

**SPECIAL MEETING
BUDGET WORKSESSION
JULY 26, 2016, 1:00 p.m.**

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

The City Council of the City of Abilene, Texas, met in a Special Meeting to conduct a budget work session at 1:00 p.m. on July 26, 2016 in the City Council Chambers of City Hall. Mayor Norm Archibald was present and presiding with Councilmen Shane Price, Bruce Kreidler, Anthony Williams, Kyle McAlister, Jay Hardaway and Steve Savage. Also present were City Manager Robert Hanna, Assistant City Managers Mindy Patterson and James Childers, Director of Finance Mike Rains, City Attorney Stanley Smith, City Secretary Danette Dunlap, and various other members of 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.

Mayor Archibald reviewed the expected schedule for the budget work sessions. The Mayor noted a budget work session is scheduled for tomorrow, Wednesday, July 27, 2016, at 8:30 a.m., and July 28th, if needed after the regular council meeting. The goals of the budget deliberations are to: 1) approve on first reading the Revised 2015-2016 Budget; 2) approve on first reading the Proposed FY 2016-2017 Budget; 3) approve on first reading the ordinance setting the tax rate; and 4) approve on first reading the ordinance adopting the fees and charges for the next year. The Mayor then asked Mr. Hanna to present the budget information.

Mr. Hanna gave a brief overview of the proposed 2016-2017 budget and the revised 2015-2016 budget.

**General Fund
FY 2016 Revised Revenue Changes from FY 2016 Adopted Budget**

Taxes and Franchise Fees	\$ (1,828,960)
Licenses and Permits	\$ 12,050
Intergovernmental Revenue	\$ (2,080)
Charges for Service	\$ (120)
Fines and Forfeitures	\$ (560,420)
Miscellaneous Revenue	\$ (314,820)
Operating Transfers in	<u>\$ 766,470</u>
Total Increase/(Decrease)	\$ (1,927,880)
% Change	2.21%

General Fund

FY 2016 Revised Expenditure Changes from FY 2016 Adopted Budget

Personnel Services	\$ (1,187,960)
Supplies	\$ 34,270
Maintenance	\$ (235,720)
Other Services and Charges	\$ (374,910)
Capital Expenditures	\$ 48,000
Operating Transfers	<u>\$ (178,010)</u>
Total Increase/(Decrease)	\$ (1,894,330)
% Change	2.16%

General Fund

FY 2017 Revenue Changes from FY 2016 Revised Budget

Taxes and Franchise Fees	\$ 2,965,890
Licenses and Permits	\$ 116,430
Intergovernmental Revenue	\$ 133,020
Charges for Service	\$ 317,780
Fines and Forfeitures	\$ 119,820
Miscellaneous Revenue	\$ 239,540
Operating Transfers in	<u>\$ (359,960)</u>
Total Increase/(Decrease)	\$ 3,532,520
% Change	4.13%

General Fund
FY 2017 Expenditure Changes from FY 2016 Revised Budget

Personnel Services	\$ 2,201,450
Supplies	\$ 272,280
Maintenance	\$ 322,320
Other Services and Charges	\$ 236,810
Capital Expenditures	\$ (85,740)
Operating Transfers	<u>\$ (1,410,520)</u>
Total Increase/(Decrease)	\$ 1,536,600
% Change	1.76%

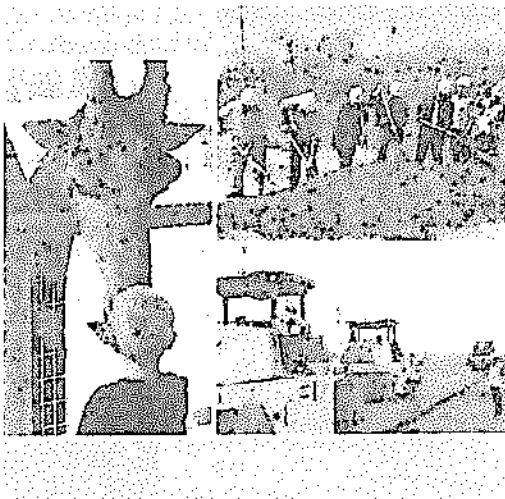
General Fund
Summary of Revenues & Expenditures
FY 2016-2017 Budget

