

CITY COUNCIL SPECIAL MEETING
January 31, 2025 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 a Special Called Work Session (Retreat) on January 31, 2025, at 8:30 a.m. in the Council Chambers, 555 Walnut St. Mayor Weldon Hurt was present and presiding, along with Mayor Pro-tem Kyle McAlister, Deputy Mayor Pro-tem Travis Craver, and Councilmembers Shane Price, Lynn Beard, Blaise Regan, and Brian Yates. Also present were City Manager Robert Hanna, City Attorney Stanley Smith, and City Secretary Shawna Atkinson.

Councilmember Lynn Beard delivered the invocation and led the pledges to the United States Flag and the Texas Flag.

The special called meeting was held for the purpose of holding the annual City Council retreat to provide the city manager the opportunity to present certain issues and obtain input from the City Council on the direction desired in specific service areas, as well as any new areas members of the City Council felt needed to be reviewed/included for staff follow up, research, strategy development, and/or project analysis.

PUBLIC COMMENTS

Mayor Hurt opened the public comment period. With no speakers coming forward, the public comment period was closed.

AGENDA ITEMS

2. Core Purpose, Core Values, Strategic Priorities:

City Manager Robert Hanna went over the agenda for the day, and then reviewed the City's core purpose, core values, mission statement, strategic goals, and a brief review of the Council's priorities.

Council asked to move efficient and cost effective government over to the strategic goals, and add water infrastructure and sources to the list of priorities.

3. Organization:

a. FY 2026 Preliminary Budget:

Mr. Hanna presented the FY 26 preliminary budget.

	Approved FY 2025	Projected* FY 2025	Projected FY 2026
Revenues	\$ 132,434,351	\$ 132,434,351	\$ 134,702,088
Expenditures	(132,434,351)	(135,263,521)	(134,004,980)
Revenue Over (Under) Expenditures	-	(2,829,170)	697,108
Fund Balance Beginning	32,670,827	34,757,898	31,928,728
Fund Balance Ending	32,670,827	31,928,728	32,625,836
Required 25% Operating Reserve	31,878,728	31,878,728	32,446,636
Over (Under) Reserve Requirement	\$ 792,099	\$ 50,000	\$ 179,200

*Expenditures include transfers of \$2,829,170, which is the preliminary FY 2024 excess fund balance over required operating reserve. After deducting \$900k to fund Year 2 of the AYSA 330 Agreement, \$2,029,170 will be eligible to transfer to MIP.

Category	Description	Increase (Decrease)
Property tax	3.5% increase	1,870,712
Sales tax	1% increase	444,705
Franchise fees	Increase in utility funds franchise fees	449,660
Building Permit Fees	Fee increases to selected building permits	161,250
Interest income	Decreases in interest rates	(659,000)
Total increase in revenues		\$2,267,327

Category	Description	Increase (Decrease)
Personnel costs	Meet & Confer payroll increase	\$2,458,967
	Fire department full staffing for Station 9 and civil service step progression	1,028,135
	3% increase for non-civil service personnel	981,768
	Staffing for Daniels & Chavez Recreation Centers	409,069
	Reduce City health insurance contribution rate	(500,000)
Other charges & services	Credit reduction to fleet replacement charges	(800,000)
Transfers out	Reduce MIP sales tax transfer from 4.50% to 3.34%	(501,000)
	Reduce transfers for Police and Fire Apparatus	(200,000)
	Reduce transfers for Transit, Health, Self-Insurance	(1,200,000)
All other changes		(106,310)
Total increase in expenditures		\$1,570,629

Mr. Hanna asked Council what else should be funded in FY 26. There is also \$400,000 needed for the new library facility that is not in the slides. Councilmember Price asked if the budget for the new rec centers will be enough to cover the library personnel moving over there. Mr. Hanna stated that they think they can move the current staff at Mockingbird over to them and make it work. Councilmember Regan asked about bus drivers and issues finding them. Mr. Hanna spoke about the concerns facing Citylink, especially in hiring new bus drivers. Councilmember Beard asked if the PD & Fire apparatus funds were adequately funded and Mr. Hanna let him know they are. Councilmember Yates asked about property valuations, but it is too early to know about those.

