

REGULAR CALLED MEETING
City Council
July 27, 2021

The City Council of the City of Brownwood, Texas, met in a Regular Called Meeting on Tuesday, July 27, 2021, 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
Ed McMillian	:	Council Member Ward 2
Melody Nowowiejski	:	Council Member Ward 3
Walker Willey	:	Council Member Ward 5
Emily Crawford	:	City Manager
Christi Wynn	:	City Secretary

with Council Members, H D Jones, and 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 Council Member McMillian.

INVOCATION: Invocation was given by Council Member Willey.

ITEMS TO BE WITHDRAWN:

City Manager, Emily Crawford, removed the following item from the agenda: Consider ratification of the Brownwood Municipal Development District (BMDD) action to purchase two parking lots from Downtown Brownwood, Inc. located at the corner of Fisk Avenue & E. Lee Street and 201 E. Anderson for a purchase price of \$55,440 and spend an additional \$7,500 for repairs to create additional free public parking in Downtown Brownwood.

INTRODUCTIONS, ANNOUNCEMENTS, AND RECOGNITIONS: None

CITIZENS PRESENTATIONS: None

APPROVAL OF MINUTES:

A motion was made by McMillian, seconded by Nowowiejski, to approve the minutes of the Regular Called Meeting on July 14, 2021, as presented. Upon vote, motion carried unanimously.

CLAIMS AND ACCOUNTS:

Finance Director, Melanie Larose, was available for questions regarding the checklist. A motion was made by Willey, seconded by McMillian, that the Claims and Accounts dated through July 23, 2021, be approved for payment as submitted. Upon vote, motion carried unanimously.

REQUESTS AND PRESENTATIONS:**Consider a budget amendment to re-allocate unused payroll funds from vacant positions.**

City Manager, Emily Crawford, stated that over the fiscal year, we have had a few retirements in positions that we are not re-filling or are filling at a different pay rate due to department reorganization. This has created a surplus in payroll. We would like to use this surplus to provide pay adjustments to those departments that have had a difficult time hiring and retaining employees due to lower pay rates. This is similar to the restructuring we did in the Utilities and Street departments. The job market has negatively impacted the workforce in some essential public works departments and raising the pay is part of a solution to stabilize the departments. Specifically, we would like to move \$13,945 (payroll and benefits) from the General Fund (from the Fleet Services Department) into the Sanitation and Landfill departments. The change will be made now to capture the payroll savings in the current budget. This adjustment will primarily benefit heavy equipment operators and CDL drivers, with an average increase of .88 per hour. A budget amendment is required to move funds from the General Fund into the Proprietary Funds of Landfill and Sanitation and will be provided at the end of the year. This would be an immediate pay adjustment rather than a cost of living increase.

Public Works Director, Henry Wied, stated that this will help bring several positions into a more competitive pay rate and not as much of a disparity.

Mrs. Crawford stated that they looked into the positions of Light Equipment Operators 1-4 in the Utility Departments and want to bring their pay in better balance with similar pay grades. Council Member McMillian stated he was in favor of the increase and expressed his gratitude that we have had employees stay. Mrs. Crawford gave an example. The Landfill Light Equipment Operator job begins at \$12.63. This would put them at \$13.27. McDonald's Restaurant is advertising for employees at over \$16.00 per hour. The market is exceeding what we have been paying our employees.

A motion was made by Willey, seconded by McMillian, to approve the budget amendment and re-allocate unused payroll funds from vacant positions. Upon vote, motion carried unanimously.

Consider ratification of the Brownwood Municipal Development District (BMDD) action to purchase two sets of illuminated street signs for Baker Street, Center Avenue, and Fisk Avenue, in Downtown Brownwood for \$6,592.

Executive Director of the BMDD, Ray Tipton, stated that a company called Lite & Barricade offers an illuminated sign product designed to attach to traffic signals to identify the city streets. These signs hang from traffic signals but are illuminated from the inside and connect to power through the traffic signal poles. In their proposal, illuminated signs could be hung at the intersection of Center and Baker Streets and Fisk Avenue and Baker. These intersections are not maintained by TxDOT. This would further enhance the Downtown district, give an improved aesthetic to the area, and help visitors better recognize street names at night. Estimated costs for the signs from Lite & Barricade would

be \$6,582.29 and City of Brownwood crews would handle the installation of the signs. This would include eight signs total to be visible from all sides of each intersection. The illuminated signs would get power from the existing traffic signals. They are LED bulbs and have a warranty of ten years. Mr. Tipton stated that Lite & Barricade have a local office and we have done business with them in the past.

