

**SPECIAL CALLED MEETING
City Council
July 20, 2023**

The City Council of the City of Brownwood, Texas, met in a Special Called Meeting on Thursday, July 20, 2023, at 4:25 p.m., at Brownwood City Hall, Council Chambers, 501 Center Avenue, Brownwood, Texas, with the following members present:

Stephen E. Haynes	:	Mayor
H. D. Jones	:	Councilmember Ward 1
Ed McMillian	:	Councilmember Ward 2
Melody Nowowiejski	:	Councilmember Ward 3
Draco A. Miller	:	Councilmember Ward 4
Walker Willey	:	Councilmember Ward 5
Emily Crawford	:	City Manager
Eric Hicks	:	Fire Chief
Melanie Larose	:	Finance Director
Marshal McIntosh	:	Deputy City Manager
Leah Thomas	:	Chief Accountant
Ray Tipton	:	Executive Director of BMDD
Henry Wied	:	Public Works Director
Christi Wynn	:	City Secretary

with no members absent, constituting a quorum of the City Council.

CALL TO ORDER: Mayor Haynes called the meeting to order.

DISCUSSION REGARDING FY 2022/2023 PROPOSED BUDGET:

At the Special Called Meeting on July 18, 2023, the Mayor and Council asked if additional cuts could be found to decrease the budget growth from 8.34% to 7.5% or below. City Manager Crawford thanked City Staff for thinking outside the box to make this possible. Finance Director, Melanie Larose, went over the following changes:

Potential additional cuts:			8.34%
Enterprise – only get half of new vehicles	\$ 37,500	.09%	8.25%
Franchise/support – cutting internal increase	\$235,700	.60%	7.65%
Street repair cut – reduce exp due to reimb w/Atmos	\$ 50,000	.13%	7.52%
Fleet – cut forklift	\$ 46,000	.12%	7.41%
Sanitation – cut rollouts (buy now special purpose)	\$ 36,000	.09%	7.32%
Police – reduce lighting by \$8,800 (fund with special purpose)	\$ 8,800	.02%	7.29%
Fire – station 1 bunk room (buy materials now)	\$ 8,000	.02%	7.27%
Event Center aed – get now (buy now)	\$ 2,000	.01%	7.27%
Parks – Kabota mower 2 (buy now special purpose)	\$ 18,787	.05%	7.22%
Water – tilt deck trailer (buy now special purpose)	\$ 20,000	.05%	7.17%
Library subsidy – one-time roof expense 22/23	\$ 30,000	.08%	7.10%

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Planning & Dev. – correction on capital	\$ 11,672	.03%	7.07%
Street – correction on services	\$ 441	.00%	7.07%
Dept 15-Intergov – reduce EMS subs for 3 months	\$ 31,000	.08%	6.99%
Dept 15-Intergov – prepay existing EMS contract (budget amend)			
	<u>\$ 9,750</u>	.02%	6.96%
	\$545,650		

Revenue change to offset the above reductions:

Franchise/Support Fee – cutting internal increase		\$235,700
Water Revenue – decrease consumption to pass through only	\$113,272	
Sanitation Revenue – decrease increase from 8% to 5%	\$107,643	
Sales Tax Revenue – decrease revenue to balance	<u>\$ 88,971</u>	
	\$545,586	

Average Utility Customer

Base water	\$	1.48
Consumption	\$.90
Sewer	\$	2.31
Sanitation	<u>\$</u>	<u>1.17</u>
	\$	5.86

Mayor Haynes noted that out of all the cuts, the largest cut was a forklift. If sales tax dollars come in higher than expected in the next budget year, a budget amendment to purchase the forklift could be brought before Council.

COUNCIL TO RECEIVE THE NO-NEW REVENUE AND VOTER APPROVAL TAX RATES IF AVAILABLE.

Finance Director Larose stated that the certified tax roll values came in at \$1,275,742,752. Our values increased by 7.51%. Our no new revenue rate is .6375, our estimated voter approval rate is .7363 (if we go over, it would trigger an election), and our estimated voter approval rate without the ability to be able to use the unused increment rate would be .6567. She stated that we don't want to go too low because, without that, we would be locked into a rate much lower than we may like. We are currently at .6864.

