

SPECIAL CITY COUNCIL MEETING

May 24, 2007, 8:30 a.m.

CITY COUNCIL OF THE CITY OF ABILENE, TEXAS

The City Council of the City of Abilene, Texas, met in a Workshop on May 24, 2007, at 8:30 a.m. located in the Basement Conference Room of City Hall, 555 Walnut Street. Mayor Pro Tempore Williams was present and presiding with Councilmen Sam Chase, Stormy Higgins, Joe Spano and Councilwomen Celia Davis and Laura Moore. Also present were City Manager Larry Gilley, Interim City Attorney Dan Santee, Assistant City Secretary Renee Scott, and various members of the City staff. Mayor Archibald was absent.

1. Mayor Pro Tempore Williams called the meeting to order.
2. Councilman Chase gave the invocation.
3. Councilman Spano led the Pledge of Allegiance.

Mayor Pro Tempore Williams stated today's meeting has been called in order to give the Council the opportunity to be given a presentation by the Police Department, to discuss the City's Self Funded Health Plan, and to be given a presentation regarding the Texas Municipal Retirement System (TMRS). Mayor Pro Tempore Williams then turned the meeting over to City Manager Larry Gilley.

Mr. Gilley stated his appreciation to Council for their willingness to have the third Council meeting a month in order to discuss issues in greater depth and detail, especially during the budget process. Mr. Gilley further stated the third meetings will also have departmental presentations to inform Council on the respective departments. Mr. Gilley introduced Chief of Police Melvin Martin to give the presentation for the Police Department.

4. Police Departmental presentation.

Chief Martin stated the presentation at today's meeting would consist of some of the critical issues facing the police department, budgetary concerns, and some of the major crime issues. Chief Martin reviewed the following information concerning staffing and noted this is the most critical issue facing the Police Department.

Staffing

- Current authorized staffing - 182
- Current actual staffing - 171
- Currently eligible to retire - 54
- Eligible to retire within 5yrs - 86
- Officers w/ less than 5yrs exp – 45

Staffing Officer Assignment

- Uniform Services -120/112
- Investigative Services - 50/47
- Support Services - 10/10

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Staffing Hiring Time Line

- Advertising starts - 03/05/07
- Test date - 04/28/07
- Academy start date - 09/04/07
- Academy graduation date - 03/04/08
- Field Training end date - 06/10/08

Council and staff discussion included: 1) the number of police officers reaching retirement eligibility of 20 years versus 25 years; 2) the possibility of lowering the standards of recruiting due to pending retirements; 3) the retention of cadets in the academy being good but the probability of losing cadets in the field training (FTO) process; 4) the number and residence location of individuals taking the police entrance exam; 5) the possibility of hosting co-existing police academies; 6) the cost of the police academy and the salaries of the cadets while attending the academy; 7) concerns involving overtime issues of police officers; 8) the positive cost and staffing benefits of increasing the number of police officers and the proposal of requesting additional police officers in this year's budget; 9) the possibility of overstaffing and Council having the authority to authorize the staffing table by the budget ordinance; 10) staff noting the timeframe concerns of the cadets being in the police academy to active duty; 11) the different areas and professions that the cadets who do not complete the field training choose; 12) the requirement that all individuals have to attend the police academy; 13) Council's concerns of the Abilene Police Department becoming a younger department due to tenure of service and staff stating the hiring process is critical in the growth of the department; 14) the benefits of conducting the City's own police academy, and; 15) the benefits and cost of the individually assigned vehicle program for police officers, but staff noting overstaffing is the priority.

Chief Martin reviewed the following information concerning the School Resource Officer program.

School Resource Officer Expansion

- Current Assignment by officer
 - McAuliffe, Abilene HS
 - Spraberry, Cooper HS
 - Brown, Clack MS, Lincoln MS
 - Jenkins, Mann MS, Franklin MS
 - Kastner, Madison MS
 - Walker, SAC, RAC, Project Pass

School Resource Officer Expansion

- Proposed Assignments
 - McAuliffe, Abilene HS
 - Walker, Cooper HS
 - Irby, Wylie HS
 - Aulerich, Clack
 - Brown, Craig MS
 - Jenkins, Mann MS
 - Kastner, Madison MS
 - Sgt. Rowley, SAC, RAC

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Council and staff discussion included: 1) the Youth Division being responsible for the School Resource Officer program; 2) the responsibility and the number of officers that report to Sergeants of divisions throughout the police department, and; 3) the positive benefits of the School Resource Officer program.

