

**CITY COUNCIL MEETING**  
**March 13, 2008, 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 March 13, 2008, at 8:30 a.m. in the Council Chambers at 555 Walnut Street. Mayor Archibald was present and presiding with Councilmen Sam Chase, Stormy Higgins, Anthony Williams, and Councilwoman Laura Moore. Also present were City Manager Larry Gilley, City Attorney Dan Santee, City Secretary Danette Dunlap, and various members of the City staff. Councilman Joe Spano and Councilwoman Celia Davis were absent.

Mayor Archibald gave the invocation.

Mayor Archibald introduced Baylee Bockenfeld a 4<sup>th</sup> grader from Fannin Elementary School; Baylee led the Pledge of Allegiance to the Flags of the United States of America and the State of Texas.

Captain Dave Wright, First Lieutenant Tom Walsh and First Lieutenant Rob Horstmann of the 9<sup>th</sup> Bomb Squadron of Dyess Air Force Base presented the City of Abilene flag flown during Operations Iraqi Freedom and Enduring Freedom to the Mayor and City Council along with a plaque from Dyess Air Force Base.

**PROCLAMATION**

Mayor Archibald presented the following proclamations:

- March 15, 2008, Lion's White Cane Day – presented to James Wheeler
- March 2008, American Red Cross Month - Attending from the Big Country Region  
American Red Cross where:  
Stephanie Kraley, Advisory Board Chair  
Allison Coggins, Emergency Services Coordinator  
Jana Howe, Health & Safety Coordinator
- March 2008 – Professional Social Work Month; presented to Dr. Tanya Brice, Professor of Social Work at ACU

Mayor Archibald assisted by City Manager Larry Gilley, presented the Employee Service Awards to the following City Employees:

20 Years	John Shannon Couch	Police Officer
20 Years	George Farmer	Police Officer
20 Years	Scott Ferrell	Police Officer
20 Years	Tony Lassetter	Police Sergeant
20 Years	Duff Phipps	Police Officer
20 Years	Kathleen Rhodes	Police Officer
20 Years	Robert Rowley	Police Sergeant
20 Years	Timothy Schmidt	Police Sergeant

20 Years      Leo Tauer  
35 Years      James Berry

Police Sergeant  
Police Assistant Chief

## DISPOSITION OF MINUTES

**2.0** Mayor Archibald stated Council has been given the minutes from the February 28, 2008 Regular Council Meeting. There being no corrections, additions, or deletions to the minutes Councilwoman Moore made a motion to approve the minutes as presented. Councilman Williams seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Williams, Councilwoman Moore, and Mayor Archibald.  
NAYS: None

## CONSENT AGENDA

**3.1** *Resolution approving financing by the HFDC of Central Texas, Inc. for the benefit of Sears Caprock Retirement Corporation* was considered separately at the request of Mayor Archibald.

**3.3** *Ordinance Amending Chapter 21, "Oil and Gas", and revising and locating Sections 3406.3 – 3406.3.8 of Abilene Fire Code* was removed from the Consent Agenda to be considered separately at the request of Councilman Chase.

Councilman Williams made a motion to approve consent agenda items 3.2 and 3.4 as recommended by staff. Councilman Higgins seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Williams, Councilwoman Moore, and Mayor Archibald.  
NAYS: None

### Resolutions:

**3.1** **Removed from the Consent Agenda and considered separately.** *Resolution approving financing by the HFDC of Central Texas, Inc. for the benefit of Sears Caprock Retirement Corporation.*

**3.2** Oral Resolution authorizing the City Manager to negotiate and sign Development Agreements in lieu of annexation with property owners within the City's extraterritorial jurisdiction.

### Ordinance:

**3.3** **Removed from the Consent Agenda and considered separately.** Ordinance Amending Chapter 21, "Oil and Gas", and revising and locating Sections 3406.3 – 3406.3.8 of Abilene Fire Code.

### Bid Award:

**3.4     #CB 8017 – Annual Street Maintenance Materials was awarded as follows:**

Vulcan Materials Company – Abilene, Texas #1, #2, #3, #4, #5, #6, #10 and #14

Morris Ready Mix Concrete – Abilene, Texas #7 & #8

Abilene Lumber – Abilene, Texas #9

Deery American Corp. – Fruita, Co. #11

Unique Paving Materials Corp. – Cleveland, Ohio #12

Austin White Lime Co. – Austin, Texas #13 and #15

SEM Materials – Southlake, Texas #16

Envirotex – Graham, Texas #17

**Item 3.1 considered separately at the request of Mayor Archibald:**

**3.1**     Issuance of Obligations by the HFDC of Central Texas, Inc. for Sears Caprock Retirement Corporation. Mayor Archibald requested that this item be voted on separately. This item has reference to Hendrick Medical Center so Mayor Archibald and Councilwoman Moore will abstain from voting on this item.

