

**REGULAR CALLED MEETING
City Council
September 8, 2020**

The City Council of the City of Brownwood, Texas, met in a Regular Called Meeting on Tuesday, September 8, 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 McMillian.
INVOCATION:	Invocation was given by Councilman Willey.
ITEMS TO BE WITHDRAWN:	None
INTRODUCTIONS, ANNOUNCEMENTS, AND RECOGNITIONS:	None
CITIZENS PRESENTATIONS:	None

APPROVAL OF MINUTES:

A motion was made by Willey, seconded by Jones, to approve the minutes of the Regular Called Meeting on August 25, 2020, as presented. Upon vote, motion carried with Councilman McMillian abstaining from the vote.

CLAIMS AND ACCOUNTS:

Assistant Finance Director, Melanie Larose, was present for questions regarding the checklist. A motion was made by McMillian, seconded by Mathis, that the Claims and Accounts dated through September 4, 2020, be approved for payment as submitted. Upon vote, motion carried unanimously.

PUBLIC HEARING:

Council shall hold a public hearing on the proposed City of Brownwood budget for FY 2020/21 to receive input from the public. Council may set a date for formal adoption of the budget ordinance on first reading on September 15, 2020, at 6:00 p.m. (Special called meeting) and on second and third reading on September 22, 2020, at 9:00 a.m. (Regular Council meeting).

Mayor Haynes opened the public hearing. Assistant Finance Director, Melanie Larose, went over the budget summary. The total FY 2020/2021 proposed budget is \$36,088,926 and is a reduction of \$191,942 from the previous year or .53%. The property tax rate will be reduced from \$.7869 per \$100 value to \$.7448. This is a reduction of 4.21¢ or 5.35%. A residence valued at \$108,795 (average) will see their City property tax go from \$856 to \$810 per year, a savings of \$46. There are no increases being proposed for any rates or fees this year, including water, sewer, sanitation, and landfill. The Brown County Water Improvement District raised its wholesale treated water rate by 3% which added \$46,700 to the budget. This cost was absorbed and not passed along to our retail customers. Mrs. Larose went over the major expense factors. The budget includes \$250,000 for a one-time bonus to be paid to City employees. Phase 3 of the Enterprise Fleet Replacement Program is included which added a net of \$93,331 to the budget. The Street Rehab budget was increased from \$240,000 to \$300,000. The Brownwood Police Department saw some significant changes to its budget. The Joint Law Enforcement Center bonds will pay off at the end of September. This will save \$240,000 to the budget. In partnership with Brown County, Early, and Bangs, the Central Dispatch function will become co-funded by all participating agencies. A cost-sharing arrangement is also being put in place to fund a major radio infrastructure and capital replacement project for the above funding partners. Mrs. Larose went over tax note and refunding bonds. The City issued a tax note for \$685,000 to fund several projects to include: Aquatic Center resurfacing, JLEC flooring, Fleet fuel pumps, Landfill scales, Landfill litter fencing, and contingency and issuance costs. The City refinanced three bonds totaling \$6.5 million. The average interest rate was reduced from 3.81% to 1.23%. Cost savings will be \$561,000 over the life of the bonds.

Mayor Haynes asked if anyone in attendance or by Zoom wished to speak. There being no one, the public hearing was closed.

A motion was made by Willey, seconded by McMillian, to schedule the dates to formally adopt the City FY 20/21 budget on September 15, 2020, at 6:00 pm on first reading and on September 22, 2020, at 9:00 am on second and third readings. Upon vote, motion carried unanimously.

ORDINANCES AND RESOLUTIONS:

Consider a resolution approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corporation regarding Atmos' 2020 rate review mechanism filing.

City Attorney, Pat Chesser, stated that the City, along with 171 other Texas cities are a member of the Atmos Cities Steering Committee. Since 2007, there have been several modifications to the original rate review mechanism tariff. On March 31, 2020, the company filed a rate request and claimed that its cost of service in a test year entitled it to an additional system-wide revenue of \$141.2 million. ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be \$111.5 million. The amount of the \$111.5 million deficiency applicable to ACSC members would be \$80.8 million. After the company reviewed ACSC's consultants' report, ACSC's Executive Committee and the company negotiated a settlement whereby the company would receive an increase

of \$90 million from ACSC Cities, but with a two-month delay in the effective date until December 1, 2020. The impact of the settlement on an average residential rate is an increase of \$5.15 per month or 9.9%. The increase for average commercial usage will be \$15.48 or 6.56%.