A motion was made by Nowowiejski, seconded by McMillian, to ratify action taken by the Brownwood Municipal Development District (BMDD) to purchase two sets of illuminated street signs for Baker Street, Center Avenue, and Fisk Avenue, in Downtown Brownwood for \$6,592. Upon vote, motion carried unanimously.

ORDINANCES AND RESOLUTIONS:

Consider a resolution awarding an administration contract for the American Rescue Plan grant.

Deputy City Manager, Marshal McIntosh, stated that the City of Brownwood is estimated to receive a \$4,572,890 allocation in two payments as part of the American Rescue Plan Act of 2021. The City of Brownwood solicited and went out for procurement for grant administration firms. The City of Brownwood has an ongoing relationship with Public Management, and since 2019 has applied for \$700,000 in federal grant programs through their assistance. PMI's extensive knowledge of the regulations and procedures of federal programs will assist the City with both day-to-day program management as well as high level policy issues. Administration Services associated with the American Rescue Plan will be dedicated to identifying, designing, and implementing this funding opportunity for the city. The scope of services will include:

- Creating local recovery plans, identifying City priorities, and helping determine eligibility.
- Assisting with procurement of other professionals, vendors, services, and materials related to ARP expenditures.
- Environmental review for ARP expenditures.
- Compliance oversight of applicable Civil Rights Conditions of the ARP.
- Labor Standards compliance oversight for construction expenditures.
- Financial management review and assistance.
- Reporting requirements.
- Project review and closeout coordination.
- URA Acquisition process, if needed.

Grant administration is an eligible use of the grant funds, and there is no direct financial impact on the city budget. Administration work associated with the American Rescue Plan (ARP) Coronavirus Local Fiscal Recovery Fund (CLFR); the City of Brownwood agrees to pay PMI a fee not to exceed \$190,000. The fee calculates to just over 4% of the allocated amount, or an estimated annual cost of \$63k over three years or depending on a project closeout date \$38k over 5 years. The City does not have a grant administrator on staff, in order to comply, fulfill obligations, and dedicate the time commitment needed a new staff member would need to be hired if we do not contract grant administration.

Mayor Haynes stated that he agrees with hiring an outside grant administrator to make sure the projects we do are meaningful and to help us think creatively to accomplish changes and upgrades to allocate those funds in areas most needed. Mrs. Crawford added that compliance with federal funds is very different.

A motion was made by Nowowiejski, seconded by McMillian, to approve the resolution awarding an administration contract for the American Rescue Plan grant subject to review by legal counsel to ensure the City has indemnity if there was a non-qualifying project. Upon vote, motion carried unanimously.

RESOLUTION NO. R-21-08

**A RESOLUTION OF THE CITY OF BROWNWOOD, TEXAS
AUTHORIZING PROFESSIONAL SERVICE PROVIDER SELECTION
FOR CORONAVIRUS LOCAL FISCAL RECOVERY FUND PROGRAMS
THROUGH THE AMERICAN RESCUE PLAN ACT OF 2021.**

Consider a resolution committing the City to increase the total contribution rate (City and Fire Fighters combined) to the Brownwood Firemen's Relief and Retirement Fund by two percent from 30% to 32% effective October 1, 2022.

Brownwood Fire Department, Lieutenant, and FR&R Board Member, Matt Campbell, stated that on January 19, 2021, the Brownwood Firemen's Relief and Retirement Fund received their bi-annual actuarial report from Rudd and Wisdom, Inc. for year ended 12/31/2019. This report showed that the Fund has an inadequate contribution arrangement with an unfunded actuarial accrued liability (UAAL) of 94.7 years. This means that it will take 94.7 years to fully fund the accrued liability for all future pension benefits. The UAAL in the previous study for year ended 12/31/2017 was 38.6 years. This was an increase of 56.1 years in the amortization period. The Texas Pension Review Board (PRB) pension funding guidelines state that the preferred amortization period is from 10 to 25 years. State law requires a minimum amortization period of 40 years with that number gradually being reduced to 30 years by 2025. The amortization period increased from 38.6 years to 94.7 years because of the following factors: 1) The investment return assumption was changed from 7.25% to 7%. 2) The assumed annual general compensation increase was reduced from 3.25% to 3%. 3) The administrative expense assumption was increased from 1% of payroll to 1.05%. 4) The mortality assumption table was changed to one recently published which focuses on public safety employees which increased the amortization period, and 4) The retirement rate assumption was lowered from 55.4 years to 54.1. The largest impact to the UAAL was the decrease in the investment return assumption. This, by itself, increased the amortization period by 36.3 years. A special study by Rudd & Wisdom dated March 5, 2021, provides the additional contribution increase needed to bring the Fund back into compliance with pension guidelines and state law. An overall increase of 4% (from 28% to 32%) is needed to make this happen. They suggest an overall increase of 2% effective January 1, 2022, and another increase of 2% effective January 1, 2023. Half of each increase would come from the City and half from the Fire Fighters. This would reduce the UAAL to 37 years and meet the minimum amortization period requirement of 40 years.

