

**CITY COUNCIL MEETING
October 11, 2007, 8:30 a.m.**

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

The City Council of the City of Abilene, Texas, met in Regular Session on October 11, 2007, at 8:30 a.m. in the Council Chambers at 555 Walnut Street. Mayor Pro-tem Williams was present and presiding with Councilmen Sam Chase, Stormy Higgins, Joe Spano, Councilwomen Laura Moore and Celia Davis. Also present were City Manager Larry Gilley, City Attorney Dan Santee, Interim City Secretary Danette Dunlap, and various members of the City staff. Mayor Archibald was absent.

Councilman Chase gave the invocation.

Mayor Pro-tem Williams introduced Angel Aquillon who led the Pledge of Allegiance to the Flags of the United States of America and the State of Texas. Angel is a 5th grader at Reagan Elementary. Principal Moses Hall and Angel's mother were in attendance.

ANNOUNCEMENT

City Manager Larry Gilley introduced the new Assistant City Manager Evalin McCain. McClain is currently Assistant City Manager in Overland Park, Kansas. She will begin her new job with the City on October 30.



EMPLOYEE SERVICE AWARDS

Mayor Pro-tem Williams, assisted by Interim City Secretary Danette Dunlap, presented Employee Service Awards to the following individuals for their years of service:

20 Years	R. Glen Bailey	Environmental Health Manager
20 Years	Fidencio Garcia, Jr.	Supervisor I, Streets
25 Years	Richard Nieves	Street Maintenance Technician II
25 Years	Luis Sanchez	Animal Control Officer
30 Years	Frederick Bradford	Firefighter
30 Years	Ikey Garrett	Firefighter
30 Years	Larry Newton	Firefighter
30 Years	Gary Mims	Fire Lieutenant

PROCLAMATIONS

Mayor Pro-tem Williams presented the following proclamation:

-  **October 2007 “National Physical Therapy Month” Marsha Rutland, Assistant Professor of Physical Therapy at Hardin Simmons University accepted the Proclamation.**
-  **October 2007 “Domestic Violence Awareness Month” Dee Wilson, Executive Director of Noah Project, Inc. accepted the Proclamation.**

DISPOSITION OF MINUTES

2.0 Mayor Pro-tem Williams stated Council has been given the minutes from the September 13, 2007 and September 27, 2007 Regular Council Meetings. There being no deletions, corrections or additions to the minutes Councilman Spano made a motion to approve the minutes as presented. Councilman Higgins seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Spano, Councilwomen Moore and Davis and Mayor Pro-tem Williams.

NAYS: None

CONSENT AGENDA

3.4 *Oral Resolution authorizing the City Manager to execute Amendment No. 1 to the contract with Jacob and Martin, Ltd., for work associated with the Cedar Creek Sewer Replacement, was removed from the Consent Agenda to be considered separately at the request of Councilman Chase.*

3.7 *Bid Award #CB8003, Special Sidewalk Project, Judge Ely Blvd at Craig Middle School. The bid was awarded to Bontke Brothers Construction Co., Abilene, TX in the amount of \$199,513.17, was removed from the Consent Agenda to be considered separately at the request of Councilwoman Davis.*

Councilwoman Moore made a motion to approve consent agenda items 3.1 through 3.3, 3.5, 3.6 and 3.8 as recommended by staff. Councilman Higgins seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Spano, Councilwomen Moore and Davis and Mayor Pro-tem Williams.

NAYS: None

3.1 Resolution suspending the request of Atmos Energy Corp., Mid-Tex Division for an annual Gas Reliability Infrastructure Program (GRIP) rate increase in Abilene.

Resolution is numbered **#34-2007**

RESOLUTION OF THE CITY OF ABILENE SUSPENDING THE OCTOBER 25, 2007 EFFECTIVE DATE OF ATMOS ENERGY CORP., MID-TEX DIVISION REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH ATMOS CITIES STEERING COMMITTEE AND OTHER CITIES IN THE ATMOS ENERGY CORP., MID-TEX DIVISION SERVICE AREA TO HIRE LEGAL AND CONSULTING SERVICES AND TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

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3.2 Oral Resolution authorizing the City Manager to execute an Interlocal Contract between the Texas Water Development Board and the City of Abilene to Continue Work Associated with the Regional Water Supply Project.

