

**SPECIAL CALLED MEETING  
City Council  
September 3, 2019**

The City Council of the City of Brownwood, Texas, met in a Special Called Meeting on Tuesday, September 3, 2019, at 5:30 p.m., in the Council Chambers, City Hall, 501 Center Avenue, Brownwood, Texas, with the following members present:

<b>Stephen E. Haynes</b>	:	<b>Mayor</b>
<b>HD Jones</b>	:	<b>Councilman – Ward 1</b>
<b>Ed McMillian</b>	:	<b>Councilman – Ward 2</b>
<b>Larry Mathis</b>	:	<b>Councilman – Ward 3</b>
<b>Draco Miller</b>	:	<b>Councilman – Ward 4</b>
<b>Walker Willey</b>	:	<b>Councilman – Ward 5</b>
<b>Emily Crawford</b>	:	<b>City Manager</b>
<b>Christi Wynn</b>	:	<b>City Secretary</b>

with no members absent, constituting a quorum of the City Council.

<b>CALL TO ORDER:</b>	Mayor Haynes called the meeting to order.
<b>PLEDGE OF ALLEGIANCE:</b>	Pledge of Allegiance was led by Councilman McMillian.
<b>INVOCATION:</b>	Invocation was given by Councilman Willey.
<b>CITIZENS PRESENTATIONS:</b>	None

**PUBLIC HEARING:**

**Council shall hold a public hearing on the proposed City of Brownwood budget for FY 2019/20 to receive input from the public.**

Mayor Haynes opened the Public Hearing. Assistant Finance Director, Melanie Larose, stated that the total proposed budget is \$36,280,868. This is an increase of \$939,603 from the FY 18/19 budget or 2.66%. She went over the timeline for the budget process. The property tax rate will remain unchanged at \$.7869 per \$100 valuation. The effective tax rate, which will raise the same level of revenue as the prior year after adjustments, is \$.7602. As a result, we will be advertising an increase in tax revenue of 3.4%. We are proposing an increase of \$3.00 per month to the water base rate for a 3/4" residential meter with proportional increases for larger meters. No increases are being proposed in the water consumption rate. Mrs. Larose referred to a survey he conducted for comparison among twelve cities. Brownwood is number nine for water usage rates, which means our rates are competitive and low. Mrs. Larose stated that we are proposing a 3% increase in the sewer rate. This would increase the monthly minimum from \$26.88 to \$27.68, an increase of 80¢ per month. We are proposing a 3% increase in sanitation rate. This would increase the monthly residential fee from \$21.74 to \$22.39, an increase of 65¢ per month. We are proposing a \$2.00 per ton increase in the landfill gate rate from \$42 per ton to \$44. In a comparison of sewer rates among cities (the same cities as used before) we are at number nine, which shows that our sewer rates per 10,000 gallons are very good. The impact to an average residence is \$4.45 for water, sewer, and sanitation for the increases in the rates.

Mrs. Larose went over expense factors to include a 2% pay increase for non-civil service employees \$204,290; pay increases for Police and Fire \$124,170; and automated meter software, hardware, and additional meters at \$100,000. Fleet replacement – Enterprise lease program phase two \$74,065; Enterprise lease program, year two of phase one \$66,232. Fire – additional capital expenses for safety-related equipment \$115,178. Landfill – guaranteed buyback for a D8 Dozer of \$175,000. This is offset on the revenue side for the payment from the vendor. A potential tax note – this budget included cuts of \$1,127,300 for facility improvements that are needed and were requested by department heads. We will be proposing a tax note in the upcoming year to fund some or all of these costs. These include items that we have been discussing, such as resurfacing the Camp Bowie Aquatic Center pool, remodeling Fire Station 2, and replacement of the HVAC system at the Coliseum. We will begin the process of sizing a potential tax note in November or December with funding to take place during FY 19/20 and the first payment in FY 20/21. Mrs. Larose went over budget totals by fund and a pie chart shows that the General Fund brings in 49% of the budget, Utility Fund 29%, and the Sanitation Fund 17%. A pie chart of total budgeted expenses by fund shows that the General Fund expends 55%; Utility Fund 25%; and the Sanitation Fund 14%. Mrs. Larose went over revenue totals and stated that we anticipate an increase in the General Fund of \$556,052; the Utility Fund \$1,524; the Sanitation Fund \$420,895; and the Airport \$77,000. She then went over projected expenses for the General Fund over the prior year of \$772,276; Utility Fund \$23,328; Sanitation Fund \$186,835; and Airport (\$-11,968). Mrs. Larose stated that water provides the biggest source of revenue of around 18%; then Sales Tax at 16%; Ad Valorem Tax at 16%. She stated that 32% of total revenue comes from Sales and Ad Valorem Taxes. The breakdown of expenses by department shows that Police 15%, Fire 11%, and Street 6%, add up to 32%. Our two largest General Fund revenue sources go to those three departments. All other sources of General Fund revenue have to cover all other General Fund departments and subsidies.

