

The Early City Council met in regular session on Tuesday, July 26, 2022 at 6:00 p.m. with the following members present:

Mayor Mangrum
Council members:
Leland Acker
Travis Eoff
Benny Allcorn
Travis Eoff
Garry Forisha

City Administrator Tony Aaron
Economic Development Director Larry McConn
City Secretary Brenda Kilgo
City Attorney Mark Bessent

Council member Charles Matlock was absent.

Establishing a quorum present, Mayor Mangrum called the meeting to order. Mr. Acker gave the invocation and led the Pledge of Allegiance.

Consideration of the minutes of regular meeting held on July 12, 2022.

Mr. Acker made motion, seconded by Mr. Forisha, to approve the minutes as written. All members present voted "aye".

Citizen's comments

There were no citizen comments.

Discuss and consider approval of support for Proposal for Establishment of Vote Centers by Brown County Elections Administrator.

Mr. Aaron presented a letter from Brown County Election Administrator requesting the support for the use of vote centers in Brown County for the November 2022 Election. Vote centers are another name for countywide polling places. Instead of requiring voters to vote at their precinct polling locations, vote centers allow all registered voters in the County the option of voting at any of the County's polling locations on Election Day. Allowing Election Day polling places to operate in a similar way to the early voting location.

Mr. Acker made motion to approve a letter of support be drafted from the Mayor for the use of vote centers in Brown County elections. Mrs. Allcorn seconded the motion and all members present voted "aye".

Consider approval to authorize City Administrator to negotiate an agreement between City of Early and City of Blanket for sanitation services.

The Blanket City Council approved the Sanitation Contract between City of Early & City of Blanket at their July 18, 2022 meeting. Terms approved within the contract include:

- Five-year term beginning October 1, 2022 through September 30, 2027
- New rate increases for Residential (\$32/month from \$30/month) and Commercial (\$55/month from \$40/month)

If approved, Mr. Aaron will draft the new contract for execution and effective date as October 1, 2022

Mr. Allcorn made motion, seconded by Mr. Eoff, to approve the Sanitation contract between the City of Early and City of Blanket as presented. All members present voted "aye".

Discuss and consider proposed tax rate for 2022/2023 fiscal year (Take a record vote and schedule public hearing)

2022 Certified Property Tax Values from the Brown County Appraisal District:

Total Values	\$546,792,602
Less 65+ Freeze values	\$496,600,997

Total values increase above 2021 \$278,201,545

2021 Tax Rate 0.49930

2022 No New Revenue Rate 0.22957

2022 Voter Approval Rate 0.29955

2022 De Minimis Rate* 0.36238

*rate allowed for Small Taxing Unit with population less than 30,000 without triggering an election

Mr. Aaron stated that the projected collection rate for this next year is approximately 50% due to the contested value and pending litigation within the industrial sector. The increase in sales tax will help offset the loss of property tax revenue created by the pending lawsuit.

At a proposed rate of 0.36238 (De Minimis Rate) calculated with the factor of a 50% collection rate, the projected revenues is \$1,089,639 and represents an actual reduction of revenue in the amount of \$272,841. Adopting the rate of 0.36238 will reduce the rate to the lowest rate in the modern history of the City of Early.

An example of the effective on a residential homeowner within city limits of Early:

2021 average home value \$147,475 x 0.4993 divided by 100 = \$736.34 per year

2022 average home value \$166,201 x 0.36238 divided by 100 = \$602.31 per year

Although property values increase, the reduced tax rate will lower the amount of taxes paid per year.

Mr. Allcorn made motion to set the proposed 2022 tax rate at 0.36238 and Mr. Acker seconded the motion. The motion was passed with a record vote: Mr. Eoff "aye", Mr. Forisha "aye", Mr. Acker "aye", and Mr. Allcorn "aye".

Having set the proposed tax rate a Public Hearing was scheduled for August 9, 2022 at 6pm with a motion from Mr. Acker, a second by Mr. Forisha and "aye" votes from all members present.

Executive Session in accordance with provisions of Chapter 551, Texas Government Code.

No Executive Session

Administrator's Report

Department quarterly reports provided in printed form but no presentations this quarter due to budget workshops and time considerations.

Autumn Drive project: through the City's procurement process anticipate moving forward with the purchase of materials for the drainage portion of the project, proposal of city employees vs contractors to install the materials as well as the excavation of the driveways; estimate these changes/savings to lessen the cost of the project to \$700,000 - \$750,000. Plans to start in winter to early spring months and prepare/schedule to align the street work portion to fall around paving season.

Budget Workshop

- Budget summary includes all funds but does not include Town Center project at this time; total net revenue \$10,888,289 (3.75% decrease from last year), total net expenditures \$9,372,539 (9.91% decrease from last year), total net ending fund balances \$1,515,750 (66.59% increase from last year); includes 3% cost of living increase for employees
- CVB Fund:
 - o Revenues – overall net increase of 1.6%
 - o Expenditures – overall net increase of 13.3%
- MDD Fund:
 - o Revenues – overall net increase of 20.5%, due to sales tax revenue
 - o Expenditures – overall net decrease of 54.9%, Town Center budget still in progress so most likely level back closer to last year
- Water Fund:
 - o 20% increase from Water District results in \$3.50 increase to Early customer's base rate, no change to tier rates, base rate increase doesn't generate additional revenue as will be used to cover rate increase from the Water District
 - o Revenues – overall net increase of 6%
 - o Expenditures – overall net decrease of 1.2%
 - o Employee positions – retired personnel opens a position in department, plan to split into 2 positions as a Public Works operations/administrative (purchasing, scheduling, TCEQ compliance & reporting) and a field employee to create 3 crews within Public Works departments (large projects; GIS, meters & pump station; WWTP maintenance)
- Sewer Fund:
 - o Revenues – 0% change
 - o Expenditures – overall net increase of 2.9%
- Sanitation Fund:
 - o 14% increase from Brownwood landfill results in \$1.00 to Early customer's base rate, no additional revenue generated as will be used to cover rate increase from Brownwood
 - o Revenues – overall net increase of 4.5%
 - o Expenditures – overall net increase of 8.8%; mainly due to service/maintenance on trucks and fuel; budget includes purchase of new truck w/debt service estimated around \$50,000 annually

City becoming more sales tax dependent which is good but can be scary / challenging for a budget perspective.

Announcements

Wade Walker announced retirement after 37 years of service to City of Early. An upcoming presentation/recognition is being planned.

Adjourn

Concluding the budget workshop and having no further announcements, Mr. Acker made motion to adjourn the meeting. Mr. Forisha seconded the motion and all members present voted "aye", adjourning the meeting at 6:46 p.m.

Brenda Kilgo
CITY SECRETARY

8-9-22

DATE
Bryan Acker

MAYOR PRO-TEM