b. Paid Parking / Park Mobile

Mr. Hanna spoke about Park Mobile, an app the City is considering to use for paid parking in the downtown area. He showed what the app does and how it works. At this time, we are looking at the lot next to the Doubletree hotel, and the new lot on Pine, next to the Motis building. The other two city lots would remain free in this proposal, as well as the street parking. The reason behind this is that there are a lot of businesses using these lots for commercial vehicles and taking up the spaces that should be used for people visiting downtown. Councilmember Regan stated his concerns he's heard from downtown stakeholders on this, and he does not think it is a good idea at this time. Mayor Pro-tem McAlister asked for this to happen in 2018, so he is on board. Deputy Mayor Pro-tem Craver asked about enforcement and about the chances that cell phone signal wouldn't work in the event of a large crowd downtown, like during parades. Mr. Hanna stated that we would use the people we currently have for parking enforcement, and that we can definitely turn the app off for paid parking in certain situations, if there could potentially be an issue like that. Councilmember Yates would like to see the first two hours free for all of them, and the potential for business owners to "validate" parking for people. Deputy Mayor Pro-tem Craver would like to see a discounted rate for business owners. Councilmember Beard would like to see different numbers on parking before he can make a decision.

The consensus of Council is for staff to come back with more information on this and to engage stakeholders in the downtown area better first.

Mayor Hurt recessed the meeting for a 10 minute break at 9:25 a.m.

c. Firemen's Relief & Retirement Fund

Mr. Hanna went over the Firemen's Relief & Retirement Fund, explaining what it is and why we have it. We currently have \$71,966,776 in unfunded liability. This means if everyone retired at the same time, we would only be able to fund 45.3%. He has worked with the board for several years now to come up with a solution to this. The City currently contributes 21.25% of firefighter gross wages to the pension fund and firefighters contribute 15.20% of their gross wages, totaling 36.45% going into the fund. The question has become what the annual debt service would be to fully fund the pension liability with a public debt restructuring. Hilltop Securities did a debt service review in October of 2024. Here are those numbers:

PROCEEDS	TERM	RATE	ANNUAL DEBT SERVICE	POTENTIAL DIFFERENCE*
\$50,000,000	20	5.87% (+75 bps)	\$4,269,160	(\$2,393,712)
\$50,000,000	30	6.12% (+75 bps)	\$3,659,338	(\$3,003,534)
\$60,000,000	20	5.87% (+75 bps)	\$5,120,294	(\$1,542,578)
\$60,000,000	30	6.12% (+75 bps)	\$4,388,783	(\$2,274,089)
\$70,000,000	20	5.87% (+75 bps)	\$5,972,240	(\$ 990,632)
\$70,000,000	30	6.12% (+75 bps)	\$5,118,526	(\$1,544,346)

Council discussed the various options before them at length. There were questions about switching to TMRS versus this and the benefits of that, how it got to this point, and what we need to see to move forward.

Council would like to see the report from the actuarial to see how we can go about fixing this, but they are not opposed to using debt services to reduce this liability.

4. Capital Improvements:

a. Street Improvements

Max Johnson, Director of Public Works, gave a presentation on street improvements, showing the "rainbow map" of street work that has been completed since 2017. We've improved 29% of roads since 2016, an invested \$140 million from various sources. He went over the 2025 projects that have already been approved by the board and Council, as well as a list of 2026 projects that will be up for consideration.

b. Boat Ramps at Lake Fort Phantom

Lesli Andrews, Director of Parks and Recreation, gave a presentation on the boat ramps at Fort Phantom. After the completion of the Fort Phantom Master Plan, boat ramp improvements were a large priority, so staff has looked at updating both the Northwest boat ramp (the larger one the public uses), and the Southeast boat ramp (the smaller one that Tige boats mainly uses). She showed pictures of the ramps and went over the improvements that would be done. For the Northwest ramp, the total forecasted project cost would be \$2,275,746, and for the Southeast ramp, the total forecasted project cost would be \$1,871,496. There are several grant opportunities we are exploring to help pay for some of this but there is a match and a cap on them.

