

**SPECIAL CALLED MEETING
BUDGET WORK SESSION
July 21, 2020 at 10:00 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 a Special Called Meeting on July 21, 2020, at 10:00 a.m. in the Council Chambers, 555 Walnut St. Mayor Anthony Williams was present and presiding with Mayor Pro-tem Weldon Hurt, Deputy Mayor Pro-tem Donna Albus and Councilmembers Shane Price, Jack Rentz, Kyle McAlister, and Travis Craver. Also present were City Manager Robert Hanna, City Attorney Stanley Smith, City Secretary Shawna Atkinson, and various members of the City staff.

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

Mayor Williams outlined the agenda for the morning.

BUDGET WORKSHOP

**2. Staff Presentation on Revised FY 2020 and Proposed FY 2021 Budgets
Complete Budget Review**

City Manager Hanna provided the overview of the proposed schedule for budget work sessions

- Budget Workshop July 21-22, 23 (if needed)
 - First Reading 2020 Revised Budget
 - First Reading 2021 Budget
 - First Reading Tax Rate
 - First Reading Fee Schedule

- Public Hearing and Adoption of: August 13 – Regular Council Meeting
 - 2020 Revised Budget
 - Tax Rate
 - 2021 Budget
 - Fee Schedule

The Revised FY 2020 and Proposed FY 2021 Budgets information was as follows:

**General Fund
Summary of Revenues & Expenditures
FY 2020-2021 Budget**

	Actual 2018-2019	Approved 2019-2020	Revised 2019-2020	Proposed 2020-2021
REVENUE				
Current Revenue	\$97,916,436	\$102,777,550	\$101,308,540	\$103,028,810
Operating Transfers In	3,911,242	3,787,740	5,163,210	4,094,380
Total Current Revenue & Transfers In	\$101,827,678	\$106,565,290	\$106,471,750	\$107,123,190
EXPENDITURES				
Personnel Services	\$69,885,850	\$76,001,560	\$76,345,080	\$78,874,100
Supplies	3,209,198	3,371,000	2,968,040	3,115,850
Maintenance	1,699,106	1,979,090	1,545,310	1,822,770
Other Services & Charges	14,883,804	15,454,300	15,526,590	16,352,720
Capital Expenditures	45,498	19,110	70,410	-
Operating Transfers	10,488,251	9,698,020	11,000,400	6,827,430
Total Expenditures	\$100,211,707	\$106,523,080	\$107,455,830	\$106,992,870
Net Revenues Over (Under) Expenditures	\$1,615,971	\$42,210	(\$984,080)	\$130,320
Beginning Fund Balance	\$25,642,927	\$24,329,867	\$27,258,898	\$26,274,818
Ending Fund Balance	\$27,258,898	\$24,372,077	\$26,274,818	\$26,405,138

General Fund FY 2020 Revised Key Revenue Changes from FY 2020 Approved Budget

Taxes and franchise fees		
	Reduction in gas franchise tax	(\$198,910)
	All other	14,440
Licenses and permits		
(56,090)		
Intergovernmental revenue		
	Covid-19 grant revenue	946,140
	All other	56,480
Charges for services		
	Reduction due to Covid-19	(1,346,070)
Fines and forfeits		
(218,700)		
Miscellaneous revenues		
	Reduction in investment earnings	(404,350)
	Reduction in personnel recoveries due to Covid-19	(321,920)
	All other	59,970
Operating transfers in		
	Hotel/motel tax	(277,100)
	Increase in Solid Waste, Stormwater, Fleet Services transfers	1,622,750
	All other	29,820
Total Increase/(Decrease)		
(\$93,540)		

General Fund FY 2020 Revised Key Expenditure Changes from FY 2020 Approved Budget

Personnel		
	Increased overtime	\$438,430
	All other	(94,910)
Supplies		
	Budget cuts	(402,960)
Maintenance		
	Budget cuts	(433,780)
Other Services/charges		
72,290		
Capital outlay		
	Zoo improvements	51,300
Operating transfers out		
	Reduced subsidy of Health and Transit Fund	(1,341,770)
	Increased transfer to Self Insurance Fund	1,041,770
	End of year funds transferred to Minor Improvement Fund	1,391,065
	All other	211,315
Total Increase/(Decrease)		
\$932,750		

