

**CITY COUNCIL MEETING**  
**October 9<sup>th</sup>, 2014, at 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 9<sup>th</sup>, 2014, at 8:30 a.m. in the Council Chambers, 555 Walnut St. Mayor Archibald was present and presiding with Councilmen Shane Price, Joe Spano, Anthony Williams, Jay Hardaway, Kyle McAlister 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.

Councilman Joe Spano gave the invocation.

Mayor Archibald introduced the Thomasville City Council (Thomas Elementary) Mayor Wisdom Mosley, Councilmembers are: Emma Burns, Jahairy Gonzalez, Brazos Lewis, Jakob Salinas. They led the Pledge of Allegiance to the Flags of the United States of America and the State of Texas.

**PROCLAMATIONS**

Mayor Archibald presented the following proclamations:

**Fire Prevention Week** - Deputy Chief Bell, Fire Marshall Moore and Kara Hunter, Fire Department Public Education Coordinator, accepted the proclamation.

October 2014 - **National Physical Therapy Month** - Dr. Marsha Rutland, Associate Professor of Physical Therapy at Hardin Simmons University, accepted. HSU Students attended the meeting.

**RECOGNITIONS AND SPECIAL ANNOUNCEMENTS**

Mayor Archibald introduced Kent Sharp. Mr. Sharp is the new CEO of the Development Corporation of Abilene.

Mayor Archibald was joined by Councilwoman Miller. Mrs. Miller announced that she would be stepping down from the city council and she has submitted her resignation.

Mayor Archibald was joined by City Manager Larry Gilley. This is Mr. Gilley's last council meeting. Mr. Gilley is retiring effective October 17<sup>th</sup>.

**DISPOSITION OF MINUTES**

**5.0** Mayor Archibald stated Council has been given the minutes from the September 25<sup>th</sup> regular meeting there being no deletions, no additions, and no corrections. Councilman Williams made a motion to approve the minutes as presented. Councilman Hardaway seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Hardaway, McAlister, and Mayor Archibald

NAYS: None

**CONSENT AGENDA**

Mayor Archibald announced the item 6.3 was pulled prior to the start of the meeting and will come back at a later date. Councilman Price made the motion to approve consent item 6.1 through 6.2 as recommended by staff. Councilman Spano seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Hardaway, McAlister, and Mayor Archibald  
NAYS: None

**Oral Resolutions:**

- 6.1 Oral Resolution:** The City Council authorized the City Manager to execute the Real Estate Sales Contract for the purchase of 642 Cockerell Drive.

An agreement has been reached between the City of Abilene and Walter N. Edwards, Attorney-in-Fact for David Antoine Edwards, owner, for the City's purchase of the property at 642 Cockerell Drive. The total purchase price will be \$37,000.00, plus the City 's cost for the title insurance policy..

- 6.2 Oral Resolution:** Purchase of Influenza Vaccine. The City Council authorized the purchase of 3,000 doses of vaccine from Sanofi-Pasteur at the price of \$58,997.69.

Influenza vaccine is developed and produced each year based on the number of doses ordered by providers intending to administer the vaccine. The vaccine must be requested in the spring of each year for distribution in the fall of the following year. The vaccine manufacturers determine the amount to produce based on the amount requested. In the spring, the public health division placed an order for 3,000 doses of vaccine (Fluzone Quadrivalent and High-Dose) from Sanofi-Pasteur. The price of the vaccine is \$58,957.69. The vaccine will be used to vaccinate all age groups. No other vaccine manufacturer produces a vaccine which can be used for all age groups, thus several different vaccine purchases would need to be made if other vaccine brands were used. Sanofi-Pasteur has assured the Abilene-Taylor County Public Health District that it can provide the entire 3,000 doses requested..

- .6.3 Oral Resolution:** Terminal Space Lease with U.S. General Services Administration – for Abilene Regional Airport. (Item pulled prior to start of the meeting.)

**REGULAR ITEMS**

- 7.1** Tommy O'Brien Director of Water Utilities briefed the city council on the Ordinance Amending Chapter 32, "Utilities," Article VI, "Water Conservation Plan" Division 1, "Generally," Section 32-142, "Application" of the Abilene City Code.