Councilman Chase made the motion to approve the Issuance of Obligations by the HFDC of Central, Texas, Inc. for Sears Caprock Retirement Corporation. Councilman Williams seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Williams.

NAYS: None

ABSTAIN: Mayor Archibald and Councilwoman Moore

The Resolution is numbered **# 7-2008** and captioned as follows:

RESOLUTION APPROVING THE FINANCING BY THE HFDC OF CENTRAL TEXAS, INC.  
OF HEALTH FACILITIES LOCATED WITHIN THE CITY OF ABILENE, TEXAS FOR  
SEARS CAPROCK RETIREMENT CORPORATION

**Item 3.3 considered separately at the request of Councilman Chase:**

**3.3**     Ordinance Amending Chapter 21, “Oil and Gas”, and revising and locating Sections 3406.3 – 3406.3.8 of Abilene Fire Code.

Councilman Chase would like to see a comparison of the Ordinance as it differs from State regulations in the area of distance of drilling locations, could someone object to the drilling location if the location was within the State regulations but not by City Ordinance. Second question is there a method of appeal?

Councilman Chase made the motion to approve the first reading of the Ordinance Amending Chapter 21, “Oil and Gas”, and revising and locating Sections 3406.3-3406.3.8 of Abilene Fire Code. Councilman Williams seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Williams, Councilwoman Moore, and Mayor Archibald.

NAYS: None

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ABILENE AMENDING CHAPTER 21, "OIL AND GAS" AND SECTIONS 3406.3-3406.3.8 OF THE ABILENE FIRE CODE AS SET OUT BELOW; PROVIDING A SEVERABILITY CLAUSE; AND CALLING FOR A PUBLIC HEARING.

## REGULAR AGENDA

**4.1** Jon James Director of Planning and Development Services briefed the council on **Z-2008-05** a request from the Abilene Improvement Corporation; to rezone property from HC (Heavy Commercial) to PDD-124 (Planned Development District) zoning, located at 1309, 1317, 1325 and 1401 Pine Street.

The subject parcels, including a Right-of-Way (requested to be abandoned by the same applicant), total approximately 1.55 acres and are currently zoned HC (Heavy Commercial). The properties are currently used for commercial purposes. The adjacent properties have HC (Heavy Commercial) zoning to the north, south, east, and west.

The surrounding uses are all compatible with the current zoning. The applicant owns the properties to the north and south of N 14<sup>th</sup> Street and is also seeking to have the right-of-way abandoned. The Future Land Use section of the Comprehensive Plan designates this general area as part of a community enhancement corridor for Pine Street. The requested PDD would be a good place to start to help in the revitalization of the Pine Street corridor. Through the use of building setbacks and several aesthetic conditions, the requested zoning and uses would start the enhancement of Pine Street as designated by the Comprehensive Plan.

Staff and Planning & Zoning Commission recommend approval.

Mayor Archibald opened a public hearing on the item and there being no one present and desiring to be heard the public hearing was closed.

Councilman Higgins made the motion to approve **Z-2008-5**, an ordinance considered on second and final reading to rezone property from HC (Heavy Commercial) to PDD-124 (Planned Development District) zoning, located at 1309, 1317, 1325 and 1401 Pine Street. Councilwoman Moore seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Williams, Councilwoman Moore, and Mayor Archibald.

NAYS: None

The Ordinance is numbered **#12-2008** 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-124 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 **TC-2008-02**, a request to abandon approximately 300 ft. of the north to south alley right-of-way in the 2900 Block of S. 1<sup>st</sup>.

St., between S. 1<sup>st</sup> St. and S. 2<sup>nd</sup> St., and 81 feet of alley right-of-way to the west beginning at the above mentioned alley right-of-way, ending approximately 170 ft. east of Sammons St.

The alley right-of-way to the north of the east to west alley is currently being used by the adjacent property owners and has been fenced off and paved over. The adjacent lots have access to either S. 2<sup>nd</sup> Street, S. 1<sup>st</sup> Street or Mockingbird Blvd. The applicant has also proposed, and is in the process of moving, a portion of the north to south alley approximately 81' to the west in order to maintain service to those properties currently receiving utilities in the ally right-of-way.

