

STATE OF TEXAS

COUNTY OF McCULLOCH

CITY OF BRADY

The City Council of the City of Brady, Texas met in a Work Session Meeting on Tuesday August 3, 2021 at 3:00 pm with Mayor Anthony Groves presiding in person. Council Members present were Jane Huffman, Jeffrey Sutton, Jay May, Larry Land and Missi Elliston. City staff present were City Manager Dennis Jobe, Deputy City Manager Erin Corbell, Public Works Director Steven Miller, Finance Director Lisa McElrath, Police Sergeant Randy Batton, Police Captain Mike Hudson, Purchasing Agent Dorsey Bustamante, Human Resources Clerk Kristie Martin, City Attorney Sharon Hicks and City Secretary Tina Keys. Also in attendance was representatives from Higginbotham, Painter & Johnson.

1. CALL TO ORDER, ROLL CALL & CERTIFICATION OF A QUORUM

Mayor Groves called the meeting to order at 3:00 p.m. Council quorum was certified.

2. Discussion Regarding:

- A. Bart Johnson, Higginbotham Painter & Johnson Financial, Brownwood, TX – Insurance coverage for City employees. Kristie Martin introduced Bart Johnson. Mr. Johnson said there is a lot involved regarding health benefits. He said the prescriptions are going up 15% or more, and that's what's driving costs. That's the hard part is getting the best prescription drug program they can. They got the Aetna renewal and it was a 39% increase. Claims were 170% more than the premium in 2019-2020. In 2020-2021, there was 109% more claims than paid in premium. This year it's 128%. In August we had \$172,000 claim month, and a premium of \$96,000. It did go down but in December there was also a \$400,000 claim month. But we're trending down again. We have 10 high claimants. Five of the high claimants will be off the plan. They only shopped class A companies. One company declined. They have a lot of premium volume with a lot of carriers which helps. Johnson said our deductible is \$1,000. Council Member Huffman said \$1,000 is unheard of. She would like to see a significantly higher deductible and maybe like 3 tiers an employee can choose from. Council Member Sutton asked what other cities are doing to make insurance more affordable. Johnson said pretty much what Council Member Huffman said, higher deductibles. Some also went to an EPO with a lot of doctors. If doctors are out of network, there is no coverage. He said they are going to show different plan designs including 2 tier or maybe 3 tier. Council Member Huffman said less than 10% of our employees are meeting the deductible. Raising to \$5,000 really wouldn't hurt anybody. They can pay \$25 a year for 10 years. Council Member Sutton said they have to do something with prescriptions. Council Member Elliston asked how many do you typically get quotes from. Johnson said every company in the state of Texas. They can decide to quote or they can decline. Council Member Land asked if they would bring the council options. Johnson said they would. He said even Aetna would have an opportunity to bring their rates down. Council Member Elliston asked what the time frame is and Johnson said 3 weeks. Open enrollment will start September 1st. Johnson said they would like to encourage a wellness program. Council Member Sutton asked if that typically helps a lot. Johnson said it takes some time but yes; there is a lot involved. It does work but over a period of time. They feel like education for employees is key. He introduced associates from Higginbotham, Painter and Johnson who said, for example, make sure everybody knows about Tele-med. They noticed a lot of people are running to emergency room which gets expensive. Mr. Johnson said today was to introduce them and tell Council about the process they're going through. They want to do a good job for us. Council Member Sutton asked if they could be back the 17th. Johnson said they will try but it may have to be a special session. Some of these larger companies take forever. Council Member Huffman said we would probably have to have a workshop on August 24th.

