

CITY COUNCIL WORKSHOP MEETING

June 1, 2010, 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 June 1, at 8:30 a.m. in the Council Chambers at 555 Walnut Street. Mayor Archibald was present and presiding with Councilmen Shane Price, Joe Spano, Anthony Williams, Robert O Briley and Stormy Higgins, and Councilwoman Kellie Miller. Also present were City Manager Larry Gilley, City Attorney Dan Santee, City Secretary Danette Dunlap, and various members of the City staff.

Mayor Archibald gave the invocation.

Mayor Archibald led the Pledge of Allegiance to the Flags of the United States of America and the State of Texas.

Larry Gilley City Manager introduced the General Fund Revenue by Category and the General Fund Expenditures by Department for the FY 2009-10.

Key Issues

- Property Tax
- Sales Tax
- Pay Plan
- Self Insurance Fund

Richard Petree, Chief Appraiser with the Taylor County Central Appraisal District briefed the council on numbers from the Taxes.

Net Taxable

Tax Unit	Preliminary		
	2009	2010	% Change
Taylor County	\$6,409,798,308	\$6,562,696,139	2.39%
City of Abilene	\$4,826,427,031	\$4,937,585,186	2.30%
Abilene ISD	\$3,819,560,884	\$3,885,114,652	1.72%
Wylie ISD	\$1,254,615,554	\$1,311,622,971	4.55%

Residential

Tax Unit	Preliminary			Avg. Home	
	2009	2010	% Change	2009	2010
Taylor County	\$3,230,643,018	\$3,327,498,636	3.00%	\$101,240	\$103,562
City of Abilene	\$2,808,047,353	\$2,880,434,357	2.58%	\$99,372	\$101,171
Abilene ISD	\$2,195,147,785	\$2,237,588,652	1.93%	\$87,985	\$89,426
Wylie ISD	\$837,549,108	\$886,393,916	5.83%	\$166,889	\$170,947

Commercial

Tax Unit	Preliminary		
	2009	2010	% Change
Taylor County	\$1,094,315,665	\$1,138,339,179	4.02%

City of Abilene	\$1,121,349,285	\$1,154,218,210	2.93%
Abilene ISD	\$ 917,943,458	\$ 943,296,113	2.76%
Wylie ISD	\$ 139,692,379	\$ 148,079,959	6.00%

City of Abilene by Category

	Preliminary			New
	2009	2010	% change	Construction
Single Family Residential	\$2,808,047,353	\$2,880,434,357	2.58%	\$31,491,633
Multi-Family	\$ 290,034,214	\$ 306,825,173	5.79%	\$ 1,550,917
Vacant Lots	\$ 75,778,254	\$ 74,626,041	-1.52%	
Acreage/Rural Homes	\$ 74,888,511	\$ 77,778,373	3.86%	\$ 54,301
Commercial/Industrial	\$1,121,349,285	\$1,154,218,210	2.93%	\$ 16,576,848
Utilities	\$ 141,235,709	\$ 140,910,257	-0.23%	\$ 9,423
Bus. Personal Prop	\$ 801,969,515	\$ 802,798,940	0.10%	
Other	\$ 65,007,563	\$ 58,326,547	-10.28%	\$ 484,827
Total	\$5,378,310,404	\$5,495,917,898	2.19%	\$ 50,167,949

Notes: Values are for the City of Abilene in Taylor County. Jones County taxable values for 2009 were \$25 million. Presently, \$147 million in property is under appeal, but is included in the values above. The final day to protest real estate values is June 1.

Discussion on Property Taxes included: 1) building is slowing down; 2) Residential has had a slight increase in values; 3) Commercial has had an increase of 2.93%; 4) seeing a lot of vacancies in the mall and the strip malls; 5) to many hotel rooms, occupancy is at 55%; 6) the ability per State law to allow for a different roll back rate due to the loss of sales tax revenue; 7) collection rates are about 98% to 98.5%; 8) the Central Appr. District works closely with citizens on pay out plans etc.; and 9) the Senior tax freeze the citizens voted for.

Mindy Patterson Director of Finance reviewed the Sales Tax numbers.