General Fund

FY 2021 Key Revenue Changes from FY 2020 Revised Budget

Taxes and franchise fees		
	Property tax assessed value increase	\$906,860
	Sales tax	206,050
	All other	(63,330)
Licenses and permits		
Intergovernmental revenue		
	Reduced Covid-19 grant funding	(380,730)
	Reduced firefighter SAFER grant funding	(251,170)
	All other	3,360
Charges for services		
	Charges return to pre Covid-19 levels	912,350
Fines and forfeits		
Miscellaneous revenues		
	Reduction in investment earnings	(310,170)
	Recoveries return to pre Covid-19 levels	694,210
Operating transfers in		
	Hotel/motel tax	277,100
	Reduction of Solid Waste, Stormwater, Fleet Services transfers	(1,622,750)
	Minor Improvement fund	272,870
	All other	3,950
Total Increase/(Decrease)		\$651,440

General Fund

FY 2021 Key Expenditure Changes from FY 2020 Revised Budget

Personnel Services		
	Police & Fire Meet & Confer	\$451,210
	Police & Fire Step & Grade	269,560
	2% COLA Non-Civil Service	313,890
	Return to full staffing PT/Temp	688,080
	Annual Impact of 2020 New Positions and Salary Adjustments	632,250
	Overtime reduction	(416,810)
	Group Insurance/Workers Comp Increase	653,860
	All Other	(63,020)
Supplies		
Maintenance		
Other Services and Charges		
	Technology Fund Charges	493,810
	All other	332,320
Capital Expenditures		
Operating Transfers		
	Health Fund Transfer	100,000
	Transit Fund Transfer	550,270
	Self Insurance Fund Transfer	(420,690)
	End of Year Funds	(1,391,065)
	Minor Improvement Fund	(2,469,225)
	380 Agreements Transfer	(504,070)
	All Other	(38,190)
Total Increase/(Decrease)		\$ (462,960)

**Schedule of Tax Rate
Per \$100 Assessed Valuation
FY 2012-FY 2021**

<u>Fiscal Year</u>	<u>General Operating</u>	<u>General Debt Service</u>	<u>Total Tax Rate</u>
2012	.4837	.2095	.6932
2013	.4937	.1923	.6860
2014	.5095	.1765	.6860
2015	.5215	.1645	.6860
2016	.5306	.1834	.7140
2017	.5448	.2017	.7465
2018	.5648	.2103	.7751
2019	.5648	.2074	.7722
2020	.6069	.1808	.7877
2021	.6008	.1869	.7877

**Water & Sewer Operating Fund
Summary of Revenues & Expenditures
FY 2020-2021 Budget**

	<u>Actual 2018-2019</u>	<u>Approved 2019-2020</u>	<u>Revised 2019-2020</u>	<u>Proposed 2020-2021</u>
REVENUE				
Charges for Service	\$50,551,282	\$56,972,950	\$56,913,450	\$59,438,970
Interest, Misc & Transfers	1,374,706	956,220	769,740	259,070
Total Revenue	\$51,895,988	\$57,929,170	\$57,683,190	\$59,698,040
EXPENDITURES				
Personnel Services	\$8,482,776	\$10,192,890	\$9,817,010	\$10,430,800
Supplies	2,905,948	3,555,130	3,555,130	3,555,130
Maintenance	2,376,584	2,868,400	2,927,000	2,868,500
Other Services & Charges	18,391,123	20,091,230	20,334,640	20,306,060
Capital Expenditures	1,351,018	2,426,790	2,296,080	1,225,000
Debt Service	17,586,500	17,748,160	16,376,540	17,379,750
Operating Transfers	3,559,435	6,352,000	6,352,000	-
Total Expenditures	\$54,653,384	\$63,234,600	\$61,658,400	\$55,765,240
Net Revenues Over (Under) Expenditures	\$(2,757,396)	\$(5,305,430)	(\$3,975,210)	\$3,932,800
Beginning Fund Balance	27,907,373	27,587,127	25,149,977	21,174,767
Ending Fund Balance	\$25,149,977	\$22,281,697	\$21,174,767	\$25,107,567