Plat Review Committee: Approval, with the conditions that the applicant replats within 24 months and maintains an open drainage/utility easement, as well as have the new alley operational before closure.

Staff and the Planning & Zoning Commission recommend approval of the requested abandonment, with the conditions suggested by the Plat Review Committee.

Mayor Archibald opened a public hearing on the item and there being no one present and desiring to be heard the public hearing was closed.

Councilman Williams made a motion to approve **TC-2008-02**, an ordinance considered on second and final reading to abandon approximately 300 ft. of the north to south alley right-of-way in the 2900 Block of S. 1<sup>st</sup> St., between S. 1<sup>st</sup> St. and S. 2<sup>nd</sup> St., and 81 feet of alley right-of-way to the west beginning at the above mentioned alley right-of-way, ending approximately 170 ft. east of Sammons St.. Councilman Chase seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Williams, Councilwoman Moore, and Mayor Archibald.

NAYS: None

The Ordinance is numbered **#13-2008** and captioned as follows:

AN ORDINANCE PROVIDING FOR THE ABANDONMENT OF A PORTION OF PUBLIC RIGHT OF WAY; PROVIDING FOR THE TERMS AND CONDITIONS OF SUCH ABANDONMENT, AND CALLING A PUBLIC HEARING.

**4.3** Jon James, Director of Planning and Development Services briefed the Council on **TC-2008-03**, a request to abandon North 14<sup>th</sup> Street from the east right-of-way line of Pine Street for 140 feet east to the west right-of-way line of the alley paralleling Pine Street.

The applicant intends to use the requested right-of-way area for new development, specifically a new building that would be used for the purpose of a medical lab and associated uses. The right-of-way currently serves a major part in the drainage for the area by carrying storm water to the east. This closure would not be unique to N. 14<sup>th</sup> Street as there are already many interruptions to the continuous east to west access along the N 14<sup>th</sup> Street right-of-way.

Plat Review Committee: Approval, with the condition that the applicant replats within 24 months and a drainage plan is approved by the City Engineer to ensure that existing drainage in the N 14<sup>th</sup> Street ROW is adequately accommodated without negative impacts.

Staff and Planning and Zoning Commission both recommend approval with the conditions of the Plat Review Committee.

Mayor Archibald opened a public hearing on the item and heard from:

- Tommy Carpenter property owner in the area (1400 Walnut Street). Mr. Carpenter stated that he approved the abandonment of the section of North 14<sup>th</sup> Street.

There being no one else desiring to be heard the public hearing was closed.

Councilman Higgins made a motion to approve **TC-2008-03**, (Planning and Zoning recommendation), an ordinance considered on second and final reading to abandon North 14<sup>th</sup> Street from the east right-of-way line of Pine Street for 140 feet east to the west right-of-way line of the alley paralleling Pine Street. Councilwoman Moore seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Williams, Councilwoman Moore, and Mayor Archibald.

NAYS: None

The Ordinance is numbered **#14-2008** and captioned as follows:

AN ORDINANCE PROVIDING FOR THE ABANDONMENT OF A PORTION OF PUBLIC RIGHT OF WAY; PROVIDING FOR THE TERMS AND CONDITIONS OF SUCH ABANDONMENT, AND CALLING A PUBLIC HEARING.

**4.4** Jon James, Director of Planning and Development Services briefed the council on a Resolution approving an amendment to the Thoroughfare Plan in an area proximate to the intersection of Buffalo Gap Road (FM89) and Beltway South (FM707).

The 2007 amendment removing the collector street from the PDP area left an undesirable dead end in the collector street pattern. In reviewing potential alternatives, Staff looked at this specific situation and other planned and existing thoroughfares in the general area. The currently proposed revisions are essentially the same as those proposed in 2007 except for the area immediately north of the Dessa Carmen PDP.

Some of the proposed changes indicate a desire to minimize the number of street intersections along Beltway South that may require signalization. Conversely, a change is proposed to the intersections along Buffalo Gap Road that will allow the roadway extension to the west to occur at a location other than the intersection of Buffalo Gap Road and Sierra Sunset. The presence of a high-pressure pipeline, the need to cross the pipeline at the most perpendicular possible angle while retaining appropriate curvature, and the proximity to Beltway South were all considerations in this particular part of the proposed revision.

Proposed roadway locations on the Thoroughfare Plan are generally intended to indicate approximate locations that become more specific as development occurs. Minor alterations to alignments can be made without the need to formally amend the Plan.

Description of Amendments in the Buffalo Gap Rd – Beltway South area.

