

MINUTES OF THE CITY COUNCIL BUDGET WORKSHOP
CITY OF COLLEGE STATION
AUGUST 21, 2012

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry, Mayor, arrived after roll call

Council:

Blanche Brick
Jess Fields
Karl Mooney
Katy-Marie Lyles, arrived after roll call
Julie Schultz
Dave Ruesink

City Staff:

David Neeley, City Manager
Kathy Merrill, Deputy City Manager
Frank Simpson, Deputy City Manager
Carla Robinson, City Attorney
Sherry Mashburn, City Secretary

1. Call to Order and Announce a Quorum is Present

With a quorum present, the Budget Workshop of the College Station City Council was called to order by Mayor Pro Tem Dave Ruesink at 4:17 p.m. on Tuesday, August 21, 2012 in the Carter Creek Wastewater Training Facility 2200 North Forest Parkway, College Station, Texas 77842.

2. Presentation, possible action, and discussion on the FY 2012-2013 Proposed Budget.

Jeff Kersten, Executive Director of Fiscal Services, provided a review of the proposed FY12-13 budget. Mayor/Council budget was briefly discussed. Last year, some items were removed in FY12 and are being considered to be brought back in FY13. Council consensus was to keep out \$7,500 for retreat facilitators, and to remove the NLC membership and annual conference.

Debt Service Fund

The City must address the aging infrastructure and future infrastructure needs due to growth. The rate for FY12 was 20.1536 cents, and the proposed rate for FY13 is 19.5635 cents. Property tax revenue of \$11,691,371 will satisfy the FY13 debt service requirement.

General Government Capital Projects

The policy issue related to Capital Infrastructure is to address the aging infrastructure and future infrastructure needs due to growth. In 2008, we had a Bond Authorization in the amount of \$76,950,000 for streets and transportation, parks, library, and fire station. This was seven-year plan to implement everything.

- Streets and Transportation CIP: These projects include the Bird Pond Rehabilitation Project, the Cooner Street Rehabilitation Projects, various Rock Prairie Road Projects, the Jones Butler Extension, The HSC Parkway Phase 1B, Barron Road/Lakeway Extension, Street TXDOT Projects, Traffic Signal Projects, Sidewalks, Hike and Bike Trails, and the University Drive Pedestrian Improvements Phase 2.
- Parks and Recreation/Parkland Dedication CIP: Parks Capital Projects include the Creek View Park development, Lick Creek Park Trails, Lick Creek Park Nature Center, Park Maintenance Shop Expansion, Lincoln Center Additions, Wolf Pen Creek Festival Site, and the Veteran's Park Synthetic Fields (currently funded in HOT tax fund). Parkland dedication fund projects include the Wolf Pen Creek electrical improvements, Southwest Park improvements, Arboretum Bridge replacement, Carter Crossing improvements, and replacement of the pier at Cy Miller Park.
- IT/Facilities CIP: Facility projects include an expansion of the Library. Key technology projects include wireless infrastructure and fiber optic upgrade, network and data security upgrade, CAD/RMS (Public Safety) system replacement, a timekeeping system, etc.

Enterprise Funds

- Electric Operations and CIP: The Electric Fund is our largest utility. The policy issue is to provide quality utility services at a reasonable cost. Revenues are at \$99,069,410. Residential and commercial growth is assumed at 2%, and no rate increase is included in the FY13 proposed budget. Forecasts indicate a future rate increase in FY14. Expenditures are \$98,766,486. This includes operations and maintenance, purchased power and wheeling costs, and Net Gen/Administrative transfers. \$230,000 was added for pay adjustments under review. Two new positions have been added for a Compliance Officer and a SCADA IT Analyst. The proposed Electric Fund CIP budget has estimated expenditures in the amount of \$12,297,914. Key Capital Projects include production projects, general plant, overhead system improvements, underground system improvements, new services and system extension, residential street lighting, and thoroughfare street lighting. Also included are distribution and transmission, which included the construction of the Northgate Substation.