Water & Sewer Operating Fund
 FY 2020 Revised Revenue Changes from Original FY 2020 Budget

Charges for Service	\$ (59,500)
Interest Earnings & Misc.	(229,690)
Transfer from Capital Projects	43,210
Total Increase/(Decrease)	\$ (245,980)

Water & Sewer Operating Fund
 FY 2020 Revised Expenditure Changes from Original FY 2020 Budget

Administration	\$ (339,240)
Utility Office	212,960
Water Production	469,240
Water Treatment	(13,210)
Water Distribution	(316,160)
Sewage Collection	(134,830)
Wastewater Treatment	(30,120)
Quality Control	(55,720)
Utilities Special Services	(1,369,120)
Total Increase/(Decrease)	\$ (1,576,200)

Water & Sewer Operating Fund
 FY 2021 Revenue Changes from FY 2020 Revised Budget

Charges for Service	\$ 2,525,520
Interest Earnings & Miscellaneous	(467,460)
Transfers from Capital Projects	(43,210)
Total Increase/(Decrease)	\$ 2,014,850
% Change	4%

Water & Sewer Operating Fund FY 2021 Expenditure Changes from FY 2020 Revised Budget

Administration	\$ 457,220
Utility Office	(477,000)
Water Production	389,170
Water Treatment	31,190
Water Distribution	(554,290)
Sewage Collection	(29,670)
Wastewater Treatment	(522,630)
Quality Control	4,700
Utilities Special Services	(5,191,850)
Total Increase/(Decrease)	\$ (5,893,160)
% Change	-10%

Solid Waste Services Fund Summary of Revenues & Expenditures FY 2020-2021 Budget

	Actual 2018-2019	Approved 2019-2020	Revised 2019-2020	Proposed 2020-2021
REVENUE				
Charges for Service	\$15,418,218	\$15,994,290	\$16,116,340	\$16,135,550
Miscellaneous	72,346	70,010	33,260	3,150
Total Revenue	\$15,490,564	\$16,064,300	\$16,149,600	\$16,138,700
EXPENDITURES				
Personnel Services	\$3,910,214	\$4,018,200	\$4,053,550	\$4,098,310
Supplies	46,751	57,310	56,810	57,310
Maintenance	108,837	198,410	178,410	115,130
Other Services & Charges	7,735,504	8,745,590	8,653,740	8,959,050
Capital Expenditures	326,039	350,000	300,000	300,000
Debt Service	33,290	31,930	31,930	30,570
Operating Transfers	2,842,242	2,500,000	3,500,000	2,682,000
Total Expenditures	\$15,002,877	\$15,901,440	\$16,774,440	\$16,242,370
Net Revenues Over (Under) Expenditures	\$487,687	\$162,860	(\$624,840)	(\$103,670)
Beginning Fund Balance	2,594,843	2,003,353	3,082,530	2,457,690
Ending Fund Balance	\$3,082,530	\$2,166,213	\$2,457,690	\$2,354,020

**Stormwater Services Fund
Summary of Revenues & Expenditures
FY 2020-2021 Budget**

	Actual 2018-2019	Approved 2019-2020	Revised 2019-2020	Proposed 2020-2021
REVENUE				
Charges for Service	\$2,300,931	\$2,841,430	\$2,798,800	\$2,829,500
Miscellaneous	54,028	47,490	42,310	34,060
Operating Transfers	239,998	-	-	-
Total Revenue	\$2,594,957	\$2,888,920	\$2,841,110	\$2,863,560
EXPENDITURES				
Personnel Services	\$985,515	\$1,310,720	\$1,308,250	\$1,378,600
Supplies	28,708	39,720	39,720	39,720
Maintenance	176,551	330,870	340,570	330,870
Other Services & Charges	1,025,536	1,105,560	1,112,420	1,137,160
Operating Transfers	-	-	98,080	-
Total Expenditures	\$2,216,310	\$2,786,870	\$2,899,040	\$2,886,350
Net Revenues Over (Under) Expenditures	\$378,647	\$102,050	(\$57,930)	(\$22,790)
Beginning Fund Balance	529,780	577,516	908,427	850,497
Ending Fund Balance	\$908,427	\$679,566	\$850,497	\$827,707