Southwest quadrant

- 1) The previous extension of Sierra Sunset west of Buffalo Gap Road has been realigned with the collector now depicted intersecting Buffalo Gap Road from the west between the pipeline and raw water sedimentation lagoons along the Lake Abilene raw water line. This collector curves to the north and merges with the northern portion of a north-south collector that intersects Beltway South at a proposed extension of Lantana Ave.
- 2) The remaining portion of the north-south collector that was truncated by the recent actions of Commission and Council has been eliminated.

Northwest quadrant

- 3) Lantana Ave (a collector street) is depicted realigned so that it meets with the currently unnamed collector street in the southwest quadrant.

Southeast quadrant

- 4) The extension of Sierra Sunset to the east has been realigned and offset from its originally depicted route. This change eliminates a crossing point of an existing petroleum pipeline and it better aligns that portion of the corridor for extension of the Bella Vista development area.
- 5) A future N/S extension of C.R. 337 (an arterial street), previously shown intersecting Beltway South and aligning with White Blvd. (a local street), has been moved east to align with Old Forrest Hill Road (a future collector street). This change will reduce the prospective member of major intersections along Beltway South and it will ease potential traffic concerns for a platted neighborhood that fronts White Blvd.
- 6) A new E/W collector street has been added to provide improved interconnectivity in the SE quadrant of the Buffalo Gap Road/Beltway South area.

Northeast quadrant

No Changes

Mayor Archibald opened a public hearing on the item and there being no one present and desiring to be heard the public hearing was closed.

Councilman Chase made a motion to approve a Resolution approving an amendment to the Thoroughfare Plan in an area proximate to the intersection of Buffalo Gap Road (FM89) and Beltway South (FM707). Councilman Higgins seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Williams, Councilwoman Moore, and Mayor Archibald.

NAYS: None

The Resolution is numbered **# 8-2008** and captioned as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE TO AMEND THE CITY'S THOROUGHFARE PLAN MAP.

**4.5** David Wright, Director of Finance distributed a hard copy of the power point presentation of the FY 2007 Financial Report including Financial and Investment Policies and the FY 2008 Update. Mr. Wright introduced Diane Terrell with Davis, Kinard & Co., P.C. who assisted him with the audit report presentation.

**GENERAL FUND  
 BALANCE SHEET  
 SEPTEMBER 30, 2007**

	General Fund
<u>ASSETS</u>	
Cash and cash investments	\$ 11,498,225
Investments	2,319,457
Receivables (net of allowance for uncollectibles):	
Accounts receivable	4,486,335
Property taxes receivable	771,177
Due from other funds	1,951,852
Due from other governments	4,508,446
Note receivable	230,000
Inventories - materials and supplies	273
Prepaid items	20,607
<b>TOTAL ASSETS</b>	<b>\$ 25,786,372</b>
<u>LIABILITIES AND FUND BALANCES</u>	
<u>LIABILITIES:</u>	
Vouchers payable	\$ 910,925
Accrued wages and withholding	1,895,500
Accrued expenses	216,601
Other deposits and liabilities	1,370,393
Deferred revenues	2,793,016
<b>Total Liabilities</b>	<b>\$ 7,186,435</b>

**GENERAL FUND  
 BALANCE SHEET  
 SEPTEMBER 30, 2007**

	General Fund
<u>FUND BALANCES:</u>	
Reserves:	
Reserved for encumbrances	\$ 3,535,397
Reserved for other assets	20,880
General Fund:	
Unreserved, designated for FY 08 - 27th pay period	2,095,500
Unreserved, undesignated fund balance	12,948,160
<b>Total Fund Balances</b>	<b>\$ 18,599,937</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 25,786,372</b>