A motion was made by Mathis, seconded by Willey, to approve the resolution approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corporation regarding Atmos' 2020 rate review mechanism filing. Upon vote, motion carried unanimously.

RESOLUTION NO. R-20-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BROWNWOOD, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2020 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

Consider a resolution approving the BMDD 2020/21 annual budget.

Executive Director of the Brownwood Municipal Development District, Ray Tipton, stated that their budget is anticipated to be \$1,900,970. Based on projections, he did not anticipate any increase in sales tax. There will be a slight decrease of around \$80,000 on revenue due to a decrease in interest income and the lease with TG Mercer not being renewed. An added expenditure included an employee bonus, to match the City. There are no significant changes for property development, new industrial development, or new commercial development. Mr. Tipton explained that there is a decrease in the line item for the event center because it will be paid from reserves. There is approximately \$5.8 million in reserves. The BMDD Board approved the budget on August 18th.

A motion was made by Mathis, seconded by Willey, to approve the BMDD 2020/21 annual budget as presented. Upon vote, motion carried unanimously.

RESOLUTION NO. R-20-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BROWNWOOD, TEXAS, APPROVING THE FISCAL YEAR 2020-2021 BUDGET OF THE BROWNWOOD MUNICIPAL DEVELOPMENT DISTRICT.

REQUESTS AND PRESENTATIONS:

Consider applying for a grant from the Ending Homelessness Fund on behalf of the Brown County Home Solutions. (Linda Heitman – Brown Co Home Solutions)

Executive Director of Brown County Home Solutions, Linda Heitman, stated that she has found a grant through the State of Texas Ending Homelessness Fund. These are funds that are donated when people renew their vehicle registration. This grant has historically only been available to cities with populations over 285,000. This year, they are making the funds available to cities of any size. Ms. Heitman requested the City apply for the grant on their behalf and stated that she will do as much of the legwork as possible. Last year each recipient received around \$35,000. This grant is to be used to help prevent families and individuals from becoming homeless, help families and individuals experiencing homelessness secure stable housing, and help emergency shelters support families and individuals experiencing homelessness to move toward self-sufficiency.

A motion was made by Willey, seconded by McMillian, to authorize the City Manager as the signatory and authorize the City to apply for a grant from the Ending Homelessness Fund on behalf of the Brown County Home Solutions. Upon vote, motion carried unanimously.

APPOINTMENTS:

Consider Mayoral appointments and re-appointments to the Brownwood Housing Authority Board and the Brownwood Municipal Development District Board.

Mr. Tipton stated that Ryan Regan has moved outside the City limits and requested Lynn Day, store manager for United, as his replacement. Also, re-appointments of Mark Bessent and Tim Jacobs.

Mayor Haynes went over the Brownwood Housing Authority Board appointments as follows: re-appoint Rita Hairston, appoint Chira Carr to replace the unexpired term of Vicki Cox, and appoint Erma Hall to replace Draco Miller.

A motion was made by Miller, seconded by McMillian, to ratify the Mayoral appointments and re-appointments as submitted. Upon vote, motion carried unanimously.

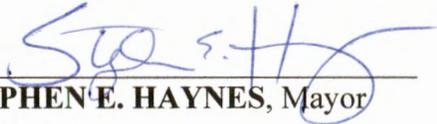
REPORTS:

COVID-19 Update

Health Department Administrator, Lisa Dick, stated that since Council last met, there have been 80 positive cases, with 17 of those being school-aged children. The Health Department has been working closely with the School Districts. Mrs. Dick stated that there are a lot more people to contact when the person infected has been in school.

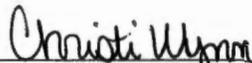
ADJOURNMENT:

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



STEPHEN E. HAYNES, Mayor

ATTEST:



CHRISTI WYNN, City Secretary