Chief Martin briefed the Council on the following communication issues:

Communications Issues

- March 13- 800mhz radios went on-line
- May 1- Computer Aided Dispatch went on-line.
- Level 4 Interoperability achieved, immediately
- June 12- I/LEADS to go on-line

Council and staff discussion included: 1) the scheduling of a tour in the future to allow Council to have the opportunity to review the new communications system; 2) the anticipation that the officers will have the capability of field reporting by data input from the keyboard in their cars, and; 3) the technological benefits of the new communications system.

Chief Martin briefed the Council as follows on the history and condition of the Academy Building:

Academy Building

- Building constructed in 1982
- Rain water regularly floods the classroom
- Many rusted through portions of the metal siding/windows
- Current class rooms are approx. 20' by 35'
- APD regularly host classes for our own, as well as other agencies, seating 40+ officers.
- Original restroom/locker room facilities, especially women's, totally inadequate for Academy classes.

Council and staff discussion included: 1) the need to expand the academy building classrooms for the purpose of hosting training sessions for the police cadets as well as various law enforcement agencies throughout the area; 2) the cost for the expansion and possible revenue that can be generated from hosting classes to outside departments; 3) Council's concerns of the condition of the academy building, and; 4) the possibility of various federal funding sources to be used for small scale expansion and renovation.

Chief Martin reviewed the following information concerning the Forensics expansion:

Forensics Expansion

- Currently down to one certified Forensics Technician, who is eligible for retirement
- Certification takes from 2 to 6 years
- Identified prints must be examined by a second certified technician to confirm a match
- Moving into the old Dispatch facility, approx 1400sq. ft.
- Current lab approx. 100sq. ft.
- Construction costs funded by CIP

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- Current equipment does not meet safety or investigative needs

Council and staff discussion included: 1) the timeframe to be certified as a forensic specialist, and; 2) the need to expand and upgrade the forensic facility and program to be able to solve more crimes.

Chief Martin briefed the Council on the following information concerning the video equipment:

Video Equipment

- 3 current video needs to meet
 - Interrogation Video
 - Security Video
 - Mobile Video (in-car)

Council and staff discussion included: 1) Mayor Pro Tempore Williams being instrumental in the acquisition of the interrogation video equipment and staff recognizing the positive benefits of utilizing the equipment; 2) the existing video equipment having various faults and staff noting the funding and location of a new video system has been found; 3) Mayor Pro Tempore Williams stating his appreciation to staff and noting the benefits for the department, legal system, and the community in utilizing the interrogation video equipment, and; 4) the benefits of the in-car mobile video.

Chief Martin discussed the MHMR transports as follows:

MHMR Transports

- APD took over transports to State Hospitals in September 2005
- Transports require two escort officers and are generally made to Big Springs, San Angelo, Wichita Falls, and Lubbock, but also include El Paso, San Antonio, Harlingen, and Rusk.
- In 2006, APD performed 300 transports, at an average cost of \$300- 400 each (\$90,000)

Council and staff discussion included: 1) utilizing sworn officers and retired officers to transport; 2) staff noting the need for Abilene to house a mental hospital; 3) staff clarifying that any certified peace officer can transport; 4) the possibility of contracting the use of beds with private hospitals; 5) two officers used in transporting is due to safety issues; 6) the cost of housing and transporting the patients, and; 6) the County working with Legislatures for the possibility of a local facility.

Chief Martin reviewed the following computer crimes technology:

Computer Crimes Technology

- Computer Crimes is one of the fastest growing new segments of crimes. The APD does not address it, as they do not have the staffing or the equipment.
- In many cases, offenders have incriminating information on their home computers.
- APD currently utilizes the FBI for information extraction from PC's, which can cause considerable delays.
- Plans are for a two-man Computer Crimes section, if equipment and staffing will allow.