**GENERAL FUND**  
**Revenues and Expenditures**  
**Revised Budget vs Actual Budget Basis**

	2007 Actual	2007 Budget	Variance	%
<i>Revenue</i>				
Property Taxes	\$19,747,087	\$19,531,360	\$215,727	1.10%
Sales Taxes	25,024,647	24,724,200	300,447	1.22%
Franchise Taxes	6,031,239	6,075,460	(44,221)	-0.73%
Miscellaneous Other Taxes	1,716,388	1,630,980	85,408	5.24%
Licenses & Permits	1,167,018	1,130,750	36,268	3.21%
Charges for Services	4,870,463	4,660,770	209,693	4.50%
Intergovernmental Revenues	192,965	177,980	14,985	8.42%
Interest & Miscellaneous	5,693,948	5,694,490	(542)	-0.01%
<i>Total Revenues</i>	<u>\$64,443,755</u>	<u>\$63,625,990</u>	<u>\$817,765</u>	<u>1.29%</u>
<i>Expense</i>				
General Government	\$1,948,193	\$1,988,250	\$40,057	2.06%
Administrative Services	2,175,004	2,209,930	34,926	1.61%
Finance	5,504,908	5,621,690	116,782	2.12%
Planning & Development Services	2,867,672	2,974,250	106,578	3.72%
Public Works	7,583,370	7,783,700	200,330	2.64%
Police	18,001,643	18,048,260	46,617	0.26%
Fire	13,310,668	13,430,120	119,452	0.90%
Aviation	1,538,940	1,634,550	95,610	6.21%
Community Services	9,336,961	9,363,880	26,919	0.29%
<i>Total Expense</i>	<u>\$62,267,359</u>	<u>\$63,054,630</u>	<u>\$787,271</u>	<u>1.26%</u>
Transfers In	2,154,780	2,129,980	24,800	
Transfers Out	(2,653,090)	(2,653,090)	0	
	<u>(\$498,310)</u>	<u>(\$523,110)</u>	<u>\$24,800</u>	
<i>Net Change in Fund Balance</i>	<u><u>\$1,678,086</u></u>	<u><u>\$48,250</u></u>	<u><u>\$1,629,836</u></u>	

General Fund

Revenues Exceeding Estimates:

- Property Tax = \$215,700
- Sales Tax = \$300,500
- Airport = \$145,000
- Court Fines = \$40,550
- Interest Earnings and Other Revenues = \$315,250
- Dissolution of Partnership on Depot = (\$200,000)

Total \$817,000

Expenditures Below Estimates:

- Vacancies = \$229,000
- Electric Costs = \$168,000
- Other Utilities = \$71,000
- Fleet Maintenance = \$83,000
- Street Lighting = \$43,000
- Miscellaneous Expenses = \$193,000

Total \$787,000

Use of Excess Revenues:

- Transit (City's Match to Federal Grants) = \$100,000
- Self-Insurance Fund for Claims = \$500,000
- Technology Fund = \$33,440
- Undesignated Fund Balance = \$1,044,646

Total \$1,678,086

**WATER & SEWER FUND**  
**Revenues and Expenditures**  
**September 30, 2007**

	2006-2007 Actual	2005-2006 Actual
<i>Revenues</i>		
Water Service	\$18,293,966	\$18,293,449
Sewer Service	7,055,850	6,751,876
Service & Penalty Charges	409,528	399,836
Miscellaneous Revenues	326,475	289,018
Sales & Service to Private Sources	4,497	7,674
Recoveries of Expenses	225,901	224,634
Interest on Investments	848,399	700,516
Intergovernmental Revenues	298,837	0
Rents and Royalties	186,306	190,894
<b>Total Revenues</b>	<b>\$27,649,759</b>	<b>\$26,857,897</b>
<i>Expenditures</i>		
Personal Services	\$5,488,859	\$5,377,865
Supplies	1,295,110	1,415,059
Maintenance	1,237,080	1,400,063
Other Services & Charges	12,202,492	11,929,206
Debt Payments	5,868,817	6,110,092
<b>Total Expense</b>	<b>\$26,092,358</b>	<b>\$26,232,285</b>
<i>Available for Debt Service</i>	<i>\$1,557,401</i>	<i>\$625,612</i>
Transfers In (Out)	(\$29,500)	(\$180,999)
Depreciation	(4,033,055)	(3,676,483)
<b>Total Deductions</b>	<b>(\$4,062,555)</b>	<b>(\$3,857,482)</b>
<b>Net Income (or Loss)</b>	<b>(\$2,505,154)</b>	<b>(\$3,231,870)</b>

**Solid Waste Services**  
**Revenues and Expenditures**  
**Budget Basis**

	2007 Actual	2007 Budget	Variance
<i>Revenue</i>			
Solid Waste Collection	\$10,311,458	\$10,452,230	(\$140,772)
Site Recycling Services	117,297	88,450	28,847
Solid Waste Environmental Fee	352,715	344,400	8,315
Miscellaneous Recycling	96,373	100,000	(3,627)
Solid Waste Code Enforcement	70,485	71,020	(535)
Interest & Miscellaneous	33,622	8,720	24,902
<b>Total Revenues</b>	<b>\$10,981,950</b>	<b>\$11,064,820</b>	<b>(\$82,870)</b>
<i>Expense</i>			
Personal Services	\$2,058,665	\$2,041,180	(\$17,485)
Supplies	54,874	58,440	3,566
Maintenance	109,746	111,780	2,034
Other Services & Charges	6,424,316	6,198,850	(225,466)
Capital Expenditures	221,819	230,000	8,181
<b>Total Expense</b>	<b>\$8,869,420</b>	<b>\$8,640,250</b>	<b>(\$229,170)</b>
Fleet Lease Financing	(\$626,370)	(\$626,370)	\$0
Transfers Out	(1,320,000)	(1,320,000)	0
	(\$1,946,370)	(\$1,946,370)	\$0
<b>Net Change in Fund Balance</b>	<b>\$166,160</b>	<b>\$478,200</b>	<b>(\$312,040)</b>

