

REGULAR CALLED MEETING
City Council
June 23, 2020

The City Council of the City of Brownwood, Texas, met in a Regular Called Meeting on Tuesday, June 23, 2020, at 9:00 a.m., in the Council Chambers, City Hall, 501 Center Avenue, Brownwood, Texas, with the following members present:

Stephen E. Haynes	:	Mayor
HD Jones	:	Councilman – Ward 1
Ed McMillian	:	Councilman – Ward 2
Larry Mathis	:	Councilman – Ward 3
Walker Willey	:	Councilman – Ward 5
Pat Chesser	:	City Attorney
Emily Crawford	:	City Manager
Christi Wynn	:	City Secretary

with Councilman Draco Miller absent, constituting a quorum of the City Council.

CALL TO ORDER: Mayor Haynes called the meeting to order.
PLEDGE OF ALLEGIANCE: Pledge of Allegiance was led by Councilman McMillian.
INVOCATION: Invocation was given by Councilman Willey.
ITEMS TO BE WITHDRAWN: None
INTRODUCTIONS, ANNOUNCEMENTS, AND RECOGNITIONS: None
CITIZENS PRESENTATIONS: None

ORDINANCES AND RESOLUTIONS:

Consider all matters incident and related to the issuance and sale of the City of Brownwood, Texas Tax Note, Series 2020, including the adoption of an ordinance authorizing the issuance of such Note and enacting other provisions related thereto.

Hilltop Securities, Financial Advisor, George Williford, two bids were received for the financing of the tax note. The best bid from Citizens National Bank provides for an interest rate of 1.5% with an unlimited call feature. The note will be for seven years ending March 15, 2027. The debt service will be \$685,000 due to the issuance related costs of \$35,000. The proceeds of \$650,000 will be received by July 23, 2020.

Finance Director, Walter Middleton stated that the City has a 2013 tax note paying off this fiscal year with a note payment of \$104,700. The annual payment for the new tax note will be \$90,000 in year one and will graduate up to \$105,000 in year seven. It will not increase the city budget.

Mayor Haynes asked for the one-reading ordinance to be read by the City Secretary. After the reading of the ordinance, a motion was made by McMillian, seconded by Willey, to approve all matters incident and related to the issuance and sale of the City of Brownwood, Texas Tax Note, Series 2020, including the adoption of an ordinance authorizing the

issuance of such Note and enacting other provisions related thereto. Upon vote, motion carried unanimously.

ORDINANCE NO. 20-06

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BROWNWOOD, TEXAS, PROVIDING FOR THE ISSUANCE OF CITY OF BROWNWOOD, TEXAS TAX NOTES, SERIES 2020; PRESCRIBING THE FORM OF THE NOTES; LEVYING AD VALOREM TAXES TO SECURE THE NOTES; AND ORDAINING OTHER MATTERS IN CONNECTION WITH THE ISSUANCE AND SALE OF THE TAX NOTES.

Consider all matters incidental and related to the issuance and sale of the City of Brownwood, Texas General Obligation Refunding Bonds, Series 2020, including the adoption of an ordinance authorizing the issuance of the bonds, establishing parameters for the sale and issuance of such bonds, and delegating certain matters to City officers to act on its behalf in selling the bonds.

Mr. Williford stated that the City has an opportunity to refinance three existing bonds to lower the interest rate and save money. These include the 2004 C.O. originally issued through the TWDB and used for water line improvements, the 2013 C.O. originally issued to build cells 12 & 13 at the Landfill, and the 2016 C.O. originally issued for Street, Community Facility and Park improvements. Additional information:

Description	Original Issuance	Current Balance Rate	Blended Interest Date	Maturity
2004 C.O.	\$6,335,000	\$2,005,000	3.24%	2025
2013 C.O.	\$3,870,000	\$1,715,000	3.18%	2027
2016 C.O.	\$3,050,000	<u>\$2,555,000</u>	4.00%	2031
Total		<u>\$6,275,000</u>		