3.3 Oral Resolution authorizing the City Manager to execute Amendment No. 2 to the contract with Enprotec/Hibbs & Todd Engineering for work associated with the Regional Water Supply Project.

3.4 **Removed from the Consent Agenda and considered separately:** *Oral Resolution authorizing the City Manager to execute Amendment No. 1 to the contract with Jacob and Martin, Ltd., for work associated with the Cedar Creek Sewer Replacement.*

Bid Awards:

3.5 **#CB8001** – Campus Court under drain. The bid was awarded to Bontke Brothers Construction Co., Abilene, TX in the amount of \$86,206.12.

3.6 **#CB8002** – Stonecrest Drive Reconstruction. The bid was awarded to Bontke Brothers Construction Co., Abilene, TX in the amount of \$229,988.19.

3.7 **Removed from the Consent Agenda and considered separately:** **#CB8003**, *Special Sidewalk Project, Judge Ely Blvd at Craig Middle School. The bid was awarded to Bontke Brothers Construction Co., Abilene, TX in the amount of \$199,513.17.*

3.8 Change Order – Nelson Ball field Lighting Project. The oral resolution authorizing a Change Order to the Nelson Park Ball field Lighting Contract in the amount of \$112,193 to include the Rose Park Ball field Lighting Project.

Item 3.4 considered separately at the request of Councilman Chase:

3.4 *Oral Resolution authorizing the City Manager to execute Amendment No. 1 to the contract with Jacob and Martin, Ltd., for work associated with the Cedar Creek Sewer Replacement.*

Councilman Chase inquired into the total amount of the project and the ability of the City Staff to handle the inspections. Tommy O'Brien Director of Water Utilities briefed the council that due to work load and the water and wastewater department being short handed the current City Engineer is unable to oversee the project and the cost of the Project is \$1.1 million.

Council and staff discussion included: 1) By authorizing the contract with Jacob and Martin they will be providing Resident Project Representation, materials testing and related engineering services associated with the redesign; 2) The City does not have the capability in house to handle the materials testing that will need to be done; 3) The time line the City is looking at is 180 days; and 4) The contract amount for Amendment #1 is \$92,850, which includes \$72,000 for RPR and materials testing, and \$20,850 for costs associated with the engineering, surveying and easements, and geotechnical work associated with redesigning the alignment of the Cedar Creek Sewer. The rate is based on an hourly rate.

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Councilman Chase made a motion to approve the Oral Resolution authorizing the City Manager to execute Amendment No. 1 to the contract with Jacob and Martin, Ltd., for work associated with the Cedar Creek Sewer Replacement. Councilwoman Davis seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Spano, Councilwomen Moore and Davis, and Mayor Pro-tem Williams.

NAYS: None

Item 3.7 considered separately at the request of Councilman Davis:

3.7 *#CB8003, Special Sidewalk Project, Judge Ely Blvd at Craig Middle School. The bid was awarded to Bontke Brothers Construction Co., Abilene, TX in the amount of \$199,513.17.*

Councilwoman Davis asked that Paul Knippel Director of Public Works update the citizens on the sidewalks at Judge Ely Blvd. Paul Knippel briefed the council on the sidewalks and he stated the city and school officials have been observing the area during the hours in which school age children were walking to and from school. The city recognizes the need for the sidewalk on the West side of Judge Ely Blvd and the completion of the Hike and Bike Trail on the East side. With the approved bond election in 2006, the bond sets aside money for sidewalk repair. The School construction was approved prior to the Sidewalk Ordinance going into effect.

Council and staff discussion included: 1) adjustment of the school zone lights; 2) a higher presence of city officers in the area; 3) concern of children being on the bridge on Judge Ely Blvd that spans the railroad tracks; 4) completion of a separate structure over the railroad for the Hike and Bike Trail; 5) are sidewalks justified on both the east and west side of Judge Ely Blvd; 6) committee on sidewalks has met and will be submitting their recommendations to the Planning and Zoning Commission; and 7) the committee will make recommendations on lower volume traffic areas being exempt from construction of sidewalks.

REGULAR AGENDA

4.1 Jon James Director of Planning and Development Services, briefed the council on Zone Case Z-2007-18 an appealed item. This is a request from Kenneth Musgrave to rezone property from AO (Agricultural Open Space) to PDD (Planned Development district), located at the corner of Musgrave Blvd. and I-20.

