

**REGULAR CALLED MEETING**  
**City Council**  
**April 26, 2016**

The City Council of the City of Brownwood, Texas, met in a Regular Called Meeting on Tuesday, April 26, 2016, at 9:00 a.m., in the Council Chambers, City Hall, 501 Center Avenue, Brownwood, Texas, with the following members present:

<b>Draco Miller</b>	<b>:</b>	<b>Mayor Pro Tem</b>
<b>H. D. Jones</b>	<b>:</b>	<b>Councilman – Ward 1</b>
<b>Ed McMillian</b>	<b>:</b>	<b>Councilman – Ward 2</b>
<b>Larry Mathis</b>	<b>:</b>	<b>Councilman – Ward 3</b>
<b>Jerry DeHay</b>	<b>:</b>	<b>Councilman – Ward 5</b>
<b>Emily Crawford</b>	<b>:</b>	<b>City Manager</b>
<b>Pat Chesser</b>	<b>:</b>	<b>City Attorney</b>
<b>Christi Wynn</b>	<b>:</b>	<b>City Secretary</b>

with Mayor, Stephen E. Haynes absent, constituting a quorum of the City Council.

**CALL TO ORDER:** Mayor Pro Tem Miller called the meeting to order.  
**PLEDGE OF ALLEGIANCE:** Pledge of Allegiance was led by Councilman McMillian.  
**INVOCATION:** Invocation was given by Councilman DeHay.

**ITEMS TO BE WITHDRAWN:** None

**INTRODUCTIONS, ANNOUNCEMENTS, AND RECOGNITIONS:**

**Librarian, Becky Isbell would like to introduce herself and speak about the library.**  
Librarian, Becky Isbell, introduced herself and told of the services the library offers.

**CITIZEN PRESENTATIONS:** None

**APPROVAL OF MINUTES:**

A motion was made by Mathis, seconded by Jones, to approve the minutes of the Regular Called Meeting of April 12, 2016 as presented. Upon vote, motion carried unanimously.

**CLAIMS AND ACCOUNTS:**

Finance Director, Walter Middleton was present for questions regarding the check list. A motion was made by DeHay, seconded by McMillian, that the Claims and Accounts dated through April 22, 2016, be approved for payment as submitted. Upon vote, motion carried unanimously.

**REQUESTS AND PRESENTATIONS:**

**Consider authorizing the purchase of a 370E 37 ton John Deere Articulated Dump truck (ADT) from Yellowhouse Machinery and to exceed the cost which was budgeted on a capital lease.**

Assistant City Manager, Tim Airheart, stated that the Landfill budgeted for the purchase of a 30 ton ADT which was a smaller truck than they currently have, in order to save money. The dealer is unable to locate a 30 ton truck despite having a nationwide network to draw from. A larger 37 ton truck is available and will cost an additional \$6,000 per year for five years.

City Manager Crawford stated that the current ADT has a guaranteed buyback on September 27, 2016 which we need to exercise. Due to the excessive hours of City use, the warranty on the current buyback truck is expired and the City is responsible for all repairs and maintenance. The dealer has agreed to honor the repurchase of \$165,000, even though the hours exceed the agreement. The dealer has also agreed to extend the warranty and maintenance on the new truck by 1000 hours. Finance Director Middleton stated that the \$165,000 buyback goes towards the payment of the note. Without the buyback funds, we will have to come up with that amount. The new equipment also has the buyback option of \$175,000.

A motion was made by McMillian, seconded by DeHay, to authorize the purchase of a 370E 37 ton John Deere Articulated Dump truck (ADT) from Yellowhouse Machinery and to exceed the cost which was budgeted on a capital lease. Upon vote, motion carried unanimously.

**ORDINANCES AND RESOLUTIONS:**

**Consider the adoption of a Resolution directing the publication of a Notice of Intention to issue Certificates of Obligation.**

Finance Director Middleton stated that on April 12, 2016, Council directed staff to bring a notice of intent to issue a Certificate of Obligation in the amount of \$3,000,000 to the next meeting. He stated that he was not sure if Council intended to include the \$55,000 of issuance costs in the \$3 million or add to the \$3 million – he took the liberty to add it to the amount. He explained that Council can take any action they choose. The notice of intent will be placed in the Brownwood Bulletin on April 29 and May 6 to issue a C.O. for up to \$3,055,000. A calendar of events showed the remaining actions needed. On May 23, bid solicitation term sheets will be sent to prospective purchasing banks. On June 3, we will be in receipt of bids from prospective purchasing banks. On June 14, Council will consider authorizing issuance of Certificates of Obligation and approve the sale. On July 12, we will be in receipt of the funds.