Chapter 32, Article VI of the City Code of Ordinances regulates and restricts the delivery and consumption of water as necessary to minimize the adverse impacts of water supply shortages or other water supply emergency conditions. Under the current ordinance, the regulations and restrictions do not apply to nonpotable water sources. Though that has not been a concern in the past, under the current drought conditions, regulation of non-potable water sources has become a necessity.

Therefore, staff is proposing to amend the City of Abilene Municipal Code, Chapter 32, Article VI. Water Conservation Plan. Such changes will:

1. Require all persons who withdraw raw water for landscape irrigation from Lake Kirby and/or Lake Fort Phantom Hill, and who do not have reclaimed water contracts with the City, to comply with all provisions of the Water Conservation Plan; and
2. Require all persons with reclaimed water contracts with the City to use treated wastewater (reclaimed water) and/or raw water from Lake Kirby for landscape irrigation to comply with the time provisions of the

Water Conservation Plan and use reclaimed water for landscape irrigation only during the hours of 12:00 midnight to 10:00 A.M., and from 6:00 P.M. until 12:00 midnight.

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

Councilman Spano made the motion to approve the amendment to the Water Conservation Plan. Councilman Hardaway seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Hardaway, McAlister and Mayor Archibald.

NAYS: None

**Ordinance #61-2014**

AN ORDINANCE AMENDING CHAPTER 32, "UTILITIES," ARTICLE VI, "WATER CONSERVATION PLAN" DIVISION 1, "GENERALLY," SECTION 32-142, "APPLICATION" OF THE ABILENE CITY CODE AS SET OUT BELOW; PROVIDING A SEVERABILITY CLAUSE; AND CALLING A PUBLIC HEARING.

**7.2** Jon James Director of Planning and Development Services briefed the city council on the Ordinance for **Case No. Z-2014-22**, a request from Nick Coates to rezone property from AO (Agricultural Open Space) & RS-6 (Single-Family Residential) to PD (Planned Development) zoning, located at 2668 Garfield Ave and the approximately 12.04 acres to the north.

Currently the property is zoned AO & RS-6 and is undeveloped. The property to the north is zoned PD and undeveloped. Interstate 20 is also located a short distance north of the subject property. The properties to the south are largely developed with single-family homes. The property to the east is developed as a large apartment complex. Originally, the owner asked for the PD zoning with underlying MF zoning to develop the land as an apartment complex. As part of the PD zoning, the applicant proposed that the current RS-6 area would remain undeveloped with exception of access to the north 12 acres. The applicant has amended his request to have underlying MF zoning on the northern 5 acres with the remaining 9 acres to have underlying RS-6 zoning. This property requested to be rezoned to MF zoning in June of last year with the intent of developing as a nursing facility. The request was recommended for denial due to a failed motion of approval with a 2-3 vote. The request was not appealed to City Council therefore considered as denied.

The Future Land Use section of the Comprehensive Plan designates this general area as 'low density residential'. The applicant is requesting the zone change to allow for development of an apartment complex. The area to the south consists of single-family homes. The primary access for this property currently is through the neighborhood on Campus Court. There is a large apartment complex adjacent to the east, but access is from N. Judge Ely Blvd and the I-20 frontage road. The requested zoning would be compatible with the adjacent apartment use but could negatively impact the adjacent single-family residential uses to the south.

Staff recommends approval as requested.

The Planning and Zoning Commission recommends approval with a requirement that no street stubs or connections shall be permitted from the PD by a vote of 6 in favor (Bixby, Calk, Ellinger, McClarty, Rosenbaum, and Famble) and none opposed.

Mayor Archibald opened the public hearing and council heard from the following citizens:

- Carmen Price – who spoke on concerns with heavy equipment moving in and out to the proposed property and the locked gate that is proposed.

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

Councilman Hardaway made the motion to approve the Ordinance for **Case No. Z-2014-22**, a request from Nick Coates to rezone property from AO (Agricultural Open Space) & RS-6 (Single-Family Residential) to PD (Planned Development) zoning with a requirement that no street stubs or connections shall be permitted from the PD, located at 2668 Garfield Ave and the approximately 12.04 acres to the north.. Councilman McAlister seconded the motion, motion carried.