The Fire Fighters have agreed, during the Meet and Confer process, to increase their contributions by 2% (from 8% to 10%) effective October 1, 2021. This would be the entire 2% share for that year as suggested by the actuaries and would be effective three months early. This would also cover the entire Fire Fighter share as suggested by the actuaries and leaves the City 2% share to be acted upon by the City Council. Since the Fire Fighters have taken care of the first 2% phase of this increase, the second 2% phase can be delayed until January 1, 2023. As a practical matter, we are proposing that this second phase become effective on October 1, 2022, to coincide with the City's fiscal year which would make accounting for the change more manageable. The proposal is that the City commit to this second phase with the understanding that the additional 2% may be allocated between the City and the Fire Fighters during the Meet and Confer process for FY 22/23. This is basically a backstop by the City for the rate increase although the Fire Fighters may agree to take on a portion of that increase as a part of their negotiations for Meet and Confer. The current payroll budget with overtime for Fire Fighters is \$2,035,736. An increase of 1% to the contribution rate would cost the City \$20,357 per year or \$1,696 per month. The reason a commitment is necessary at this point is that the Fund and City must provide a plan to the PRB to address the inadequacy in the current actuarial study. A failure to do so would automatically enroll the Fund in the Funding Soundness Restoration Plan (FSRP), a mechanism in state law administered by the PRB to require a restoration to soundness by funds with inadequate financing arrangements. Once enrolled in the FSRP, a funds required amortization period would be reduced from 40 years to 30 years before it could be declared sound again. An additional benefit of the contribution rate increase being proposed is that the actuaries project that it would not only reduce the UAAL to 37 years immediately but would also reduce it to 30 years for the 12/31/21 study and to 26 years for the 12/31/23 study with an average investment return of 7% and all other assumptions being equal. Since the PRB guidelines and state law will require a UAAL of 30 years by 2025, this would take care of that issue as well.

Mrs. Crawford stated that if there wasn't a negotiation next year between the Fire Fighters and the City through the Meet and Confer process, the worst case scenario is that the City would be liable for the additional 2% to make the plan sound. We are committing collectively to the additional 2%. The City of Brownwood pays a higher contribution rate than most pension plans. We are looking into what the appropriate percentage the City should be contributing. However, this is a benefit to our employees.

A motion was made by Willey, seconded by McMillian, to approve a resolution committing the City to increase the total contribution rate (City and Fire Fighters combined) to the Brownwood Firemen's Relief and Retirement Fund by two percent from 30% to 32% effective October 1, 2022. Upon vote, motion carried unanimously.

RESOLUTION NO. R-21-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BROWNWOOD, TEXAS.

APPOINTMENTS:**Consider ratification of Mayoral appointments to the Zoning Board of Adjustments.**

Mayor Haynes recommended Kandice Harris to fill the unexpired term of Joe Don Taylor as an alternate on the Zoning Board of Adjustments, as well as Matthew Williams to fill an alternate position on the Zoning Board of Adjustments for a position that has been left vacant.

A motion was made by McMillian, seconded by Willey, to ratify the Mayoral appointments to the Zoning Board of Adjustments as presented. Upon vote, motion carried unanimously.

CONSENT AGENDA:

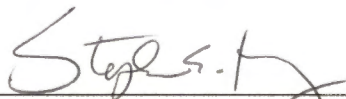
Mayor Haynes asked if the item on the Consent Agenda needed to be removed. There being none, a motion was made by Willey, seconded by McMillian, to approve the item on the consent agenda as presented. Upon vote, motion carried unanimously.

Consider ratification of the Brownwood Municipal Development District (BMDD) action to approve a Building Improvement Incentive Program (BIIP) grant to Don Morelock not to exceed \$20,000 for a property located at 305 Fisk Avenue.**REPORTS:****COVID-19 and Vaccination Update**

Health Department Administrator, Lisa Dick, stated that there were 107 positive cases reported last week, 9 hospitalized, with 3 under investigation as they had their vaccination. Overall, there have been 4,530 positive cases in Brown County. There are 12,145 people that have received at least one vaccine. There are 11,089 fully vaccinated people in Brown County. This makes around 33% of our population that is fully vaccinated. The next vaccination clinic is on August 3rd from 3:00 – 7:00 p.m. at the Depot. The Texas National Guard will be making the appointments.


ADJOURNMENT:

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



STEPHEN E. HAYNES, Mayor

ATTEST:



CHRISTI WYNN, City Secretary