Under current market conditions, the true interest cost on the refunding bonds would be 2.01%. At that rate, we would save \$389,949 in interest costs. The present value of those savings would be \$344,970. For flexibility, to take advance of market timing, the ordinance would delegate final pricing authority to a Pricing Officer who would be either the City Manager or the Mayor. The ordinance establishes bond sale parameters that would include a maximum interest rate, minimum savings threshold, and final maturity date among other parameters. This authorization would expire in six months. During this time, Hilltop Securities, will monitor the bond market and tell us when to move forward. Either the City Manager or the Mayor would authorize the sale on that date. The minimum recommended parameter is a savings of 3.5% present value. That would save us \$258,144 in interest cost or \$225,203 present value with a true interest cost rate on the bonds of 2.46%. With current market conditions, they hope to do much better than that. The estimated cost of issuance for the refunding bonds is \$88,000. There is also an underwriting cost of \$36,000. Both amounts are fully integrated into the refunding structure, so the savings are net of all costs.

Mayor Haynes asked for the one-reading ordinance to be read by the City Secretary. After the reading of the ordinance, a motion was made by Mathis, seconded by Jones, to consider all matters incidental and related to the issuance and sale of the City of Brownwood, Texas

General Obligation Refunding Bonds, Series 2020, including the adoption of an ordinance authorizing the issuance of the bonds, establishing parameters for the sale and issuance of such bonds, and delegating certain matters to City officers to act on its behalf in selling the bonds. Upon vote, motion carried unanimously.

ORDINANCE NO. 20-07

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF BROWNWOOD, TEXAS, GENERAL OBLIGATION REFUNDING BONDS; APPOINTING A PRICING OFFICER AND DELEGATING TO THE PRICING OFFICER THE AUTHORITY TO APPROVE ON BEHALF OF THE CITY THE SELECTION OF BONDS TO BE REFUNDED, THE SALE OF THE BONDS, THE TERMS OF THE BONDS AND THE OFFERING DOCUMENTS FOR THE BONDS; ESTABLISHING CERTAIN PARAMETERS FOR THE APPROVAL OF SUCH MATTERS BY THE PRICING OFFICER; APPROVING THE USE OF AN ESCROW AGREEMENT, AND A PAYING AGENT/REGISTRAR AGREEMENT; LEVYING AN ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT.

APPROVAL OF MINUTES:

A motion was made by McMillian, seconded by Willey, to approve the minutes of the Regular Called Meeting on June 9, 2020, as presented. Upon vote, motion carried unanimously.

CLAIMS AND ACCOUNTS:

Assistant Finance Director, Melanie Larose, was present for questions regarding the checklist. A motion was made by Willey, seconded by McMillian, that the Claims and Accounts dated through June 19, 2020, be approved for payment as submitted. Upon vote, motion carried unanimously.

REQUESTS AND PRESENTATIONS:

The Brown County Home Solutions will address Council regarding their subsidy request.

Director of the Brown County Home Solutions, Linda Heitman gave a success story of a homeless person that Brown County Home Solutions, the Police Department, and the community were able to help get back on his feet. She asked for a \$1,500 subsidy to help with outreach materials. She plans to connect with people on the street level by going to the Salvation Army to hand out those essential items. She stated that the \$1,500 would be 100% matched with a State level grant.

Consider accepting a donation from Vulcan Materials Company to the Lehnis Train Museum.

Museum Curator, Crystal Stanley, stated that Jonathan Withers, General Manager of Vulcan Materials Company located in Brownwood, contacted her to discuss the museum accepting “White Lightening” as a permanent exhibit at the museum. Vulcan Materials Company would move the train car to the museum. Mrs. Stanley stated that she has rails

and spikes. The only cost would be around \$300 to extend the height of the metal roof structure for the new train car to fit. Vulcan Materials Company would like to have their logo on the side of the train to show community partnership.

