

CITY COUNCIL WORKSHOP MEETING
September 26th, 2017, at 4:30 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 Workshop Session on September 26th, 2017, at 4:30 p.m. in the Council Chambers, 555 Walnut St. Mayor Anthony Williams was present and presiding with Councilmen Shane Price, Bruce Kreidler, Weldon Hurt, Kyle McAlister, Steve Savage and Councilwoman Albus. Also present were City Manager Robert Hanna, City Attorney Stanley Smith, City Secretary Danette Dunlap, and various members of the City staff.

EXECUTIVE SESSION

Mayor Williams recessed the Council into Executive Session at 4:30 p.m. pursuant to the Open Meetings Act for the following:

Consultation with Attorney - Section 551.071

A) Street Maintenance Fund

Personnel Matters – Section 551.074

A) Discussion of enforcement of City Council rules of procedure- Censure of all councilmembers and/or Mayor for violations

The Council reconvened in Open Session at 5:30 pm. and reported no votes or action was taken in Executive Session.

Councilman Bruce Kreidler gave the invocation.

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

AGENDA ITEMS

3.2 Possible discussion and resolutions of public censure of any Councilmember and/or Mayor.

Mayor Williams made a motion to censure Councilman Steve Savage by Resolution. Councilwoman Albus seconded the motion, motion failed.

AYES: Councilmen Price, Hurt, McAlister, Councilwoman Albus and Mayor Williams

NAYS: Councilman Kreidler

ABSTAINED: Councilman Savage

3.3 Ordinance (First Reading) Establishing a Street Maintenance Fee and setting a public hearing for October 12th 2017.

James Childers Assistant City Manager briefed the city council on the changes in the Ordinance for the Street Maintenance Fee.

The summer of 2017 saw a robust public dialogue on the merits of implementing a Street Maintenance Fee (SMF) to raise funds to maintain Abilene's road infrastructure. Feedback from community stakeholders was used to construct a proposal that generated \$10.3 million in revenue annually and was presented to the City Council at the

August 10, 2017 Council Meeting. The proposed \$10.3 Million plus in revenue was realized through a combination of residential revenue, commercial revenue, and Type A Economic Development funds and did not propose the use of any existing revenue. A motion to move the presented SMF model to a November ballot ultimately failed. A general observation from both the Council and public was that generating \$10.3 Million in new revenue was “too much, too soon” for many Abilenians. The City Council instructed Staff to explore other options to lower the fees.

What is presented for Council consideration this meeting takes a phased approach where revenues generated from the fees on residential and commercial users are supplemented with Type A funds from the Development Corporation of Abilene (DCOA), City operational savings, and repurposing of existing tax revenue. During fiscal years 2018 and 2019, the rates charged to residential and college customers are 36% less that what was presented to Council on August the 10th. Commercial customers on six tiers will see a rate savings of approximately 50% across the board during these first two years. In fiscal years 2020 through 2024, the rates will increase in both residential and commercial categories, but these rates will be 25% lower in both categories compared to what was presented on August 10th.

Revenue from all Proposed Sources

The table shows the revenue generated by a tiered residential set up along with commercial and local option revenue:

Fiscal Year	SMF Rev	Tax Rev	Type A	GF Budget	Totals
2018*	\$2,188,094	\$0	\$1,500,000	\$648,500	\$4,336,594
2019	\$4,763,688	\$0	\$2,000,000	\$723,500	\$7,487,188
2020**	\$6,335,336	\$0	\$2,000,000	\$1,098,500	\$9,433,536
2021	\$6,335,336	\$534,100	\$2,000,000	\$1,473,500	\$10,342,936
2022	\$6,335,336	\$1,068,200	\$1,000,000	\$1,848,500	\$10,252,036
2023	\$6,335,336	\$1,602,300	\$0	\$2,223,500	\$10,161,136
2024	\$6,335,336	\$1,602,300	\$0	\$2,223,500	\$10,161,136

*2018 SMF Rev numbers assume a straight adoption of the SMF and billing start of 4/1/18 for Commercial and Residential and /1/18 billing start for Colleges and MF

2018 SMF Rev numbers assume a straight adoption of the SMF and billing start of 4/1/18 for Commercial and Residential and /7/1/18 billing start for Colleges and MF

- Street Maintenance Advisory and Appeals Board
- **New Business Exemption** – New Locally owned and operated businesses will be exempted from the program for 3 years from the establishment of their new utility account

- **Sunset Review** – the Ordinance sets that the Street Maintenance Advisory Board review the program in the first month following the fifth anniversary and recommend whether the program should be continued. They can also recommend to whether a rate increase or decrease is necessary. The City Council has the authority to request that the board review the program and make a recommendation to alter or discontinue the program to the Council at any point.

Council and Staff discussion included: 1) Advisory Board; 2) new business exemption; 3) timelines; 4) May Election; 5) appraisal growth in property taxes; 6) more public meetings; 7) apartment complexes and the reason for the delayed start time; 8) Type A funds; and 9) materials budget for Public Works.

Councilman Savage made a motion to open a public hearing on the Street Maintenance Fund Ordinance. Councilman Kreitler seconded the motion, motion carried.

AYES: Councilmen Price, Kreitler, Hurt, McAlister, Savage, Councilwoman Albus and Mayor Williams
NAYS: None

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

- Chris Lecca – against the fee
- Richard Kennedy – against the fee
- Caroline Kreitler – spoke about the charges on the water bill
- Doug Offermann – talked about measurements and accountability
- David Swart – against the fee
- Dewayne White – interest in the street rehabs
- Cynthia Alvidrez – spoke on the censure of Councilman Savage
- David Beckham – concerns over various factors of the fee
- Bob Thomas – take money out of budget
- Winston Ohlhausen – public meetings and use budget for street repair
- Maryann Bednar – take to the voters against the increase
- Ron Kinder – against fee
- Marsha Carter – against fee
- Dale Scaief – cut regular budget across the board by 10%

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

Mayor Williams made the motion to approve the first reading of the Ordinance establishing the Street Maintenance Fee and setting a public hearing on October 12th 2017. Councilman McAlister seconded the motion, motion carried.

AYES: Councilmen Hurt, McAlister, Councilwoman Albus and Mayor Williams
NAYS: Councilmen Price, Kreitler and Savage

3.4 Public Comments:

Mayor Williams opened the public comment time and the council heard from the following citizens:

- Richard Kennedy – Convention Center
- David Swart – Airport
- Chris Lecca – street grants
- Dale Boecker – streets
- Ron Kinder – fund streets a different way
- Maryann Bednar – disappointed in the vote

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

There being no further business the meeting was adjourned at 7:55 p.m.



Tiffni Herrera, TRMC
Assistant City Secretary



Anthony Williams
Mayor