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A Meeting of the Waco City Council Budget & Audit Committee or A Meeting of the City Council, Acting as City Council Budget & Audit Committee Regular Meeting Public Notice

VIDEOCONFERENCE NOTICE: A quorum of the Waco City Council Budget and Audit Committee (*or a quorum of the City Council acting as the City Council Budget and Audit Committee*) will meet in the 3rd Floor Conference Room at Waco City Hall, 300 Austin Avenue, Waco, Texas. A limited number of the Waco City Council Budget and Audit Committee (*or the City Council acting as the City Council Budget and Audit Committee*) may attend remotely pursuant to Texas Government Code, Section 551.127

Tuesday, January 13, 2026	**1:30 PM**	**3rd Floor Conference Room City Hall, 300 Austin Avenue Waco TX 76701**

AGENDA

I. Call to Order

II. Minutes Approval

1. Approval of Minutes from December 9, 2025, meeting.

III. Discussions

1. Discussion and presentation by the Brazos Higher Education Authority, Inc., related to the continuation of its program (to both purchase and make additional student loan notes) for the period 2026-2028.

IV. Request for Future Agenda Items and Next Meeting Date

The Committee/City Council may go into Executive Session on any item listed on the Agenda in accordance with Chapter 551 of the Government Code, specifically including Sec. 551.071(2) (attorney-client privilege/relationship).

DocuSigned by:
73896DD92D10433...
Bradley Ford, City Manager

It is the opinion of the City Attorney's Office that this agenda complies with the requirements of Chapter 551 of the Texas Government Code.

Signed by:
Kristen Hamilton-Karam
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Kristen Hamilton-Karam, City Attorney

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It is hereby certified that this notice was posted at Waco City Hall and on the City of Waco official website on the 7th day of January 2026 at 4:30 PM.

DocuSigned by:
Michelle Hicks
425883EB80CC400...
Michelle Hicks, City Secretary

Note: Persons with disabilities who plan to attend this meeting and who need auxiliary aides or services should contact the City Secretary, at (254) 750-5750 at least twenty-four (24) hours before this meeting so that appropriate arrangements can be made.

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Minutes

Council Date:	Originating Department:	Presented By:	Item #:
January 13, 2026	City Secretary's Office	Michelle Hicks, City Secretary	

Item:

Approval of Minutes from December 9, 2025, Meeting.

(Citywide)

Background:

Approval of Minutes of the December 9, 2025, Budget and Audit Meeting.

Fiscal Impact:

Attachments:

Project Schedule:

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Tuesday, December 9, 2025	1:30 PM	3rd Floor Conference Room City Hall 300 Austin Avenue, Waco, TX 76701

ENDA

I. Call to Order

Mayor Jim Holmes called a meeting of the City Council, acting as the City Council Budget & Audit Committee, to order at 1:33 PM.

Council Members Present: Mayor Jim Holmes, Mayor Pro Tem Andrea Barefield, and Council Members Josh Borderud and George Chase. Council Member Lozano attended virtually.

The meeting convened as the Budget & Audit Committee at 2:29 p.m.

The meeting convened as the City Council, acting as the City Council Budget & Audit Committee, at 2:58 p.m.

II. Minutes Approval

1. Budget & Audit Committee - Regular Meeting – October 14, 2025.

RESULT:	**APPROVED AS SUBMITTED**

III. Discussions

1. Downtown Redevelopment Project Discussion, specifically Phase 1A (Barron's Branch), and the Proposed Financing Plan.

   The meeting convened to review progress on the Phase 1A project, associated infrastructure components, and financial strategies related to utilities, floodplain improvements, wastewater coordination, and the Barron's Branch note program. Staff presented updated cost estimates, discussed funding responsibilities, and provided an overview of financial modeling. Council members offered direction on priorities and requested additional modeling and long-range planning tools to support continued evaluation.

   Staff began with an overview of the current status of Barron's Branch, noting that the project remains in the permitting phase. Total funding for Phase 1A is estimated at $168 million, with an

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additional $35 million identified for the construction of structured parking. These components represent the foundational elements required to advance project implementation.