The subject parcel is currently used as agricultural/open space and is intended to be used as a hotel in the future. The surrounding area has a lot of development, including a PDD across Musgrave Blvd that has a higher standard of aesthetic quality, and is intended to continue developing in the future. This PDD was modeled on the adjacent Lowe's PDD, which was intended to set the precedent for development in this general area. The applicant spoke at the Planning and Zoning Commission meeting and was not opposed to the PDD.

The Future Land Use section of the Comprehensive Plan designates this general area as part of a commercial development off of I-20. There is currently a PDD in place that requires a higher standard of aesthetic quality across from Musgrave Boulevard from the subject property. Expanding that PDD to include this property, as requested by the applicant, would ensure this same higher standard of development on this site.

Staff recommends approval of the appealed PDD.

Mayor Pro-tem opened a public hearing on the item and the following individuals addressed the Council.

- Tal Fillingim, Jacob & Martin, LTD., Consulting Engineers and agent for Kenneth Musgrave, stated that they are in agreement with the staff recommendation of a PDD. This item is on appeal from the Planning and Zoning Commission, asking for approval of the City Council.
- Kenneth Musgrave owner of property stated that two other restaurants are committed to this area of development and one more that may be possible. Mr. Musgrave related his conversations with developers and how they have said that Abilene is the hardest city for development, but Mr. Musgrave has asked developers to give Abilene a chance. Mr. Musgrave related that things have changed and he thanked Council for making that possible. Mr. Musgrave was complimentary of the change that has occurred in the process of development and how friendly and helpful city staff has been.
- Jeff Blackman developer with Western International of Dallas Texas, Mr. Blackman gave a summary of the proposed Residence Inn by Marriott. A four story building with 117 rooms with full kitchen and a resort size swimming pool. This will be the first extended stay hotel in Abilene. The cost of the development is between 12 and 13 million dollars. Developers look at the following when considering areas to move to: Location (traffic patterns, restaurant), Military base, Cooperate stays, Airport, Population growth and Government travel.

There being no one else present and desiring to be heard Mayor Pro-tem closed the public hearing.

Council and staff discussion: 1) Council regrets that this was turned down by the Planning and Zoning Commission; 2) Council is pro development; and 3) Council is thankful to Mr. Musgrave for development that has occurred.

Councilwoman Davis made a motion to approve **Z-2007-18**, an ordinance considered on second and final reading to rezone property from AO (Agricultural Open Space) to PDD (Planned Development District) property located at the corner of Musgrave Blvd. and I-20. Councilwoman Moore seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Spano, Councilwomen Moore and Davis and Mayor Pro-tem Williams..

NAYS: None

The Ordinance is numbered **43-2007** and captioned as follows:

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, SUBPART E, "ZONING," OF THE ABILENE MUNICIPAL CODE, CONCERNING PDD-120 A PLANNED DEVELOPMENT DISTRICT; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

4.2 Jon James Director of Planning and Development Services, briefed the council on Zone Case **Z-2007-20** a request from Greg Shaheen to rezone property from RS-12 (Residential Single-Family) to RS-12/H (Residential Single-Family with Historic Overlay), located at 1120 Elmwood Drive.

This is a request for historic overlay zoning on the subject property. This is one of the few Art Modern or Modernistic style homes in Abilene. It is actually a variation from that style because of the roof overhangs and the fact that it was built after 1940, but it is a good example and unique to Abilene. The style was popular in Hollywood in the 1920's through the 1940's. The style is characterized by its horizontal lines using long simple repeated curved lines with an abundance of tile glass windows and metal detailing. This home appears to have used Austin stone for siding. The original owner was Henry J. Moreland who was associated with the Dr. Pepper Bottling Company. It was rated as high priority in the 1989 Historic Survey.

The Landmarks Commission considered this request at its August 28, 2007, meeting and recommended approval of the addition of HO to the existing zoning district. The Planning and Zoning Commission also recommended approval. Staff recommends approval.

Mayor Pro-tem opened a public hearing on the item seeing no one Mayor Pro-tem closed the public hearing.

Councilman Higgins made a motion to approve **Z-2007-20**, a request from Greg Shaheen to rezone property from RS-12 (Residential Single-Family) to RS-12/H (Residential Single-Family with Historic Overlay), located at 1120 Elmwood Drive. Councilman Chase seconded the motion, motion carried.

