

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: December 2, 2014		DATE SUBMITTED: November 12, 2014	
DEPARTMENT OF ORIGIN: Fiscal Services		SUBMITTED BY: Joe Hegwood	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	STRATEGIC INITIATIVE:
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input checked="" type="checkbox"/> 1ST READING	<input checked="" type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input checked="" type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input checked="" type="checkbox"/> STATUTORY		<input checked="" type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input type="checkbox"/> REGULAR		<input checked="" type="checkbox"/> INFRASTRUCTURE
			<input checked="" type="checkbox"/> QUALITY OF LIFE
AGENDA ITEM DESCRIPTION: This proposed ordinance authorizes the establishment of a City of Bryan Oil and Gas Fund.			
SUMMARY STATEMENT: If approved, this action authorizes the establishment of a City of Bryan Oil and Gas Fund, separating oil and gas funds from General Fund revenues and defines its use for future City Council directed purposes. The Ordinance also provides for earned interest to accrue to the fund and defines the conditions under which funds can be appropriated from the fund.			
STAFF ANALYSIS AND RECOMMENDATION: The City expects that oil and gas fund revenues will exceed the funding requirements for ongoing General Fund expenditures. The separation of these funds allows the City Council separate consideration for funding of projects outside the normal ongoing spending of the General Fund. The establishment of the Oil and Gas Fund was discussed during the FY2015 budget process.			
OPTIONS (In Suggested Order of Staff Preference):			
<ol style="list-style-type: none"> 1. Approve the proposed ordinance. 2. Do not approve the proposed ordinance and provide direction to staff. 			
ATTACHMENTS: Ordinance			
FUNDING SOURCE: Oil and Gas revenues			
APPROVALS: Hugh R. Walker, 11/12/2014			
APPROVED FOR SUBMITTAL: CITY MANAGER Kean Register, 11/14/2014			
APPROVED FOR SUBMITTAL: CITY ATTORNEY			

ORDINANCE NO. _____

ORDINANCE OF THE CITY OF BRYAN, TEXAS CREATING AND ESTABLISHING A PERMANENT OIL AND GAS FUND; DIRECTING HOW SUCH FUND MAY BE ACCESSED; RESOLVING OTHER MATTERS RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Bryan, Texas (the " City") is the owner of mineral rights to land within the City and in Brazos County; and

WHEREAS, the Brazos valley is experiencing a significant increase in oil and gas exploration and production; and

WHEREAS, the City has received in Fiscal Year 2014 and expects to continue to receive oil and gas lease revenues, royalty revenues and ad valorem tax revenues from City owned property; and

WHEREAS, the City expects future oil and gas revenues will exceed the funding requirements of the City's General Fund; and

WHEREAS, the City desires to establish an Permanent Oil and Gas Fund that will be used to fund future special projects as designated by the City Council; and

WHEREAS, the Permanent Oil and Gas Fund will be funded by oil and gas lease revenues, royalty revenues and ad valorem tax revenues from City owned property and the earned interest thereon; and

WHEREAS, it is the City's intention that principal and/or interest in the Oil and Gas Fund should be withdrawn only upon meeting the conditions set forth below;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS:

Section 1.

- A. There shall be and hereby is created and established a fund to be designated as the City of Bryan, the Permanent Oil and Gas Fund ("Oil and Gas Fund ") which Oil and Gas Fund shall be maintained at a depository of the City. The principal balance of the Oil and Gas fund shall be derived from oil and gas lease revenues, royalty revenues and ad valorem tax revenues on mineral values from City owned property not designated as an enterprise fund.
- B. Funds deposited to the Oil and Gas Fund shall be kept separated by principal and interest earned. Funds deposited to the Oil and Gas Fund shall only be used by the City to fund future special projects as designated by the City Council.
- C. Funds on deposit in the Oil and Gas Fund may only be withdrawn upon satisfaction of the following conditions:
 1. The Bryan City Council approves by majority vote of the City Council members present at the meeting a one year appropriation from the Oil and Gas Fund for a named special project. Funding for the project will come from the balance of interest

earned in the Oil and Gas Fund and cannot be for more than the balance of interest earned in the Oil and Gas Fund at the time of approval.

2. The Bryan City Council approves by three-fourths vote of the City Council members present at the meeting a one year appropriation from the Oil and Gas Fund for a named special project. Funding for the project will come from the balance of principal and interest earned in the Oil and Gas Fund and cannot be for more than the balance of principal and interest earned in the Oil and Gas Fund at the time of approval.

Section 2.

The ordinance shall become effective immediately upon its second and final reading and passage.

PRESENTED AND GIVEN first reading the 2nd day of December, 2014 at a regular meeting of the City Council of the City of Bryan, Texas; and given second reading, **PASSED AND APPROVED** on the 3rd day of December, 2014 by a vote of _____ yeses and _____ noes at a regular meeting of the City Council of the City of Bryan, Texas.

ATTEST:

CITY OF BRYAN:

Mary Lynne Stratta, City Secretary

Jason P. Bienski, Mayor

APPROVED AS TO FORM:

Janis K. Hampton, City Attorney