

CITY COUNCIL SPECIAL CALLED MEETING
February 5th 2015, at 2:00 p.m.

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

The City Council of the City of Abilene, Texas met in a Special Called Session on February 5th 2015, at 2:00 pm in the Council Chambers, 555 Walnut St. Mayor Archibald was present and presiding with Councilmen Shane Price, Joe Spano, Anthony Williams, Jay Hardaway, Steve Savage and Kyle McAlister. Also present were Interim City Manager David A. Vela, City Secretary Danette Dunlap, City Attorney Dan Santee and various members of the City staff.

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

Council and Staff discussion included the projects associated with the Airport; 1) Don Green Airport Director briefed the Council on the request for the 4.2 million grant match; 2) the \$4.2 million represents the 10% of the 90/10 grants from the FAA; 3) projects would include rehab of the runway and taxi way; 4) the runway has been inspected and will need to be repaired in the near future or the airport would have to restrict the weight limit of airplanes using the runway; and 5) the age and expected life of the jet bridges.

Council and Staff discussion included the projects associated with the sidewalk projects: 1) Jon James Director of Planning and Development Services briefed the Council on the proposed sidewalk safety project along South 1st Street; and 2) other proposed projects submitted to the bond committee for consideration which includes several miles of sidewalk construction

George Williford with First Southwest briefed the Council on the General Obligation Bonds and discussed bond elections and what information material that could be provided by the City.

- Tone and context of voter education materials prepared and distributed by a city should conform to rulings by the Texas Ethics Commission.
- Handouts or brochures distributed by city can only state factual information
 - What the proposed projects/improvements are
 - How much the projects will cost
 - What is the tax rate impact
 - On an average homeowner
 - On businesses
 - Cannot be promotional or use 'leading' terms (benefit, solution, need, etc.)
- Officers or employees of the City are prohibited from spending City funds or using City resources (including other employees) on communications that support or oppose the bond election.

Discussion included: 1) the Credit Rating of the City is AA+ rating by Fitch and Standard & Poor's; 2) comparison of the City of Abilene tax debt vs the other comparative cities; 3) the Market Value and the Taxable Value for the City over the last 10 years; 4) the property tax rates since 2006; and 5) Tax Roll Analysis for 2014-2015 – Total Value \$5,350,997,000.

Leroy Grawunder with McCall, Parkhurst & Horton briefed the council on the Election Calendar for the bond proposal and the bond election ethics issues.

The Texas Election Code specifically prohibits a political subdivision from using public funds and resources to produce or distribute communications that support or oppose a bond election.

The Election Code's requirements apply to all communications, both written and oral, that are made by or at the direction of the employees and officers of the political subdivision, including members of its governing body.

The prohibition extends to the use of all property of the political subdivision, including copiers, telephones, computers, e-mail system, internal mail system, software, fax machines, office supplies and other property. The prohibition applies during working and non-working hours.

The Election Code does allow a political subdivision to expend public funds on election communications that factually describe the purpose of the bond election and the bond proposition if the communication does not advocate the passage or defeat of the bonds.

Mindy Patterson Director of Finance briefed the council on the history regarding the 2006 Bond Election and the savings that occurred between the proposed 2006 bond proposal and the actual cost.

	Original Projections	Actual
<u>Years to sale</u>	<u>5 years</u>	<u>4 years</u>
Total Rate (cents)	7.58	4.67
Difference		(2.91)
Based on FY 15 tax roll savings		\$ 1,354,605

**Potential Property Tax Rate Comparison
Residential Homestead
2014**

**Bond Package Size
Maximum Tax Rate
Annually**

	\$87.44 Million	\$80 Million	\$70 Million	\$60 Million
Home Value	<u>18.36 cents</u>	<u>16.80 cents</u>	<u>14.70 cents</u>	<u>12.60 cents</u>
\$75,000	\$137.70	\$126.08	\$110.25	\$94.50
\$92,561*	\$169.94	\$155.60	\$136.06	\$116.63
\$150,000	\$275.40	\$252.15	\$220.50	\$189.00
\$200,000	\$367.20	\$336.20	\$294.00	\$252.00

***Average Home Value**

(with homestead exemption)

Bonds would be sold over a 4-5 year period. Each year would have an incremental tax increase.

Maximum tax rate is after all bonds are sold.

**Proposed Bond Sale
Potential Impact**

TAX INCREASE

	Sale		Tax Rate		Average Home	
Year	Amount	Increase		92,561	150,000	200,000
1	22,000,000	0.0462		42.76	69.30	92.40
2	22,000,000	0.0462		42.76	69.30	92.40
3	22,000,000	0.0462		42.76	69.30	92.40
4	<u>21,440,000</u>	<u>0.0450</u>		<u>41.66</u>	<u>67.50</u>	<u>90.00</u>
	87,440,000	0.1836		169.94	275.40	367.20

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

- Gary Clevenger – against the Cedar Creek Waterway
- Gary Grubbs – spoke in favor of the Civic Center projects
- Jimmy Hall – President of the Abilene Firefighters Assoc. – spoke in favor of the Public Safety projects
- Marilyn Chalmers – against the Cedar Creek Waterway
- Bruce Kreidler – spoke on the tax rate on the average home
- Jess Madison – Abilene Firefighters Assoc. – spoke in favor of the public safety projects
- Jon Brokaw – in favor of South 1st Street sidewalk project and the Cedar Creek Waterway
- Doug Offermann – voiced his concerns – What is fair, assessment and proper reporting
- Gail Russey – spoke for the projects that would benefit our young people
- Randy Barnett – spoke in favor of the Cedar Creek Waterway
- Nanci Liles – supported the projects
- Winston Ohlhausen – spoke on his concerns over the bond projects
- Mike Vandervoort – spoke on his concerns regarding the street projects

Council began a discussion of the different projects: 1) Fire and Police – council was all in support of the fire and police projects; 2) Streets – council was in support of the street projects – Councilman Savage had concerns regarding the wording on the ballot and warranty work on road rehabs; 3) Municipal Facilities – council discussed the various issues with the Civic Center. Council voiced their concerns regarding the Fly System and the exhibit hall and kitchen rehab; 4) Zoo – the private donor matching 1.2 million on the behind the scenes projects. Councilman Savage did not support the project all other Council supported the zoo; 5) Parks & Recreation projects – council discussed the various projects and was supportive of various projects. It was discussed about breaking out the propositions in separate stand on their own projects; 6) Airport projects – Jet bridges fall very low in priority with the FAA; and 7) Sidewalk projects - fencing along the railroad right-of-way.

There being no further business the meeting was adjourned at 5:31 p.m.

Danette Dunlap, TRMC
City Secretary

Norm Archibald
Mayor