**SELF INSURANCE FUND**  
**BALANCE SHEET**  
**September 30, 2007**

	Self Insurance Fund
<b>ASSETS</b>	
Cash and cash investments	\$ 2,414,616
Investments	430,266
Accounts receivable	41,148
Prepaid items	97,893
<b>TOTAL ASSETS</b>	<b>\$ 2,983,923</b>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES:</b>	
Vouchers payable	\$ 146,233
Accrued wages and withholding	5,716
Estimated liability claims	1,559,913
Estimated health claims	1,253,519
<b>Total Liabilities</b>	<b>\$ 2,965,381</b>
<b>FUND BALANCES:</b>	
Restricted for claims	\$ 18,542
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,983,923</b>

Councilwoman Moore made a motion to approve the acceptance of the FY 2007 Financial Report including the Investment policies as presented by staff. Councilman Williams seconded the motion and the motion carried.

AYES: Councilmen Chase, Higgins, Williams, Councilwoman Moore, and Mayor Archibald.

NAYS: None

Ms. Terrell presented and briefed the Council on the following information provided by Davis, Kinard & Co.

- Transmittal Letter
- Financial Policy
- Investment Policy
- Management Discussion & Analysis
- Capital Projects
- Water & Sewer Capital Projects
- Overall Audit Opinion
- Advisory Comments

Ms. Terrell reviewed the Advisory Comments stating in planning and performing the audit of the basic financial statements of the City of Abilene, Texas for the year ended September 30, 2007, they considered the City's internal control over financial reporting as a basis for designing the auditing procedures for the purpose of expressing their opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Abilene, Texas's internal control over financial reporting.

Ms. Terrell continued with the Advisory Comments for fiscal year ending September 30, 2007. They issued comments on areas they believed should be reviewed or those that have been implemented based on previous year comments.

- Parts Inventory – 2007-01

Management Response: There are discrepancies between the Fleet Management software and the physical operation of stocking and dispensing parts. The software needs to be replaced and will be when we look at the Financial/HR system.

- Federal Transit Administration – Formula Grants 2007-2

Management Response: The management and staff of McDonald Transit were not filing the required quarterly Financial Status Reports (FSRs). Finance staff has taken over this reporting requirement.

- Federal Transit Administration – Formula Grants 2007-3

Management Response: The management and staff of McDonald Transit will take advantage of the Federal Transit Administration (FTA) sponsored grant training. Finance personnel will perform periodic review, as well as training, for additional personnel on procedures and compliance requirements. Finance Department personnel have also assumed the responsibility for filing the federal reimbursements for the Transit grants.

Council and Staff discussion included: 1) the transit grant reporting, there was not a relation between the reporting and the internal control issue; 2) parts inventory shrinkage. Various ways have been reviewed that could reduce the shrinkage and would be cost effective; 3) software driven problem in the

area of inventory; 4) looking into out sourcing; 5) the inventory is related to the automotive area and 6) the city is carrying 2.2 months in reserves.