Council had questions about the restroom facilities, and coordinating the grants with Texas Parks & Wildlife.

c. Airport Terminal Expansion

Don Green, Director of Transportation, presented the airport terminal expansion project. Mr. Green showed the renderings and design work they have worked with Parkhill to come up with. The original terminal was built in 1968 and is in need of significant repairs. The screening checkpoint is too crowded and needs another lane, much of the HVAC system and other mechanical systems are at end of life, the boarding area seats 60 people and the current aircraft seats 76, along with other issues. The restrooms were modernized and the terminal interior was brightened up two years ago, and those elements will carry into this future project.

This plan will give the exterior a fully-modern façade with lots of glass. It will demolish the upper level driveway, making all inbound and outbound passengers use the ground level, and create a third lane of traffic. The escalators will be replaced with larger, glass elevators, the screening checkpoint will be relocated for more room, the airline ticket counter will be moved downstairs on the new ground level lobby, and the rental car companies relocated to the other side of that. Admin offices will be expanded. The boarding area will be expanded, adding almost 5,000 square feet, with larger restrooms, a nursing mother's room, vending area, and VIP/business space, and a new jet bridge can be added in the future, if needed. There will also be a semi-enclosed balcony to allow passengers access to the outside, while still in the secured area.

The architect has estimated the project will cost around \$70 million, and there is the possibility of using some FAA grants, which would put the city's projected cost of approximately \$20 million. Mr. Green presented options the Council could look at funding this, including a bond election.

Council discussed the timeline of the project with Mr. Green. All agree that it is needed, but that it needs to be voted on by the citizens. Council had questions about election deadlines, but would like to see this put on the May 2025 election ballot, if possible. Staff will work with bond attorneys to see if this can be done, if not, they will look at November 2025.

Mayor Hurt recessed the meeting for a lunch break at 11:56 a.m., and resumed the meeting at 12:30 p.m.

a. Convention Center Improvements

Mr. Hanna turned the meeting over to Steven Galbreath with Garfield Public Private, who presented the plans they have come up with for Convention Center upgrades. Mr. Galbreath went over the existing facilities and needs, and then showed the plans they have for updates. This includes updates to the atrium area, terraces on either side of the building, ADA compliance upgrades, seating in the auditorium, and updates to the dressing rooms, green room, board meeting areas, banquet areas, restrooms, concessions, and kitchen. Plumbing, lighting and sanitary underground also needs replacement. There are 22 total areas that they are looking to upgrade. All of the above would be for a total of \$72,285,614.70, escalating at 5% a year if it gets pushed back from 2025.

Mr. Hanna spoke about the differences between the Convention Center and Abilene Heritage Square, and helping to elevate the Convention Center to a comparable space to them and the Doubletree. Councilmember Regan questioned why the exhibit hall was left off the upgrades list, but this was upgraded in 2015 with a bond election. Mayor Hurt thinks the auditorium, and everything associated with it should be the priority. He would like to see the extra aisles in between the seats though. Mayor Pro-tem McAlister agrees but also adds the restrooms to the priority list. Council questioned why these items are put in the priority they are, and they would like to see a ranking of code/safety issues, then revenue potential, and

convenience/aesthetic before making any decisions. Mr. Hanna spoke about the possible funding options, which would be either adding a second venue district or a bond election.

Mayor Hurt recessed the meeting for a five-minute break at 1:35 p.m.

b. Schneider Phases 5 & 6

Mr. Hanna went over the history of the Schneider enhancements the City has done. We've updated over 37 buildings and seen a 27.5% reduction in utility usage since 2008. He went over the potential savings we can see with new phases to this project. Phase 5 would include a number of HVAC upgrades to many facilities, building automation system upgrades, electrical panel upgrades, elevator refurbishment at the Convention Center, Rose Park Adaptive Rec, and the Northeast Water Treatment plant. This would also include building envelope improvements for energy weatherization. Phase 5 would be a total of \$11-13 million, but the energy savings will not pay for the full price. This would have to be a debt issuance.

Phase 6 would be for backup generators at the Northeast and South Water Treatment Plants, at an estimate of \$13-15 million. After Winter Storm Uri, there was discussion of a microgrid system, but this would replace that idea. Matthew Dane, Assistant Director of Water Utilities, spoke about the critical portions of our facilities and what they are doing to prepare for future outages like that storm.