AYES: Councilmen Spano, Williams, Hardaway, McAlister and Mayor Archibald

NAYS: None

ABSTAINED: Councilman Price

Ordinance **#62-2014**

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, "LAND DEVELOPMENT CODE," OF THE ABILENE MUNICIPAL CODE, CONCERNING PD-144 A PLANNED DEVELOPMENT; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE

**Location: located at 2668 Garfield Ave and the approximately 12.04 acres to the north.**

**7.3** Jon James, Director of Planning and Development Services briefed the council on the Ordinance for **Case No. Z-2014-34**, a request from Housing Providers, LLC, agent EHT, to rezone property from AO (Agricultural Open Space) and PD (Planned Development) to GC (General Commercial) zoning, being 27.15 acres located on the south side of the 600 -700 block of E. Stamford St.

Currently the property is zoned AO & PD and is undeveloped. The purpose of the zoning is to allow for a mix of commercial uses on the property. The surrounding area is developed generally with single-family residential uses to the south and proposed multi-family residential zoning to the east. The existing PD zoning allows for apartments. The applicant is requesting a change to the GC zoning which would allow for commercial uses.

The Future Land Use section of the Comprehensive Plan designates this general area as 'low density residential'. The requested zoning is deemed incompatible with the Future Land Use Map and the adjacent residential uses in the area. The frontage along I-20 would be more suitable for retail development with the remainder of the property transitioning to residential uses. The applicant has indicated a possibility of developing a travel trailer park on the rear portion of the site. Maintaining the AO zoning on the rear would provide an option of requesting a Conditional Use Permit for said use in the future.

Staff recommends approval of GR (General Retail) zoning along the front ±300 feet and rezoning to AO on the remainder of the property.

The Planning and Zoning Commission recommends approval of the staff recommendation by a vote of 6 in favor (Bixby, Calk, Ellinger, McClarty, Rosenbaum, and Famble) and none opposed.

Mayor Archibald opened the public hearing and the council heard from the following citizens:

- David Todd – agent for the developer and for the zone change
- Nick Coates – developer and for the zone change
- Kris Kowatch – spoke about concerns in the zone change area

Councilman Price made the motion to approve the zone change Ordinance for **Case No. Z-2014-34**, a request from Housing Providers, LLC, agent EHT, to rezone property from AO (Agricultural Open Space) and PD (Planned Development) to GC (General Commercial) zoning, being 27.15 acres located on the south side of the 600 -700 block of E. Stamford St. Councilman Williams seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Hardaway, McAlister and Mayor Archibald  
NAYS: None

Ordinance **#63-2014**

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, "LAND DEVELOPMENT CODE," 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.

**Location: 600-700 block of E. Stamford St.**

**7.4** Jon James Director of Planning and Development Services briefed the council on the Ordinance for **Case No. Z-2014-37**, a request from Hendrick Home for Children, agent EHT, to rezone property from AO (Agricultural Open Space) to PD (Planned Development) zoning, located at 2758 Jeanette St.

Currently the property is zoned AO and is developed with the Hendrick Home for Children campus. The children's home is proposing to expand their services with construction of an additional facility. The current zoning does not permit the expansion and thus requires a change of zoning to accommodate their desires. The surrounding area is developed generally with residential uses to the north and south, industrial uses to the east, and retail uses to the west. The applicant is requesting a change to the AO zoning to allow for the existing use and current & future expansions of their services.

The Future Land Use section of the Comprehensive Plan designates this general area for commercial/light industrial development. The requested zoning would be to specifically allow for the services provided by the children's home. The requested PD zoning will allow for continuation of the existing use and future expansion of services. The request is deemed compatible with the Future Land Use Map and the adjacent uses in the area.

Staff recommends approval.

The Planning and Zoning Commission recommends approval with the modification that no sidewalk is required along S. 24th St until site development occurs adjacent to the street by a vote of 4 in favor (Bixby, Calk, Rosenbaum, and Famble), none opposed, and 2 abstained (Ellinger & McClarty).