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Chief Martin briefed the Council on the following crime trends and statistics:

Crime Trends and Statistics

- Local focus
 - Criminal Mischief
 - Drugs (Crack, Ice, Cheese)
 - Fraud
 - Gang Violence
 - Car Burglaries

Chief Martin stated there are many positive things happening in the Police Department and thanked Council for their time.

Mayor Pro Tempore Williams stated this item was a presentation to receive information only and no Council action is required.

5. Discussion regarding the City's Self Funded Health Plan.

Mayor Pro Tempore Williams requested City Manager Larry Gilley brief Council on the City's Self Funded Health Plan.

City Manager Larry Gilley stated the City is continually seeking ways to improve the City's Self Funded Health Plan not only in the terms of its benefits to the employees but also the financial stability of the plan. Mr. Gilley noted significant changes were made to the plan this year and the purpose of this item is to brief Council on the current status of the plan as well as the future outlook. Mr. Gilley introduced Ronnie Kidd, Director of Administrative Services to brief the Council.

Mr. Kidd noted significant changes have been made to the City's Self Funded Health Plan as well as the Third Party Administrator and the purpose of today's presentation is to update Council on the changes. Mr. Kidd introduced Jared Wills of Holmes Murphy to brief Council on the presentation.

Mr. Wills distributed handouts and reviewed the Health Plan performance for the plan year January 1, 2007 through December 31, 2007 as follows:

- Executive Summary:
 - Performed a formal marketing analysis through a Request for Proposal (RFP)
 - Analyzed responses
 - Presented results to Council
 - Moved to Blue Cross Blue Shield effective January 1, 2007
 - The City is only 4 months into the new contract
 - Prepared preliminary cost projections for the coming fiscal and calendar years
 - Provide another update to Council in late July
- Monthly Claims Experience:
 - Rolling 12-Months Claims: April-06 to March-07

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- Benchmark Plan Design:
 - City Plan Designs vs. Benchmark City Plan Designs
- Benchmark Contributions:
 - City Contributions vs. Other City Contributions
- Historical Contributions:
 - City Cost Share
 - Adjusted City Cost Share
- Historical Benefits since 2002
- Cost Projections:
 - FY 2007-2008
 - CY 2008
- Retiree Benefits Old Experience: Retirees <65:
 - Claims Paid: 10/01/05 – 09/30/06
 - The City and its employees were subsidizing roughly \$109,000 of the cost of retirees <65 health care.
- Retiree Benefits Old Experience: Retirees 65+:
 - Claims Paid: 10/01/05 – 09/30/06
 - The City and its employees were subsidizing roughly \$147,000 of the cost of retirees 65+ health care.
- Retiree Benefits 2007 Action:
 - Retirees <65
 - ✓ Stayed on the Active Plan
 - ✓ Increased Contribution to Cover Cost, reduce GASB liability
 - Retirees 65+
 - ✓ Increased Retiree Contributions to Cover Cost, reduce GASB liability
 - ✓ Offered Aetna Medicare Supplement Plans with attractive medical and Rx benefits at affordable rates
 - ✓ Continue to monitor Aetna performance and other possible retiree solutions
 - 2007 Results YTD
 - ✓ Early information is positive, but too early to calculate impact with only three months of immature data
- Retiree Benefits Contributions: Retirees <65
- Retiree Benefits Contributions: Retirees 65+
- Holmes Murphy Summary Scope of Services:
 - Performed market due diligence and cost analysis on benefit programs
 - Prepared formal RFP for benefit programs
 - Marketed benefit programs
 - Negotiated final contractual terms with carriers
 - Performed Dynamic Plan Benefit Modeling to determine appropriate plan design changes and cost adjustments to payroll deductions
 - Performed Retiree Benefit Analysis resulting in adjustments to retiree benefits and contributions
 - Provided implementation assistance
 - Develop cost projections for budget

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- Provide Benchmark Analysis
- Provide ongoing service/management of benefit programs
- Performing GASB liability analysis
- Reviewing clinic performance
- Next Steps:
 - Provide updates in late July
 - Explore marketing opportunities for 2008
 - Discuss possible plan design changes for 2008
 - Discuss contributions strategy for 2008

Discussion included: 1) Council's concerns of not allowing ample time to determine what Blue Cross Blue Shield's discounts will provide for the City and Mr. Wills noting they are prepared to brief Council in late July with a more accurate reporting; 2) the definitions of network efficiency and charge master; 3) the discounts being based upon the projected costs not the real costs, and; 4) Council's request that an update be provided to Council for the Budget workshops along with different scenarios on cost saving ways to improve the plan for the City and its employees.