**Self Insurance Fund
Summary of Revenues & Expenditures
FY 2020-2021 Budget**

	Actual 2018-2019	Approved 2019-2020	Revised 2019-2020	Proposed 2020-2021
REVENUE				
City Health Contributions	\$7,248,211	\$7,380,560	\$7,396,080	\$7,828,710
Employee Health Contributions	2,707,054	2,933,870	2,933,870	3,043,420
Retiree Health Contributions	164,956	189,000	136,320	143,140
Interfund Charges	1,915,000	2,030,000	2,023,930	2,480,400
Recoveries	10,084,251	392,720	1,654,760	453,720
Miscellaneous	212,308	114,370	28,090	3,700
Operating Transfers In	554,390	578,000	1,619,770	1,199,080
Total Revenue	\$22,886,170	\$13,618,520	\$15,792,820	\$15,152,170
EXPENDITURES				
Health & Drug Claims	\$10,124,566	\$9,538,100	\$10,667,230	\$8,965,330
Administrative Charges	1,043,797	973,500	1,288,530	1,379,090
Liability/Property Premiums/Charges/Claims	2,318,479	2,645,820	3,557,010	2,882,740
Other Expenditures	661,298	699,770	898,790	639,650
Hail Damage Repairs/Transfer out to DCOA	5,613,616	-	810,950	-
Total Expenditures	\$19,761,756	\$13,857,190	\$17,222,510	\$13,866,810
Net Revenues Over (Under) Expenditures	\$3,124,414	(\$238,670)	(\$1,429,690)	\$1,285,360
Beginning Fund Balance	7,546	1,833,748	3,131,960	1,702,270
Ending Fund Balance	\$3,131,960	\$1,595,078	\$1,702,270	\$2,987,630

Health Insurance Plan Changes

	2020 Current Plan	2021 Proposed Changes	% Increase 2020-2021
Employee Premiums-monthly cost			
Employee only	\$125	\$131	5%
Employee+children	\$275	\$289	5%
Employee + spouse	\$475	\$499	5%
Employee+family	\$550	\$578	5%
City Contributions-monthly cost	\$484 per employee	\$508 per employee	5%
Prescription Deductible	\$25	\$50	100%
Prescription Copay	\$15/\$40/\$60	\$15/\$50/\$70	0%/25%/17%
Voluntary Pharmacy Benefits Program	n/a	Optional	

Street Maintenance Fund Summary of Revenues & Expenditures FY 2020-2021 Budget

	Actual 2018-2019	Approved 2019-2020	Revised 2019-2020	Proposed 2020-2021
REVENUE				
Street Maintenance Fee	\$4,109,346	\$5,477,720	\$4,463,810	\$5,343,810
Contribution from DCOA	-	2,000,000	3,500,000	2,000,000
Miscellaneous Revenue	33,225	-	26,610	1,580
Transfers in	1,057,412	1,040,900	1,181,100	1,040,900
Total Revenue	\$5,199,983	\$8,518,620	\$9,171,520	\$8,386,290
EXPENDITURES				
Maintenance	\$674,690	\$1,040,900	\$813,580	\$1,040,900
Other Services & Charges	39,666	-	-	-
Transfers to Capital Outlay Fund	1,429,698	6,003,000	8,030,960	8,000,000
Total Expenditures	\$2,144,054	\$7,043,900	\$8,844,540	\$9,040,900
Net Revenues Over (Under) Expenditures	\$3,055,929	\$1,474,720	\$326,980	(\$654,610)
Beginning Fund Balance	50,000	3,679,150	3,105,929	3,432,909
Ending Fund Balance	\$3,105,929	\$5,153,870	\$3,432,909	\$2,778,299

Fire Apparatus Fund Summary of Revenues & Expenditures FY 2020-2021 Budget

	Actual 2018-2019	Approved 2019-2020	Revised 2019-2020	Proposed 2020-2021
REVENUE				
Transfers in General Fund	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
Recoveries of exp.	187,593	-	-	-
Contributions	-	-	100,390	-
Interest	61,379	68,160	20,770	1,670
Total Revenue	\$1,348,972	\$1,168,160	\$1,221,160	\$1,101,670
EXPENDITURES				
Fire Apparatus	\$1,004,447	\$1,450,050	\$2,332,840	\$1,356,000
Total Expenditures	\$1,004,447	\$1,450,050	\$2,332,840	\$1,356,000
Net Revenues Over (Under) Expenditures	\$344,525	(\$281,890)	(\$1,111,680)	(\$254,330)
Beginning Fund Balance	1,596,199	2,619,304	1,940,724	829,044
Ending Fund Balance	\$1,940,724	\$2,337,414	\$829,044	\$574,714

