

**SPECIAL CALLED MEETING
City Council
September 7, 2021**

The City Council of the City of Brownwood, Texas, met in a Regular Called Meeting on Tuesday, September 7, 2021, 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	:	Council Member Ward 1
Ed McMillian	:	Council Member Ward 2
Melody Nowowiejski	:	Council Member Ward 3
Draco Miller	:	Council Member Ward 4
Walker Willey	:	Council Member 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 Council Member McMillian.
INVOCATION: Invocation was given by Council Member Miller.
CITIZENS PRESENTATIONS: None

PUBLIC HEARING:

Council shall hold a public hearing on the proposed City of Brownwood budget for FY 2021/22 to receive input from the public. Council may set dates for formal adoption of the budget ordinance on first reading on September 7, 2021, at 5:30 p.m., and on second and third/final reading on September 14, 2021, at 9:00 a.m.

Mayor Haynes opened the public hearing.

Finance Director, Melanie Larose, gave the budget presentation. She went over the budget timeline. The FY 21/22 total budget is \$36,558,387, and is an increase of \$469,461, or 1.3% compared to FY 20/21. She went over revenue factors stating that the total property tax rate is proposed at \$0.7317, a reduction of 1.3¢, or 1.76% from the previous year's rate of \$0.7448. The proposed tax rate includes a maintenance and operations tax rate of \$0.6174 and an interest and sinking rate of \$0.1143. Although the tax rate went down, the average residence valuation went from \$108,795 to \$118,405. Therefore, the new average household will see their City property tax go from \$810 to \$866 per year, an increase of \$56. The City is budgeting for a 9.3% increase in sales tax. Year-to-date sales tax revenue has exceeded budget by 12.9%, however we want to be conservative to ensure the upward trend is sustainable. In the water consumption rate, we are proposing an increase of 1.3% from \$2.38 to \$2.41 due to the Brown County Water Improvement District's combined increase in the wholesale rate over the past two years of 5.2%. The average residential customer will see an increase of \$.30 per month. We used a five-year average to project

Special Called Meeting – September 7, 2021

Page 2 of 4

water consumption revenue for the next fiscal year. The proposed budget is 3.71% higher than the FY 20/21 budget or \$237,009. No increases in the base rate are being proposed. We are recommending an increase to the water and sewer tap fees to address the increased cost of meters and supplies. No increases are being proposed for any sanitation or landfill rates. However, a new fee was added to address wind turbine blades at \$1,000 per ton and the requirement that the blades have to be cut in half and in 4' sections. Expense factors - A merit based pay raise for non-civil service employees is budgeted at 3% of total payroll and benefits, or \$294,545. Civil service pay adjustments are based upon getting Brownwood employees to the average pay of comparable cities. For Fire, the increase will range from 0-3% or \$35,573, along with the addition of a new firefighter. For Police, the pay increase will be 3.5% or \$80,157 and education pay of \$16,229. A new front-line fire engine costing \$550,000 will replace a 21-year old engine. The ladder truck will be paying off in 2021, and the net effect of these two items will be a decrease in Fire Department capital in the amount of \$99,866 from last year. Phase 4 of the Enterprise Fleet Replacement Program is included which added \$95,000 to the budget. Park Improvements and Downtown include refurbishment of Wiggins Park swimming pool at \$150,000; two new backstops (location to be determined); a multipurpose wall for Wiggins Park; a merry-go-round for Trigg Park; and downtown improvements include streetscaping, lighting, landscaping, and public art totaling \$18,000. Mrs. Larose went over Budget Totals by fund source showing the General Fund will increase by 3.86%, Utility Fund 2.09%, Sanitation Fund will decrease by -2.44%, Airport Fund -7.01%, and Tax Supported Bond Funds 015.66% (due to a bond that paid off). She went over Budget Totals by fund use showing the General Fund at 4.60%, Utility Fund -1.95%, Sanitation Fund -1.24%, Airport Fund 1.27%, and Tax Supported Bond Funds -15.66%. Mrs. Larose projects that there will be a net deficit of -\$240,255 in the General Fund, a net surplus of \$395,486 in the Utility Fund, a net deficit of -\$93,547 in the Sanitation Fund, and a net deficit of -\$61,684 in the Airport Fund. Mrs. Larose went over a Revenue by Fund pie chart showing the General Fund brings in 49% of revenue, Utility Fund 29%, and the Sanitation Fund 17%. Another pie chart showing the Total Budgeted Expenses by Fund shows the General Fund at 56%, Utility Fund 24%, and Sanitation Fund 14%. Mrs. Larose went over changes in revenue beginning with Community Facility and Pool Revenue -\$99,000. This is from the loss of the Coliseum revenue. Miscellaneous Revenue -\$120,709 this is due to the reduction of interest income and the sale of city vehicles. Water revenue shows an increase of 3.71% or \$237,009 due to the increase in sales. Sewer Revenue is down a little -\$26,780. Landfill fees shows an increase of \$135,000 or 5%. The Other Sanitation Revenue line shows a reduction of -\$324,500 this is because last year there were two guaranteed buy backs on equipment that we don't have in this year's budget. A pie chart of revenue shows Water Revenue at 19%, Ad Valorem Tax at 17%, Sales Tax 17%, Sewer Revenue 11%, Franchise, PILOT & other taxes 10%, Sanitation Fees 9%, and Landfill Fees 8%. Mrs. Larose went over General Fund Expenditures. The City Council budget will decrease -\$11,828 because last year the new logo was budgeted under this line item. The Administration Department shows an increase of \$40,552 because of the addition of a Communications Specialist position (partially funded here) and the creation of the Deputy City Manager position. In Finance there is a decrease of -\$28,890 due to the retirement of Walter Middleton and the hiring of a new chief accountant during the transition. The Health Department shows an