A motion was made by McMillian, seconded by Mathis, to accept the donation from Vulcan Materials Company to the Lehnis Train Museum. Upon vote, motion carried unanimously.

Consider approving a quote for foundation repair of Adams Street Community Center.

City Manager Crawford stated that the lowest quote that was received was \$21,650. She advised us to wait if we are unsure of the future of the building. She did say that gutter work would move forward to help prevent any further damage at a cost of \$3,500. Mayor Haynes suggested waiting until after this budget cycle to determine the future of the building. Mrs. Crawford stated that a foundation quote in 2016 was \$28,500. It is low now because of the Coronavirus slow down. Councilman Jones stated that he had a Mason look at the building and was told that the brick could be removed and repaired without any foundation repairs. Councilman Jones stated that he felt the interior needed remodeling and preferred to spend funds for that. Mayor Haynes suggested rolling in those repair costs with the Timmins project. Council asked for a rental history to determine the need. A motion was made by Willey, seconded by McMillian, to table the item until the next meeting. Upon vote, motion carried unanimously.

Consider ratification of the Brownwood Municipal Development District Board action to approve the creation of a small business reimbursement grant program and program guidelines and authorize BMDD staff to administer and fund the grants as outlined in the program guidelines.

Executive Director of the Brownwood Municipal Development District (BMDD), Ray Tipton, stated that since the COVID-19 pandemic began, BMDD has been monitoring the effect on local businesses and providing assistance to connect businesses in need with the appropriate support or assistance program. Overall, the Payroll Protection Program (PPP) has been able to fill the majority of financial help to local businesses for the last few months as the State allows businesses to re-open. In addition to direct communication, the BMDD conducted an online Business Assessment Survey to help gauge any additional need in the business community. According to the survey results, only a small percentage of local businesses say they still need any sort of financial help, but a majority of the businesses had to make some sort of adjustment to their business model to adapt to the changing business conditions. One recurring comment and trend staff has noted outside of the survey results is that some small businesses are spending more cash more recently as they are allowed to reopen as they bring back employees and purchase inventory and supplies to handle more normal sales volume. From these results, feedback, and analysis, the BMDD staff recommends developing and approving a small business reimbursement grant program to help those businesses that had to incur unexpected expenses to adapt their business model to the changing conditions during the pandemic and the reopening process. Many businesses had to find new ways to engage their customers and provide a healthy

and safe environment for their employees and customers. Most businesses plan to keep these new adaptations or services in place on a permanent basis, which would qualify as a business expansion. The proposed program would provide reimbursement to small businesses up to \$2,500 for purchases of equipment, supplies, or software that they incurred to adapt their business model after March 1, 2020. The applicant must be inside the City limits of Brownwood and be a sales tax producing business. Paid receipts for any requested reimbursement must accompany the application along with an explanation of how the purchase helped adapt their business model to current conditions. Staff is also requesting the ability to process and fund the applications on a weekly basis to help expedite the process and provide a report to the board on a weekly and/or monthly basis. Staff also recommends to initially allocate \$50,000 to the program but be open to more depending on the demand and feedback of the business community.

A motion was made by McMillian, seconded by Jones, to ratify the BMDD Board action to approve the creation of a small business reimbursement grant program and program guidelines and authorize BMDD staff to administer and fund the grants as outlined in the program guidelines. Upon vote, motion carried unanimously.

Consider ratification of the Brownwood Municipal Development District Board action to approve improvements not to exceed \$65,000 to the Lednicky property located on E. Commerce.

Executive Director of the BMDD, Ray Tipton, stated that as site work and construction moves forward at the site for the new Chick-fil-A restaurant, the adjacent, approximately 2 acres of property owned by the City of Brownwood will need some upgrades to be better utilized by the public. Staff would like to improve the aesthetics, safety, and usability of this property by adding new lighting, a new fence, picnic tables, and playground equipment. The BMDD does not have any funds committed to any park or open space improvement project for this fiscal year and would like to use those budgeted funds to make these improvements. Below are some specific costs and estimated costs of the recommended improvements.