	Actual 2014-2015	Approved 2015-2016	Revised 2015-2016	Proposed 2016-2017
Beginning Balance	\$22,655,269	\$20,771,189	\$24,080,840	\$21,894,380
Balance Forward 27 th pay period	\$1,430,000	\$1,630,000	\$1,630,000	\$1,830,000
REVENUE				
Current Revenue	\$82,581,620	\$85,369,540	\$82,675,190	\$86,567,670
Operating Transfers In	2,000,000	2,000,000	2,766,470	2,406,510
Total Current Revenue & Transfers In	<u>\$84,581,620</u>	<u>\$87,369,540</u>	<u>\$85,441,660</u>	<u>\$88,974,180</u>
Total Resources	<u>\$108,666,889</u>	<u>\$109,770,729</u>	<u>\$111,152,500</u>	<u>\$112,698,560</u>
EXPENDITURES				
Personal Services	\$58,893,872	\$63,892,210	\$62,704,250	\$64,905,700
Supplies	2,779,252	3,325,830	3,360,100	3,632,380
Maintenance	2,452,791	2,834,560	2,598,840	2,921,160
Other Services & Charges	12,863,186	13,888,360	13,513,450	13,750,260
Capital Expenditures	41,176	121,000	344,040	258,300
Operating Transfers	4,925,772	3,248,960	4,907,440	3,496,920
Total Expenditures	<u>\$82,956,049</u>	<u>\$87,310,920</u>	<u>\$87,428,120</u>	<u>\$88,964,720</u>
Total Financing Uses	<u>\$82,956,049</u>	<u>\$87,310,920</u>	<u>\$87,428,120</u>	<u>\$88,964,720</u>
Ending Balance	<u>\$25,710,840</u>	<u>\$22,459,809</u>	<u>\$23,724,380</u>	<u>\$23,733,840</u>

**Schedule of Tax Rate
Per \$100 Assessed Valuation
FY 2008-FY 2017**

<u>Fiscal Year</u>	<u>General Operating</u>	<u>General Debt Service</u>	<u>Total Tax Rate</u>
2008	.4693	.1985	.6678
2009	.4693	.2161	.6854
2010	.4693	.2239	.6932
2011	.4758	.2174	.6932
2012	.4837	.2095	.6932
2013	.4937	.1923	.6860
2014	.5095	.1765	.6860
2015	.5215	.1645	.6860
2016	.5306	.1834	.7140
2017	.5448	.2017	.7465

**General Fund
FY 2017 Expenditure Changes
from FY 2016 Revised Budget**



Personnel Services	
Police Academy - 20 Recruits	\$ 745,340
10 Firefighters (170 to 180)	\$ 318,040
Full Staffing Street Services	\$ 309,940
New Aquatic Center	\$ 186,260
All Other	\$ 641,870
Supplies	\$ 272,280
Maintenance	
Street Services	\$ 341,530
All other	\$ (19,210)
Other Services and Charges	\$ 236,810
Capital Expenditures	\$ (85,740)
Operating Transfers	
FY 2016 End of Year Funds	\$ (1,836,490)
All Other	\$ 425,970
Total Increase/(Decrease)	\$ 1,536,600
% Change	1.76%

General Fund FY 2017 Proposed Capital Outlay

Planning & Development Services

Code Compliance Software	\$	124,000
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Fire

Cardiac Monitors	\$	69,300
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TNT Rescue Tool Kit	\$	25,000
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Community Services

Shade Structures for Aquatics	\$	<u>40,000</u>
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Total for FY 2017	\$	258,300
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Water & Sewer Operating Fund FY 2016 Revised Revenue Changes from Original FY 2016 Budget

Charges for Service	\$	(1,442,520)
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Interest Earnings & Miscellaneous	\$	<u>(18,050)</u>
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Total Increase/(Decrease)	\$	(1,460,570)
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% Change		2.82%
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Water & Sewer Operating Fund