increase of \$52,950, because they were without a registered dietitian last year and the Health Administrator filled the role which was paid for by WIC. Her full salary is now in the Health Department. Community Service shows an increase of \$83,950 to help with a low cost spay/neuter program, an increase in the Animal Shelter subsidy, and a new office/restroom at Greenleaf Cemetery. Utility Billing shows an increase of \$45,916 due to the cost of credit card fees offering online payments. The Fire Marshal department shows a decrease of -\$178,618 because this department will be phased out and moved under the Fire Department. Mrs. Larose stated that the Utility Fund shows a decrease of -\$311,334 because a bond payment has been paid off. A pie chart of expenses shows Police at 25%, Fire 19%, Street 10%, and Parks and Recreation at 9%.

Mayor Haynes stated that in Council Workshops, there was discussion about a 2.5% increase in tax levy revenue and staff went back to make the rate be at 2.5%, but the publishing in the tax rate shows 5.9%. Mrs. Larose stated that they are two different things. The 5.9% is an increase over the No New Revenue (NNR) rate but is not actually tax levied. 2.5% is the actual increase in our tax levy. NNR takes the same revenue from the same property and compares both years, whereas the tax levy includes tax ceilings, new properties added, new property subject to the tax freeze, etc. and is not an apple to apple comparison. Mrs. Crawford stated that we had to publish the 5.9% based on the new State statutes regarding public information on taxing. Mayor Haynes stated that we are getting 2.5% more money, but we have to tell the public that we are getting 5.9% because of State mandates. It was a consensus that it is very misleading but required by State statute to report in this manner.

Being no one to speak, Mayor Haynes closed the public hearing. A motion was made by Willey, seconded by McMillian, to set dates for the formal adoption of the budget ordinance on first reading on September 7, 2021, at 5:30 p.m., and on second and third/final reading on September 14, 2021, at 9:00 a.m. Upon vote, motion carried unanimously.

Council shall hold a public hearing on a proposal to increase total tax revenues from properties on the tax roll by 5.9% by adopting the proposed tax rate of \$.7317 per \$100 value. Following the public hearing, Council will announce dates for formal adoption of the tax rate ordinance for tax year 2021 on first reading on September 7, 2021, at 5:30 p.m., and on second and third/final reading on September 14, 2021, at 9:00 a.m.

Mayor Haynes opened the public hearing.

Finance Director, Melanie Larose, stated that the No New Revenue (NNR) tax rate is \$.6908 per \$100 valuation. The proposed tax rate is \$.7317 per \$100 valuation which exceeds the NNR tax rate by 5.9%. The proposed tax rate is a reduction from last year of \$.0131 or 1.76%. This is the second year for a decrease in the tax rate.

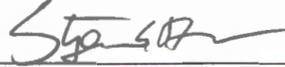
There were no citizens in the audience. Mayor Haynes closed the public hearing. A motion was made by Willey, seconded by Jones, to increase total tax revenues from properties on the tax roll by 5.9% by adopting the proposed tax rate of \$.7317 per \$100 value. Upon vote, motion carried unanimously. Following the public hearing, Mayor Haynes

Special Called Meeting – September 7, 2021
Page 4 of 4

announced dates for formal adoption of the tax rate ordinance for tax year 2021 on first reading on September 7, 2021, at 5:30 p.m., and on second and third/final reading on September 14, 2021, at 9:00 a.m.

ADJOURNMENT:

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



STEPHEN E. HAYNES, Mayor

ATTEST:


CHRISTI WYNN, City Secretary