



August 7, 2020

Honorable Mayor and City Councilmen,
City of Brownwood:

Submitted for your consideration is the proposed FY 2020/2021 Annual Budget for the City of Brownwood, pursuant to Article VII, Sections 68, 69, and 70 of the City Charter and other relevant state laws. Based upon your leadership and request to lower the tax rate and incur no fee increases, we are presenting to you a \$36,088,926 budget, which is a .53% decrease with no fee increases.

The budget is based upon the No-New-Revenue tax rate of \$.7448 per \$100 valuation. It is a reduction of 4.21¢ or 5.4% and is the lowest tax rate since 1996.

We are budgeting for a slight decrease in sales tax revenue of \$34,358 below current year projected revenue, due to the unknown economic impact of COVID-19.

We are not proposing an increase in the water consumption rate, although BCWID increased the wholesale rate by 3%. The increase added \$46,650 in cost to the City. To project consumption revenue for next fiscal year, we used a five-year average. The proposed water revenue budget is 3.6% higher than the 2019/2020 budget due to increased consumption.

There are no changes to the water base rate, sewer rate, sanitation rate, or landfill gate rate.

No pay raises are budgeted, but there is a \$215,000 one-time bonus budgeted to be distributed to all City employees.

This is the third year of the Enterprise fleet management program. We are replacing 20 vehicles.

We have made significant changes in the Police Department (PD) budget due to multiple factors. 1) The bond payment for the Joint Law Enforcement Center construction will pay off in September 2020, saving \$240,000. 2) We are proposing a cost sharing agreement between the City, Brown County, Early, and Bangs for the dispatch/communications center. Each entity will pay a percentage of the cost based upon calls for service. 3) Revenue for 911 services and the School Resource Officers is being reclassified as reimbursement, reducing the General Fund revenue and PD budget. 3) A joint public safety radio infrastructure project between the City, Brown County, Early, and Bangs will be proposed. The City's portion of the project is \$153,000 for debt service and annual service fees.

We increased the Street Rehab budget from \$240,000 to \$300,000.



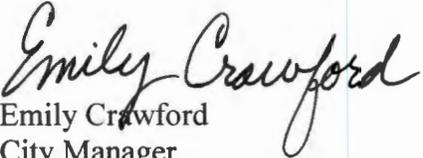
Our policy is to adopt a sound and fiscally conservative budget and to adhere to it closely during the budget year. Any amendments that need to be made during the year will be accomplished according to established policies, including obtaining authorization from the City Council for any significant changes. There have been no major changes in financial policy from the preceding year.

A copy of this document has been posted on the City website and placed on file with the City Secretary and the Brownwood Public Library, where the public may review it during normal hours of operation.

I appreciate Finance Director Walter Middleton, Assistant Finance Director Melanie Larose, Assistant City Manager Tim Airheart, and all our Department Heads for their diligence in the budget process and throughout the year.

We look forward to working with you to finalize the City budget.

Sincerely,


Emily Crawford
City Manager