

**REGULAR CALLED MEETING
City Council
January 28, 2020**

The City Council of the City of Brownwood, Texas, met in a Regular Called Meeting on Tuesday, January 28, 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
Draco Miller	:	Councilman – Ward 4
Walker Willey	:	Councilman – 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 Councilman Jones.
INVOCATION:	Invocation was given by Councilman Mathis.
ITEMS TO BE WITHDRAWN:	None
INTRODUCTIONS, ANNOUNCEMENTS, AND RECOGNITIONS:	None
CITIZENS PRESENTATIONS:	None

APPROVAL OF MINUTES:

A motion was made by Willey, seconded by McMillian, to approve the minutes of the Regular Called Meeting – January 14, 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 Mathis, seconded by Miller, that the Claims and Accounts dated through January 24, 2020, be approved for payment as submitted. Upon vote, motion carried unanimously.

REQUESTS AND PRESENTATIONS:

Consider approving an Amendment to the lease agreement with American Legion Post 196.

Parks and Recreation Director, David Withers stated that he has received a request from COL Tom Gray, Commander of the Brownwood American Legion Post 196 to allow sublease / sharing office space at the CB Memorial Legion Hall. They would like to lease / share office space on the north side of the American Legion Hall to Sean Lewis, Veterans

Service Coordinator, to provide mental health assistance to veterans. The services provided will be a great benefit to both veterans and the Brownwood community. The space is currently unoccupied, and it has its own bathroom and entrance. The space is currently being used as a storage room. With their funding source, they must pay rent. The rent of \$400 per month will be paid to American Legion Post 196. American Legion Post 196 will in turn pay utilities, liability insurance, ongoing maintenance, and renovation from that amount. There will be no financial profit for the American Legion. According to our lease agreement dated December 14, 2004, this request needs to be approved with written consent by the City Council.

Mayor Haynes stated that in the lease agreement, Article 2.01, sub-paragraph 5, it says that we would receive five percent of any gross income generated by the leasing of the facility. It is not our intent to receive any portion of the sub-lease.

A motion was made by Mathis, seconded by McMillian, to amend the lease and authorize the sub-lease to Sean Lewis for \$400 and waive the additional compensation due under Article 2.01. COL Tom Gray stated that their goal is to have a single location for veterans to go to get help and thanked the Council for their approval. Upon vote, motion carried unanimously.

Consider the approval of the audit report for the year ended September 30, 2019.

Tony Krischke of Krischke CPA, PC presented the audit report for the year ended September 30, 2019. He stated that there were no findings to report and Council and Staff can make informed financial decisions based on what is in the report. The Audit Committee reviewed the report last week.

A motion was made by Miller, seconded by Jones, to accept the audit report for the year ended September 30, 2019, as presented. Upon vote, motion carried unanimously.

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 Willey, seconded by McMillian, to approve the Consent Agenda as presented. Upon vote, motion carried unanimously.

Consider a Mayoral appointment to the Library Board.

Alexandra Arredondo filling the unexpired term of Suzanne Prosis (12/31/21).

Consider ratification of the Brownwood Municipal Development District Board action for a Building Improvement Incentive Program (BIIP) grant to DDD&S Properties (Bostick's Auto and Truck Sales) not to exceed \$20,000 for property located at 118 Poplar.

ORDINANCES AND RESOLUTIONS:

Consider a resolution declaring intent to reimburse City expenditures from proceeds of tax-exempt obligations.

Finance Director Middleton stated that on January 21, 2020, Council held a workshop to discuss projects for a future tax note. Included in the discussion was our need to go forward with the resurfacing of the Aquatic Center pool. The timing for opening the pool requires us to start the resurfacing project before a tax note can be funded. The attached reimbursement resolution allows us to spend City funds and reimburse ourselves from the tax note when it is funded. For maximum flexibility, the resolution describes all of the potential projects in the tax note and provides reimbursement for any expenses for any of these projects. This does not obligate us to do any of the projects nor does it set a budget for them. That won't be formalized until we actually issue the debt instrument. As a practical matter, we will be committed to a project once we start spending money on it, but we don't contemplate that happening except for the pool.

A motion was made by McMillian, seconded by Mathis, to approve a resolution declaring intent to reimburse City expenditures from proceeds of tax-exempt obligations. Upon vote, motion carried unanimously.

RESOLUTION NO. R-20-02

**RESOLUTION EXPRESSING OFFICIAL INTENT TO REIMBURSE
COSTS OF CITY OF BROWNWOOD CAPITAL BUDGET PROJECTS.**

REPORTS:

Risk Assessment

Finance Director Middleton stated that the Statement on Auditing Standards 99 requires our auditor to make an assessment of our risk level, including the risk of fraud and other losses that could impair our ability as a City to operate. To facilitate this assessment, he prepares a risk assessment report and updates it periodically. The first report was prepared in January 2006 with a follow-up in November 2007 to analyze our risks for fraud. In January 2014, he prepared another study that expanded the analysis to other forms of risk which included potential adverse occurrences that could create a substantial loss for the City. He updated this study in October 2019 and the report now includes the concept of Enterprise Risk Management which is defined as "management's capability to manage all risks in pursuit of acceptable returns". He presented this report to the Audit Committee on January 23, 2020. This committee is comprised of Mayor Stephen Haynes, Councilman Walker Willey, Charles Boland, Bill Blagg, Tim Espinoza, Emily Crawford, and David Dalleh. Their role is to receive the annual audit report and other communications related to the auditing function such as this risk assessment report.

