

**SPECIAL CALLED MEETING  
City Council  
July 22, 2021**

The City Council of the City of Brownwood, Texas, met in a Special Called Meeting on Tuesday, July 22, 2021, at 4:00 p.m., at Brownwood City Hall, Upstairs Breakroom, 501 Center Avenue, Brownwood, Texas, with the following members present:

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|--|---|---|
| <b>Stephen E. Haynes</b>                             | : | <b>Mayor</b>                                    |
| <b>H. D. Jones</b>                                   | : | <b>Councilman – Ward 1</b>                      |
| <b>Ed McMillian</b>                                  | : | <b>Councilman – Ward 2</b>                      |
| <del>Clody Noworick</del><br><del>Larry Mathis</del> | : | <del>Member</del><br><b>Councilman – Ward 3</b> |
| <b>Draco Miller</b>                                  | : | <b>Councilman – Ward 4</b>                      |
| <b>Walker Willey</b>                                 | : | <b>Councilman – Ward 5</b>                      |
| <br>   |   |   |
| <b>Melanie Larose</b>                                | : | <b>Finance Director</b>                         |
| <b>Marshal McIntosh</b>                              | : | <b>Deputy City Manager</b>                      |
| <b>Ray Tipton</b>                                    | : | <b>Executive Director of BMDD</b>               |
| <b>Leah Thomas</b>                                   | : | <b>Asst. Finance Director</b>                   |
| <b>Henry Wied</b>                                    | : | <b>Public Works Director</b>                    |
| ** <b>Christi Wynn</b>                               | : | <b>City Secretary – by recording</b>            |

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

**CALL TO ORDER:** Mayor Haynes called the meeting to order.

**BUDGET WORK SESSION:**

Finance Director, Melanie Larose, went over the tax rate stating that the total tax levy will increase by \$178,274 or 2.5% as per Council request. The tax rate will be 0.7317. The chart presented is below. Mrs. Larose stated that there was an error found in the sewer revenue information presented in the budget. The calculations left out a month of revenue. It has been corrected and an additional \$290,900 was added to the sewer revenue. Additionally, it was discovered that we neglected to include the support services fee in the Water Department, which added \$315,000 in expenditures.

<u>TAX COMPUTATION:</u>	FY 2021	FY 21/22	Change	Percentage
Certified Estimate	980,764,620	1,031,521,241	50,756,621	5.18%
Property subject to freeze	135,042,504	148,063,304	13,020,800	9.64%
Property not subject to freeze	845,722,116	883,457,937	37,735,821	4.46%
Current tax rate	0.7448	0.7317	(0.0131)	-1.76%
Property tax on property not subject to freeze	6,298,938	6,464,262	165,323	2.62%
Property tax fixed on property tax subject to freeze	834,611	847,562	12,951	
<b>Total tax levy</b>	<b>7,133,549</b>	<b>7,311,824</b>	<b>178,274</b>	<b>2.50%</b>
Potential tax assessment on frozen property	1,005,797	1,003,379		
Actual tax assessment on frozen property	834,611	847,562		
Less	171,186	235,017		
**based on the certified information, the NNR rate would be .6908 or a reduction of 7.25%				
	VAR	0.7811		

**Community Service Subsidies:**

Deputy City Manager, Marshal McIntosh, went over the changes made to Community Service Subsidies as follows:

Contributions	FY 21/22 Council Adopted	Increase (Decrease) over Prior Year
Library	232,002	-
Humane Society-Regular	74,500	30,000
Humane Society-Electric	9,000	-
Humane Society-Other expenses	6,500	-
Low Cost Spay and Nueter	50,000	50,000
The Arts Council	15,000	(5,000)
Lyric Theater	20,000	-
Keep Brownwood Beautiful	12,500	-
Center for Life Resources-Regular Subsidy	15,000	-
Brown County Museum of History	11,750	2,750
Pecan Bayou Soil & Water Conservation Dist.	10,000	-
Child Welfare Board	5,796	-
Greenleaf Cemetery	11,000	-
Greenleaf Cemetery Office/Restroom (move)	16,000	16,000
Public Welfare Board (GSFP)	-	(4,800)
Ark	4,000	-
Center for Life Resources-Substance Abuse	-	-
Veterans Service Office	3,000	-
Good Samaritan Ministries	12,000	-
Brown County Home Solutions	5,000	5,000
Additional amount allocated by Council	-	-
<b>Total</b>	<b>513,048</b>	<b>93,950</b>

**Holidays:**

Mr. McIntosh spoke about City holidays. Currently we provide ten per year. When compared to the other nine cities we use for Civil Service, most have thirteen holidays as well as Brown County. Staff recommends adding two additional holidays being Veterans Day and Juneteenth. Belton, Brenham, and Stephenville all have thirteen holidays and an additional floating holiday for your birth month. There is no overall budget impact. Columbus Day may be used in the future as an in-service workday as we did with Veterans Day in the past.

**Hotel Occupancy Tax (HOT) funds:**

Executive Director of Brownwood Municipal Development District, Ray Tipton, presented the HOT budget and informed the Council that it will be approved in the same timeline as the city budget. The HOT budget is projected to receive \$350,000 in the 21/22 fiscal year. The all-time high in HOT funds received in the past was \$427,000. Since this is our first HOT budget, the numbers used are conservative. Mr. Tipton went over Department 70 – Visitor Center. The personnel portion includes the Museum Director for operating the visitor center. The rest of the budget includes supplies, contractual, and capital equipment and is anticipated to be around \$18,000. Department 72 is Marketing Services. It includes advertising \$40,000 (on-line and print ads); sponsorships \$50,000 (related to event funding); services \$15,000 (includes marketing services); internet marketing \$5,000; and marketing campaign at \$50,000 for a total of \$160,000. Department 73 Convention Center & Tourism – all salaries are split with other city employees. The only new position is the General Manager. On the city side of the budget, it replaces the Coliseum Director position. This will be a key position in making the new event center function with recruitment and public relations. A communications position will be added, but will be

split between the City, BMDD, and HOT funds. Mr. Tipton stated that the BNSF Railroad will lease the parking lot behind the Lehnis Railroad Museum in an amount of \$12,000 per year. Lastly, Mr. Tipton explained that there will be \$10,000 reserved for sports sponsorship funds.

**Event Center:**

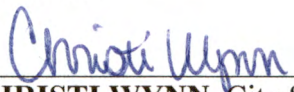
Mr. Tipton stated that BRW provided figures and drawings for the Event Center today. The BMDD originally approved \$8.9 million. Phases 1 & 2 have construction cost increases due to the rise in materials and the slim availability of steel. The ad alternates and furniture are big numbers but weren't included in the original approval. We didn't know what was needed until plans were finalized. A large portion of this amount is audio/visual equipment. Property purchase figures were decreased because there are some that simply don't want to sell. Over half of the properties have been purchased. Demolition costs decreased because some of the houses will be brought to Council to declare as surplus to sell and move. Parking lot figures doubled. Everything is subject to bid and is only an estimate at this time. Mr. Tipton stated that BMDD has been able to absorb a lot of the expenses in the normal budget and anticipates only having to borrow around \$3 million. Utility work in the area has started with underground power lines and replacing sewer lines.

**ADJOURNMENT:**

Mayor Haynes declared the meeting adjourned.

  
STEPHEN E. HAYNES, Mayor

**ATTEST:**

  
CHRISTI WYNN, City Secretary