

**SPECIAL CALLED MEETING
City Council
August 30, 2022**

The City Council of the City of Brownwood, Texas, met in a Special Called Meeting on Tuesday, August 30, 2022, 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	:	Councilmember Ward 1
Ed McMillian	:	Councilmember Ward 2
Melody Nowowiejski	:	Councilmember Ward 3
Draco Miller	:	Councilmember Ward 4
Walker Willey	:	Councilmember Ward 5
Pat Chesser	:	City Attorney
Emily Crawford	:	City Manager
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.
PLEDGE OF ALLEGIANCE: Pledge of Allegiance was led by Councilmember Jones.
INVOCATION: Invocation was given by Councilmember Nowowiejski.
CITIZENS PRESENTATIONS: None

PUBLIC HEARING:

Council shall hold a public hearing on the proposed City of Brownwood budget for FY 2022/23 to receive input from the public. Council may set dates for formal adoption of the budget ordinance on first reading on August 30, 2022, at 5:30 p.m., and on second and third/final reading on September 6, 2022, at 9:00 a.m.

Mayor Haynes opened the public hearing.

Finance Director, Melanie Larose, gave the budget presentation. She went over the budget calendar timeline. The FY 22/23 total budget is \$39,606,811 and is an increase of 8.34% compared to FY 21/22. She went over revenue factors stating that the total property tax rate is proposed at \$0.6864, a reduction of 4.53¢, or 6.19% from the previous year's rate of \$0.7317. This is the third consecutive year of a tax rate decrease and is the lowest tax rate since 1994. The proposed tax rate includes a maintenance and operations tax rate of \$0.5947 and an interest and sinking rate of \$0.0917. Although the tax rate went down, the average residence valuation went from \$108,795 in 2020 to \$118,405 in 2021 and now \$133,262 in 2022. Therefore, the new average household will see their City property tax go from \$866.37 to \$914.71 per year or \$48.34. For the typical Brownwood household, 23.93% of taxes goes to Brown County, 29.64% goes to the City, and 46.43% goes to Brownwood ISD. Water rates will increase as follows: Consumption Rate – The Brown County Water Improvement District is increasing their wholesale water rate by 19.92%, from 1.7525 to 2.0637. We are proposing to increase our rate by 14.52% or \$0.35 per unit,

from \$2.41 to \$2.76, to cover this cost. Base Rate – We are proposing a 4.5% increase in base rate, average residential customer would go from \$28.23 to \$29.50. Sewer Rates – We are proposing a 4.5% increase in sewer rate from \$3.46 to \$3.62. Sanitation Rate – We are proposing a 4.5% increase on the sanitation rate, average residential customer rate would go from \$22.39 to \$23.40. Landfill Gate Rate – We are proposing a 4.5% increase in the landfill gate rate for customers outside the city limits. Residents who provide proof of residency will receive a discount. Expense factors - finding equipment and vehicles to purchase has been problematic this year. Several of the items we budgeted for were either not available or not deliverable within the fiscal year. We expect similar problems in the coming year. Some of the large equipment purchases in the budget are ones we could not acquire this year. Capital purchases are as follows:

Department	Item	Total Cost	Payments in Budget	In Prior Budget
Fire	Brush Truck	\$90,000	\$10,222	Yes
Streets	Patch Truck	\$280,000	\$30,325	No
Sanitation	Trash Truck	\$315,920	\$34,215	No
Sanitation	Crane Truck	\$256,000	\$27,726	No
Landfill	Compactor	\$838,865	\$96,658	No
Landfill	Bulldozer	\$208,957	\$22,630	No
Landfill	Tarp Machine	\$110,000	\$11,914	No
Water	Service Truck	\$152,000	\$16,462	Yes
Water	Mini Wheel Loader	\$180,000	\$19,495	No
Wastewater	Service Truck	\$152,000	\$16,462	No
Wastewater	Dump Truck	\$177,000	\$19,155	Yes
IT	Hardware & Software	\$184,129	\$19,402	Some