Council Tax Rate Options:

Tax rate	% change in revenue	% change in tax rate	difference in revenue
0.67080	3.99%	-2.27%	(7,460)
0.67250	4.26%	-2.03%	10,886
0.67410	4.51%	-1.79%	28,152
0.67570	4.75%	-1.56%	45,418
0.67700	4.95%	-1.37%	59,447

A vote will be taken after subsidy requests are considered.

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Subsidies:

City Manager Crawford informed the Council that the Animal Shelter was given \$50,000 in 2022, and \$15,000 in 2023 for the spay and neuter vouchers. Currently, they have approximately \$40,000 remaining. They have requested to be able to retain \$15 per voucher given to cover administrator costs. The funds are in a restricted bank account. The vouchers given are around \$100 to \$125, depending on the size of the animal. An amendment to the Memorandum of Understanding regarding the \$15 administrative cost may be brought back to Council for consideration at a later date.

The Arts Council requested an additional \$5,000 but their request indicated they would give \$3,000 to the Brown County Museum of History. We already provide a subsidy to the Brown County Museum.

Greenleaf Cemetery made several requests, including \$15,000 for street improvements, \$172,000 for equipment purchases, and \$43,000 for office renovations. The City already contributes around \$5,000 worth of street repairs per year out of our Street Department budget. The equipment purchase request is for two commercial-grade mowers, street improvements, and a new John Deere track hoe. Mayor Haynes explained that the cemetery business has changed a lot in the past twenty years and since COVID. So many more people are using cremation and there aren't as many traditional burials. He will suggest to Greenleaf that we have an ongoing dialog, and possibly go out for a request for proposals for an independent third party to run the cemetery. There are over 8,000 burial plots available. He suggested looking at other cities and cemeteries to find out what they are doing. Eastlawn Cemetery operates at a profit. Mayor Haynes suggested moving \$15,000 from the Animal Shelter spay and neuter program and giving it to Greenleaf for a one-time equipment purchase.

City Manager, Crawford, stated that the Animal Shelter Board is requesting funds from the City of Early, the City of Bangs, and the County to help provide more subsidies. If other entities provide subsidies to the Animal Shelter, it could free up funds to give to Greenleaf, because no other entities give to the cemetery. Mayor Haynes stated that the Library changed its name to the Brownwood Community Library and asked other entities for subsidy funds. City Manager Crawford explained that in their pitch to the Early City Council, they stated that the City of Brownwood gives \$14 per resident according to the most recent Census data, and the City of Early gives \$3 per resident.

Subsidy amounts discussed are as follows:

Library	\$232,002
Humane Society - Regular	\$ 74,500
Humane Society – Electric	\$ 9,000
Humane Society – Other (Maintenance)	\$ 10,000
Humane Society – HVAC New Building – see what other entities fund. They requested (\$42,000)	
Remove Low-Cost Spay and Neuter – until the voucher funds are low. (\$15,000)	
Ark	\$ 4,000
Arts Council of Brownwood	\$ 15,000 + additional \$2,000 (one-time increase)
Brown County Home Solutions	\$ 5,000

Brown County Museum of History	\$ 15,000 + \$3,000 requested by the Arts Council as a pass-through (one-time increase)
Brown County Veterans Service Office	\$ 3,000
Center for Life Resources – Regular subsidy	\$ 15,000
Center for Life Resources – Substance Abuse	\$ 0
Child Welfare Board	\$ 5,796
Good Samaritan Ministries	\$ 12,000
Greenleaf Cemetery	\$ 11,000
Greenleaf Cemetery Equipment Purchases	\$ 10,000 (one-time increase)
Keep Brownwood Beautiful	\$ 18,000
Lyric Theater	\$ 20,000
Pecan Bayou Soil and Water Conservation	\$ 10,000
Public Welfare Board (GSFP)	\$ 0

City Manager Crawford stated that she has a list of street names from Greenleaf Cemetery who asked for the Street Dept. to make them new signs. She will gather the cost and come back to Council with that amount and ask what additional funds the Council may be willing to dedicate from the Street Department budget for signs.