FY 2016 Revised Expenditure Changes from Original FY 2016 Budget

Administration	\$ 4,337,510
Utility Office	\$ (28,660)
Water Production	\$ (2,053,270)
Water Treatment	\$ (932,250)
Water Distribution	\$ (435,620)
Sewage Collection	\$ (369,820)
Wastewater Treatment	\$ (285,170)
Quality Control	\$ (9,110)
Utilities Special Services	\$ (51,180)
Total Increase/(Decrease)	\$ 172,430
% Change	0.30%

Water & Sewer Operating Fund

FY 2017 Revenue Changes from FY 2016 Revised Budget

Charges for Service	\$ 4,937,940
Interest Earnings & Miscellaneous	<u>\$ (41,450)</u>
Total Increase/(Decrease)	\$ 4,896,490
% Change	9.74%

Water & Sewer Operating Fund FY 2017 Expenditure Changes from FY 2016 Revised Budget

Administration	\$ (308,880)
Utility Office	\$ 19,400
Water Production	\$ 13,170
Water Treatment	\$ 401,270
Water Distribution	\$ 111,060
Sewage Collection	\$ 76,750
Wastewater Treatment	\$ 475,740
Quality Control	\$ 133,460
Utilities Special Services	\$ 1,817,750
Total Increase/(Decrease)	\$ 2,739,720
% Change	4.68%

Water & Sewer Operating Fund Summary of Revenues & Expenditures FY 2016-2017 Budget

	Actual 2016-2015	Approved 2015-2016	Revised 2015-2016	Proposed 2016-2017
Beginning Balance	\$26,386,315	\$25,954,533	\$27,916,332	\$19,714,042
REVENUE				
Charges for Service	\$43,339,513	\$51,196,500	\$49,753,980	\$54,691,920
Interest & Miscellaneous	550,993	557,500	539,450	498,000
Total Revenue	43,890,506	51,754,000	50,293,430	55,189,920
Total Resources	\$70,276,821	\$77,708,533	\$78,209,762	\$74,903,962
EXPENDITURES				
Personal Services	\$7,091,463	\$7,770,720	\$7,588,910	\$8,051,680
Supplies	2,567,399	3,202,640	2,953,140	3,599,390
Maintenance	1,465,781	2,706,560	2,666,160	2,758,440
Other Services & Charges	15,329,979	24,127,200	20,850,440	22,091,380
Capital Expenditures	2,294,459	3,080,000	1,811,150	1,790,150
Debt Service	11,617,868	17,436,170	17,405,330	18,044,400
Operating Transfers	1,993,540	0	5,220,590	4,900,000
Total Expenditures	\$42,360,489	\$58,323,290	\$58,495,720	\$61,235,440
Ending Balance	\$27,916,332	\$19,385,243	\$19,714,042	\$13,668,522

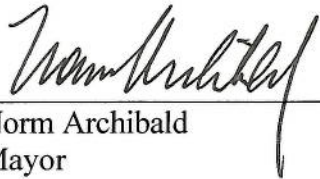
Council and Staff discussion included: 1) Positions were frozen to make the 2016 budget come into balance; 2) debt issuance tied to tax increase; 3) Water down 2% will be looking at a rate increase for FY17; 4) New fire engines listed in the Fire Apparatus Fund; 5) possibilities of furloughs if the next budget year we continue to see a reduced amount of sales tax; 6) suspended travel for employees unless needed for certificates that are required; 7) cost of fuel was configured at a flat rate; 8) curbside recycling – cutoff is August 1 for those to return their contracts; 9) CDBG Funds and Code Compliance; 10) ANI (Abilene Neighborhood Initiative); 11) Code Software; 12) Civic Center – new employee request; 13) additional fire fighters; 14) fees and charges; 15) catering costs associated with the Civic Center; 16) Self Insurance Fund Balance; 17) Health Insurance costs; and 18) No salary increase for employees.

Mayor announced that they would meet tomorrow July 27 @ 8:30 a.m. to continue discussion the budget. Items to be discussed tomorrow are: 1) 3 month operating fund balance; and 2) Water numbers.

There being no further business, the meeting was adjourned at 4:53 p.m.



Danette Dunlap
City Secretary



Norm Archibald
Mayor