Enterprise Fleet – This is our fifth year of the Enterprise Fleet Management program. After this year, we will have replaced our white fleet and downsized the number of vehicles. We have ordered eleven vehicles this year, including five for Police, three for Fire, one for Planning and Development, one for the Landfill, and one for Utilities. The cost in the proposed budget for these vehicles is \$197,024 which includes outfitting. We will begin to replace white vehicles in the 23/24 fiscal year, capitalizing on the equity for trade-in. Pay Adjustments – Civil Service (Police and Fire) employees are receiving raises based upon Meet and Confer Agreements approved in 2021. These were multi-year agreements and are still in effect. Police will receive a 3% increase across the board, and Fire will receive 2% across the board. Non-Civil Service – The budget includes a payroll adjustment for non-civil service employees that is more heavily weighted to front-line service delivery positions that are the lowest paid and/or the hardest to fill. This includes pay increases for all part-time and seasonal positions. Mid-level supervisors through senior administration will receive an increase, but it will not get them to the market average. This will be budgeted in the 23/24 budget. The total cost for the payroll adjustments for civil service,

and non-civil service in the proposed budget is \$1,000,456 and equals roughly 2.5% of the total budget.

Mrs. Larose presented a balanced budget as follows:

BUDGET TOTALS

	FY 21/22 ADOPTED	FY 22/23 ADMIN APPROVED	AMOUNT CHANGED
FUND SOURCES:			
General Fund	17,911,979	19,169,274	1,257,295
Utility Fund	10,639,920	11,601,385	961,465
Sanitation Fund	6,214,500	6,900,050	685,550
Airport Fund	663,000	912,000	249,000
Tax Supported Bond	1,128,988	1,024,102	(104,886)
Total Revenue	36,558,387	39,606,811	3,048,424
FUND USES:			
General Fund	20,619,998	22,398,950	1,778,952
Utility Fund	8,928,315	9,369,965	441,650
Sanitation Fund	4,947,816	5,806,403	858,587
Airport Fund	933,270	1,007,391	74,121
Tax Supported Bond	1,128,988	1,024,102	(104,886)
Total Expenses	36,558,387	39,606,811	3,048,424

Total budgeted revenue by fund shows the General Fund at 48%, Utility at 29%, and Sanitation at 18%. Total budgeted expense by fund shows the General Fund at 56%, Utility at 24%, and Sanitation at 15%. Mrs. Larose went over some changes to the General Fund Expenditures. The Police Department budget will be reduced because the 911/dispatch subsidy will be moved out. The Public Works Department will be absorbed into the Planning and Development Department. The Fire Marshal line will be absorbed into the Fire Department. Central Dispatch will be moved back as a general fund department for audit purposes.

Being no one to speak, Mayor Haynes closed the public hearing. A motion was made by Willey, seconded by Nowowiejski, to set dates for the formal adoption of the budget ordinance on first reading on August 30, 2022, at 5:30 p.m., and on second and third/final reading on September 6, 2022, at 9:00 a.m. Upon vote, motion carried unanimously.

Council shall hold a public hearing on a proposal to increase total tax revenues from properties on the tax roll by 10.74% by adopting the proposed tax rate of \$.6864 per \$100 value. Following the public hearing, Council will announce dates for formal adoption of the tax rate ordinance for tax year 2022 on first reading on September 6, 2022, at 9:00 a.m., and on second and third/final reading on September 13, 2022, at 9:00 a.m.

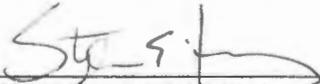
Mayor Haynes opened the public hearing and announced that the proposed tax rate will be adopted on first reading on September 6th at 9:00 am at Brownwood City Hall located at 501 Center Ave, Brownwood, Texas.

Finance Director, Melanie Larose, stated that the No New Revenue (NNR) tax rate is \$.6280 per \$100 valuation. The proposed tax rate is \$.6864 per \$100 valuation which exceeds the No New Revenue tax rate by 9.29%. The proposed tax rate is a reduction from last year of \$.0453 or 6.19%. This is the third year for a decrease in the tax rate and the lowest rate since 1994.

There were no citizens in the audience. Mayor Haynes closed the public hearing. No action was taken.

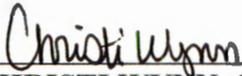
ADJOURNMENT:

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



STEPHEN E. HAYNES, Mayor

ATTEST:



CHRISTI WYNN, City Secretary