AYES: Councilmen Chase, Higgins, Spano, Councilwomen Moore and Davis and Mayor Pro-tem Williams..

NAYS: None

The Ordinance is numbered **44-2007** and captioned as follows:

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, SUBPART E, "ZONING," OF THE ABILENE MUNICIPAL CODE, BY CHANGING THE ZONING DISTRICT BOUNDARIES AFFECTING CERTAIN PROPERTIES; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

4.3 Jon James Director of Planning and Development Services briefed the council on Case No. **Z-2007-21**, a request from Tennessee Southwest Investments, LLC to rezone property from RM-2 (Residential Multi-Family) to LC (Limited Commercial), located at the intersection of Catclaw Dr. and Cedar Run Road.

The property is currently undeveloped. This is an area of mostly multi-family zoning, with some limited commercial Planned Development Districts. The requested General Commercial zoning is too intensive for this transition area, which is located close to nearby residential uses and zoning. Limited Commercial zoning, on the other hand, would still allow the applicant's proposed use, but would limit the allowable uses and provide greater protection for surrounding residential development.

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The Future Land Use section of the Comprehensive Plan designates this general area as part of a Major Commercial Business Center. This tract lies at the edge of this Center and is in an area of transition between the General Commercial and Shopping Center Commercial uses on Catclaw closer to Southwest Drive and the lower density residential farther south.

Staff and Planning and Zoning Commission recommend approval of LC (Limited Commercial, instead of the requested GC (General Commercial).

Mayor Pro-tem opened a public hearing on the item and the following individuals addressed the Council.

- Tom Choate Attorney and agent for Tennessee Southwest Investments, LLC, stated that they are in agreement with the change to LC (Limited Commercial), and there has not been a total decision on what kind of business will be located on the property. The property could develop into a Convenience Store with a gas station.
- Meredith Mccullar owner of the property stated that what he had envisioned was an Old Town Square set up on the property in conjunction with a bank. He also advised that he had plans for the property east of this property that will be an apartment complex.

There being no one else present and desiring to be heard Mayor Pro-tem closed the public hearing.

Council thanked Mr. Mccullar for his investment in Abilene.

Councilman Higgins made the motion to approve **Z-2007-21**, a request from Tennessee Southwest Investments, LLC to rezone property from RM-2 (Residential Multi-Family) to LC (Limited Commercial), located at the intersection of Catclaw Drive and Cedar Run Road. Councilman Spano seconded the motion, motion carried.

AYES: Councilmen Chase, Higgins, Spano, Councilwomen Moore and Davis and Mayor Pro-tem Williams.

NAYS: None

The Ordinance is numbered **45-2007** and captioned as follows:

ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, SUBPART E, "ZONING," OF THE ABILENE MUNICIPAL CODE, BY CHANGING THE ZONING DISTRICT BOUNDARIES AFFECTING CERTAIN PROPERTIES; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

4.4 Jon James Director of Planning and Development Services briefed the council on the City of Abilene's Annexation Plan adopted on December 7, 2006.

State law requires cities to maintain a current Three-Year Annexation Plan in accordance with the requirements of the Texas Local Government Code. On December 7, 2006, the City Council adopted a

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Three-Year Annexation Plan, which includes approximately 3,436 acres of land southeast of the current city limits. This land was divided into 3 separately considered areas (Area A, Area B and Area E).

One of the requirements of the state law is that the City holds 2 public hearings on the proposed annexation of these areas following within 90 days of the completion of an "Inventory of Services". This document was made available in the Planning and Development Services office and on the City's website on August 1, 2007, prior to the deadline of August 4. Therefore, these two public hearings must occur prior to October 30, 2007. These have been scheduled for the October 11th and October 25th City Council meetings.

Timeline

- Plan adopted: **December 7, 2006**
- Request to area service providers: **February 28, 2007**
- Property Owner Notification and Plan on Website: **March 2007**
- Deadline for service provider inventories: **May 29, 2007**
- Inventory of Services compiled: **August 1, 2007**
- Deadline for holding 2 public hearings: **Nov. 2, 2007**
 - October 11 and 25 Council meetings
- Request sent to County Commissioners Court to appoint 5-member committee of area representatives to negotiate a Service Plan for the area: **October 9, 2007**
- Deadline for Final Service Plan: **June 1, 2008**
- Deadline to remove area from Annexation Plan: **June 2008**
 - Before 18 months: 1 year before area can be put in Annexation Plan
 - After 18 months: 2 years before area can be put in Annexation Plan
- Annexation must occur between **Dec. 7, 2009 and Jan. 7, 2010**

This is an opportunity for residents to voice their opinion on issues related to the planned annexation of these areas. No action is required on these items.

