

**BRYAN CITY COUNCIL  
MINUTES OF WORKSHOP MEETING  
JULY 12, 2016**

The Bryan City Council held a workshop meeting on Tuesday, July 12, 2016, in the Council Chambers of the Bryan Municipal Building, a notice of said meeting having been posted at least 72 hours in advance in accordance with Section 551, Texas Government Code. Mayor Jason Bienski and Councilmembers Greg Owens, Mike Southerland, Ben Hardeman and Buppy Simank were present. Councilmembers Al Saenz and Rafael Peña were absent. In attendance were City Manager Kean Register, City Attorney Janis Hampton and City Secretary Mary Lynne Stratta.

**1. CALL TO ORDER**

The meeting was called to order at 10:36 a.m.

**2. PRESENTATION AND DISCUSSION REGARDING PROPOSED FISCAL YEAR 2017 GENERAL FUND, DEBT SERVICE, INTERNAL SERVICE AND SPECIAL REVENUE FUNDS BUDGETS**

Chief Finance Officer Joe Hegwood showed fund balance trends since Fiscal Year 2010, stating the City had started spending down the fund balance following several one-time revenue events. He discussed major budget recommendations for Fiscal Year 2017 including additional firefighter and police officer positions, general fund expenses, expenditure assumptions, Council directed budget items, new spending, general fund decision packages recommended for funding, future spending, general fund staffing, proposed new employee positions, outside agency funding, payments to other agencies, general fund reserve days forecast, debt service fund, debt service fund balance, Capital Improvement Plan debt plans, internal service funds, self-insurance fund, employee benefits fund, special revenue funds, hotel/motel tax fund, tax increment reinvestment zone funds, airport fund, etc. Mr. Hegwood advised the City had an unfunded liability of \$39 million in terms of retirement funding, but was at 86 percent funding level in Fiscal Year 2014. He also added another unfunded liability was retiree medical funding as the City had not been funding this liability but paid costs as incurred. He recommended an initial funding of the liability of \$500,000 and an additional \$500,000 annually subject to annual appropriations. Mr. Hegwood showed the plan to spend down the general fund reserve fund. He said staff was recommending spending \$1.2 million for new Coulter Airfield hangars, which would generate future revenue. Mr. Hegwood reviewed a budget calendar leading up to the adoption of the Fiscal Year 2017 budget in September. Mr. Hegwood then answered several questions regarding the proposed budget. No concerns were expressed regarding the proposed budget.

**3. PRESENTATION AND DISCUSSION REGARDING PROPOSED FISCAL YEAR 2017 BRYAN TEXAS UTILITIES BUDGET**

BTU General Manager Gary Miller provided the BTU incident report, budget highlights, capital spending, trends in transmission and distribution spending, etc. He explained a new State law will require BTU to obtain a certificate of convenience and necessity to build transmission facilities ten miles outside the service area; after September 1, 2021, this new law will apply to any facilities outside the City limits. He predicted this will cost more time and money. Mr. Miller advised BTU was working to address the needs of the new Texas A&M System RELLIS campus. He listed

transmission project costs, such as the Dansby Power Plant reconfiguration, the new Texas A&M University West substation, Nall Lane Substation rebuild, Briarcrest underground transmission line, etc. Mr. Miller then discussed the future general fund impact for BTU to build transmission facilities. He continued by discussing City and Rural system distribution project costs, Lake Bryan and lake dam improvements, and BTU main building maintenance needs.

Mr. Hegwood then discussed BTU's credit ratings with the rating agencies, City and Rural systems days of operating cash, debt service coverage, Fiscal Year 2017 expenditure assumptions, capital improvement projects, etc. The proposed budgets for the City and Rural systems were presented. Questions posed by Councilmembers were answered.

#### **4. RECESS**

At 11:49 a.m., the meeting was recessed for lunch with the announcement the meeting would reconvene in open session at approximately 12:30 p.m. in the Council Chambers.

#### **5. RECONVENE**

The meeting was reconvened in open session at 12:39 p.m. in the Council Chambers.

#### **6. PRESENTATION AND DISCUSSION REGARDING PROPOSED FISCAL YEAR 2017 WATER, WASTEWATER AND SOLID WASTE BUDGETS**

Dr. Jayson Barfknecht, Public Works Director, presented the proposed Fiscal Year 2017 water and wastewater budgets. He discussed water and wastewater budget assumptions, expected revenues and expenses, decision packages, new employee needs, vehicle replacement, future projects, rates and water usage, capital improvement projects, recommendations, etc. He concluded no water or wastewater rate increases were recommended at the current time.

Environmental Services Manager Eric Zaragoza reported the staff was not recommending a solid waste rate increase over the next few years. He listed Fiscal Year 2016 accomplishments and presented the proposed Fiscal Year 2017 budget, including expected solid waste expenditures and revenues, future goals and objectives, etc.

#### **7. PRESENTATION BY STAFF PROVIDING AN UPDATE ON THE CITY'S CAPITAL IMPROVEMENT PLAN**

Dr. Barfknecht presented an update of the City's Capital Improvement Plan (CIP). He gave the definition of a capital improvement project and reviewed the CIP biennial process and ranking system. He reviewed projects in the CIP database by single member district, including unfunded projects. He discussed projects funded from the transportation and drainage fee funds. Dr. Barfknecht also listed projects funded with Fiscal Year 2016 debt issuance and Fiscal Year 2016 CIP projects. He then listed projects being funded with partial grant funds. Dr. Barfknecht reviewed proposed CIP projects, debt issuance, transportation/drainage fee revenues, etc., for Fiscal Years 2018-2022. Dr. Barfknecht then listed other projects not in the CIP database the Council may want to consider in the future. He showed completed CIP projects and street maintenance projects from 2008-2015 by single member district, which included about \$144 million worth of projects. He then listed expected CIP expenditures by single member district for 2016-2020. He also showed tax revenue by single member districts, but reported tax revenue by district does not dictate CIP expenditures by district.

**8. PRESENTATION AND DISCUSSION REGARDING PROPOSED FISCAL YEAR 2017 BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY (BVSWMA) BUDGET**

Mr. Brian Griesbach, BVSWMA Executive Director, presented the BVSWMA mission statement, organizational goals, facility locations, daily usage statistics, rates and fees, compost facility operations, operating hours, product prices, household hazardous waste event, etc. He advised a rate decrease for the cities of Bryan and College Station was recommended for Fiscal Year 2017.

**9. DISCUSSION REGARDING CONSENT/STATUTORY AGENDA ITEMS FOR THE SECOND REGULAR MEETING OF JULY 12, 2016**

Council briefly discussed agenda items 5 b, 6 b, 6 d and 6 e of the consent/statutory agenda for the regular meeting of July 12, 2016. No action was taken regarding the items discussed.

**10. COUNCIL COMMITTEE REPORTS**

No reports were provided.

**11. ADJOURN**

Without objection, the meeting adjourned at 1:55 p.m.

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City Secretary Mary Lynne Stratta

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Mayor Jason P. Bienski