

SPECIAL CITY COUNCIL MEETING
February 2, 2006, 8:30 a.m.

CITY COUNCIL OF THE CITY OF ABILENE, TEXAS

The City Council of the City of Abilene, Texas, met in a Budget Workshop on February 2, 2006, at 8:30 a.m. in the Oakwood Trails Lodge on the Abilene State School Campus at 2501 Maple St. Mayor Archibald was present and presiding with Councilmen Sam Chase, Anthony Williams, Kris Southward, Stormy Higgins, and Councilwoman Laura Moore. Also present were City Manager Larry Gilley, City Attorney Sharon Hicks, City Secretary Jo Moore, and various members of the City staff. Councilman John Hill was absent.

1. Mayor Archibald called the meeting to order.
2. Councilman Higgins gave the invocation.
3. Councilman Southward led the Pledge of Allegiance.
4. Mayor Archibald stated the City is through the first quarter of the fiscal year and that the purpose of today's meeting is for review and discussion of city revenues and expenditures. The Mayor turned the meeting over to City Manager Larry Gilley.

Mr. Gilley stated today's meeting would consist of updating the Council on the financial condition of the City as of the close of business last year and a year to date status report. Mr. Gilley noted following the financial updates Council could discuss the potential in expenditures and 2007 priorities. Mr. Gilley introduced David Wright, Director of Finance to present the Financial Update.

Mr. Wright's review of the financial update included the following:

- General Fund FY 2005 – Revenues and Expenditures
- Hotel/Motel Occupancy Tax FY 2005, as of December 31st, Budget, Actual and Difference (including the Civic Center FY 2005 items held due to electric costs)
- General Fund Summary of Revenues for Budget Fiscal Year 2006 as of December 31, 2005
- Watch Areas – General Fund Revenues
 - Hotel/Motel Tax
 - Electric Franchise Tax
 - Telecommunication Line Fee
 - Licenses & Permits
 - Airport
 - Municipal Court Fines
 - Cable TV Franchise Tax
 - Sales Tax / Sales Tax Comparison General Fund
- General Fund Summary of Expenditures for Budget Fiscal Year 2006 as of December 31, 2005
- Watch Areas – General Fund Expenditures as of December 31
 - Electric
 - Gas
 - Equipment Use Charge

Special Called City Council Meeting
February 2, 2006
Page 2

- Street Lighting
- Police Overtime
- Fire Overtime

Council and staff discussion included: 1) staff requesting Council's direction on the request from the Abilene Convention and Visitor's Bureau (ACVB) for supplemental funds from the Hotel/Motel Tax; 2) the possibility of determining a base budget for the ACVB and then arranging a percentage of additional funds; 3) staff explained the previous and current distribution process of the Hotel/Motel Tax funds and Council's distribution options; 4) staff's concerns surrounding the unknown plans for the City funds being used by the ACVB and the staff's preference for the ACVB to submit an annual marketing plan; 5) areas where both expenses and revenues exceeded expectations; 6) staff noting the City's audit will be brought to Council for consideration in approximately thirty days; 7) staff explaining how Civic Center upgrades are handled, and; 8) Council's concerns involving the staffing of the police department, specifically overtime issues and the impact those issues have in the increase in overtime paid, and the possibility of cross training (possibly discuss during Meet and Confer process). Staff recommended those issues be made a part of the discussion during the budget process in the coming year.

Council recessed for a break at 9:45 a.m. and reconvened at 9:55 a.m.

Mr. Gilley stated during discussions in 2005 it was determined that the budget process would include more Council input prior to the budget being finalized. Mr. Gilley distributed to Council the following statement as a possible guide in the development of the proposed budget:

2007 Budget Policy Statement
of the
Abilene City Council

The following policy statement shall be used as a guide by the City Manager as he develops the proposed budget for the City of Abilene for the 2007 Fiscal Year. This policy statement is not intended to mandate any specific action by City staff; rather it is to serve to provide preliminary guidance from the City Council in the development of the proposed budget.