Mr. Balk presented an overview of the utility obligations the City would assume should a development agreement move forward. Staff recommended a $17 million investment to support utilities required for project buildout. This investment would not only advance Barron's Branch, but also provide value to additional adjacent development opportunities by enhancing overall system capacity.

Staff outlined three supplemental infrastructure investments for Council review.

A. Floodplain Improvements – 5th Street

A recommended investment of $5.4 million would support improvements in the 5th Street floodplain area. This project is expected to unlock upstream private development, enhance traffic flow, and create efficiencies in permitting and mobilization for similar work envisioned within the Barron's Branch area.

B. Purple Pipe (Reclaimed Water) System

The proposed reclaimed water improvement carries an estimated cost of $6.6 million. The system would supply irrigation for the planned 7-acre park and right-of-way landscaping. At this time, staff is not recommending funding, citing the need for additional analysis.

C. Wastewater System Coordination

Staff provided an update on the wastewater improvements identified in the 2014 Wastewater Master Plan, noting that these efforts remain ongoing. Coordination with the La Pila Plaza project would play a key role in supporting downtown growth. Capacity needs for the Barron's Branch buildout have already been confirmed.

Staff provided a detailed overview of the financial structure associated with the Barron's Branch note program. The estimated total cost for the program is $168 million, exclusive of the parking garage, which will be funded through a separate note program. Demolition costs are being carried in the Parks budget.

The TIF 1 note program received a single response from financial institutions. Mr. Kostelich reviewed the response and compared the proposed TIF 1 Note Program with a TIF 1 Certificate of Obligation (CO) Program, highlighting the differences in annual payments and associated risk profiles. Staff also noted that parking garage funding will not be required until FY 2028, allowing for additional planning time.

Mr. Kostelich presented the underlying financial assumptions and discussed anticipated impacts to the monthly water bill. The current growth rate of 2.6% is projected to rise to 3%, impacting long-term revenue and debt outlooks. He also reviewed the City's debt portfolio and total outstanding debt.

Staff reported that an RFP has been prepared to gauge private-sector interest in the project, with reviews anticipated in late February. Staff are committed to providing regular updates throughout the five-year implementation period. Blu will also prepare a more detailed financial model incorporating construction data and timelines.

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Staff will consult with Bond Counsel to review bond rating metrics and determine how additional debt may impact the City's scoring. Additionally, staff will prepare a complete asset spreadsheet for Council review.

The next step expected from Council will be the approval of a Notice of Intent.

Council provided the following directions:

- Parking Garage: Council expressed interest and noted the garage is essential for project success.
- 5th Street Additions: Council stated the cost cannot currently be justified and requested a supporting financial model.
- Purple Pipe: Council directed staff to move forward.
- Brazos Basin Utilities: To be included in future Capital Improvement Plans.

Staff will return with a refined model providing deeper detail and updated assumptions.

Council also requested:

- A 10-year list of priorities for tracking recommendations
- A breakdown of the 10 associated development projects
- A construction timeline including a draw-down model to illustrate funding flows and support evaluation of the note program

IV. Request for Future Agenda Items and Next Meeting Date

The Budget & Audit meeting is scheduled for January 13, 2026. The meeting adjourned at 3:17 p.m.

_____ _____

Michelle Hicks, City Secretary Jim Holmes, Mayor

Approved on:

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Discussions

Council Date:	Originating Department:	Presented By:	Item #:
January 13, 2026	Legal Services (City Attorney's Office)	Kristen Hamilton-Karam, City Attorney	

Item:

Discussion and presentation by the Brazos Higher Education Authority, Inc., related to the continuation of its program (to both purchase and make additional student loan notes) for the period 2026-2028.

(Citywide)

Background:

An agenda item will be brought forward for City Council's consideration on the January 20, 2026 City Council meeting agenda. The Brazos Higher Education Authority, Inc., will provide Council with an update of its program and provide information related to its request to extend the program for the years 2026-2028.

Fiscal Impact:

Brazos' tax-exempt revenue bonds are not obligations or debts of the City and the bonds have no impact to the City's credit rating. Moreover, the City has no liabilities, costs or expenses relating to Brazos, its student loan program or its bonds.

Attachments:

Project Schedule: