



City of College Station Proposed FY13 Budget

Proposed Budget

The budget focuses on providing efficient core services with an emphasis on public safety and infrastructure. The proposed FY13 budget totals \$253,133,611.

\$212,643,409: *Operations & Maintenance (O&M) budget*
\$40,490,202: *Capital budget*

- ✓ For the second straight year, the budget will include a slight reduction in property taxes to the effective rate of 43.0687 cents. **That is the lowest property tax rate in College Station since 2001.**
- ✓ The budget includes no rate increases in electric rates, water, drainage or sanitation.
- ✓ A 5 percent increase is proposed for wastewater rates to fund projected operating, debt service and capital costs for the wastewater system.
- ✓ Reductions will save about \$500,000 in the General Fund. In the last five years, more than \$7.65 million has been removed from the operations and maintenance budget.
- ✓ 10 budgeted full-time equivalent positions have been eliminated throughout the organization. From FY11 to FY13, a total of 53.75 positions have been eliminated.
- ✓ From FY09 to FY13, 43 public safety positions have been added, or are proposed in the FY13 budget. This includes staffing for Fire Station No. 6, which will open later this year, and additional police staff.

Reduced Tax Rate

- ✓ The proposed budget was prepared using the effective tax rate of 43.0687, a decrease of .7308 cents from the current rate of 43.7995.
- ✓ The *effective tax rate* is the rate needed to generate about the same revenues on the same properties as last year.
- ✓ Adoption of the effective tax rate of 43.0687 cents would make this College Station's lowest tax rate in 12 years.
- ✓ Last year's rate already was the fifth lowest in the state among similar-sized cities (75,000-125,000 population).
- ✓ In the last two years, the tax rate has fallen by 1.6856 cents per \$100 assessed valuation. Each cent on the tax rate generates about \$554,000 in property tax revenue.

The following chart shows the two components of the tax rate, and the impact of the recommended tax rate for FY 2013 compared to the FY 2012 tax rate.

	Approved		Proposed
	<u>FY12</u>		<u>FY13</u>
Debt Service Portion	20.1536	(0.5901)	19.5635
General Fund Portion	<u>23.6459</u>	<u>(0.1407)</u>	<u>23.5052</u>
	43.7995	(0.7308)	43.0687

Electric Utility Fund Transfer

The Utility Fund Transfer is the benefit to College Station citizens for ownership of various utilities (Electric, Water, Sewer, Solid Waste collection).

- ✓ Last year, the city began a multi-year plan to reduce the transfer from the Electric Utility to the General Fund. The purpose was to ensure that the transfer is reasonable and does not create a significant burden on the electric utility and electric rates.
- ✓ The city's previous policy capped the transfer at 10.5 percent of electric operating revenues. The new policy caps the transfer at 6 percent.

- ✓ **The transfer will be reduced by \$1 million this year** after a \$2 million decrease in FY 12, bringing the total reduction in the last two years to \$3 million.
- ✓ The reduction is necessary for the long-term health of the electric utility, which has seen rate increases in recent years due to purchased power costs.
- ✓ **Electric rates will not increase in FY13.** A 4 percent rate increase was expected after being postponed last year, but it will be postponed again partly because of the ongoing change in the transfer policy.

Core Services - Public Safety

In the recent citizen survey, residents ranked public safety as the city's highest priority.

- ✓ **Fire Station No. 6 will open later this year** and will be staffed by 18 firefighters. The station was approved in the 2008 bond election.
- ✓ The proposed police department budget includes \$895,681 for the **addition of 1 sergeant, 6 officers, and associated vehicles and equipment**. These additions will help address traffic congestion and crime in the Northgate Entertainment District.
- ✓ The proposed budget also includes \$62,423 for **the addition of a police assistant in the Criminal Investigation Division** to free sworn officers for other tasks.

Core Services - Infrastructure

Capital Projects

- ✓ Capital funds come from various sources, including General Obligation bonds authorized by voters, certificates of obligation supported by tax and utility rates, and cash reserves from the General or Utility funds.
- ✓ The proposed Capital Improvements Budget is \$40,490,402. When that's added to existing appropriations, the total expected to be spent on capital projects in FY13 is about \$65 million.
 - **Street and Transportation Capital Projects**
 - **Parks and Recreation Capital Projects**
 - **Technology Capital Projects**
 - **Utility Capital Projects**

Traffic and Transportation

In the recent citizen survey, residents ranked street and road maintenance as the city's second highest priority.

- ✓ \$280,700 is proposed in the Public Works budget for traffic and transportation projects.
- ✓ This includes \$45,000 for a traffic signal synchronization and timing project, \$50,000 for an upgrade to fiber optic traffic signal communication, \$100,000 for a Traffic Operations Master Plan and \$35,700 for an Asset Management and Work Order System for Traffic.
- ✓ Also included is \$50,000 for an Intersection Operational Improvement Analysis.

Pay Plan and Benefits

- ✓ Maintaining a competitive pay and benefit structure allows the city to attract and retain well-qualified employees who provide services to residents and visitors.
- ✓ The proposed budget includes a 2.5 percent performance-based pay increase for city employees.
- ✓ Continued funding is included for the step plan to help the Police Department be more competitive in recruiting and retaining officers.
- ✓ The budget also proposes slight changes to employee retirement plans. The changes will not affect the 7 percent employee contribution or the 2-to-1 match from the city.
- ✓ The City Council's Ad Hoc Committee for Compensation and Benefits will present a report as part of Thursday's regular meeting.

Budget Review Schedule

Aug. 9	<i>Proposed budget presented to city council</i>
Aug. 16	<i>Budget Workshop No. 1</i>
Aug. 17	<i>Budget Workshop No. 2</i>
Aug. 20	<i>Budget Workshop No. 3</i>
Aug. 21	<i>Budget Workshop No. 4 (if needed)</i>
Aug. 23	<i>Budget Public Hearing</i>
Sept. 13	<i>Budget and Tax Rate Adoption</i>