Citizen, Jessie Lang, asked if 2% increases had been given to the City employees over the past few years. Mrs. Crawford stated that in the past three years they received 0% one year, 3% last year, and 2% this year. Mr. Lang stated that we need to begin looking to see where we can offset these when we begin the year with a deficit. Mayor Haynes stated that going back nine or ten years, we were on pace to give pay increases by 3% to 4% every other year and the average is 2% per year. Mr. Lang asked for an explanation about the balloon payment on the landfill equipment. Mayor Haynes stated that when we financed the bulldozer, we had a guaranteed buy-back of \$175,000. We intentionally finance it where on the date of the buy-back, it is owed \$175,000. This keeps our payment as low as we can get it and saves the taxpayers money. The guaranteed payment pays off the note.

Citizen, Dave Olhousen, asked if in the past few years the amount of income that we have taken in from water sales has been low. Mayor Haynes stated that in 2014/15, we were under drought restrictions and then we went to an extremely wet season and people didn't need to water. Mr. Olhousen asked if rates would continue to increase if we are unable to sell water. Mayor Haynes explained that the City has the same amount of expenses with less revenue. Mr. Olhousen asked if the rates had to increase in the amount proposed or if

it could be lower. He stated that he has a 1" water line which would be a 12% increase in his rates. Mayor Haynes stated that this is the amount needed to capture the loss in revenue.

Mr. Olhousen asked if going to residential roll-out carts is a cost savings or cost expenditure. Mayor Haynes stated that it is a savings. Mr. Olhousen asked how much of a savings. Assistant City Manager, Tim Airheart, stated that it has shown a savings in dumpster repairs from \$75,000 in 2014 to \$45,000 now, and we expect to save even more in the future. He stated that a roll-out cart is \$48, and a steel dumpster is \$500. Steel dumpsters don't last as long as a plastic roll-out carts because the steel dumpsters rot out and require maintenance every five to seven years. Mr. Olhousen did not believe it would be less expensive to service five families with twice a week pick-up service. Finance Director, Walter Middleton, stated that this has to be taken as an overview. There are twelve routes and it has taken us twenty-four years to change all of the routes out. This process began in 1996. This is not a savings for this year, it is a savings over time. The savings are in three major areas: 1) the container itself. He stated that he has had the roll-out cart at his house since 1996 and they are still using it today. Metal dumpsters rot out and have to be placed in the landfill, whereas roll-out carts can be recycled. Mr. Olhousen complained about roll-outs being all over the streets on windy days. Mr. Middleton stated that does happen. Roll-out carts cost around \$50 each and a metal dumpster takes care of around four families and costs around \$500 each. That is around \$125 per family and those have to be replaced every four to five years. 2) Trucks that are used for dumpsters operate in the alleys. When we began replacing those trucks with trucks that had an arm to pick up roll-out containers, they were significantly less expensive than the side-loader truck that had to have the suspension to drive down the alley and the gear mechanism to pick up the dumpsters. That cost savings was around \$50,000 to \$60,000 per truck. 3) There are savings in the repair budget because the roll-out carts are recyclable and don't have to be repaired. Mr. Olhousen asked what would happen to the alleys. Mr. Middleton stated that the alleys would be a lot easier to maintain because the large trucks rut up the alley. Councilman Willey stated that other utility trucks will still use them for their services.

Mr. Olhousen stated that he loves the idea of the automatic water meter reading system. He asked how they would work. Mrs. Crawford stated that it is a drive-by reading system where the software and hardware will be inside a vehicle. He asked if this would begin within the next couple of years. Mrs. Crawford stated that we will begin the first rollout of the system in January or in the spring, and we will do sections at a time so that we can continue to fund through the budget process. Mr. Airheart stated that we already have around 2,000 in the ground that are AMR compatible. Mayor Haynes explained that the system we will have is not wifi based, as that would have added a lot of expense.

Mr. Olhousen spoke more regarding dumpsters and roll-out carts. He expressed concern about an elderly neighbor. Mr. Airheart told him that there is a form that can be filled out so that the roll-out driver can get out and get the cart. There are around ten people that currently do this, and the City is around 70% complete with replacing dumpsters with roll-out carts.

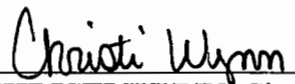
Mayor Haynes asked if there was anyone who wanted to speak. He then stated that we try to keep the City's budget in check on spending. We average around 2% per year to increase spending with this year being 2.66%. The U.S. inflation rate and the cost index is about the same, which means that we are doing the same today that we were doing yesterday. Addressing the comment about employees – it is the most difficult because we can't expect our employees to work twenty-years with no increases. He stated that the system in which we collect our ad valorem taxes are collected can be problematic. He stated that he received a 25% tax appraisal increase. There are no longer local appraisal districts, as they are mandated changes out of Austin. Until something is done in Austin about managing the appraisal system, it will be hard to find any real tax relief. The City budget is going up 2.66%. We have to find ways to do things tomorrow the way we did today unless we cut services.

**ADJOURNMENT:**

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

  
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 STEPHEN E. HAYNES, Mayor

**ATTEST:**

  
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 CHRISTI WYNN, City Secretary