A motion was made by Mathis, seconded by DeHay, to pass a resolution authorizing publication of a notice of intention to issue Certificates of Obligation in an amount not to exceed \$3,055,000 to pay costs of improvements to streets, parks, and city facilities and to cover costs of issuance. Upon vote, motion carried as follows:

<b>For:</b>	<b>Against:</b>
DeHay	Jones
Mathis	McMillian
Miller	

**RESOLUTION NO. R-16-05**

**A RESOLUTION DIRECTING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION; AND RESOLVING OTHER MATTERS RELATING TO THE SUBJECT.**

**Consider a Resolution authorizing the sale of certain real property owned by the City of Brownwood.**

City Manager Crawford stated that City Staff has reviewed over 250 City owned properties which are mowed and maintained by the City. Ideal properties to sell are those not located within the floodplain, are not occupied with City owned structures, and are large enough to be developed, and will not be needed for City purposes in the future. There are thirty-one properties that fit the description to sell. Staff is requesting that these thirty-one properties be declared surplus and authorization be made for disposition and sale of said properties. At the next Council meeting, staff will present the recommended process for selling the properties, as there are multiple legal options including sealed bids, auction, and broker listing. The list given to Council had forty properties, and seven of those had been stricken due to the fact that they are either around City facilities or near the Texas State Technical College in the event that they ever need to expand.

After some discussion, a motion was made by DeHay, seconded by Jones, to approve a resolution declaring City owned property as surplus property and authorize the disposition and sale of said property. Upon vote, motion carried unanimously.

**RESOLUTION NO. R-16-06**

**A RESOLUTION AUTHORIZING THE SALE OF CERTAIN REAL PROPERTY OWNED BY THE CITY OF BROWNWOOD.**

**Consider a Resolution requiring Oncor to show cause of why its transmission and distribution rates should not be reduced.**

City Attorney Chesser stated that this is a Resolution showing why Oncor's transmission and distribution rates should not be reduced and results in a rate case. The TEC recently approved the transaction to transfer the ownership of Oncor and restructured the company into a real estate investment trust. As part of that approval, the Public Utility Commission recognized the restructuring would generate \$200 million to \$250 million in annual federal income tax savings with Oncor ratepayers. Before the savings can be passed onto customers, a rate case must be opened. Oncor plans to initiate a rate case by mid-2018. This Resolution initiates the rate case now and will pass savings on to the customers sooner.

A motion was made by McMillian, seconded by Mathis, to approve a Resolution requiring Oncor to show cause why its transmission and distribution rates should not be reduced. Upon vote, motion carried unanimously.

**RESOLUTION NO. R-16-07**

**DIRECTING ONCOR ELECTRIC DELIVERY COMPANY, LLC TO FILE CERTAIN INFORMATION WITH THE CITY OF BROWNWOOD; SETTING A PROCEDURAL SCHEDULE FOR THE GATHERING AND REVIEW OF NECESSARY INFORMATION IN**

**CONNECTION THEREWITH; SETTING DATES FOR THE FILING OF THE CITY'S ANALYSIS OF THE COMPANY'S FILING AND THE COMPANY'S REBUTTAL TO SUCH ANALYSIS; RATIFYING THE HIRING OF LEGAL COUNSEL AND CONSULTANTS; RESERVING THE RIGHT TO REQUIRE THE REIMBURSEMENT OF THE CITY OF BROWNWOOD'S RATE CASE EXPENSES; SETTING A PUBLIC HEARING FOR THE PURPOSES OF DETERMINING IF THE EXISTING RATES OF ONCOR ELECTRIC DELIVERY COMPANY ARE UNREASONABLE OR IN ANY WAY IN VIOLATION OF ANY PROVISION OF LAW AND THE DETERMINATION BY THE CITY OF BROWNWOOD OF JUST AND REASONABLE RATES TO BE CHARGED BY ONCOR ELECTRIC DELIVERY COMPANY, LLC.; NOTING COMPLIANCE WITH OPEN MEETINGS LAW; PROVIDING NOTICE OF PASSAGE.**

**AGREEMENTS AND CONTRACTS:**

**Consider authorizing the Mayor Pro Tem to sign a development agreement with Duckhorn Developers, LLC.**

City Manager Crawford stated that Duckhorn Developers, LLC is building residential homes located at Southgate and Fourth Street. The first phase of the development will be four single family homes, totaling a value of about \$1 million and will be built within two years. The City agrees to design and build a sixteen foot alley, and construct an extension to the existing sanitary sewer main (approximately 400 feet in length) at an approximate materials cost of \$9,300. The City will install four sewer taps and four water taps, paid for by the developer. The developer agrees to construct four houses with a value of \$225,000 to \$280,000 within two years. The developer will pay the City for the installation of four sewer taps and four water taps upon completion of the sewer main extension. The City agrees to construct the alley and sewer main at the availability of employees and equipment, at the discretion of the City Manager. The agreement will expire on September 30, 2016 without further action by the City. Councilman Jones asked who would be responsible for curb repair. City Manager Crawford stated that the developer will be responsible for the curb repairs.

