

MINUTES OF THE CITY COUNCIL BUDGET WORKSHOP  
CITY OF COLLEGE STATION  
AUGUST 17, 2015

STATE OF TEXAS           §  
  §  
COUNTY OF BRAZOS       §

**Present:**

Nancy Berry, Mayor

**Council:**

Blanche Brick  
Steve Aldrich  
Karl Mooney  
John Nichols  
Julie Schultz  
James Benham

**City Staff:**

Kelly Templin, City Manager  
Chuck Gilman, Deputy City Manager  
Jeff Kersten, Assistant City Manager  
Jeff Capps, Assistant City Manager  
Aubrey Nettles, Special Projects Coordinator  
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 3:04 p.m. on Monday, August 17, 2015 in the CSU Meeting/Training Facility, 1603 Graham Road, College Station, Texas 77842.

**2. Presentation, possible action, and discussion on the FY 2015-2016 Proposed Budget.**

City Manager Kelly Templin noted that staff was directed to prepare a proposed budget without a tax increase, and that is what Council will be discussing this afternoon.

Jeff Kersten, Assistant City Manager, provided a review of the proposed FY15-16 budget and citywide budget issues. Growth will be addressed with additional Public Safety resources, maintaining existing infrastructure, including streets and transportation systems, utilities, parks and recreation facilities and other city facilities 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, sanitation, or drainage rate increases.

## GENERAL FUND

### Revenues

Sales Tax, our largest revenue stream, accounts for 40.99%. The FY15 forecast is 8.5% higher than FY14. Staff is projecting a 3.5% increase over FY15 year-end estimate for an estimated revenue of \$27.59 million.

Ad valorem taxes account for 27.14% of our general fund revenues. Our certified property valuation is \$7.14 billion, for an approximate 7.31% 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 45.25 cents. The effective tax rate is 43.4851 cents and generates approximately the same revenues on the same properties this year as last year. The rollback rate is 47.6121 cents. Each one cent increase in the tax rate brings in an approximate \$660,000. The property tax revenues coming into the General Fund will be \$18.3 million, and the Debt Service Fund portion will be \$13.6 million. Staff is proposing a tax rate of 45.25 cents, no increase from FY15. 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 \$9,391,591 for 14% 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 \$12,062,212 and account for 18% of the overall revenue stream.

### Expenditures

In terms of salaries and benefits, the proposed budget includes a 2% scale adjustment and 2.5% pool for performance pay. Continued funding of the Police Step Plan, Fire Pay Plan and Electric Pay Plan is included in the proposed budget. Funding for targeted adjustments are expected to be identified in the salary survey results.

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

- Police: Four additional personnel (\$382,166) and other service level adjustments such as maintenance costs, holiday pay restructure, CID vehicle, tasers, and weapons replacement. (\$310,001).
- Fire: \$2,042,495 for six firefighter positions (contingent on AFG grant), ladder truck, etc. \$1,300,000 will be transferred from the General Fund into the Equipment Replacement Fund for the FY17 purchase of self-contained breathing apparatus.

At 4:42 p.m., the Mayor recessed the Budget Workshop.

The Budget Workshop reconvened at 5:09 p.m.

- Public Works: \$2,599,116 for various SLAs, including ITS Master Plan O&M, street repair, corrective facilities maintenance, facilities maintenance space needs study, traffic studies and maintenance plan implementation, etc.
- Parks and Recreation: \$956,000 for Asset Management Plan Facilities maintenance, park amenity replacement, equipment, etc. Several proposed projects will be 100% HOT funded, whereas the baseball scoreboards at Brian Bachmann and Wayne Smith Parks will be funded 50% with General Fund and 50% HOT funds. It was noted that the recreation programs were moved from the Recreation Fund to the General Fund Parks and Recreation Department FY16 budget. The functionality has not changed.
- Planning and Development Services: \$136,623 for implementation of Neighborhood Plans, oil and gas contract inspections, etc
- Information Technology: \$166,521 for radio tower inspection/maintenance, a database administrator, firewall upgrade, etc.
- Fiscal Services: \$194,930 for a staff accountant position, accounts payable specialist, ERP process documentation/imaging, Municipal Court entrance improvements, etc.
- General Government: \$227,605 for a Retail Economic Development Plan and recruitment, Public Communications survey and training, a transfer of staffing costs (from Community Development to General Fund) in Community Services, and Security/Safety position in Human Resources (funded in part from Property/Casualty and Workers' Compensation funds), etc.