Mayor Archibald opened the public hearing and the council heard from David Todd agent for Hendrick Home for Children and there being no one else present and desiring to be heard the public hearing was closed.

Councilman Spano made the motion to approve the Ordinance for **Case No. Z-2014-37**, a request from Hendrick Home for Children, agent EHT, to rezone property from AO (Agricultural Open Space) to PD (Planned Development) zoning, located at 2758 Jeanette St. Councilman Hardaway seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Hardaway, McAlister and Mayor Archibald  
NAYS: None

Ordinance #64-2014

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, "LAND DEVELOPMENT CODE," OF THE ABILENE MUNICIPAL CODE, CONCERNING PD-146 A PLANNED DEVELOPMENT; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

**Location: 2758 Jeanette Street**

**7.5** Jon James Director of Planning and Development Services briefed the council on the Ordinance the **Case No. Z-2014-38**, a request from Donald Hardin, to rezone property from GC (General Commercial) & RS-6 (Single-Family Residential) to GR (General Retail) zoning, located at 2526 S. 14th St & 1357, 1365, & 1373 Portland Ave.

Currently the property is zoned GC & RS-6 and is developed with a commercial use and 3 residential homes. The purpose of the zoning is to allow for retail uses on the property. The surrounding area is developed generally with single-family residential uses to the north and retail uses to the east & west along S. 14th St. McMurry University exists nearby to the southeast. The applicant is requesting a change to the GR zoning which would allow for retail uses similar to those already existing along S. 14th St.

The Future Land Use section of the Comprehensive Plan designates this general area as 'commercial' and is near a 'Local Community Center' node. The S. 14th Street thoroughfare is also classified as an 'enhancement corridor'. The requested zoning is deemed compatible with the Future Land Use Map along the S. 14th St frontage. The area to the north consists of single-family residential uses. The frontage along S. 14th St would be more suitable for retail development with the northernmost property transitioning to residential uses. Maintaining the RS-6 zoning on the northernmost property would provide the transition to single-family residential uses to the north.

Staff recommends approval of GR (General Retail) zoning for all but the northernmost property (1357 Portland Ave).

The Planning and Zoning Commission recommends approval of GR on the 2 north lots and keeping GC zoning on the south lot by a vote of 6 in favor (Bixby, Calk, Ellinger, McClarty, Rosenbaum, and Famble) and none opposed.

Mayor Archibald opened the public hearing and council heard from Cullen Hunt who spoke against the zoning and there being no one else present and desiring to be heard the public hearing was closed.

Councilman Price made the motion to approve the Ordinance for **Case No. Z-2014-38** a request from Donald Hardin to rezone property from GC (General Commercial) & RS-6 (Single-Family Residential) to GR (General Retail) zoning, located 2526 S. 14<sup>th</sup> St & 1365 & 1373 Portland Ave. 1357 Portland is zoned RS-6. Councilman Hardaway seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Hardaway, McAlister and Mayor Archibald  
NAYS: None

Ordinance #65-2014

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, "LAND DEVELOPMENT CODE," 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.

**Location: 2526 S 14<sup>th</sup> & 1365 & 1373Portland Ave**

**7.6** Jon James Director of Planning and Development Services briefed the council on the Ordinance on **Case No. Z-2014-39**, a request from Paul Johnson & Associates, agent Paul Johnson, to amend PD-41 (Planned Development) zoning regarding self-storage & signage, located at 425 & 465 N. Judge Ely Blvd.

Currently the property is zoned PD-41 and is developed with a large retail building that was the previous site of a Wal-Mart shopping center. The building has been vacant for several years. The purpose of the amendment to the zoning is to allow for self-storage warehousing within the building and to also allow for residential homes on the property. The surrounding area is developed generally with commercial uses to the south, single-family residential uses to the east, and apartments to the north & west. The applicant is requesting an amendment to the PD zoning which would allow for self-storage uses similar to other locations already existing in the City of Abilene. Additionally, the amendment will allow for additional signage at N. Judge Ely Blvd to advertise for the proposed use.

