

**CITY OF LUBBOCK  
SPECIAL CITY COUNCIL MEETING  
August 31, 2006  
3:00 P. M.**

The City Council of the City of Lubbock, Texas met in special session on the 31st day of August, 2006, in the City Council Chambers, first floor, City Hall, 1625 13th Street, Lubbock, Texas at 3:00 P. M.

**3:05 P.M. CITY COUNCIL CONVENED**  
City Council Chambers, 1625 13th Street, Lubbock, Texas

**Present:** Mayor David A. Miller, Mayor Pro Tem Jim Gilbreath, Council Member Gary O. Boren, Council Member Linda DeLeon, Council Member Phyllis Jones, Council Member John Leonard, Council Member Floyd Price

**Absent:** No one

- Invocation was given by Mayor Miller.
- Pledge of Allegiance

Pledge of Allegiance was given in unison by those in the City Council Chambers to both the United States flag and the Texas flag.

**1. EXECUTIVE SESSION was not considered in this session.**

**1.1. Hold an executive session in accordance with V.T.C.A. Government Code, Section 551.086, on the following competitive matters (Electric Utilities):**

**1.1.1 to deliberate, vote and take final action on electric rates of Lubbock Power and Light;**

**1.1.2 to discuss, vote and take final action on a competitive matter regarding operation, financial and capital statements and budgets, revenue and expense projections, strategic and business plans and studies of Lubbock Power and Light;**

**1.1.3 to discuss and deliberate a competitive matter regarding the strategies, goals, funding and strategic purpose of the City of Lubbock's relationship with and membership in the West Texas Municipal Power Agency.**

**2. PUBLIC HEARING**

**2.1. Budget Public Hearing - 3:00 p.m. Hold a public hearing on the proposed FY 2006-07 Operating Budget and Capital Improvement Program.**

Mayor Miller opened the public hearing at 3:09 p. m. Anesha Majeed, Helen Holley, Sam “Bo” Harris, Connie Hindman, Eddie Kirkpatrick, Christina Cavarrubio, Davis Price, Leann Lamb-Vines, Josie Sulaica, Daryl Vines, Susan Barrick, Andy Hutchison, Bob Terrell, Wayne Holder, Ashli Poindexter, Mikel Ward, Tess Trost, Mike Homer, Linda Gillespie, Norma Jean Morris, Brian Thornton, David Hargrove, Bradford Jackson, Will Weathersby, Lois S. Cenance, Todd Klein, Roger Settler, Denette Sweeney, Jim Phiffer, Christy Martinez, and Bill de Tournillon appeared to address the proposed FY 2006-07 Operating Budget and Capital Improvement Program and the proposed tax increase. Mayor Miller recessed the hearing at 4:15 p. m.

Mayor Miller reconvened the Public Hearing at 5:40 p.m. There were no citizens to speak, and the Public Hearing was closed at 5:43 p.m.

A public hearing had been posted and notices had been published as required by state law to allow citizens an opportunity to comment on the proposed FY 2006-07 budget.

A budget was filed with the City Secretary’s Office as required by state law on July 25, 2006.

The proposed budget complies with all legal requirements and all mandatory notices have been published.

#### **FISCAL IMPACT**

The fiscal impact is unknown until the budget is adopted.

**2.2. Tax Rate Public Hearing - 3:00 p.m. Hold a public hearing on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 2.38% (percentage by which the proposed tax rate exceeds the effective tax rate calculated under Chapter 26, Tax Code).**

Mayor Miller opened the public hearing at 3:09 p. m. Anesha Majeed, Helen Holley, Sam “Bo” Harris, Connie Hindman, Eddie Kirkpatrick, Christina Cavarrubio, Davis Price, Leann Lamb-Vines, Josie Sulaica, Daryl Vines, Susan Barrick, Andy Hutchison, Bob Terrell, Wayne Holder, Ashli Poindexter, Mikel Ward, Tess Trost, Mike Homer, Linda Gillespie, Norma Jean Morris, Brian Thornton, David Hargrove, Bradford Jackson, Will Weathersby, Lois S. Cenance, Todd Klein, Roger Settler, Denette Sweeney, Jim Phiffer, Christy Martinez, and Bill de Tournillon appeared to address the proposed FY 2006-07 Operating Budget and Capital Improvement Program and the proposed tax increase. Mayor Miller recessed the hearing at 4:15 p. m.

