con's of the communication system being funded through Certificates of Obligation versus including the project as a proposal for the bond committee members to consider and the need to not put citizens at risk by delaying the project.

Following the Budget Workshop and discussion on the Public Safety Communications Radio System proposal Mayor Archibald recessed the Council to the Abilene Regional Airport for a tour of the facilities.

The Council reconvened at the Abilene Regional Airport and following a tour of the Airport facilities and lunch, and with there being no further business, the meeting was adjourned at 1:20 p.m.

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Jo Moore  
City Secretary

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Norm Archibald  
Mayor