- *Playground equipment - \$28,625
- *6 Picnic tables – \$10,000
- *3 lights – \$3,000
- *Approx 330 feet of wrought iron fencing – \$19,000
- *Contingency - \$4,375

The playground equipment is an exact quote from a playground vendor which includes installation. The other numbers are estimates compiled by BMDD staff and the City of Brownwood Engineering department. The light poles would be provided by Oncor and primarily paid for through Oncor credits. BMDD staff is asking for authorization to move forward with these purchases based on these estimates in this fiscal year.

A motion was made by Willey, seconded by Mathis, to ratify the BMDD Board action to approve improvements not to exceed \$65,000 to the Lednicky property located on E. Commerce. Upon vote, motion carried unanimously.

ORDINANCES AND RESOLUTIONS:

Consider on second and third/final reading an amendment to the City’s Ordinance No. 19-14 setting charges, fees, rates and deposits for customers on the Brownwood water, sewer, and sanitation system by amending Section I, Item 1.F. “Service Fees” for work orders involving staff time after normal operating hours for Fridays from 8:00 a.m. to 2:00 p.m.

City Manager Crawford stated that we have added a sentence to clarify that this fee does not apply to plumbing jobs. In point of fact, this fee has never applied to courtesy calls such as requests to turn off/on the meter because of a water leak or requests from plumbers related to plumbing work, even if it’s after hours or on the weekend. This fee only applies when a work order has to be issued. This is primarily when someone requests new service or a transfer of service.

Mayor Haynes asked the City Secretary to read the ordinance. After the reading of the ordinance, a motion was made by Willey, seconded by McMillian, to amend the ordinance on first reading amending Ordinance No. 19-14 setting charges, fees, rates and deposits for customers on the Brownwood water, sewer, and sanitation system by amending Section I, Item 1.F. “Service Fees” for work orders involving staff time after normal operating hours for Fridays from 8:00 a.m. to 2:00 p.m. Upon vote, motion carried unanimously.

A motion was made by Willey, seconded by Mathis, amending the City’s Ordinance No. 19-14 on second reading, setting charges, fees, rates and deposits for customers on the Brownwood water, sewer, and sanitation system by amending Section I, Item 1.F. “Service Fees” for work orders involving staff time after normal operating hours for Fridays from 8:00 a.m. to 2:00 p.m. Upon vote, motion carried unanimously.

A motion was made by Mathis, seconded by Jones, amending the City’s Ordinance No. 19-14, on third reading, setting charges, fees, rates and deposits for customers on the Brownwood water, sewer, and sanitation system by amending Section I, Item 1.F. “Service Fees” for work orders involving staff time after normal operating hours for Fridays from 8:00 a.m. to 2:00 p.m. Upon vote, motion carried unanimously.

ORDINANCE NO. 20-08

AN ORDINANCE AMENDING ORDINANCE NO. 19-14 SETTING CHARGES, FEES, RATES AND DEPOSITS FOR CUSTOMERS ON THE BROWNWOOD WATER, SEWER, AND SANITATION SYSTEM BY AMENDING SECTION I, ITEM 1.F. “SERVICE FEES” FOR WORK ORDERS INVOLVING STAFF TIME AFTER NORMAL OPERATING HOURS BY CHANGING THE DEFINITION OF NORMAL OPERATING HOURS FOR FRIDAYS TO 8:00 A.M. TO 2:00 P.M.; DESIGNATING AN EFFECTIVE DATE; REPEALING PRIOR ORDINANCES IN CONFLICT HERewith.

Consider a resolution to amend the City Personnel Rules Policy regarding allowing certain city employees to conceal carry handguns while on duty.