4.5 B) David Wright Director of Finance, briefed the council on the FY 2008 Update.

**CITY OF ABILENE  
SUMMARY OF REVENUES  
FOR BUDGET FISCAL YEAR 2008  
AS OF JANUARY 31, 2008**

**GENERAL FUND**

	<b>THIS YEAR</b>				<b>LAST YEAR</b>			
	This Month	Year To Date	Original Budget	%	This Month	Year To Date	Revised Budget	%
<b>Revenues:</b>								
General Property Taxes	\$8,918,343	\$15,876,529	\$20,119,740	78.91%	\$7,023,005	\$15,624,874	\$19,531,360	80.00%
Sales Tax	1,880,106	8,137,237	25,989,990	31.31%	1,877,628	7,871,672	24,724,200	31.84%
Selective Sales and Use Taxes	57,415	116,321	210,000	55.39%	57,751	120,129	210,000	57.20%
Franchise/Access Fees	258,437	1,503,673	6,048,480	24.86%	429,774	1,596,185	6,075,460	26.27%
Other Taxes	203,855	675,697	1,858,400	36.36%	166,455	633,245	1,945,030	32.56%
Pen/Int/Costs-Delinquent Taxes	13,285	42,244	200,000	21.12%	13,056	47,799	219,700	21.76%
Licenses and Permits	99,850	408,676	1,120,830	36.46%	119,702	484,088	1,130,750	42.81%
Federal Grants	13,719	13,719	65,500	20.95%	1,166	13,719	59,000	23.25%
State Grants	28,050	49,006	128,500	38.14%	0	36,740	118,300	31.06%
County Programs	656	1,312	680	192.94%	56	225	680	33.09%
Charges for Services	244,599	948,859	2,871,480	33.04%	235,305	1,030,738	2,888,770	35.68%
Fines and Forfeits	199,799	618,026	2,077,420	29.75%	158,968	473,464	1,767,000	26.79%
Service and Penalty Charges	413	2,141	5,000	42.82%	408	1,929	5,000	38.58%
Miscellaneous Revenues	516,848	1,916,903	6,646,370	28.84%	521,633	1,916,852	7,080,720	27.07%
<b>Total Revenues</b>	<b>\$12,435,374</b>	<b>\$30,310,344</b>	<b>\$67,342,390</b>	<b>45.01%</b>	<b>\$10,604,907</b>	<b>\$29,851,657</b>	<b>\$65,755,970</b>	<b>45.40%</b>

**CITY OF ABILENE  
SALES TAX COMPARISON  
GENERAL FUND**

<b>Accounting Period Month</b>	<b>Actual 2006-07</b>	<b>Actual 2007-08</b>	<b>% Change 2007-08 vs. 2006-07</b>
October	\$1,951,423	\$2,029,218	3.99%
November	2,229,381	2,293,733	2.89%
December	1,813,239	1,934,180	6.67%
January	1,877,628	1,880,106	0.13%
February	2,710,392	2,932,831	8.21%
March	1,797,211	1,798,312	0.06%
<b>YTD</b>	<b>\$12,379,275</b>	<b>\$12,868,380</b>	<b>3.95%</b>
April	1,922,282		
May	2,554,415		
June	1,819,066		
July	1,987,476		
August	2,348,841		
September	2,013,293		
<b>FY TOTAL</b>	<b>\$25,024,647</b>		

Comparison to 2006-07 Actual

**\$489,105**

**CITY OF ABILENE  
SUMMARY OF REVENUE AND EXPENDITURES  
FOR BUDGET FISCAL YEAR 2008  
AS OF JANUARY 31, 2008  
33% OF YEAR**

**GENERAL FUND**

	<b>THIS YEAR</b>				<b>LAST YEAR</b>			
	This Month	Year To Date	Original Budget	%	This Month	Year To Date	Revised Budget	%
<b>Expenditures:</b>								
General Government	\$182,232	\$662,269	\$2,160,360	30.66%	\$176,084	\$717,296	\$1,985,850	36.12%
Administrative Services	151,778	642,778	2,530,210	25.40%	174,674	663,331	2,203,210	30.11%
Finance	548,289	2,693,174	7,666,960	35.13%	481,528	2,650,710	7,707,340	34.39%
Planning & Development Services	224,231	999,128	3,218,220	31.05%	190,506	887,492	2,977,470	29.81%
Public Works	629,190	2,594,361	8,429,050	30.78%	684,656	2,350,902	7,887,900	29.80%
Police	1,355,661	6,159,346	19,446,810	31.67%	1,332,085	5,997,032	18,070,120	33.19%
Fire	1,053,051	4,592,967	14,172,370	32.41%	1,027,314	4,384,455	13,387,640	32.75%
Aviation	136,942	532,450	1,708,660	31.16%	160,704	507,279	1,629,990	31.12%
Community Services	793,322	3,350,380	9,987,530	33.55%	719,913	2,972,779	9,358,200	31.77%
Total Expenditures	\$5,074,696	\$22,226,853	\$69,320,170	32.06%	\$4,947,464	\$21,131,276	\$65,207,720	32.41%
Transfer to Self Insurance	0	0	0		0	0	500,000	
Total Financing Uses	\$5,074,696	\$22,226,853	\$69,320,170		\$4,947,464	\$21,131,276	\$65,707,720	
Transfer in 27th Pay Period	0	0	1,995,500		0	0	0	
Difference	\$6,761,728	\$7,484,540	\$17,720		\$5,657,442	\$8,720,381	\$48,250	