The Future Land Use section of the Comprehensive Plan designates this general area as 'commercial'. The proposed self-storage warehousing will be conducted indoors with minimal impact on the adjacent properties. The requested zoning is deemed compatible with the Future Land Use Map and the adjacent commercial and multi-family residential uses in the area.

Staff recommends approval of the proposed PD amendments.

The Planning and Zoning Commission recommends approval as requested by a vote of 6 in favor (Bixby, Calk, Ellinger, McClarty, Rosenbaum, and Famble) and none opposed.

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

Councilman Williams made the motion to approve the Ordinance for **Case No. Z-2014-39**, a request from Paul Johnson & Associates, agent Paul Johnson, to amend PD-41 (Planned Development) zoning regarding self-storage & signage, located at 425 & 465 N. Judge Ely Blvd. Councilman Spano seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Hardaway, McAlister and Mayor Archibald  
NAYS: None

Ordinance **#66-2014**

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, "LAND DEVELOPMENT CODE," OF THE ABILENE MUNICIPAL CODE, CONCERNING PD-41 AND ORDINANCE NO. 23-1986, A PLANNED DEVELOPMENT DISTRICT; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

**Location: 425 & 465 N. Judge Ely Blvd**

**7.7** Jon James Director of Planning and Development Services briefed the council on the Ordinance on **Case No. Z-2014-40**, a request from Warren Harkins, agent Jeanne Shaw, to rezone property from PD (Planned Development) to HC (Heavy Commercial) zoning, located at 3701 & 3725 W. Lake Rd.

Currently the property is zoned PD and is developed with multiple buildings that were previously used for oilfield services that existed on the property prior to annexation. The purpose of the zoning change request is to allow for outdoor display and rental of equipment and machinery on the property. The current zoning is restrictive and does not permit for this use. Specifically, a PD district was created to limit the uses on the property to be compatible with the adjacent residential uses. Any other uses would be required to conform to the GC (General Commercial) zoning regulations. The surrounding area is developed generally with manufactured homes to the north and east. The applicant is requesting a change to the HC zoning which would allow for the propose use.

The Future Land Use section of the Comprehensive Plan designates this general area for low density residential development. The requested zoning would be to specifically allow for outdoor display and rental of equipment and machinery not allowed in the existing PD zoning. The area has developed with manufactured homes to the north and east. The requested HC zoning in this location is deemed incompatible with the Future Land Use Map and the adjacent uses in the area.

Staff recommends denial.

The Planning and Zoning Commission recommends approval of modifying the existing PD zoning to allow for the “heavy equipment sales, rental, repair & display” use with several added regulations by a vote of 6 in favor (Bixby, Calk, Ellinger, McClarty, Rosenbaum, and Famble) and none opposed.

Mayor Archibald opened the public hearing and council heard from Paul Phillips with Briggs Equipment who spoke in favor of the zone change, there being no one else present and desiring to be heard the public hearing was closed.

Councilman Spano made the motion to approve the ordinance on **Case No. Z-2014-40**, a request from Warren Harkins, agent Jeanne Shaw, to rezone property from PD (Planned Development) to allow for the “heavy equipment sales, rental, repair & display” use with several added regulations zoning, located at 3701 & 3725 W. Lake Rd. Councilman Price seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Hardaway, McAlister and Mayor Archibald  
NAYS: None

**Ordinance #67-2014**

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING CHAPTER 23, "LAND DEVELOPMENT CODE," OF THE ABILENE MUNICIPAL CODE, CONCERNING PD-30 AND ORDINANCE NO. 37-1985, A PLANNED DEVELOPMENT DISTRICT; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

**Location: 3701 & 3725 W. Lake Rd**

**7.8** Jon James Director of Planning and Development Services briefed the council on the Ordinance for **Case No. TC-2014-06**, a request from Heavenly Rest Episcopal Church, agent EHT, to abandon Meander St from S. 6th St to S. 7th St & the adjacent east-west alley.