Investment Report

Finance Director Middleton presented the Investment Report for the quarter ended December 31, 2019. The total investment balance is \$16,050,205 and earned \$63,882 in interest. The investments are at TexPool 59% and TexStar 41%. The Composition of Investments is primarily in Operating Funds 46% and the Special Use Reserve Funds (almost exclusively BMDD) 36%. Comparison of Investments by Type – Operating Funds - Fourth Quarter 2019 \$7,334,968; Fourth Quarter 2018 \$5,794,905; Fourth Quarter 2017 \$6,034,427; and Fourth Quarter 2016 \$5,041,901. A line graph of Investment Interest Earnings for the Fourth Quarter 2019 shows we earned \$63,882. A line graph of

Investment Pools Interest Rate Comparison shows that we earned from TexPool 1.7369%, and TexStar 1.6777%, these rates are down from last the First Quarter 2019 when they were at TexPool 2.4009% and TexStar 2.4017%.

Landfill Report

Landfill Supervisor, Todd Thompson reported that in 2019 there they received 102,301.7 tons of waste, up 6,733.9 tons from 2018; 4,180.1 tons of recycled material, up from 410.4 tons from 2018; 254.8 tons of cardboard, down 3 tons from 2018; Sold \$10,513 of mulch, up \$4,096 from 2018; and sold \$6,860 in compost, and is up \$1,346 from 2018. Their accomplishments were that they assisted the Development Services Department with the demolishing of 31 houses.

Sanitation Report

Sanitation Supervisor, Billy Godwin, reported that they also assisted the Development Services Department with the demolishing of 32 structures and resulted in 220 loads to the Landfill. That is up eight structures and 33 loads from 2018. There were 1,821 tons of Wastewater Plant Sludge, down 872 tons from 2018. There were 12,625 tons of roll-off waste hauled, up 545 tons from 2018. There were 6,353 tons of commercial waste hauled, up 440 tons from 2018. There were 8,666 tons of residential waste hauled, down 435 tons from 2018. There were 208 containers refurbished, up 62 from 2018. There were 3,284 containers repaired, up 1,532 from 2018. There were 13,539 brush and debris work orders resolved, up 770 from 2018. Their accomplishments 1) Completed the conversion of metal to plastic from Cottage to First from Coggin to Magnolia; 2) No work related injuries during 2019; and 3) Helped demolish 32 houses.

Fleet Report

Fleet Supervisor, Heath Bundick reported that there were 1,529 work orders submitted in 2019, up 237 since 2018. There were 1,472 completed work orders, up 224 from 2018. There was a 16.5% increase in work orders in one year. This is mainly due to the ability to work on small equipment repairs, since the onboarding of new fleet from Enterprise. Accomplishments for the year is that the Fleet Department is fully staffed for the first time in over five years. Phase one of the fleet shop insulation replacement is complete. Mr. Bundick thanked the Council for approving this project and stated that it has made a huge difference.

Airport Report

Airport Manager, Bobby Burks reported that in 2019 there were 7,500 Aircraft movements, down 106 from 2018. Fuel sales were at \$560,193.33 and are down from 2018 by \$99,686.72. Council asked if the comparison next year could be in gallons instead of dollars. Mr. Burks stated that there are 62 businesses that used the airport in 2019, up 39 from 2018. Their accomplishments were that 1) They have converted all lighting in the terminal to LED lights. 2) They have a new credit card reader and was installed at no cost to the City due to our long customer history. 3) Hanger C was rented for three benefits and two weddings.

Street Report

Street Superintendent, Brian Frerichs reported that the Street Department seal coated 2.5 miles; paved .5 miles of non-paved roads; HCML level up of 1.5 miles; and made four traffic signal improvements. Their accomplishments included: 1) Milam Drive rehab Phase I (Indian Creek Road to Mustang Drive). 2) Service Center Driveway. 3) Avenue B from Vincent to Vine Streets. 4) Riverside Park Road (road repair from flood damage). 5) Baker Street and Milton Avenue Improvement Project. 6) Alternative parking lot for Fleet Department.

EXECUTIVE SESSION:

Council convened into Executive Session at 9:43 a.m., in the Haynes Conference Room, pursuant to the provisions of the Open Meetings Law, Chapter 551, Government Code Vernon's Texas Codes Annotated, in accordance with the authority contained therein to discuss the following:

Section 551.071 – Consultation with Attorney**Section 551.087 – Deliberation Regarding Economic Development Negotiations**

- A. Discussion of a BMDD incentive package for a commercial business project and City participation in the project.

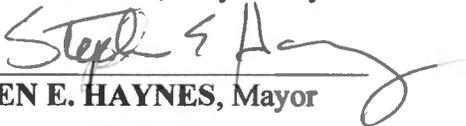
Council reconvened into open session at 10:30 a.m.

ACTION TAKEN AS A RESULT OF THE EXECUTIVE SESSION:**Section 551.071 – Consultation with Attorney****Section 551.087 – Deliberation Regarding Economic Development Negotiations**

- A. A motion was made by Miller, seconded by Mathis, to authorize the BMDD Director to negotiate and enter into a contract with AJA Development, LLC. for the development and construction of the hotel at 315 East Commerce to include 65% of hotel occupancy tax rebates for up to seven years and all permits to be waived relating to construction for up to \$20,000 as outlined in the proposal submitted to Council and be further subject to other terms and conditions the BMDD Director may deem reasonable and necessary with a final agreement to be approved and ratified by the City Council. Upon vote, motion carried unanimously.
- B. A motion was made by McMillian, seconded by Jones, to approve and ratify the BMDD action for development incentive for up to \$675,000 for the project, which is a reimbursement incentive. Upon vote, motion carried unanimously.

ADJOURNMENT:

There being no further business to come before the Council at this time, Mayor Haynes declared the meeting adjourned.


STEPHEN E. HAYNES, Mayor

ATTEST:


CHRISTI WYNN, City Secretary