Water Fund

- Water operations and CIP: The policy issue is to provide quality utility services at a reasonable cost. Revenues are estimated at \$14,170,230. These are derived from user fees from water customers, and there is no rate increase proposed for FY13. The forecast does indicate future rate increases. Expenditures are estimated at \$16,686,502. These include operating expenditures and transfers, service level adjustments, pay and benefit proposals, debt service, transfer to Capital Projects, contingency, and transfer to the General Fund. Estimated FY13 Water Capital expenditures are \$8,267,430. Key Water System Production Projects include land acquisition (wells), Sandy Point Chemical System replacements, cooling tower expansion, three million gallon ground storage

reservoir rehabilitation, and water redundant communications. Key Water System Distribution Projects include the Health Science Center Parkway line extension, SH 40 water line from Graham to Barron and Sonoma to Victoria (land acquisition), and the reinstallation of a 30-inch water transmission line at Villa Maria and FM 2818. Key Water System Rehabilitation Projects include the South Knoll/The Glade rehabilitation, the Cooner Utility rehabilitation, and the Plantation Oaks water line. They plan on issuing \$3.9 million in debt next year.

Wastewater Fund

- Wastewater Operations and CIP: The policy issue is to provide quality utility services at a reasonable cost. Revenues are projected at \$13,614,316. These are derived from user fees from water customers, and FY13 includes a proposed 5% rate increase. The forecast also indicates future rate increases. Expenditures are estimated at \$16,063,462 for operating expenditures and transfers, service level adjustments, pay and benefit proposals, debt service, transfer to Capital Projects, contingency, and a transfer to General Fund. Estimated FY13 Wastewater Capital expenditures are \$12,957,464. Key Wastewater System Collection projects include the East Side FM 158 sewer line, the West Side sewer project, the Bee Creek parallel trunkline, and the Royder/Live Oak sewer line. Key Wastewater System Rehabilitation projects include the South Knoll/The Glade rehabilitation, the Cooner Utility rehabilitation, and the Northeast trunkline rehabilitation. Key Wastewater System Treatment projects include sludge treatment and disposal/pumping plant projects, and the Carter Creek headworks improvements. Key Wastewater System Plant projects include the Lick Creek Process Control improvements, the installation of SCADA at lift stations, and various fiber projects. To meet capital needs, a debt issuance of \$8.2 million is planned.

Sanitation Fund

Revenues are projected at \$7,716,293. There is no rate increase in the proposed budget. These revenues include \$397,710 from BVSWMA to offset debt service payments. The forecast does show a future rate increase in FY14. Expenditures are estimated at \$8,141,664. The forecast needs to be revised and brought back at a later date.

Drainage Utility Fund

- Drainage Operations and CIP: Revenues are projected at \$2,019,400 and expenditures at \$2,114,969 (includes a new Drainage Foreman position). Capital Project Expenditure Projects include greenways and acquisition projects, minor drainage improvements, Wolf Pen Creek erosion control, storm water mapping (GIS services), and the Drainage Master Plan.

Northgate Parking Enterprise Fund

Revenues are estimated at \$1,203,591 derived from parking fees (1% growth assumption), parking fines (assumed to remain flat), and a one-time transfer of \$60,000 from the General Fund. Expenditures are projected at \$1,215,453.

Council directed staff to bring back information related to a Facilities Plan that could be included in the FY12-FY13 budget.

3. Presentation, possible action and discussion on the 2012-2013 ad valorem tax rate; and, if necessary on calling two public hearings on a proposed ad valorem tax rate for 2012-2013

This item was not discussed.

4. Adjournment

MOTION: There being no further business, Mayor Berry adjourned the budget workshop of the College Station City Council at 6:44 p.m. on Tuesday, August 21, 2012.


Nancy Berry, Mayor

ATTEST:


Sherry Mashburn, City Secretary