The abandonment of this section of Meander St would not create a block that is larger than the maximum block allowed, or 1,200 feet. With the closure of Meander St, traffic will still be able to maneuver various other streets in the vicinity. An alley currently connects into this section of Meander St. Only 1 home would be affected by the street closure and can be resolved with a roll-out trash can. However, continued service in that alley is recommended by the Solid Waste Services department and they opposed the alley closure. The alley also provides rear access to the home. An access easement is needed to allow for continued use of the alley. Additionally, water and sewer lines exist along the alley right-of-way. A utility easement is needed to allow for maintenance of these utilities.

#### PLAT REVIEW COMMITTEE

The Plat Review Committee recommends approval of the requested closure with the following conditions:

1. The proponent is to be responsible for the cost of adjustment or retirement of the existing public street lights along the abandoned right-of-way.
2. Provide an access easement along Meander St and the alley to connect to either S. 6th St or S. 7th St.
3. Provide appropriate drainage easements and utility easements.
4. Re-plat the adjacent property so that no currently platted lots are left without street frontage.

#### STAFF RECOMMENDATION

Approval per the Plat Review Committee. The request would not create a block that would be larger than permitted and the abandonment of Meander St would allow for expansion of the church.

#### BOARD OR COMMISSION RECOMMENDATION

The Planning and Zoning Commission recommends approval of abandoning only the Meander Street right-of-way, not the alley, per the Plat Review Committee conditions by a vote of 6 in favor (Bixby, Calk, Ellinger, McClarty, Rosenbaum, and Famble) and none opposed.

Councilman McAlister made the motion to approve the Ordinance for the **Case No. TC-2014-06**, a request from Heavenly Rest Episcopal Church, agent EHT, to abandon Meander St from S. 6th St to S. 7th St. Councilman Price seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, McAlister and Mayor Archibald

NAYS: None

ABSTAINED: Councilman Hardaway

#### Ordinance **#68-2014**

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.

**Location: abandon Meander St from S. 6<sup>th</sup> Street to S 7<sup>th</sup> Street.**

**7.9** Ronnie Kidd, Managing Director for Administration briefed the council on the bid award for the Medical Health Insurance. Jarrad Wills with Holmes Murphy & Associates presented the Marketing Analysis presentation.

The City of Abilene issued a Request for Proposal (RFP) in August for Third Party Administrator (TPA) services for the self-insured medical and prescription plan. Newspaper notices were published on August 17 and August 24, 2014. The deadline for proposal submissions was September 4, 2014.

From an access perspective, the RFP required that both Hendrick Health System and Abilene Regional Medical Center be administered and considered as “in-network” facilities by the TPA. Responses were received from four (4) vendors. With assistance from Holmes Murphy & Associates, the City’s benefits consultants, staff analyzed the responses to the proposals. Three vendors were identified as finalists and invited to present their proposals to staff and Holmes Murphy & Associates, on September 23, 2014.

# Revised 2015 Marketing Analysis Presentation Medical/Rx/Administration

## Overview

- High Level Asks
- Marketing Analysis
  - Process
  - Pros & Cons
  - 2015 Cost Projections
- Recommendation
- Next Steps

### High Level Asks

- Match Current Plan Designs
- Provide comprehensive access to Providers in Abilene and Beyond
- Provide robust administrative, banking, reporting, wellness, cost containment, and account management services
- Partner with the City in achieve the most comprehensive, cost effective program

### 2015 Marketing Analysis

- Currently Self Funded with BCBS of Texas
- Marketed Medical/Rx/Administration
- Proposed January 1, 2015 Effective Date
- Emphasis placed on Local Network Providers among Other Things
- 4 Carriers Responded
- Performed Finalist Interviews/Best and Final Offers
- 4 Carriers Responded
  - Aetna
  - BCBS of TX (Current)
  - Cigna
  - TML/UHC

Criteria	BCBSTX	Aetna	Cigna	TML/UHC
Quality	✓	✓	✓	✓
Access		✓	✓	✓
References/Accountability/Approach	✓	✓	✓	
Affordability	✓	✓	✓	✓

- Aetna & Cigna
  - Both Financially Advantageous Options
  - Least Amount of Employee & Administrative Disruption
  - Best Fits
- TML/UHC
  - Strong, Comprehensive Offer. Approach to Cost Containment was More Disruptive to Employees than Aetna or Cigna
- BCBS of TX
  - Hendrick Became an Out-of-network Provider Mid-2014 Creating Significant Employee Disruption