Minor Improvement Fund Summary of Revenues & Expenditures FY 2020-2021 Budget

	Actual 2018-2019	Approved 2019-2020	Revised 2019-2020	Proposed 2020-2021
REVENUE				
Transfers from General Fund	\$3,632,820	\$2,404,640	\$3,860,290	-
Transfers from Other Funds	557,985	-	1,330,252	-
Interest Income	26,743	-	28,763	-
Total Revenue	4,217,548	\$2,404,640	\$5,219,305	-
EXPENDITURES				
	\$1,720,341	-	\$4,011,072	\$272,870
Net Revenues Over (Under) Expenditures	\$2,497,207	\$2,404,640	\$1,208,233	(\$272,870)
Beginning Fund Balance	-	163,847	2,497,207	3,705,440
Ending Fund Balance	\$2,497,207	\$2,568,487	\$3,705,440	\$3,432,570

All Other Funds

Other items to be aware of...

- The fleet replacement fund will purchase vehicle replacements as follows: \$676,750 for General Fund, \$232,000 for Water & Sewer Fund, \$2,502,000 for the Solid Waste Services Fund, and \$372,000 for Stormwater Services Fund. This totals \$3,782,750. All purchases exceeding \$50,000 will require Council approval, and all will meet Council's adopted vehicle replacement policy.

Discussion

Council questioned if there is a contingency plan in place if the economy goes static. City Manager Hanna stated that while he does not anticipate that happening, yes, there is flexibility in non-civil service salaries, but the MIP fund is a reserve we can dip into if need be.

Council asked about tax relief for small businesses that had to shut down during the pandemic. City Manager Hanna stated that there is currently no budget for that, but they are in talks with Congressman Arrington to see about loosening restrictions on CARES Act funding, so it could be distributed to small businesses.

Council questioned if the leadership from the Police & Fire Meet & Confers will be voting on the pushback of salary adjustments until April, and if so, what happens if they vote no. City Manager Hanna clarified that while he does not think they would vote no, we would have to have another discussion with Council and potentially look at raising property taxes. It was also clarified that if the economy picks back up before April, those increase can happen before then at the City Manager's discretion.

Council questioned the increase in the self-insurance fund, and how it compares to other cities. City Manager Hanna clarified that everyone raises their rates a little every year. We do have to find a way fund it and the only way to do it is by reducing benefits and increasing premiums. We are still competitive though. Council also discussed the City's health insurance compared to health insurance offered in the private sector.

Mayor Williams brought up a project he would like to see included in the Revised 2020 budget – improvements to the Stevenson Park. There is a group of citizens that have come forward asking for help with the restrooms there, as they are in bad shape. Mayor Williams would like to see money from the MIP fund used to improve the restrooms. City Manager Hanna stated that there is money in the MIP fund that could be used for this. Council discussed the state of the park compared to other parks, what can be done to fix the restrooms, renovating versus rebuilding, and the option of using a portable restroom instead. It is the consensus of Council that they would like to see other parks looked at as well, but to use Stevenson as a starting point. There was discussion on engaging the community to see exactly what they would like to see done in the park. After discussions, Mayor Williams would like to earmark \$432,000 of MIP funds to renovate the restrooms at Stevenson Park, and other improvements as needed. City Manager Hanna stated that Staff will put together a plan and bring it back to Council for approval.

Council discussed the proposed fee schedule, in particular a \$10 search fee that appears to be duplicated on both Birth Certificates and Death Certificates, an ice machine rental fee, and solid waste and roll-off schedule fees.

Council also discussed adding bus shelters into the Abilene Transit system funded capital outlay.