The Mayor Pro-tem stated this item does call for a public hearing and anyone wanting to speak on the issues would be allowed to do so and for the record they would need to state their name prior to speaking. The Mayor Pro-tem explained the public hearing timing process and noted that each speaker would be allowed 3 minutes to address the Council.

Mayor Pro-tem Williams then opened a public hearing on the item and the following individuals addressed Council:

- Barbara Reynolds lives in the Blackhawk addition. Ms. Reynolds advised she didn't receive notice of this meeting. Ms. Reynolds wants to know what the residents will gain from being annexed into the City. Ms. Reynolds listed the various services that the residents already have access to: Potosi water, Potosi Volunteer Fire department, KWS trash service, Taylor Electric, streets are in place,

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Sheriff's Office is sufficient. Ms. Reynolds voiced her concern over flooding in the area. Ms. Reynolds was against the annexation.

- Martha Sodeman lives in the Blackhawk addition. Ms. Sodeman stated that they are currently satisfied with their current services and rather not be annexed. Would like to be real clear about what they would be getting for their money. Ms. Sodeman also had concerns over the tax increase, Fire station, Insurance rates, animal control, building inspections, emergency management and the flooding in the area.
- Mike Aken – stated that they were interested in living outside the city limits. The citizens were willing to pay for the water meters in that area. Mr. Aken stated that he likes Abilene being a neighbor but he doesn't want to be apart of Abilene. Mr. Aken also voiced his concern over the flooding in the area and the availability of police service.
- Melinda Lambert lives in the Blackhawk addition. Ms. Lambert asked what services they would receive in return for coming into the city limits. Ms. Lambert also asked about whether or not the school district would change from Wylie ISD. Worry's about the flooding being a preexisting condition and that if they came into the city limits the city wouldn't fix the problem.
- Dewayne Vincent – stated that his family has been a landowner in the area since 1910 and he doesn't see any benefit to coming into the city limits.
- Bridget Black – Ms. Black lives out side the proposed annexation area, but she voiced concern that the city would later annex in that area at some time. Ms. Black stated she didn't know why it is so difficult to understand that the people have moved out there to be out of the city limits.
- Jim Goodwin – lives in the Area B. Mr. Goodwin stated that they didn't want to be in the annexation plan. He also voiced his concern over the cost of the Abilene Police Department and the Abilene Fire Department covering the extra area.
- Don Reynolds lives in the Blackhawk addition. Mr. Reynolds agreed that the residents are being held hostage to the County and the developers concerning the flooding that occurred in August.
- Michelle Proctor – Ms. Proctor doesn't mind the annexation she was pleased with city services when she lived in Abilene, she voiced her concern over the flooding that took place. County commissioners pass the damage concern to the State and the State passes it back to the County, then to the engineers over the subdivisions. Ms. Proctor also stated that it was an unusual year of rain.

Council and city staff discussion included: 1) concern over flooding in the area; 2) what would the services be that the City would provide if the annexation passed; 3) School district boundaries do not coincide with the city boundaries; 4) notification of land owners; 5) this is the public hearing on the front end of the process; 6) there will be a public hearing on the end that will be the time the council will make the decision; 7) County Commissioners will appoint 5 representatives from the proposed area to participate in negotiations in preparation of the Final Service Plan; 8) the process forward will consist of staff making recommendations, and the recommendation may come back to say which if any annexation will come out in the coming year; 9) the city will be looking at cost, concerns and services,

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to the citizens and cost to the city and a recommendation will be based on this information; 10) city will have some say in the ETJ (Extra Territorial Jurisdiction); 11) council sent the ETJ ordinance back to Planning and Zoning for review and the ordinance will be on the Planning and Zoning November meeting; 12) How city regulations might come to bare on the development areas outside the city limits due to the ETJ Ordinance with Taylor County, this ordinance will be coming before the council in the near future.

There being no one else present and desiring to be heard the public hearing was closed. No action needed on this item. A second public hearing will take place on October 25, 2007. Council took a 5 minute break.