Sales Tax

- **General Fund Budget for 2010 = \$26,839,460**
- **2% increase over Budget 2009**
- **Currently 6.28% below last year**
(For October through May)

Sales Tax Comparison

General Fund

Accounting Period Month	Actual 2008-09	Actual 2009-10	% Change 2009-10 vs. 2008-09
October	\$2,110,327	\$2,015,713	-4.48%
November	2,680,327	2,274,694	-15.13%
December	2,122,017	1,806,690	-14.86%
January	1,981,870	1,784,283	-9.97%
February	2,867,666	2,694,722	-6.03%
March	1,807,393	1,855,978	2.69%
April	1,849,680	1,804,229	-2.46%
May	2,380,271	2,444,891	2.71%
YTD	\$17,799,550	\$16,681,200	-6.28%
June	1,961,132		
July	1,794,109		
August	2,397,269		
September	1,961,484		
FY TOTAL	\$25,913,544		

Comparison to 2008-09 Actual (\$1,118,349)

Expenditure Reductions

* Decrease travel budgets	\$ (208,500)
* 2% pay increase March	(196,000)
* 5% pay range adjustment March	(195,500)
* Cell phone	(25,000)
* Vacancies	(570,500)
* FY 09 year end encumbrance	(250,000)
* 3 days furlough non civil service	(209,100)
* 3 days furlough police	(147,210)
* 3 days furlough fire	(128,400)
* Meet and confer administrative costs	(65,500)
* Marshal bank run charge to water 2 hrs day	(10,490)
* Library termination pay	(22,950)
* Library materials budget	(40,000)
* Reimbursement for engineering water cuts	(25,000)
* Reimbursement for engineering lake lot	(10,500)
* Reimbursement for engineering dcoa parking lot	(13,500)
* Police no citizen academy or youth academy	(10,000)
* Directed transfers	(250,000)
	<u>\$ (2,378,150)</u>

* Completed or in process

Discussion in regards to Sales Tax and other revenue included: 1) Abilene seems to be rebounding faster than other cities that saw greater loss in sales tax revenue; 2) other revenues tracking down which include Interest earnings – showed 0% interest on City funds; and 3) Municipal Court behind for the year, some of this is attributed to offenders sitting out their time in jail.

City Manager Larry Gilley reviewed the City's Pay Plan and the Self Insurance Fund.

Pay Plan 2010

- Across-the-Board 2% ~ taken out of budget
- 5% pay range adjustment ~ taken out of budget
- Fire Department Civil Service 4% October 2009 delayed until April 2010
- Police Department Civil Service 4% March 2010 delayed until September 2010

Self Insurance Fund

- Health Plan performance indicators are pretty much tracking with prior year so far:
 - 953 covered employees
 - 2032 covered lives
 - Fiscal YTD claims \$2,811,613 compared to \$3,013,837 for same period last year (6 months)
 - FY 08 total claims were approximately \$5.8 million
 - FY 09 total claims were approximately \$6.1 million
- We transferred \$500,000 to the Self Insurance fund at year end 08, but did not transfer money at year end 09.
- COACH is running at a utilization rate of about 61 office visits per week, which is virtually the same utilization rate this time last year.
- We continue to actively pursue cost management and cost containment strategies through wellness initiatives, Health Risk Assessments, safety programs, assertive return to work programs, and employee education.

Council and Staff discussion included: 1) Meet and Confer process with the Fire and Police Associations – agreement with them ends 9/30/10. Hoping to extend the current Meet and Confer Agreement; 2) Budget for the Self Insurance fund is 5.9 million; 3) Priority for City Services – be prepared for the possibility of cutting services; 4) water and refuse rates – there is a plan increase; 5) consolidation of city services; 6) support of raises for non-civil service employees in next year's budget; 7) concern over federal and state aided programs; 8) refuse pickup – could we go to 1X a week vs. 2X's a week; 9) 2010 CIP program cost – the CIP is supported through debt service. Look at the possibility of doing something with CIP in 2011 or shift money to street repair instead of parks etc.; and 10) enter the budget with caution and take a very conservative view.

No action on this item for information only.

Item 7 – Approving the reappointment of Mike Schwiekhart to the Development Corporation of Abilene, Inc. Board.

Councilman Williams made the motion to approve Mayor's appointment of Mike Schwiekhart to the Development Corporation of Abilene, Inc. Councilman Price seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Briley, Higgins and Councilwoman Miller and Mayor Archibald.
NAYS: none

There being no further business the meeting was adjourned at 9:47 a.m.

Danette Dunlap, TRMC
City Secretary

Norm Archibald
Mayor