Mayor Miller reconvened the Public Hearing at 5:40 p.m. There were no citizens to speak, and the Public Hearing was closed at 5:43 p.m.

A public hearing had been posted and notices had been published as required by state law to allow taxpayers an opportunity to comment on the proposed tax rate.

A property tax rate decrease of \$0.002 is proposed, reducing the property tax from \$0.4472 to \$0.4452 per \$100 valuation. The tax rate is distributed as follows:

General Fund Maintenance and Operations = \$0.34395

Debt Service = \$0.07125

Economic Development = \$0.03000

### **FISCAL IMPACT**

The tax rate will be adopted at the City Council Meeting scheduled for September 13, 2006. The fiscal impact of that decision is unknown until the tax rate is chosen and adopted.

### **3. WORK SESSION**

**3.1. This item was considered following Item 4.1.**

### **4. REGULAR AGENDA**

**4.1. Special Ceremony Resolution - City Attorney's Office: Resolution No. 2006-R0416 for the City Council to express its approval and support for proposed special ceremony on September 8, 2006, at Kastman Park to honor and remember the 2,998 victims of the September 11, 2001 terrorist attack against the United States, and to honor the First Responders of Lubbock and the surrounding area.**

American State Bank, Lubbock Independent School District, and the City of Lubbock desire to honor and remember the 2,998 lives that were lost in the September 11, 2001 terrorist attack on the United States with appropriate ceremonies during the evening of September 8, 2006, at Kastman Park.

September 11th is Texas First Responders' Day and the City desires to commemorate and honor the outstanding contributions of the First Responders of Lubbock and the surrounding areas.

Emergency Operations Center, Fire Department, Police Department, City Attorney, City Manager, LP & L, and Parks and Recreation will provide assistance for this event.

Miscellaneous equipment of the Parks Department, Fire Department, Police Department and LP & L will be used to facilitate the ceremony at Kastman Park.

### **FISCAL IMPACT**

In-kind funding is included in the operating budgets of participating departments.

Greg Jones from American State Bank gave comments and answered questions from Council.

Motion was made by Mayor Pro Tem Gilbreath, seconded by Council Member Jones to pass Resolution No. 2006-R0416 as recommended by staff. Motion carried: 7 Ayes, 0 Nays.

**4.2 This item was considered following Council reconvening at 5:40**

**4.3 This item was considered following Item 4.2.**

**4.4 This item was considered following Item 4.3.**

**3. WORK SESSION**

**3.1. Red Light Camera Enforcement Presentation - Jere Hart P.E., Traffic Engineer.**

Jere Hart, Traffic Engineer, gave a presentation on red light cameras, which included statistical data from the Lubbock Police Department. Hart explained how the technology works. He also presented some comparison data from Garland, Texas. Hart concluded that red light camera enforcement is the most effective method of decreasing serious public safety threat in Lubbock, the rearview vehicle pictures do not invade people's privacy, 79% of public supports it nationwide, and it is an effective means of helping to fund public safety needs. Hart then answered questions from Council.

**FISCAL IMPACT**

Current estimates reflect revenues of approximately \$1.5 million utilizing red light cameras at 12 intersections.

**5:05 P. M. CITY COUNCIL RECESSED**

**5:40 P. M. CITY COUNCIL RECONVENED**

**Mayor Miller reconvened the Public Hearing on Items 2.1 and 2.2. There were no citizens to speak. Mayor Miller closed the Public Hearing at 5:43 p.m.**

**4.2. Ordinance Amendment 1st Reading - Finance: Ordinance No. 2006-O0096 amending subsections 23-21 (b) and 23-66(a) of the Code of Ordinances revising solid waste rates.**

The FY 2006-07 Proposed Operating Budget includes a rate increase in the Solid Waste Fund to fund operations and capital programs. The proposed fee increases are:

Monthly collection rates increase of \$1.50.

Tipping fee per ton increase of \$1.50.

**FISCAL IMPACT**

Fee increases support various services and programs. If the fee increases are not approved, the budget will be reduced accordingly.

Lee Ann Dumbauld, City Manager; Andy Burcham, Director of Fiscal Policy and Strategic Planning; and Victor Kilman, Director of General Services, gave comments and answered questions from Council.

Motion was made by Mayor Pro Tem Gilbreath, seconded by Council Member Jones to pass on first reading Ordinance No. 2006-O0096 as recommended by staff. Motion carried: 7 Ayes, 0 Nays.

