

AGENDA REPORT

Monday, April 8, 2019

TO: Abilene City Commission
 FROM: Austin Gilley, City Manager
 RE: City Manager's notes to accompany agenda

PURPOSE

This report is intended to provide brief summaries of each agenda item with staff input to assist in the deliberation, discussion, and decisions to be made.

BUDGET WORK PLAN CALENDAR

I plan to include this calendar each meeting so we can keep track of where we have been, where we are going, and any revisions that we make along the way.

Date	Topic	Date	Topic
January 14	State of City Financial Review	April 22	Utility Operations
January 28	Revised	May 6	Tour CVB, Recycling
February 4	Leadership Meeting	May 13	Special Revenue Operations
February 14	Debt service/Compensation review	May 20	Tour Senior Center, Storm Water, Community Center and Parks (revised)
February 18	City/County MOU, Engineer-led tour of City Hall	May 28	Public Safety Operations
February 25	Project priorities and budget objectives	June 3	Tour of Public Works
March 4	Tour Water Treatment Plant	June 10	Streets, Utility Rate Review, Fee Schedule (revised)
March 11	Project priorities	June 17	Tour Library
March 18	Tour Sewer Plant	June 24	General Operations
March 25	Capital Plan	July 8	Property tax review, draft budget documents
April 1	Revised: Compensation review	July 22	Final Budget Draft
April 8	Revised: Compensation, Capital Plan	August 12	Public Hearing, Adoption of 2020 Budget
April 15	Tour Airport		

CONSENT AGENDA

IDEA » SUPPORT » STUDY » WRITING » VOTE » EXECUTE » EVALUATE

6. Annual property and liability insurance policy renewal (p. 5)

Every year City staff reviews changes to property and liability insurance coverages. The expenditure amount requires Commission approval. The total premium is \$238,301 which is a \$1,856.00 increase from the previous year. The policy renews April 1.



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7. *Payoff lease purchase for recycling center baler (p. 6)*

This was discussed during last year’s budget process that paying interest for this loan while keeping a cash balance in the fund that cannot be used for any other purposes didn’t make sense. Approving this will pay off the balance, eliminating a debt and saving a little money on interest.

IDEA >> SUPPORT >> STUDY >> WRITING >> VOTE >> EXECUTE >> EVALUATE

8. *Approval of CMB permit for 3rd Street Deli and Market (p. 7)*

Included in the packet is the application for the Cereal Malt Beverage license for 3rd Street Market and Deli. The permit and criteria for approval is governed by [City Code 3-106](#).

AGENDA

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10. *2020 Budget: Approve Capital Plan (p. 10)*

Since the first review, two changes have been made to the document: The 14th street project has been modified to a project from Buckeye to Vine instead of to Cedar. The other change is adding the Commission’s approved priority list to the appendix as reference. While the document is incomplete, it will not be possible to fill in all the plans for the appendix and it can be adopted in a working condition.

2019-2020 Strategy

- Establish comprehensive vision
- Collaborate strategically
- Focus on tax base (invest wisely)
- Correct utility issues
- Housekeeping
- Facility planning
- Succession planning
- **Embrace opportunity!**

IDEA >> SUPPORT >> STUDY >> WRITING >> VOTE >> EXECUTE >> EVALUATE

11. *Approve agreement for engineering services for 14th Street from Buckeye to Vine (p. 42)*

Included in the packet is a proposal for engineering services for the capital improvement project for the 14th street reconstruction from Buckeye to Vine. City Engineer Mark Bachamp plans to attend the meeting to help answer any questions. While the street fund can cover these expenses, it will not be possible to estimate when the project might be completed until a street maintenance plan is done.

IDEA >> SUPPORT >> STUDY >> WRITING >> VOTE >> EXECUTE >> EVALUATE

12. *Direction on Zoning Administrator position*

Over the past 10 years or more, the City has struggled to recruit and keep Community Development Directors. In fall of last year, the Director again resigned. In an effort to end the cycle, the recommendation was made to work with a planning consultant, but the recommendation did not receive support. Preferring to hire locally, the decision was made to wait about six months to better assess the situation since expertise likely would prove difficult to find. Meanwhile, staff has moved forward with its online case management system for building and codes — this has revealed several programmatic problems in the development department’s forms, procedures, regulations, and policies — all of which is requiring a broader team effort. As such, I have divided the director function into four separate components: Economic Development, now handled by the City Manager’s office with the help of expertise as needed; Technical Planning, which will largely be handled by the City’s engineering firm; board support, which has been split among existing staff; and zoning, subdivision and floodplain management — which is in need of administrative support that might prove easier to recruit quality help. The City has received 15 applications for the Zoning Administrator opening — none of the applicants meet the preferred qualifications or have any experience in planning or zoning. With that said, there are a few candidates, including locally, who appear to have qualifications and skills that are transferable. Given the competitive compensation challenges and the dysfunction of the department, help is needed in determining if the Commission would prefer to move the position to a higher pay range



and advertise again or would prefer to spend money on training and time and proceed with this more experimental approach.

IDEA » SUPPORT » STUDY » WRITING » VOTE » EXECUTE » EVALUATE

13. Resolution to approve position schedule and pay ranges for 2020 (p. 51)

It is my understanding the Commission reached a consensus decision at its April 1 Study Session to support both the pay plan adjustment recommended by staff and the increase in the maximum range recommended by Commissioner Marshall — these are both stopgap measures until a study can be conducted in the future. The support for a study is less clear; the need is becoming more clear: While researching, we have learned that the 2006 plan was not a comprehensive update but a market update to the same plan that was done in the early 1990s — no substantive internal equity analysis or strategy changes have been made since that time and the program has eroded over the years as fewer and fewer employees were around when it was formulated and knew how to administer it. This makes it clear why the compensation confusion has grown exponentially over the years and the problems are mounting at the worst time when the City is facing recruitment and succession planning challenges. Instead of seeking an unneeded proposal from the 2006 consultants, I plan to issue a request for proposals for qualified services.

Two very important things need to be noted with the 2020 position resolution. First, this is not a commitment to fund anything and much work remains to be done to determine budget implications and total costs — this action only grants authority and gives staff direction on what would be supported if it results in an acceptable budget proposal. In accordance with City law and policy, the Commission is responsible for the pay plan and staff is responsible for preparing the budget. Due to the delays in this decision, the budget schedule will be modified. Second, the Marshall plan is a structural change: Past market studies and recommendations have been based on finding market minimum and maximum targets and then dividing that difference by 15 to come up with the appropriate steps within the acceptable ranges — this ensures the City is not underpaying or overpaying positions and provides for merit-based progression. The Marshall plan does not factor in a maximum but only a minimum and builds upon the minimum in 15 equal percentage steps. I am not familiar with this approach. It appears to result in a favorable outcome for employees but it would be a guarantee that we would have to do an extensive study to mitigate the long-term consequences of “taking the lid off” the pay plan. To try to accommodate the Marshall plan, the decision at the study session, and responsible compensation practices, the proposed resolution now includes a 2.5 percent plan adjustment but retains the steps within the established minimum and maximum structure.

OTHER INFORMATION

New financial reports: Included in the packet are three new financial reports that staff plans to provide quarterly. State law requires the publication of the fund balance report quarterly. The other two reports are revenue and expense summary reports. These reports are important measures to improve financial transparency. Finance Director Marcus Rothchild has been working through the City’s accounting software shortcomings to produce these reports.

The additional reports are provided as information with each meeting agenda.

For questions, please contact City Manager Austin Gilley
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