4.5 Council Workshop – Update and Information Regarding Self-insured Health Benefits Plan. Ronnie C. Kidd Director of Administrative Services introduced Jarrad Willis with Holmes Murphy and Associates. Preliminary review of the claims analysis indicates an encouraging performance for the fiscal year.

**Health Plan Performance
Monthly Claims Experience**

Rolling 24-Month Claims: Oct-05 to Sep-07 (through Aug-07)

- Jan-Feb '07 claims spike
- May '07 large claimant paid as a run-out claim
- The last 3 months the claims have been running in the black (surplus)

	Last 12 Mos.	Most Recent 8 Mos. Annualized	Most Recent 6 Mos. Annualized
Total Eligibility	12,183	11,537	11,514
Total Premiums	\$6,482,196	\$6,478,237	\$6,477,110
Total Expenses	\$6,025,358	\$5,536,955	\$4,722,598
Total Administration	\$ 721,292	\$ 711,213	\$ 674,656
Total Plan Expense	\$6,746,650	\$6,248,168	\$5,397,254
Monthly Profit/(Loss) -\$	(\$264,453)	\$ 230,069	\$1,079,856
Monthly Profit/(Loss) -%	(4.1%)	3.6%	16.7%

**Cost Projections
Actives Only**

1. Cost	Fiscal Year		Calendar Year	
	FY 06-07 Budget	FY 07-08 Budget	CY 2007	CY 2008
City Contribution	\$4,188,000	\$4,263,000	\$4,207,000	\$4,263,000
Employee Contribution	\$1,342,000	\$1,351,000	\$1,301,000	\$1,301,000
Total Income	\$5,530,000	\$5,614,000	\$5,508,000	\$5,564,000
Projected Gross Cost	\$4,635,000	\$4,858,000	\$4,329,000	\$4,771,000
Reserve	\$ 895,000	\$ 756,000	\$1,179,000	\$ 793,000

RETIREES 65+	Last 12 mos.	8 Mos. Annualized	6 Mos. Annualized
Eligibility	757	372	376
Premiums	\$290,293	\$150,816	\$152,373
Total Expense	\$423,725	\$283,736	\$268,639
Monthly Profit/(Loss) - \$	(\$133,432)	(\$132,920)	(\$116,265)
Monthly Profit/(Loss)- %	(46.0%)	(88.1%)	(76.3%)

Retiree Benefits
 2007 Results/2008 Recommendations

- **Retirees <65**
 - Rate adjustments from Jan-07 are almost covering cost
 - Participation dropped slightly
 - Recommendation: Increase retirees <65 contributions by 2.5%

- **Retirees 65+**
 - Promotion of Medicare Supplement alternative created a shift of approx. 100 retirees off of the active medical plan
 - Cost remains high due to adverse selection
 - Recommendation: Effective January 2008, retirees 65+ will only have the option to participate in a City-endorsed Medicare Advantage/Supplement plan.

Proposed Next Steps
Effective January 2008

- No Plan Design Changes to Active Plans
- No Change to Employee contributions
- Raise Retiree <65 Contributions by 2.5%
- Eliminate Active Plan Options for Retirees 65+ and provide more Medicare Advantage/Supplement Options

Council and staff discussion included: 1) positive story; and 2) the concern over the retiree benefits. The city needs to act now as far as the increase in the Retirees benefits, it is time for re-enrollment. No action needed from this Workshop item.

EXECUTIVE SESSION

Mayor Pro-tem Williams recessed the Council into Executive Session pursuant to Sections 551.071, 551.074, 551.072 and 551.087 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, to consider the purchase, exchange, lease or value of real property, and to discuss contemplated business prospects and or economic development matters.

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

5.5 Councilman Chase made the motion to appoint David Copeland, by Oral Resolution, as the City's nomination to the Central Appraisal District of Taylor County. Councilman Spano seconded the motion, and the motion carried.

AYES: Councilmen Chase, Spano, Higgins, Councilwomen Davis and Moore, and Mayor Pro-tem Williams.

NAYS: None

5.6 No action was taken on an appointment to the Housing Authority Board of the City of Abilene.

5.7 No action was taken on the possible action related to annual performance evaluations of the City Manager, City Attorney, Municipal Judge and the position of the City Secretary.

There being no further business the meeting was adjourned at 11:25 a.m.

Danette Dunlap
Interim City Secretary

Anthony Williams
Mayor Pro-tem