Council questioned where the sales tax estimations are coming from. City Manager Hanna clarified that they have looked at all available data and Abilene is outperforming the rest of the state, so they are recommending to adopt something prudent but doable. We don't know exactly what is coming but we will monitor and adjust accordingly. City Manager Hanna also encouraged everyone to shop locally to help small businesses in the area.

Ordinances

3. Consider on First Reading - Ordinance Approving Revised 2019-2020 Budget

Mayor Williams opened the public hearing. The following addressed the Council:

- Nicholas Moses – thanked Council for their help with Stevenson Park. Stated that they didn't know if it would be possible, so they are very excited for the renovations. He stated there is already a group together that wants to bring youth out to take pride in the park and their community.
- Shantee Fleming – thanked Council and City Staff for their help, and in particular Donna Albus for coming out to the park with them numerous times and showing interest and concern.

- Tannell Blackman – stated that they have already started evaluating all of the parks in Abilene to compare Stevenson to. They would like to see Stevenson brought up to the level of Sears or Rose Parks and want to partner with the community to get it done. She thinks this will benefit the entire City of Abilene.
- Chris Daughtry – thanked Council and in particular Donna Albus. Stated that this is a great starting point for them and they are focused on youth and community development. They think they went about this the right way and are glad they were able to be heard.
- Demetrius Earthly – thanked Council for earmarking the money for Stevenson Park. Stated his excitement that they were heard and they have worth. Let Council know they will probably be implementing something along the lines of a Friends of Stevenson Park group and are hoping to bring new activities to the park.
- Christy Mutin – spoke in support of the Stevenson Park renovations. Stated that it is encouraging to see a community rise up and support each other.
- Darrel Reed – thanked Council for not raising the tax rate. Spoke about his findings on the Texas Comptroller's website in comparing tax rates in Abilene to other cities in the state.

With no other speakers coming forward, the public hearing was closed.

Mayor Williams moved to approve the item as presented, with the addition of earmarking \$432,000 of the MIP Fund for Stevenson Park renovations, and changing the dates on the first reading of the ordinance. Councilmember Price seconded the motion; motion carried.

AYES (7): Mayor Williams, Mayor Pro-tem Hurt, Deputy Mayor Pro-tem Albus and Councilmembers Price, Rentz, McAlister and Craver

NAYS (0): None

4. Consider on First Reading - Proposed 2020-2021 Budget

Mayor Williams opened the public hearing. With no speakers coming forward, the public hearing was closed.

Mayor Williams moved to approve the item as presented, with the addition of adding an official City Holiday for Juneteenth, June 19th. Councilmember Price seconded the motion; motion carried.

AYES (7): Mayor Williams, Mayor Pro-tem Hurt, Deputy Mayor Pro-tem Albus and Councilmembers Price, Rentz, McAlister and Craver

NAYS (0): None

5. Consider on First Reading - Ordinance Setting Tax Levy

Mayor Williams opened the public hearing. With no speakers coming forward, the public hearing was closed.

Councilmember McAlister moved to approve the item as presented. Councilmember Rentz seconded the motion; motion carried

AYES (7): Mayor Williams, Mayor Pro-tem Hurt, Deputy Mayor Pro-tem Albus and Councilmembers Price, Rentz, McAlister and Craver

NAYS (0): None

6. Consider on First Reading - Ordinance adopting fees and charges for FY 2020-2021

Mayor Williams opened the public hearing. With no speakers coming forward, the public hearing was closed.

Councilmember Price moved to approve the item with the modifications discussed during the meeting.
Councilmember Craver seconded the motion; motion carried

AYES (7): Mayor Williams, Mayor Pro-tem Hurt, Deputy Mayor Pro-tem Albus and Councilmembers Price,
Rantz, McAlister and Craver
NAYS (0): None

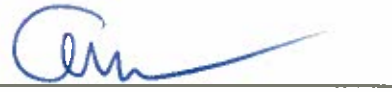
ADJOURNMENT

Because the budget workshop was completed and scheduled ordinances adopted at first reading, the public was informed there was no need to meet on Wednesday, July 22nd, or during the regular City Council meeting on Thursday, July 23rd, for the budget.

The meeting adjourned at 11:41 a.m.



Shawna Atkinson
City Secretary



Anthony Williams
Mayor

Minutes approved on: August 13, 2020