Additional proposed projects that will be funded by the General Fund include a transfer to the General Government CIP Fund (\$2,336,650), for above ground storage tank and containment rehabilitation, Public Works compliance upgrades, corrective maintenance on the Police Station, and the initial planning/design of a proposed Community Center.

Non-departmental expenditures include:

- General and Administrative transfers (\$4,589,820) to offset expenditures incurred by service departments.
- Public Agency Funding (\$1,211,753) for various public agencies, such as Lions Club, RVP, Arts Council, Health District, Appraisal District, and Animal Shelter.
- Rental of additional office space (\$195,000).
- Other transfers-in (\$1,554,475) from HOT Fund for qualifying tournaments and special events and for Public Communications staffing and marketing, from Benefits Fund for Fitlife programs for Police and Fire, from Drainage Fund for streets, and from various CIP Funds to offset cost of project management.
- Other transfers-out (\$1,513,293) to the Economic Development Fund, to Northgate Parking Fund for non-parking expenditures, to Sanitation Fund for street sweeping, to the Equipment Replacement Fund, and to the General Government CIP Fund for the CAD/RMS project.
- Consulting Services (\$50,000) for Atmos Steering Committee and Muni Services.
- Contingency (\$450,000) for general contingency, targeted pay adjustments, and Police overhires.

## GENERAL FUND FINANCIAL FORECAST

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

Expenditures: New expenditures as proposed, the Pay Plan as proposed, and includes the estimated O&M on CIP projects.

At 7:39 p.m., the Mayor recessed the Budget Workshop.

The Budget Workshop reconvened at 7:43 p.m.

#### GENERAL GOVERNMENT CAPITAL PROJECTS

Council consensus was to re-word the policy issue on Capital Infrastructure to state, "Continue to invest in capital infrastructure for a growing community, while addressing the needs of existing infrastructure."

Streets and Transportation (\$30,329,658): street rehabilitation projects, extension and capacity improvement projects, traffic projects, hike and bike trails, and University Drive Pedestrian Improvements Phase II.

Parks (\$222,613): field redevelopment projects, Lincoln Center addition, and Lick Creek Nature Center.

Parkland (\$3,791,809): Fun For All playground design, various park development, and amenity improvements at various parks.

Facilities and Technology Projects (\$12,968,440): Facility projects include a library expansion, Public Works compliance upgrades, Police Station corrective maintenance, building design for a new Police Station, and Community Center planning and design, etc. Technology projects include the ERP system replacement, CAD/RMS (Public Safety) system replacement, and fiber optic infrastructure.

#### DEBT SERVICE FUND

The FY16 rate of 19.3052 cents will generate an estimated property tax revenue of \$13,565,252 and will satisfy the FY16 debt service requirement. 50% of the Cemetery debt service will be paid from the tax rate in FY16.

#### ECONOMIC DEVELOPMENT FUND

\$875,000 will be transferred from General Fund; this includes a one-time transfer of \$500,000. The projected expenditures are \$786,839.

CHIMNEY HILL FUND

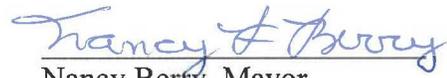
\$9,257,818 was transferred to the Hotel Tax Fund in FY and included the proceeds from the sale of the Chimney Hill property. The fund will be closed at the end of FY15.

**3. Presentation, possible action and discussion on the 2015-2016 ad valorem tax rate; and, if necessary on calling two public hearings on a proposed ad valorem tax rate for FY 2015-16.**

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 8:22 p.m. on Monday, August 17, 2015.

  
Nancy Berry, Mayor

ATTEST:

  
Sherry Mashburn, City Secretary