

MINUTES OF THE CITY COUNCIL BUDGET WORKSHOP
CITY OF COLLEGE STATION
AUGUST 18, 2014

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry, Mayor

Council:

Blanche Brick
Steve Aldrich
Karl Mooney, arrived after roll call
John Nichols
Julie Schultz
James Benham, arrived after roll call

City Staff:

Kelly Templin, City Manager
Chuck Gilman, Deputy City Manager
Jeff Kersten, Assistant City Manager
Jeff Capps, Assistant City Manager
Robin Cross, 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 3:06 p.m. on Monday, August 18, 2014 in the CSU Meeting/Training Facility, 1603 Graham Road, College Station, Texas 77842.

2. Presentation, possible action, and discussion on the FY 2014-2015 Proposed Budget.

Jeff Kersten, Assistant City Manager, provided a review of the proposed FY14-15 budget and citywide budget issues. Growth will be addressed with additional Public Safety resources and Code Enforcement resources, maintaining and expanding infrastructure, and providing the resources to attract and retain a well-qualified workforce. Council will provide input on budget decision points: service level increases to address growth and maintenance needs; a proposed tax rate of 45.25 cents; no electric, water, wastewater, or drainage rate increases; and a commercial sanitation rate increase.

GENERAL FUND

Revenues

Sales Tax, our largest revenue stream, accounts for 40.91%. The FY14 forecast is 6.5% higher than FY13. Staff is projecting a 3% increase for FY15 for an estimated revenue of \$25.3 million.

Ad valorem taxes account for 27.28% of our general fund revenues. Our certified property valuation is \$6.56 billion, approximately 5.3% increase in value over last year. \$215 million is a new value. We are continuing to see growth on the property value side. Our current tax rate is 42.5958 cents. The effective tax rate is 41.4996 cents and generates approximately the same revenues on the same properties this year as last year. The rollback rate is 45.2987 cents. Each one cent increase in the tax rate brings in an approximate \$609,000. The property tax revenues coming into the General Fund will be \$16.9 million, and the Debt Service Fund portion will be \$12.6 million. Staff is proposing a tax rate of 45.25 cents, an increase of 2.6542 cents. If Council goes forward with this proposed rate, they must discuss the rate, vote to increase tax revenues, and call and hold two public hearings.

Total transfers from all Utilities are being proposed in the amount of \$9,307,925 for 15% of General Fund revenues.

Minimal changes are proposed in other revenue categories such as franchise fees/mixed drink tax, licenses and permits, etc. These total about \$10,369,759 and account for 17% of the overall revenue stream.

Expenditures

In terms of salaries and benefits, the proposed budget assumes a 3.5% Pay Plan (merit or performance based) proposal (\$847,436), a Police Step Plan adjustment (\$275,000), and increases for select positions (\$237,500).

Police and Fire account for half of the expenditures. Department summaries were provided, along with Service Level Adjustments and proposed projects:

- Police: Six additional personnel (\$552,987) and other service level adjustments such as the Pay Scale adjustment, maintenance costs, Northgate booking station equipment, etc. (\$729,823).
- Fire: \$1,145,395 for EMS equipment replacement, two positions for EMS/Safety Officer program completion; and five positions for Station 6 ladder.
- Public Works: \$1,541,307 for various SLAs, including ITS Master Plan O&M, street repair, facilities maintenance, additional positions, etc.

At 4:58 p.m., the Mayor recessed the Budget Workshop.

The Budget Workshop reconvened at 5:18 p.m.

- Parks and Recreation: \$1,122,859 for equipment, ballfield light maintenance; playground equipment, irrigation specialist, etc.
- Library: \$2,100 for a Polaris Phone System server

- Planning and Development Services: \$100,000 for implementation of a Neighborhood Plan
- Information Technology: \$111,650 for an internet bandwidth independent path, SIEM implementation, network maintenance, replacement of Council iPads, etc.
- Fiscal Services: \$236,902 for Marshal's sworn officer pay scale adjustment, budget analyst, contract administrator, and ERP process documentation/document imaging.
- General Government: Automated Case Management system (Legal), restoring funding to Neighborhood Services matching grant funds (Public Communications), Business Manager (Community Services), Salary Survey and copier upgrade (Human Resources) for a total of \$251,207.

Additional proposed projects that will be funded by the General Fund include a transfer to the Streets CIP Fund (\$899,375), a transfer to the General Government CIP Fund (\$212,041), and a transfer to the Park Land Dedication Fund (\$12,000).

Non-departmental expenditures include:

- General and Administrative transfers (\$4,441,704) to offset expenditure incurred by service departments
- Public Agency Funding (\$1,202,007) for various public agencies, such as Lions Club (\$15,000), RVP, Arts Council, Health District, Appraisal District, and Animal Shelter
- Subsidy to the Recreation Fund (\$2,329,559)
- Other transfers-in (\$1,357,759) from HOT Fund for qualifying tournaments and special events, Benefits Fund for Fitlife programs for Police and Fire, Drainage Fund for streets, and various CIP Funds to offset cost of project management
- Other transfers-out (\$934,426) to the Economic Development Fund, Northgate Parking Fund for non-parking expenditures, Sanitation Fund for street sweeping, and the Equipment Replacement Fund
- Consulting Services (\$53,333) for TX-21, state legislative consulting, and the Atmos Steering Committee on natural gas-related issues
- Contingency (\$487,500) for general and Pay Plan contingencies.

GENERAL FUND FINANCIAL FORECAST

Revenues: We will continue with conservative revenue estimates, estimate moderate sales tax increases and modest property value increases. We will maintain the tax rate.

Expenditures: We will limit new expenditures, go forward with the Pay Plan as proposed, and include the estimated O&M on CIP projects.

GENERAL GOVERNMENT CAPITAL PROJECTS

Streets (\$16,898,143): rehabilitation projects, the Rock Prairie Road projects, etc., TXDOT-related projects, traffic-related projects, sidewalk-related projects, Lick Creek Hike and Bike Trail, and University Drive pedestrian improvements.

Parks (\$5,450,789): field redevelopment projects, Neighborhood Parks Revolving Fund, Lincoln Center addition, Lick Creek Nature Center, and restrooms for the Wolf Pen Creek Festival site.

Parkland (\$4,046,997): parks playground equipment and resurfacing for University Park and Castlerock Park, and an all-inclusive park.

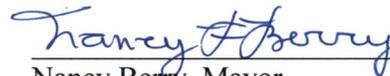
Facilities and Technology Projects (\$5,191,494): library expansion, ERP system replacement, CAD/RMS (Public Safety) system replacement, and fiber optic infrastructure.

3. Presentation, possible action and discussion on the 2014-2015 ad valorem tax rate; and, if necessary on calling two public hearings on a proposed ad valorem tax rate for FY 2014-15.

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 7:11 p.m. on Monday, August 18, 2014.


Nancy Berry, Mayor

ATTEST:


Sherry Mashburn, City Secretary