A break was taken at this time.

Property Tax Rate:

The Brownwood City Council voted on July 20, 2023, to formally propose a tax rate of .67080 per \$100 valuation. A motion was made by McMillian, seconded by Nowowiejski, as stated above. Mayor Haynes took a record vote:

For:	Against:
Miller, Jones, Nowowiejski, McMillian, Willey	None

Event Center – Use of reserve funds

Deputy City Manager, Marshal McIntosh, went over the Event Center construction funding as follows:

Brownwood Municipal Development District (BMDD) funds generated by sales tax \$7,000,000.

BMDD sales tax revenue bond \$5,000,000.

City of Brownwood reserve fund sales tax surplus FY18/19 – FY 22/23 \$2,300,000.

Construction cost \$14,300,000

Days in reserve:

City of Brownwood sales tax surplus from FY 18/19 – FY 22/23 is \$2,300,000 = 21 days and will reduce the total days of reserve to 122 days.

Funding yet to be allocated:

\$1,900,000 to be used towards outfitting, BNSF/additional parking, furniture, signage, house AV system, security cameras, street bollards, accessories, and kitchen equipment. This will reduce the total days in reserves by 17 days and will bring the total to 104 days. Additional funds may be needed pending actual bids/costs.

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BMDD Director, Ray Tipton, stated that they currently have around \$600,000 in the construction contingency fund that is unused. Change orders have been received that range from \$800 to \$50,000. He went over additional expenses in more detail as follows:

Parking – BNSF	\$450,000
Secondary parking	\$350,000
Furniture/Fixtures/Equipment	\$910,000
IT Screens	\$ 41,000
Starr Studio Installation / Painting	\$ 50,000
Security Cameras	\$ 25,000
Miscellaneous	\$ 70,000
Barricades / Bollards	\$ 50,000
Coliseum Gateway Signage	\$ 65,000
Catering Kitchen Outfitting	\$ 65,000

There are five properties that we would like to purchase but have been unable to for various reasons.

BMDD Director Tipton stated that he is working with a company for furniture and that number may increase. We may be able to cover security cameras with our IT Department and that number may decrease. The miscellaneous line item includes a scissor lift to change light fixtures. It also includes a commercial washer and dryer and ironing system for the linens. Bollards are being planned to stop vehicles from entering a public area. Gateway signage is in the preliminary stages. Mr. Tipton stated that he will bring an item for approval at a Council Meeting soon regarding the FFE expenses and the purchasing co-op group being used. The estimated completion date for the Event Center is between January and May 2024. Events are being penciled in but are warned that a backup plan may be needed. Fees for the Event Center and other City facilities will be addressed in the Fee Ordinance to be presented in September.

The Health Department renovations were discussed. There are \$500,000 designated in ARPA funds to go towards the project. The bid estimate was \$1.2 million. We are estimating an additional \$160,000 to be used toward furniture, etc. This could be taken from reserves and will leave us with 103 days.

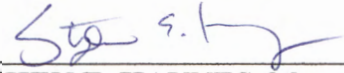
Finance Director Larose explained that we are in the process of setting up a Capital Improvement Plan fund so we can change the way we fund our large capital expenditures and would like to move \$500,000 from reserves to start the fund. That will bring the number of days in reserves to 98. Our goal is to stay above 90 days.

Finance Director Larose stated that at the August 22, 2023 Council Meeting, we will have a discussion about the tax rate and set the budget public hearing. There will be two public hearings on August 29th, a morning and afternoon meeting, and on September 5th ordinances will be considered on the first reading.

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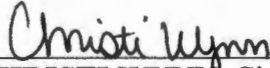
ADJOURNMENT:

Mayor Haynes declared the meeting adjourned.



STEPHEN E. HAYNES, Mayor

ATTEST:



CHRISTI WYNN, City Secretary