

**SPECIAL CALLED MEETING
City Council
August 29, 2023**

The City Council of the City of Brownwood, Texas, met in a Special Called Meeting on Tuesday, August 29, 2023, 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 A. 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 Miller.
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 2023/24 to receive input from the public. Council may set dates for formal adoption of the budget ordinance on first reading on August 29, 2023, at 5:30 p.m., and on second and third/final reading on September 5, 2023, 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 23/24 total budget is \$42,334,148. She went over revenue factors stating that the total property tax rate is proposed at \$0.6659, a reduction of 2.05¢, or 2.99% from the previous year's rate of \$0.6864. This is the fourth 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 \$0.5786 and an interest and sinking rate of \$0.0873. Although the tax rate went down, the average residence valuation went from \$133,262 to \$143,475. Therefore, the new average household will see their City property tax go from \$909.02 to \$955.40 per year or \$46.38. Water rates will increase as follows: Consumption Rate – The Brown County Water Improvement District is increasing their wholesale water rate by 6.13%, from 2.0637 to 2.1920. Base Rate – We are proposing a 5% increase in the base rate, the average residential customer would go from \$29.50 to \$30.98. Sewer Rates – We are proposing an 8% increase in sewer rate from \$3.62 to \$3.90. Sanitation Rate – We are proposing a 5% increase on the sanitation rate. The average residential customer

rate would go from \$23.40 to \$24.57. Landfill Gate Rate – We are proposing a 6.5% 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 continues to be challenging. Inventory is low and delivery is delayed. We expect similar problems in the coming year. Below is a list of major equipment (over \$60,000) in the proposed budget.

Department	Item	Total Cost	Payments in Budget
Street	Dump Truck	\$190,000	\$21,699
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Street	Traffic Signal	\$114,000	\$13,020
Sanitation	Side Loader	\$421,021	\$48,084
Sanitation	Rolloff Truck	\$244,000	\$27,868
Sanitation	Crane Truck	\$294,400	\$33,623
WWC	Dump Truck	\$150,000	\$17,132
Fleet	Fuel Tanks	\$240,000	\$27,410
IT	Hardware & Software for all Depts.	\$504,926	\$57,666

Enterprise Fleet – This is our sixth year of the Enterprise Fleet Management program. It is the first year we will be exchanging five-year-old vehicles for newer vehicles. We will receive credit for the value of the older vehicles which will factor into the payment of the newer vehicles. Due to the volatility of the vehicle market, we do not yet have an incentive or credit information from Enterprise. Once we receive details, we will determine which vehicles we will exchange. In the proposed budget, we have three new vehicles to add to the fleet: one truck for Parks and Recreation, one truck for Utilities, and one truck for Fire. The cost in the proposed budget for new Enterprise vehicles is \$33,168. Pay Adjustments – Civil Service (Police and Fire) employees will receive a 10% pay increase for Fire and Police to adjust closer to market rates. Fire total adjustment is \$310,114, and Police total adjustment is \$264,170. Non-Civil Service – Phase 2 of salary adjustments, adjusting pay scales to be more competitive. There are thirty-four mid-level supervisors and department heads who did not get the full adjustment last year. There will be a 2% cost of living increase for employees whose pay was adjusted last year. The total non-civil service amount of pay adjustments is \$389,946.

Mrs. Larose presented a balanced budget as follows:

BUDGET TOTALS

	FY 22/23 ADOPTED	FY 23/24 COUNCIL PROPOSED	AMOUNT CHANGED
FUND SOURCES:			
General Fund	19,169,274	20,327,657	1,158,383
Utility Fund	11,601,385	12,359,409	758,024
Sanitation Fund	6,900,050	7,607,312	707,262
Airport Fund	912,000	967,500	55,500
Tax Supported Bond	1,024,102	1,072,270	48,168
Total Revenue	39,606,811	42,334,148	2,727,337
FUND USES:			
General Fund	22,398,950	24,246,934	1,847,984
Utility Fund	9,369,965	9,702,276	332,311
Sanitation Fund	5,806,403	6,189,611	383,208
Airport Fund	1,007,391	1,123,057	115,666
Tax Supported Bond	1,024,102	1,072,270	48,168
Total Expenses	39,606,811	42,334,148	2,727,337

BUDGET TOTALS BY FUND

	FY 22/23 ADOPTED	FY 23/24 COUNCIL PROPOSED	AMOUNT CHANGED
GENERAL FUND			
Revenue	19,169,274	20,327,657	1,158,383
Expenditures	22,398,950	24,246,934	1,847,984
Net Deficit	(2,708,019)	(3,919,277)	(689,601)
UTILITY FUND			
Revenue	11,601,385	12,359,409	758,024
Expenses	9,369,965	9,702,276	332,311
Net Surplus	1,711,605	2,657,133	425,713
SANITATION FUND			
Revenue	6,900,050	7,607,312	707,262
Expenses	5,806,403	6,189,611	383,208
Net Surplus	1,266,684	1,417,701	324,054
AIRPORT FUND			
Revenue	912,000	967,500	55,500
Expenses	1,007,391	1,123,057	115,666
Net Deficit	(270,270)	(155,557)	(60,166)

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 57%, Utility at 23%, and Sanitation at 15%.

There was no one who desired to speak. Mayor Haynes closed the public hearing. A motion was made by Nowowiejski, seconded by Miller, to set dates for the formal adoption of the budget ordinance on first reading on August 29, 2023, at 5:30 p.m., and on second and third/final reading on September 5, 2023, at 9:00 a.m. Upon vote, the motion carried unanimously.

Council shall hold a public hearing on a proposal to increase total tax revenues from properties on the tax roll by 3.79% by adopting the proposed tax rate of \$.6659 per \$100 value. Following the public hearing, Council will announce dates for formal adoption of the tax rate ordinance for the tax year 2023 on first reading on September 5, 2023, at 9:00 a.m., and on second and third/final reading on September 12, 2023, at 9:00 a.m.

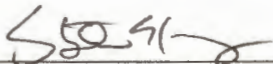
Mayor Haynes opened the public hearing and announced that the proposed tax rate will be adopted on first reading on September 5th at 9:00 am at Brownwood City Hall located at 501 Center Ave, Brownwood, Texas.

Finance Director, Melanie Larose, stated that the No New Revenue (NNR) tax rate is \$.64092 per \$100 valuation. The proposed tax rate is \$.66590 per \$100 valuation which exceeds the No New Revenue tax rate by 3.90%. The proposed tax rate is a reduction from last year of \$.02050 or 2.99%. This is the fourth 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.

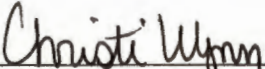
ADJOURNMENT:

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



STEPHEN E. HAYNES, Mayor

ATTEST:



CHRISTI WYNN, City Secretary