

**SPECIAL/WORKSHOP
CITY COUNCIL MEETING
July 27, 2011 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 Special Session on July 27th, 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, Stormy Higgins and Councilwoman Miller. Also present were City Manager Larry Gilley, City Attorney Dan Santee, City Secretary Danette Dunlap, Director of Finance Mindy Patterson, and Assistant Director of Finance Mike Raines and various members of the City staff.

Councilman Price 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, briefed the council on the General Fund FY 12 fund balance with proposed adjustments is \$17,805,058.00 or 2.9 months of fund balance. The Policy recommendation for fund balance is 3 months and is reflected in the amount of \$17,884,390.00. The difference needed to bring fund balance to 3 months is \$79,332.00.

The FY 11 revised revenue budget proposes a General Fund increase of \$2,425,870.00, which is 3.5% above FY 11 approved. The increase is reflected in Sales Tax increase of \$1,946,610.00 and increase in Franchise Fees of \$215,010.00.

The FY 11 revised expenditure budget proposes a General Fund increase of \$2,201,740.00, which is 3.2% above FY 11 approved. The increase is reflected in transferring \$750,000 to Fire Apparatus Replacement Fund, \$500,000 to Self Insurance Fund, \$130,000 Emergency Medical Dispatch (EMD) System, and \$124,000 Retrofit Fire Engines with Compressed Air Foam System (CAFS).

The FY 12 revenue budget proposes a General Fund increase of \$2,252,470.00 (including transfers) which is 3.2% increase from FY 11 approved. The increase is reflected in Property Taxes of \$623,130 and Sales Tax \$1,323,670.00.

The FY 12 expenditure budget proposes a General Fund increase of \$2,017,150.00 (including transfers), which is 2.9% increase from FY 11 approved. The increase is reflected in across the board compensation adjustment (Effective end of March 2012) \$715,820, Police Academy \$673,460, and Senior Citizens Food Formula Change \$79,900.00.

Fire Apparatus Replacement Fund – is a new fund established in FY 11 with \$750,000 of seed money. Historically fire apparatus was funded as part of the Capital Improvements Program (CIP). The CIP is funded by the sale of certificates of obligation. Since 1994, 18 pieces of equipment have been purchased as part of the CIP at approximately \$5.5 million.

Council and Staff discussion included the following: 1) Police Academy in the FY 12 budget, Assistant Chief of Police Mike Perry explained that the Police Department averages an academy every two years. We are currently down 2 sworn officers. The Department has been hiring on a lateral transfer basis; 2) Sales Tax – discussed how the sales tax number was figured for FY 12, the number was figured on FY 11 8mths of actual

plus a review of the last 4mths of actual of FY 10; 3) Water Fund – no proposed water/sewer rate increase for FY 12; 4) Fund Balance – desire to move to the full 3 months of fund balance; 5) Fire Department Apparatus Replacement Fund – discussion of the life cycle of the fire equipment. We will need to purchase equipment in the next three years. This is a new program that will enable the city to have funds set aside to purchase the needed equipment in the future; 6) Salary increase – proposed 3% across the board increase to occur at the end of March 2012; 7) Emergency Medical Dispatch (EMD) System – the cost to upgrade the dispatch system is \$130,000 and is in the FY11 revised. The system will allow for a more efficient dispatch of fire company and ambulance services. Discussion included moving the payment of the system to the technology fund; 8) Maxwell Golf Course – the proposed FY 12 budget does not include a financial subsidy to Maxwell. Discussion also included the City paying the water bill for Maxwell and setting a cap of \$40,000 per year. The amount that was going to be used for the Dispatch System in the amount of \$130,000 could be divided with \$40,000 going to cover the water bill for Maxwell Golf and \$90,000 to bring the fund balance to the 3 month reserve; 9) Cost of Living Allocation (COLA) for the City of Abilene retirees; 10) the problems that are facing the nation with the Federal Government trying to come to a budget deal. How will this affect city projects? Work has stopped at the Air Traffic Control Tower at the Abilene Regional Airport. This has occurred due to Washington not approving an extension of the 2007 Transportation Funding Act. The City has seen a decline in the funds coming into the City for the CDBG & HOME Fund Grants; 11) Lawson Financial Software – nearly ready to get financials on the City website; and 12) Effluent discharge from the wastewater plant – daily average amounts to 6 million a day, how can we better use the effluent discharge.

Council took a lunch break. Council reconvened and began the afternoon with a short video of how the budget process works. Various city employees described the process the City goes through to put together a budget document that goes to the council for approval then becomes the guiding document for the Fiscal year.

Council and Staff discussion included: 1) Water department budget – 90% of the cost in the expenditure account 8010 (Administration) covers Cedar Ridge; 2) The City will be working on the Section 404 permit during FY 12; 3) City Manager Larry Gilley gave a overview of the salary history since 2009; 4) TMRS estimates that the cost of COLA for the city retirees will be approximately 2%; and 5) Fuel costs – staff is comfortable in the estimates for fuel.

Mayor Norm Archibald made the motion to approve the Revised FY 11 Budget at \$17,592,150.00. Councilman Briley seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Briley, Higgins and Councilwoman Miller and Mayor Archibald

NAYS: None

Mayor Norm Archibald made the motion to approve the Budget for FY 2012 in the amount of \$71,577,560.00. Councilman Spano seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Briley, Higgins and Councilwoman Miller and Mayor Archibald

NAYS: None

AN ORDINANCE APPROVING REVISED BUDGET FIGURES FOR FISCAL YEAR 2010-2011; APPROVING AND ADOPTING BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2011, THROUGH SEPTEMBER 30, 2012 FOR THE CITY OF ABILENE APPROPRIATING FUNDS; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; CALLING A PUBLIC HEARING.

Mayor Norm Archibald made the motion to approve levying an ad valorem tax for the City of Abilene at .6932 and breaks out as Operations & Maintenance at .4837 and Debt Service is .2095. Councilman Higgins seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Briley, Higgins and Councilwoman Miller and Mayor Archibald

NAYS: None

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, APPROVING THE ASSESSMENT ROLL FOR 2011, LEVYING AN AD VALOREM TAX FOR THE CITY OF ABILENE, TEXAS FOR THE YEAR 2011; PROVIDING FOR THE ASSESSMENT AND COLLECTION THEREOF; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES CONFLICT HERewith; CALLING A PUBLIC HEARING, PROVIDING AN EFFECTIVE DATE.

There being no further business the meeting was adjourned at 2:24 p.m.

Danette Dunlap, TRMC
City Secretary

Norm Archibald
Mayor