**4.3. Ordinance Amendment 1st Reading - Finance: Ordinance No. 2006-O0097 amending sections 28-52 and 28-53 of the Code of Ordinances revising water rates.**

FY 2006-07 Proposed Operating Budget includes an 11% rate increase in the Water Fund to fund operations and capital programs.

**FISCAL IMPACT**

Fee increases support various services, programs, and capital expenditures. If the fee increase is not approved, the budget will be reduced accordingly.

City Manager Lee Ann Dumbauld gave comments and answered questions from Council.

Motion was made by Mayor Pro Tem Gilbreath, seconded by Council Member Jones to pass on first reading Ordinance No. 2006-O0097 as recommended by staff. Motion carried: 7 Ayes, 0 Nays.

**4.4. Budget Adoption Ordinance 1st Reading - Finance: Ordinance No. 2006-O0098 adopting the FY 2006-07 Operating Budget and Capital Improvement Program.**

This is the first reading of the ordinance adopting the City's FY 2006-07 Operating Budget and Five Year Forecast and the FY 2006-07 Capital Improvement Program. The budget ordinance must be considered prior to the ordinance on the tax rate.

This ordinance incorporates the operating and capital budgets that have been proposed by the City Manager. The property tax rate in the proposed budget is \$0.47985 per \$100 valuation. Agenda item 4.5 is for the approval of the property tax rate. The rate proposed by the City Council is \$0.4452 per \$100 valuation. A balanced budget must be approved by the City Council. In order to balance the budget, the City Manager's budget will need to be adjusted to meet the proposed rate, the tax rate will need to be raised, or a combination of both alternatives will need to be considered.

The ordinance will be placed on the Wednesday, September 13 City Council agenda for the second reading and adoption of the budget.

**FISCAL IMPACT**

Impact outlined in FY 2006-07 Proposed Budget.

Motion was made by Mayor Pro Tem Gilbreath, seconded by Council Member Jones to pass on first reading Ordinance No. 2006-00098 with the following changes:

In the General Fund, increase revenue by \$1,850,000 as follows:

1. \$1.5 million for fines associated with red light camera enforcement.
2. \$250,000 in sales tax from annexation of the “strip”.
3. \$100,000 in fee increases from parks, libraries and civic centers.

In the General Fund, increase expenditures by \$1,699,023 as follows:

1. Add 2 grant-funded Health Educators.
2. \$50,000 for 2 new positions in Health Department.
3. \$417,802 for 9 additional Fire Fighters.
4. \$131,311 for 6 additional positions to Police Records.
5. \$225,808 for 6 additional Public Safety Dispatchers.
6. \$469,980 for 27 additional Police Officers.
7. \$22,721 for 1 Computer Lab Assistant in Parks.
8. \$250,000 for maintenance of Parks.
9. \$131,401 for 3 additional positions added to Building Inspection.

In the General Fund, increase transfers out by \$400,000 as follows:

1. Transfer \$400,000 to Citibus to maintain current level of service.

In the General Fund, reduce expenditures by \$2,507,708 as follows:

1. Savings of \$1,592,708 in personnel attrition to occur throughout FY 2006-07.
2. Savings of \$265,000 through elimination of 5 vacant positions.
3. Savings of \$250,000 in fuel cost associated with change in take-home vehicle policy.
4. Savings of \$400,000 in change to cost of living adjustment, providing a \$1,200 raise per employee.

In the Transit Fund, increase expenditures by \$700,000 to maintain current service levels.

In the Transit Fund, increase revenues by \$700,000 to maintain current service levels.

1. Increase City operating assistance by \$400,000.
2. Carry forward \$300,000 from prior year funding to FY 2006-07.

In the Electric Fund:

1. Increase revenues by \$1,012,729 for the transfer from the General Fund for Street Lighting Operations and maintenance.
2. Reduce expenditures in the Capital Improvement Program by \$635,000 as further revised by the City Council in Executive Session relating to competitive matters of the City-s electric utility, LP&L.
3. Increase Operating Expenditures by \$335,000 as further revised by the city Council in Executive Session relating to competitive matters of the city's electric utility, LP&L.

Council Member Boren offered an amendment, to the motion, as follows:

In the General Fund:

1. Increase the General Fund revenues from \$250,000 in sales tax from the annexation of the "strip" to \$878,000, which represents not only the \$250,000 from the annexation, but it represents the increased sales tax revenue city-wide from our sales tax profit center.
2. Increase the revenue from franchise fees by \$133,000.
3. Increase fines and forfeitures by \$223,000.