City Manager, Emily Crawford, stated that on March 10, 2020, she presented a draft amendment to the City Personnel Rules and Regulations Policy that would allow

employees with a license to carry a handgun to do so while on duty. This initiative was shelved due to COVID-19. We have completed the policies and recommend approval. Council asked if the training would be once or annually. Mrs. Crawford stated annually.

A motion was made by McMillian, seconded by Mathis, to approve a resolution to amend the City Personnel Rules Policy regarding allowing certain city employees to conceal carry handguns while on duty. Upon vote, motion carried unanimously.

RESOLUTION NO. R-20-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BROWNWOOD, TEXAS, ADOPTING CHANGES TO THE CITY OF BROWNWOOD'S PERSONNEL RULES AND REGULATIONS, SAID CHANGES EFFECTIVE JUNE 23, 2020.

CONSENT AGENDA:

Mayor Haynes asked if the item on the Consent Agenda needed to be removed for discussion. There being none, a motion was made by McMillian, seconded by Willey, to approve the Consent Agenda as presented. Upon vote, motion carried unanimously.

Consider authorizing the City Manager to sign an agreement with Justice Benefits, Inc. (JBI) to investigate Federal Reimbursement Program funds.

Consider authorizing the City Manager to sign an agreement with TxDOT concerning the CARES ACT for reimbursement of expenses due to Covid-19.

Consider ratification of the Brownwood Municipal Development District Board action to approve a Building Improvement Incentive Program (BIIP) grant to The Turtle Restaurant not to exceed \$19,300 for a property located at 510-514 Center Ave.

REPORTS:

Budgetary Control Report

Finance Director, Walter Middleton presented the City's Budgetary Control Report for the month ending May 31, 2020, 66.67% complete, which included: 1) Budget Summary – Expenses through May are at \$22,312,106 and represents 61.50%. Last year's expenses were at \$22,355,137. Expenses are down as we have had to watch and manage what we are doing during the time of COVID-19. Revenue is at \$26,369,360 and represents 72.68%. 2) Sales Tax Analysis through June – We are up 4.4% over last year. This was an indication of how critical our local economy is in Brownwood and that people are shopping locally during this time. 3) Water Consumption and Sales Analysis - both the Units of Consumption 13.5% and Actual Sales 20.3% are up. 4) Comparative Investment Balance Analysis - There are 72 days in operating funds compared to 61 days last year.

City closed for July 4th (on Friday, July 3rd)

EXECUTIVE SESSION:

Council convened into a closed executive session at 10:00 a.m., in the Haynes Conference Room, pursuant to the provisions of the Open Meetings Law, Chapter 551, Government Code Vernon's Annotated, in accordance with the authority contained in the following section:

551.087 - Deliberation Regarding Economic Development Negotiations**551.072 - Deliberation Regarding Real Property****551.071 – Consultation with Attorney**

- A. Lease of city property and Chapter 380 agreement for property located at 807 Main Street, 809, and 810 Booker Street.

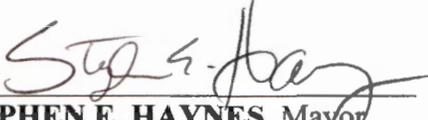
Council reconvened into open session at 10:10 a.m.

ACTION TAKEN AS A RESULT OF THE EXECUTIVE SESSION:

- A. A motion was made by Willey, seconded by McMillian, to approve a lease of real property and a Chapter 380 Agreement for property located at 807 Main Street, 809, and 810 Booker Street to Common Grounds Coffeehouse, LLC. Upon vote, motion carried unanimously. Mr. and Mrs. Sandoval thanked the City for their support.

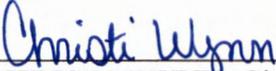
ADJOURNMENT:

There being no further business, Mayor Haynes declared the meeting adjourned.



STEPHEN E. HAYNES, Mayor

ATTEST:



CHRISTI WYNN, City Secretary