4.5 C) David Wright, Director of Finance briefed the council on the Cities Financial Polices.

## Financial Policy Review

The City Council adopted the following Financial Policy on May 23, 1984, and amended the policy on February 9, 1995. The City of Abilene adheres to the Financial Policy for conducting the financial management of the City. The established long-range policies regarding financial management are to exercise a discipline which allows the City to retain a sound financial condition; strive to retain the best possible rating on bonds; provide future generations with the ability to borrow capital for construction of facilities without severe financial burden; and give recognition to the community's needs and ability to pay. These goals are accomplished in the following manner:

Prudent budgeting and effective budget control. The operating budgets will provide sufficient funding levels for ongoing maintenance of the infrastructure. Budget replacement of capital equipment as the need arises. (Office machines, automobiles, heavy equipment, etc.) The securing and/or approval of federal and state assistance will be based on established criteria. Such criteria is:

- What benefit does the project have to the community as a whole,
  - What future impact will the City be responsible for due to the acceptance of the funding, and
  - How does the project relate to the Strategic Management Plan and/or other future plans of the organization?
- Private grants and donations will be actively pursued and will be subject to the same criteria as federal and state funds.
  - Passing a share of the cost of extending utilities and improvements in subdivisions to property owners of the subdivisions rather than to the general public.

- Providing working capital in all funds sufficient to meet current operating needs.
- Funding Fleet Replacement at the required level.
- The Facilities and Infrastructure Improvement/ Maintenance Program will be financed by dedicating a minimum of either 1/2¢ ad valorem tax or \$100,000.
- Pay as you go financing of capital improvements where feasible while planning for capital improvements on a five year basis and updated annually.
- Attempting to schedule bond issues so that an equal principal amount is retired each year over the life of the issue producing a total debt service schedule with a declining balance each year.
- The intent of this paragraph is to assure that the taxpayers of the City receive full benefit of "qualified" status on debt issued and not subsidize the interest expense of other debt issuers utilizing corporations created by the City on their behalf. Any differential in interest expense to the City between "qualified" and "non-qualified" tax exempt debt status that results from debt issued through corporations established by the City Council will be born by those issuers of debt. The differential will be prorated among the issuers utilizing the corporations based on the amount of debt it issues to total debt issued by all corporation issuers during the calendar year. Any differential in the City's cost shall be calculated by the City's financial advisor based on market conditions on the date of the City sale of debt.
- The Minor Improvement Program will encompass basic capital needs whereby the amount of debt issued is equal to the amount of debt retired while maintaining the same tax rate for debt. The basic capital needs include streets, bridges, traffic control, parks, localized drainage/creek cleaning, and police/fire equipment. All projects will be financed through Certificates of Obligation or Contractual Obligations as appropriate.
- The Major Improvement Program will encompass major new construction such as large facilities, flood control, and other major infrastructure improvements. All projects will be approved through bond elections. A plan of major improvements that would require a bond election will be reviewed at least every three years. The identified needs would determine when a bond election would be needed.
- Financial accounting and reporting in accordance with methods prescribed by the Governmental Accounting Standards Board and the Government Finance Officers Association and making such reports available to bond rating agencies and other financially interested organizations.
- Achieving and maintaining a fund balance equivalent to three (3) months' operating costs of the general operating budget, at 95% liquidity, which should be sufficient to provide financing for necessary projects and meet unanticipated contingencies such as lawsuits, tax roll tie-ups, severe fluctuations in sales of the City owned utilities and other fiscal emergencies.

Council and staff discussion included: 1) moving these policies into the Budget process; 2) workshop on the financial policies in June and the Budget process in July; 3) question about GASB 45 – as it relates to Health. The City structured the Health Insurance for Retires differently, so the city doesn't have an exposure to GASB 45; and 4) Texas Municipal Retirement System – the city is expecting to hear from TMRS in May.

Councilman Higgins made the motion to pass and approve the City Financial Policies. Councilman Chase seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Councilwoman Moore, and Mayor Archibald.

NAYS: None

(Councilman Williams had left the meeting.)

5.5 Councilman Chase made a motion to approve Mayor Archibald's reappointment of the following to the Abilene Economic Development Company, Ruppert Rangel, George Nichols and Susan Elgin with terms expiring January 2010. Councilwoman Moore seconded the motion, and the motion carried.

AYES: Councilmen Chase, Higgins, Councilwoman Moore, and Mayor Archibald.

NAYS: None

There being no further business the meeting was adjourned at 11:00 a.m.

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Danette Dunlap  
City Secretary

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Norm Archibald  
Mayor