On the expenditure side:

1. Reinstate dental insurance at a cost of \$695,574.
2. Do not require employees to pay the 20% insurance premium that has been calculated at \$403,000.
3. Add an additional \$190,000 to the Fire Fighters compensation.

Mayor Miller asked Council Member Boren if those increases in revenue are an offset of the increase in expenses. Council Member Boren stated that they were not. We are in deficit of approximately \$304,574. He also said that, He also said that, according to the budget adoption ordinance that has been offered up, we have \$400,000 of "cushion" or of balance left over, and he would apply the \$304,574 against that balance, leaving us at approximately \$100,000 in the "black."

Council Member Leonard seconded Council Member Boren's amendment.

City Manager Lee Ann Dumbauld gave comments and answered questions from Council. Council Member Boren asked the Mayor if this amendment does not pass this meeting, could it possibly be brought back to the next meeting.

Council Member Leonard offered a challenge to Council that if they don't believe our revenue expectations will be higher than presented in the budget, then use any excess revenue that comes in over the course of the next year to rebate back to the citizens.

After further discussion, vote was taken on Council Member Boren's amendment, which failed: 2 Ayes, 5 Nays. Mayor Miller, Mayor Pro Tem Gilbreath, and Council Members Price, DeLeon, and Jones voted Nay.

Discussion was then had on the original motion made by Mayor Pro Tem Gilbreath and seconded by Council Member Jones.

Council Member Leonard offered a “friendly” amendment to the original motion and it was accepted, to reallocate the money in the Capital Improvement Program that was set aside for brick streets and use it for non-brick streets (seal-coating, repairs, etc.). City Manager Dumbauld explained the process of how to apply that money. City Attorney Anita Burgess gave comments and answered questions from Council.

Vote was then taken on the original motion (including Leonard’s “friendly” amendment), which carried: 7 Ayes, 0 Nays.

**4.5. Tax Levy Ordinance 1st Reading - Finance: Ordinance No. 2006-O0099 setting the tax rate and levying a tax upon all property subject to taxation within the City of Lubbock for the year 2006.**

This is the first reading of the ordinance adopting and levying the tax rate for FY 2006-07. The budget ordinance must be considered prior to the ordinance adopting the levying of a tax rate. The ordinance will be placed on the Wednesday, September 13th City Council agenda for the second reading and adoption of the budget.

This ordinance incorporates the tax rate as proposed by the City Council. Agenda item 4.4 contains the City Manager's proposed budget which is based on a property tax rate of \$0.47985 per \$100 valuation. A balanced budget must be approved by the City Council. In order to balance the budget, the City Manager's budget will need to be adjusted to meet the proposed rate, the tax rate will need to be raised, or a combination of both alternatives will need to be considered.

A property tax rate decrease is proposed. A decrease of \$0.002 is proposed decreasing the property tax from 0.4472 to 0.4452 per \$100 valuation. The tax rate is distributed as follows:

General Fund Maintenance & Operations	\$0.34395
Debt Service	\$0.07125
Economic Development	\$0.03000

**FISCAL IMPACT**

The tax rate will be adopted at the City Council Meeting scheduled for September 13, 2006. The fiscal impact of that decision is unknown until the tax rate is chosen and adopted.

City Manager Lee Ann Dumbauld asked Andy Burcham, Director of Fiscal Policy and Strategic Planning, to explain what the Lubbock Truth in Taxation action meant. Burcham gave comments and answered questions from Council. Council Member Leonard asked what inflation rate we use and suggested going back to the prior practice of looking at both the local and national inflation rates and using the lower rate. Mayor Miller asked City

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Manager Dumbauld to get him figures on the lower rate. Ms. Dumbauld then gave comments.

Motion was made by Council Member Jones, seconded by Mayor Pro Tem Gilbreath to move that property taxes be increased by the adoption of a tax rate of 46.199 cents, and pass on first reading Ordinance No. 2006-O0099. Motion carried: 7 Ayes, 0 Nays.

**6:56 P. M. COUNCIL ADJOURNED**

There being no further business to come before Council, Mayor Miller stated, “the meeting at which the City Council will vote on the tax rate will be September 13, 2006 at 9:30 a.m. in the City Council Chambers.” He then adjourned the meeting.