Strategic Objective: Comprehensive Plan

We want to fully implement the Comprehensive Plan to aid and encourage the growth of the city in a systematic manner for present and future generations.

- Continue to support the Code Enforcement program and consider adding additional code enforcement officers.
- Provide funding for update of the Parks Master Plan.
- Continue to support funding for the Land Development Code.

Strategic Objective: City Management

We want to be inclusive and efficient in our stewardship of Council perspective, staff expertise, and capital resources to continuously improve the delivery of city services.

- Continue the pay-for-performance program for non-civil service employees and appropriate salary increases for civil service employees.
- Evaluate the Individually Assigned Patrol Vehicle program for the Police Department.

Strategic Objective: Water

We want to fully implement a water management plan that adequately provides water quantity and assures water quality for current and future needs.

- Evaluate the appropriateness of current water rates.
- Implement coordinated water use policy.

Strategic Objective: Economic Development

We want to focus our resources to create an environment conducive to expansion of existing business and the attraction of new business and capital investment.

- Continue to fund Economic Development Department and strategic partners with 4a sales tax funds.
- Provide necessary resources to facilitate permitting and inspections for new businesses and expansion of existing businesses.

Council and staff discussion included: 1) views concerning holding Council meetings in the evening; 2) Council's suggestions concerning adding various items to the Strategic Objectives; 3) reviewing Abilene's comparison cities for possible changes and having a salary survey conducted prior to the beginning of the budget process in July; 4) Council's request that staff contact other municipalities where land privatizing has been done and then set a date to report to Council on how that process works; 5) staff noting that at the March 7th Council Workshop water issues would be addressed; 6) Council consensus to utilize the Budget Policy Statement format as proposed by Mr. Gilley and to formally consider adopting the Policy by the end of March 2006; 7) consider holding a budget workshop in late July or early August 2006; 8) evaluating Phase 1 of the Land Development Code prior to implementing Phase 2, and; 9) views and possible options concerning city staff, versus consultants, analyzing comparison cities

The following is a summary of Council suggestions to be revised or added to the proposed 2007 Budget Policy Statement:

Strategic Objective: Comprehensive Plan

- Evaluate continued funding for the Land Development Code.
- Evaluate cost/benefit of areas being considered for annexation.
- Provide Council with a status update of the Comprehensive Plan.
- Proceed with a development plan for the Fort Phantom Hill Lake area.

Strategic Objective: City Management

- Provide funding to conduct a compensation study.
- Support programs that promote a more inclusive city government and continue funding for City University.
- Evaluate the cost of providing for bulky waste drop-off facility.
- Address self-insurance fund issues.
- Provide a status update of unfunded items from FY 2006 budget.
- Prioritize unfunded needs identified in the budget process.
- Evaluate the mission and strategic direction of the fire department.

Strategic Objective: Water

- Continue to evaluate water resource issues:
 - Cedar Ridge reservoir
 - Expanded use of treated effluent
 - Distribution of treated effluent
 - Evaluate wetlands for advanced treatment and discharge of treated effluent into Lake Fort Phantom Hill
- Evaluate regional stormwater detention policies

Strategic Objective: Economic Development

- Begin necessary procedures to privatize City-owned land around Lake Fort Phantom Hill.
- Determine Council's funding strategies for "quality of life" projects.

EXECUTIVE SESSION

5. Mayor Archibald recessed the Council into Executive Session pursuant to Sections 551.071, 551.072, and 551.074, of the Open Meetings Act, to consult with our City Attorney, to discuss the potential acquisition or real property, and to consider the appointment and evaluation of public officials.

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

Special Called City Council Meeting
February 2, 2006
Page 5

Mayor Archibald announced the Regular Council meeting will be held on February 9th at 8:30 a.m. in the Council Chambers of City Hall and a Joint City Council/Planning and Zoning Commission Meeting will be held on February 16th at 8:30 a.m. in the Oakwood Trails Lodge located on the Abilene State School Campus.

There being no further business, the meeting was adjourned at 11:08 a.m.

Jo Moore
City Secretary

Norm Archibald
Mayor