Councilmember Yates asked if the South Water Treatment Plant needed to be paired with the OH Ivy Pump Station, so they can work together, but Mr. Dane said that there is no need for that. Council also questioned if this would all be done in conjunction with any potential upgrades to the Convention Center, so things aren't done twice, and it will be.

c. Water Infrastructure

Matthew Dane and Jeremiah Bihl, Assistant Directors of Water Utilities, presented this item. They gave a detailed overview of the water system, with average demand and peak demand. The Grimes plant has been in service for 85 years and has reached its end of life. The 2019 Water Master Plan timeline shows that shutting down Grimes seems to be the best option, but the PFAS regulations that have come out have made that timeline speed up. The original idea was a pay-as-you-go cash process, with a total of \$171,300,000 total over time. Mr. Dane spoke about the revenue and expense look back from 2019-2023 and the lessons they've learned. COVID made a significant impact on their expenses. Consistent and steady rate adjustments have allowed them better flexibility to take on future challenges.

Mr. Bihl went over the PFAS timeline. The EPA has set a regulation timeline and April 2029 is when utilities have to start implementing things to reduce PFAS. He went over the regulations and a timeline of their Master Plan now with these updated regulations. The Northeast Water Treatment Plant needs to be upgraded before we can shut Grimes down, and a cross-town pipeline is also needed. Upcoming challenges were discussed, such as the PK Raw Water Roughing facility, and staffing that since it is so remote. Funding sources were discussed, including the Texas Water Development Board, and the WIFIA program through the EPA. Mr. Dane talked about cash funding this process, but they would like guidance before they come back with an updated timeline and better numbers. Council would like to see a combination of the special debt funded and cash funded options to help build our cash reserve.

Mr. Hanna announced Rodney Taylor's retirement and Council thanked him for his service to the City.

5. Community:

a. Land Development Code:

Tim Littlejohn, Director of Planning and Development Services, presented an update to the Land Development Code. The first update will be to Module 1, which will consolidate a few things. Three single-family districts will be combined into one RS district, 5,000 square feet/50-foot width minimums, 6 commercial districts combined into 3, uses consolidated to reduce complexity (from 219 to 121), and removing a commercial overlay district along Ambler and Pine Street. They are also reconfiguring landscaping sections to allow more flexibility and incentivize low-water plants, consolidating buffer yard requirements to reduce complexity, and streamlining parking requirements and adding administrative reductions based on site factors or parking study.

The committee will start work on the review of Module 2 soon. Councilmember Price and Councilmember Beard requested a copy of the changes in advance so they can review them. Mr. Littlejohn stated that these updates will be easier to read and understand than the current code.

b. Abilene Heritage Square:

Julee Hatton, Library Director, presented updates on Abilene Heritage Square. She went over the history of the building since 1924, and the proposed changes. The new library will encompass three floors, and feature a podcast/recording studio, a makerspace, a dedicated children's floor, and study and meeting rooms. They expect substantial completion by March 13, 2026, move in on March 16, 2026, and a grand opening date of April 24, 2026. Mr. Hanna noted that we will be discussing this on the February 13th agenda, as well.

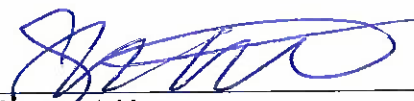
c. Property Tax Exemption for Daycares:

Mr. Hanna spoke about SB1145, which allows for property tax exemptions for daycare facilities, allowing for 50% or 100% of the taxable value of certain eligible facilities. A map of the potentially eligible facilities was shown. If we pass this, this gives the facilities the option to use the savings or put it back into their facility or payroll, whatever they see fit. There is a 20% CCS enrollment requirement that the facility will have to report on. Councilmember Price is not in favor of this. He thinks it means other citizens will have to pay more to offset this. Councilmember Yates agrees. Mayor Pro-tem McAlister is fine with starting at 50%, but questioned if Council can stop it once it's started. Yes, it would just be like repealing an ordinance. Mayor Hurt likes being able to help daycares, but not if they are going to profit from it. Council needs more details before a decision can be made on this.

Councilmember Price asked about bond election timelines. The airport renovations will be the only bond election at this time.

ADJOURNMENT

There being no further business, the meeting adjourned at 3:31 p.m.


Shawna Atkinson
City Secretary


Weldon Hurt
Mayor

Minutes approved on: 2/13/2025