A motion was made by Jones, seconded by McMillian, to approve a Public Improvement Development Agreement with Duckhorn Developers, LLC. and authorize the Mayor Pro Tem to sign the agreement. Upon vote, motion carried unanimously.

**REPORTS:**

**Budgetary Control Report**

Finance Director Middleton presented the City's Budgetary Control Report ending March 31, 2016, 50% complete, which included: 1) Budget Summary - surplus of \$3,598,888 compared to \$7,007,637 last year and represents 59.54% of revenue and 48.55% of expenses. 2) Summary of Revenue – Ad Valorem Tax is at 94.35% and Sales Tax at 51.08%. Sewer revenue is down a little at 48.78%. A pie chart shows that Ad Valorem Tax is at 25%; Water revenue is at 15%; and Sales Tax is at 15%. 3) Expenditures – The City's operating expenses are at 48.55% of the budget. Almost all departments are in line with those projections. Fleet Services is over 51.14% - due to aging fleet; Municipal

Court is over 53.65% due to the expenditure of the City Marshal's new Tahoe. A pie chart shows Total Expenditures with the Water Department 17%, and Police Department at 15%. 4) Sales Tax Analysis through January - The City is up 6.6% from last year and 3.3% for the budget. We are up \$98,056 compared to the budget, and \$191,207 compared to last year. 5) Water Consumption and Sales Analysis – We have sold (and used) 126,049 units of consumption more than last year and represents \$548,115 in additional revenue and -1.1% under budget or -\$29,914. 6) Comparative Investment Balance Analysis – Total Operating Funds as of March 31, were \$6,786,796 compared to \$4,340,486 last year. There are 76 days in operating funds compared to 50 days last year.

### **Investment Report – First Quarter**

Finance Director Middleton presented the Investment Report for the quarter that ended March 31, 2016. Interest rates are up slightly - TexPool earned 0.2986 and TexStar 0.3103 with 54% of investments in TexPool and 46% in TexStar. Type of Investments - Operating Funds 40%; Bond Proceeds Funds 29%; and Special Use Reserve Funds 24%. Comparison of Investments by Type – 1<sup>st</sup> Quarter 2016 we are at \$6,786,796; 1<sup>st</sup> Quarter 2015 we were at \$4,340,486; 1<sup>st</sup> Quarter 2014 we were at \$4,794,783; and 1<sup>st</sup> Quarter 2013 we were at \$4,395,357. These totals are reflected by the Bond Proceeds Funds and we had in the 1<sup>st</sup> Quarter 2016 \$4,969,362; the 1<sup>st</sup> Quarter 2015 \$4,077,427; and in the 1<sup>st</sup> Quarter 2014 we had \$11,414,981. Investment Interest Earnings have gone from 1<sup>st</sup> Quarter 2013 \$4,523; 1<sup>st</sup> Quarter 2014 \$1,578; 1<sup>st</sup> Quarter 2015 \$1,929; to 1<sup>st</sup> Quarter 2016 \$14,372.

### **Municipal Development District Election – voting times**

City Manager Crawford stated that voting dates and times are as follows:

April 25 – April 29, 8:00 a.m. to 5:00 p.m.

May 2 – 3, 7:00 a.m. to 7:00 p.m.

Election Day – May 7, 7:00 a.m. to 7:00 p.m.

Voting location – Adams Street Community Center – 511 E. Adams Street

The City of Early is having the same election.

### **May 10, 2016 Council Meeting and Workshop to begin at 3:00 p.m.**

City Manager Crawford stated that the May 10<sup>th</sup> Council Meeting and Workshop will begin at 3:00 p.m.

### **Fire Marshal Tahoe**

City Manager Crawford stated that the Fire Marshal's new fully equipped Tahoe was in the parking lot for viewing.

City Manager Crawford thanked all City Departments that were involved with this past week's high water event.

**ADJOURNMENT:**

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

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**STEPHEN E. HAYNES**, Mayor

**ATTEST:**

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**CHRISTI WYNN**, City Secretary