Mayor Pro Tempore Williams stated this item was a presentation to receive information only and no Council action is required.

Council recessed for a break at 10:30 a.m. and reconvened at 10:40 a.m.

6. Texas Municipal Retirement System (TMRS) presentation.

Mayor Pro Tempore Williams requested City Manager Larry Gilley brief the Council on the Texas Municipal Retirement System.

City Manager Larry Gilley stated the Texas Municipal Retirement System (TMRS) is hosting a pre-retirement seminar today at the Civic Center not only for City of Abilene employees but regional employees as well. Mr. Gilley noted the City of Abilene has approximately 160 employees, 15% of the City's workforce, at the pre-retirement seminar today which is a good indication of what is in the future regarding pending retirements. Mr. Gilley introduced David Rodriquez, Member Development Specialist with TMRS to brief Council on the presentation.

Mr. Rodriquez stated the presentation today will consist of an overview of the TMRS System, the TMRS System relating to the City of Abilene, and the future of TMRS.

Mr. Rodriquez briefed Council on the following information:

- History
 - Established 1948 Disability & Service Retirement System – Cities & Municipalities
 - Over 820 Cities
 - 120,000 Members
 - 20,000 Retirees

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- State Systems
 - TRS – Teachers Retirement System
 - ERS – Employees Retirement System
 - TCDRS – Texas County and District Retirement System
- Difference
 - TRS, ERS, TCDRS – Defined Benefit Plans
 - TMRS – Hybrid Defined Contribution Plan
- City Plans
 - Councils Choose to Join
 - Determine Plans – Employee Deposit Rate, City Match
 - 820 Different Plans
 - Actuarial Study
- TMRS – A Hybrid
 - City Match of Employee Deposits (Defined Contribution)
 - USC – Defined Benefit
 - Prior Service – Defined Benefit
 - Buy Back – Defined Contribution
- Two Basic Funding Methods
 - Unit Credit
 - Entry Age Normal
- Unit Credit
 - Works Like Whole Life Insurance
 - Costly as Plan Matures
- Entry Age Normal
 - Works Like Term Life Insurance
 - Younger Employees Less Costly to the Plan
 - TMRS is a Modified – Unit Credit Plan
- Two Basic City Funding Categories
 - Normal Cost
 - Prior Service
- Categories Examined Normal Cost
 - Turnover
 - Employee Growth or Decrease
 - Average Age of Employees
 - Average Tenure
 - Average Salary
- Categories Examined Prior Service
 - Prior Service
 - Updated Service Credit
 - Buy Back
 - Restricted or Military
- Your Plan & Comparison
 - 7% Employee Deposit Rate
 - City 2 to 1 Match
 - 20 Year Retirement

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- 5 Year Vesting
- Communication & Coverage
 - Well Funded
 - Conservative Investments

Discussion included: 1) the City of Abilene currently having approximately 520 retirees; 2) the requirement for TMRS to keep separate accounts for employees who begin employment with another city; 3) the most expensive benefits to cities are reoccurring updated service credits and cost of living increases to retirees; 4) the City of Abilene and its peer cities having the same benefits relating to the cost of living increases to retirees; 5) the need to make adjustments to plan designs for the purpose of helping cities with the rising costs; 6) the City of Abilene and its peer cities having the same benefits relating to the 2 to 1 match and the 20 year retirement, and; 7) the explanation of survivor benefits, supplemental death benefits, and retiree death benefits.

Mayor Pro Tempore Williams stated this item was a presentation to receive information only and no Council action is required.

No Executive Session.

There being no further business, the meeting was adjourned at 11:15 a.m.

Renee Scott
Assistant City Secretary

Anthony Williams
Mayor Pro Tempore