2015 Cost Projections

- Projected Carrier Cost Development
  - Medical
    - Took Gross Allowable Charges Eligible for Claim Payment and Adjusted Accordingly by Carrier Submitted Proposals
    - Valued Credits Accordingly (on-site resources, wellness dollars, etc.)
    - Valued Other Variables (discount guarantees, cost containment, etc.)
  - Rx – Held Each Carrier Relatively Constant Due to the City’s Ability to Carve out Rx
  - Administration – Used Actual Submitted 2015 Proposed Carrier Fees
  - Stop Loss – Estimated Cost and Held Constant for All Carriers. Will Market Stop Loss in Early November for a January 1, 2015 Effective Date

2015 Plan Year	Original BCBS	Revised BCBS	Aetna	Cigna
<b>2015 Total Projected Cost</b>	<b>\$7,844,776</b>	<b>\$8,702,667</b>	<b>\$8,796,704</b>	<b>\$8,737,749</b>
<b>Variance to Original BCBS - \$</b>		<b>\$857,891</b>	<b>\$951,928</b>	<b>\$892,973</b>
<b>Variance to Original BCBS - %</b>		<b>10.9%</b>	<b>12.1%</b>	<b>11.4%</b>
<b>Variance to Revised BCBS - \$</b>			<b>\$94,037</b>	<b>\$35,082</b>
<b>Variance to Revised BCBS - %</b>			<b>1.1%</b>	<b>0.4%</b>

Recommendation

- Two Solid Contenders (Aetna & Cigna) with Comprehensive Network Options
- Recommendation is to Move to Aetna for the 2015-2018 Plan Years Based on Approach and Best Overall Value
- Aetna Offers a 3-year Rate Guarantee

- Provide approximately \$90,000 in Credits for On-site/Transition Resources and Wellness/Prevention
- Fully Support City Initiatives
- Continue to Monitor Aetna Performance and Changing Market Dynamics

#### Next Steps

- Approve Recommendation to Move to Aetna Effective January 1, 2015
- City to Absorb Proposed Cost Increase from BCBSTX to Aetna Year 1, Re-evaluate Years 2+
- Prepare for Open Enrollment Meetings
- Continue to Promote Wellness/Prevention Initiatives
- Market Stop Loss for January 1, 2015 Contract Effective Date

Councilman Price made the motion to approve AETNA as the Medical Health Insurance for the City of Abilene. Councilman Hardaway seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Hardaway, McAlister

NAYS: None

ABSTAINED: Mayor Archibald

**7.10** Mayor Archibald briefed the council on the appointment of David A. Vela as Interim City Manager. Mr. Gilley's last day is October 17.

Mayor Archibald made the motion to appoint David A. Vela as the Interim City Manager for the City of Abilene. Councilman Williams seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Hardaway, McAlister and Mayor Archibald

NAYS: None

**7.11** Ronnie Kidd, Managing Director for Administration briefed the council on the request for proposal that staff has prepared for hiring of a professional search firm to facilitate the appointment of a City Manager. Looking at a 4 to 6 week time frame.

Mayor Archibald made the motion to approve the hiring of a professional search firm to facilitate the appointment of a City Manager. Councilman McAlister seconded the motion, motion carried.

AYES: Councilmen Price, Spano, Williams, Hardaway, McAlister and Mayor Archibald

NAYS: None

### **EXECUTIVE SESSION**

Mayor Archibald recessed the Council into Executive Session 11:18 a.m. 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.

The Council reconvened Executive Session at 11:56 a.m. and reported no votes or action was taken in Executive Session in regards to Section 551.072 Real Property, Section 551.074 Personnel and Section 551.071 Litigation/Consultation with Attorney. Councilman Williams left during the Executive Session.

No action from executive session.

There being no further business the meeting was adjourned at 11:56 a.m.

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Danette Dunlap, TRMC  
City Secretary

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Joe Spano  
Mayor Pro-Tem