

MINUTES OF THE CITY COUNCIL BUDGET WORKSHOP
CITY OF COLLEGE STATION
AUGUST 19, 2013

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry, Mayor

Council:

Blanche Brick
Jess Fields
Karl Mooney
John Nichols
Julie Schultz
James Benham

City Staff:

Kathy Merrill, Interim 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 Nancy Berry at 4:04 p.m. on Monday, August 19, 2013 in the CSU Meeting/Training Facility, 1603 Graham Road, College Station, Texas 77842.

2. Presentation, possible action, and discussion on the FY 2013-2014 Proposed Budget.

Jeff Kersten, Executive Director of Fiscal Services, provided a review of the proposed FY13-14 budget. The transmittal letter identified some key budget points. He reported the City is moving forward after several years of reductions and realigning the organization. We have experienced continued economic recovery and continued growth in major areas, such as education, health care, Northgate, and housing. There are some new opportunities ahead, such as TAMU facility access. We are also planning ahead for new power supply opportunities. The proposed budget provides for competitive and sustainable pay and benefits. It also maintains priority service levels and enhances certain priority service levels. Another important part of the budget is to continue to invest in the capital infrastructure needed for a growing community. Upcoming key policy decisions the Council must consider include the selection of a new City Manager, the creation of two new Municipal Management Districts, and consideration of a 2015

General Obligation Bond election for infrastructure projects. The proposed budget contains a 3% pay increase and to continue the Police step plan and the Fire and Electric plans. The budget maintains employee health insurance and retirement with TMRS. There are no proposed changes.

The base budget funds our current service levels and assumes an effective tax rate of 42.5958 cents. There are no electric, water, wastewater, drainage or residential sanitation rate increases. There is a commercial sanitation rate increase proposed.

GENERAL FUND REVENUE

Sales tax makes up 40.81% of the General Fund revenues. The FY13 sales tax forecast is 6.5% higher than FY12 due to a better than anticipated economic recovery. The FY14 estimate is \$23.5 million, or 2.6% over the FY13 year end estimate.

Property values have been certified at \$6.23 billion for an overall 4.8% increase over last year. There was \$197 million in new value, and existing values increased by 1.5%. Property tax revenue is generated by a current tax rate of 43.0687 cents. The effective tax rate is 42.5958 cents and will generate about the same revenue as last year. The rollback rate is 45.8758 cents. Staff is recommending the effective tax rate. Each cent on the tax rate generates approximately \$576,000. Property tax revenues make up 25.2% of the proposed General Fund revenue stream. The Debt Service portion is \$12 million. Proposing the effective tax rate does not require additional public hearings and publications. If Council wishes to consider a rate higher than the effective rate, there are several things that must be done, such as a discussion on the tax rate, a vote to increase tax revenues, call and hold two Public Hearings, and public notice require.

A total transfer of \$9,226,925 from utilities (Electric, Water, Wastewater, and Sanitation) accounts for 16.03% of General Fund revenues.

Other General Fund revenues are projected in the amount of \$10,333,799. There were minimal changes in these other revenue categories (franchise fees/mixed drink tax, licenses/permits, Parks and Recreation, Municipal Court fines, etc.) and account for 18% of General Fund revenues.

GENERAL FUND EXPENDITURES

Salaries and Benefits: A 3% Pay Plan proposal is included, in the amount of \$800,000. There are no increases in benefits and has a neutral impact on the budget. Due to the organizational restructuring, six positions were eliminated in the General Fund and Recreation Fund. Three vacant Cemetery positions were outsourced, and three vacant Conference Center positions were removed from the FTE count. It was noted that departments continue to streamline processes and reduce costs.

Departmental SLAs and proposed projects include:

- * Police: \$270,389 for four additional personnel; \$97,377 for miscellaneous, such as retention of four patrol fleet vehicles, equipment, Northgate satellite office, etc.

- * Fire: \$140,108 for one Safety Officer/EMS Supervisor

* Public Works: \$150,000 for proposed projects (building repairs from facility assessment); \$318,981 in SLAs for a facilities maintenance tech, street rehab, roof replacements, equipment, traffic system studies, etc.

* Parks and Recreation: \$410,000 in SLAs for parks operations, court resurfacing, athletic field maintenance, TAAF Games of Texas, tournament crew part-time staff.

* Library: There is a 7.11% increase in the budget for supplies, maintenance, purchased services, and capital outlay (books).

* Planning and Development Services: \$175,000 in SLAs for the Neighborhood Plan implementation, a five-year Comprehensive Plan update, and a portion of the ADA transition evaluation.

* Information Technology: \$176,587 for proposed projects, such as Council Chambers audio/video upgrade (split with PEG Fund) and a teleworks upgrade. \$47,057 in SLAs for a Technology Services Specialist and Advanced Authentication software.

* Fiscal Services: \$33,474 in SLAs for Municipal Court certification pay, and to update/replace the City's online bidding system.

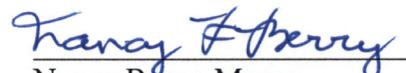
* Human Resources: \$33,837 in SLAs for organizational training and a Benefits Specialist position (split with Benefits Fund).

3. Presentation, possible action and discussion on the 2013-2014 ad valorem tax rate; and, if necessary on calling two public hearings on a proposed ad valorem tax rate for 2013-2014

There was no discussion on this item.

4. Adjournment

MOTION: There being no further business, Mayor Berry adjourned the budget workshop of the College Station City Council at 7:34 p.m. on Monday, August 19, 2013.


Nancy Berry, Mayor

ATTEST:


Sherry Mashburn, City Secretary