

MINUTES OF THE CITY COUNCIL BUDGET WORKSHOP
CITY OF COLLEGE STATION
AUGUST 16, 2016

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 Capps, Assistant City Manager
Jeff Kersten, 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 3:07 p.m. on Tuesday, August 16, 2016 in the CSU Meeting/Training Facility, 1603 Graham Road, College Station, Texas 77842.

2. Executive Session: Council did not go into Executive Session.

3. Take action, if any, on Executive Session,

No action.

4. Presentation, possible action, and discussion on the FY 2016-2017 Proposed Budget.

Jeff Kersten, Assistant City Manager, continued his review of the proposed FY15-16 budget and citywide budget issues.

OUTSIDE AGENCY FUNDING

Jeff Kersten, Assistant City Manager, proved a brief overview of the outside agency funding requests. Requests from General Fund amounted to \$\$1,250,161 for:

- Noon Lions Club (\$15,000)
- Arts Council (\$35,000) for operations and maintenance.
- Aggieland Humane Society (\$235,000)
- Brazos County Appraisal District (\$288,661)
- Brazos County Health Department (\$326,500)
- Research Valley Partnership (\$350,000).

Keep Brazos Beautiful requested a total of \$51,190 from the Sanitation Fund.

\$3,158,206 from the Hotel Tax Fund has been requested from various outside agencies:

- Veterans Memorial (\$25,000)
- Chamber of Commerce (\$25,000)
- Arts Council O&M (\$91,000)
- Arts Council Marketing/Public Support (\$43,500)
- Arts Council Affiliate Funding (\$348,400)
- Easterwood Advertising (\$102,690)
- CVB O&M (\$2,122,616) It was recommended that the CVB draw down their reserves as low as reasonably possible and use it for the build-out. Staff was requested to bring back a memo stating a realistic reserve rate.
- CVB Grant Funding (\$400,000)

Mayor Berry recessed the budget workshop at 4:48 p.m.

The budget workshop reconvened at 5:18 p.m.

Research Valley Partnership (\$350,000): Councilmember Benham recommended reducing the funding request by \$150,000 and moving those funds into the City's economic development efforts. There was no consensus to do so.

Mayor Berry recessed the budget workshop at 6:23 p.m.

The budget workshop reconvened at 6:32 p.m.

SPECIAL REVENUE FUNDS

Hotel Tax Fund FY 17

Projected HOT Revenues: \$5,391,000

Expenditures – City Operations: \$7,379,890

- Parks Programs and Events (includes HOT funded PARD SLAs)
- Sports Tournament Promotional Fund:
- Veterans Park Build Out Phase 1
- Southeast Park
- Other Capital Purchases (including wrapped vehicle)
- Preferred Access Payment
- Public Communications Staffing & Marketing
- Miscellaneous Programs and Events

HOT Funded Outside Agency Requests: \$3,158,206

Mr. Kersten gave a brief overview of the Court and Police special revenue funds: Court Technology Fee Fund, Court Security Fee Fund, Juvenile Case Manager Fee Fund, Truancy Prevention Fee Fund, Efficiency Time Payment Fee Fund, and Police Seizure Fund.

The Cemetery special revenue funds were reviewed, including the Memorial Cemetery Fund, Memorial Cemetery Endowment Fund, and Texas Avenue Cemetery Endowment Fund. The Memorial Cemetery Fund expenditures include a transfer for one-half of the debt service. The service level adjustments for the Memorial Cemetery Endowment Fund include the Jewish Faith section, equipment purchases, and wayfinding signage.

Other special revenue funds were reviewed: Wolf Pen Creek TIF Fund, West Medical District TIRZ No. 18 Fund, East Medical District TIRZ No. 19 Fund, Public Educational and Governmental (PEG) Channel Access Fund, and the R.E. Meyer Estate Restricted Gift Fund.

ENTERPRISE FUNDS

The Electric Fund has a budget of a little over \$104 million, and proposed a 1% decrease in residential and commercial rates. Service level adjustments in two electric line technicians, hydro excavation vacuum trailer, SCADA Cyber Vulnerability Assessment, dog bite safety training, and a Learning Thermostat Rebate program. Capital project funding from cash is \$16,600,000.

The Water Fund has a budget of a little over \$17 million and proposes no rate increase. Service level adjustments include an environmental technician and vehicle, expansion of W/WW specifications, Corrosion Control Program Phase II, equipment purchases, Chlorine Disinfection Booster system (from proceeds of sale of effluent), irrigation clock replacement (from proceeds of sale of effluent), and a fire flow test fee to offset the cost testing. Capital project funding from cash is \$1,850,000.

The Wastewater Fund has a budget of a little over \$20 million and proposes an 8% rate increase. Service level adjustments include an engineer in training position, expansion of W/WW specifications, equipment purchases, and additional security cameras at Carters Creek Wastewater Treatment Plant. Capital project funding from cash is \$7 million. Due to the amount of future capital expenditures, it is expected there will be additional rate increases in the next few years.

The Sanitation Fund has a budget of \$9.8 million and proposes no rate increase. There are no service level adjustments.

The Drainage Utility Fund: no rate change is proposed. Service level adjustments include a drainage equipment operator, a dump truck, and drainage maintenance repair funds.

The Northgate Parking Fund: no rate change is proposed. Service level adjustments include hand-held citation writers and ADA compliance upgrades.

INTERNAL SERVICE FUNDS

Self-Insurance Funds

- Employee Benefits Fund (includes a 10% increase in City contribution and funding for the City health clinic)
- Property and Casualty Fund
- Workers Compensation Fund
- Unemployment Compensation Fund

Equipment Replacement Fund

- Revenues are derived from contributions from departments based on useful life and anticipated replacement cost for such items as fleet, copiers, public safety equipment, etc.
- Expenditures: \$1,026,504 is budgeted for new fleet and equipment purchases.

Fleet Maintenance Fund

- Revenues: charges for service received from other City departments
- Expenditures are for operations and maintenance
- Service level adjustments are for environmental and safety compliance upgrades

It was suggested that we also establish a separate Building Maintenance Fund.

Utility Customer Service

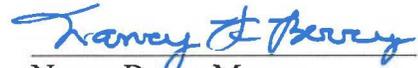
- Revenues: charges to the Electric, Water, Wastewater, Sanitation, and Drainage utilities
- Expenditures: operations and maintenance. Meter reading was contracted out in FY16
- Service Level adjustments include contract labor of ERP implementation and one additional Billing Services Customer Service Representative.

5. Presentation, possible action and discussion on the 2016-2017 ad valorem tax rate; and calling two public hearings on a proposed ad valorem tax rate for FY 2016-17.

MOTION: Upon a motion made by Councilmember Nichols and a second by Councilmember Mooney, the City Council voted seven (7) for and none (0) opposed, to hold two public hearings on the tax rate of 47.2500 cents per \$100 valuation on August 31 and September 8, both at 7:00 p.m. The motion carried unanimously.

6. Adjournment

MOTION: There being no further business, Mayor Berry adjourned the budget workshop of the College Station City Council at 8:32 p.m. on Tuesday, August 16, 2016.


Nancy Berry, Mayor

ATTEST:


Sherry Mashburn, City Secretary