B. Budget workshop decisions and proposed tax rate review. Council Member Huffman asked, on the gas fund, an adjustment of \$4110, is that right? Lisa McElrath said yes. Council Member Huffman said she thought the salary portion was more than that before the 3%. Lisa said it would be a \$3,500 in addition to the 3%. Council Member Elliston said, on adding additional officer, one of the positions will absorb the records clerk position and a pay raise. Lisa said yes, in October, that info will be given to the payroll folks and the payroll will be increased to that level. Council Member Elliston asked what level. Erin Corbell said \$17.05. Council Member Huffman asked if the change of \$31,500 is the difference. Lisa said yes, including uniform and everything. Council Member Sutton asked if that position was already there, Dennis Jobe said yes. Council Member May asked about moving Mary, at the pro shop, to a full time position and said it's still not on there. Erin Corbell said we decided not to do that because we would still be short-handed. Council Member Huffman said she feels like council made it clear that she was to be made full time. If their directive was not followed through, then that should be addressed. Council Member Huffman said this should have been done. Council Member Huffman said that was what council decided. It was decided that Mary would be made full time. The position was supposed to be made full time to make it more appealing to get Mary and Mark to stay. Lisa McElrath said she wants to make sure all of us do our best at being transparent and make sure they follow through with what council wants. Council Member Huffman said we repeatedly make decisions, and what Council votes on does not happen, we are voting on it based on the directives made inside budget. They assume what they have discussed is what they are voting on. Lisa McElrath asked what needs to be done. Right now, for the golf course what is on the table is hiring one full time employee and eliminating 2 part time positions and adding a seasonal. Erin Corbell said in addition, they want to convert one of the part time pro shop positions into a full time. They want one part time and 2 full time. The City Attorney Hicks said we need to post an internal memo for others to look at. You wouldn't advertise it until you looked in the internal organization. If they both want it, generally you would interview them both. Council Member Huffman said one of the reasons why we wanted it to be full time is she lives on the golf course and is constantly doing things outside the 20 hours since she lives there. Attorney Hicks said you can look at the job description and say "preference is given to the person living on the ground". It can be a condition of the employment. Council Member Huffman wants to clarify, she does believe the directive was before Dennis was City Manager. Council Member Elliston agreed, it was right after Mark came here, we wanted to make sure he stayed so they wanted the offer of a full time position be given to Mary. Lisa McElrath said she will add that. She will move Mary from part time to full time. McElrath said she will give the proposed budget to Council by the end of the week and they will be voted on in September. Lisa said what you see on the golf sheet is correct but we are increasing payroll increasing a full time to the pro shop. McElrath asked if we have a dollar figure or a step grade on that. Erin Corbell said part time employees are currently making \$10 an hour and full time is making \$10.30 an hour for step one. Lisa said they are getting benefits at that point too. She asked if it was ok and nobody objected. Council Member Land asked about the police, the \$31,000 on there is creating a position. Jobe said yes. Council Member Land asked if the numbers still work out. Lisa said yes, it now includes the increase. McElrath talked about the tax rate. She said Zane (Brandenburger) did provide a final property tax roll and it's at \$226,000,000 compared to last years of \$213,000,000. He also gave her the tax rates based on those values. The budget indicates we would take in the same amount of dollars. If we leave the dollars, you would vote for the "no new tax rate. The rate would come down to keep our revenue the same. Lisa said voter approval tax rate, rollback rate, is a 3 ½ % increase. That rate is still less than last year's tax rate because the values went up so much. Council Member May asked if we left our rate at what it was, and with the new appraisals, how much are we talking about. Lisa didn't know. She said if we took the voter approval rate, we would see \$60,000 more in revenue. Council Member Huffman said we need to go with the no new revenue. Huffman also said she does not think we should accept the government funds. If we do, they can make us do whatever they want. Council Member Elliston asked if they expire or is it forever. Council Member Huffman said they can keep making executive orders. This overrides state level executive powers. Council Member Elliston asked if we have

accepted it. Lisa McElrath said she turned in paperwork so we would be ready but we have a hold on that, but if council decides we do not want funding, there is a form we turn in and we never receive money. Council Member Elliston asked if we will be blacklisted to not get federal grants. Lisa said it's not the same thing in her mind. Council Member Elliston asked what the total is. Lisa said \$1.1 million in total. McElrath said she agrees with Council Member Huffman. She thinks piece of mind for our citizens is worth more than \$1million. Council Member May agreed. He does not want to accept the funds. Mayor Groves asked Attorney Hicks if there is any insight from TML. Hicks said she has not seen that, but she will get with TML and see what others are doing, and will speak with others at the firm. She would hate to lose \$1million but she understands the concern. Mayor Groves thinks TML should be providing some insight. He agrees that signing away your rights to get the money is wrong. He's surprised that TML hasn't put anything out. Dennis Jobe said LCRA filed a lawsuit with ERCOT and they're giving us back \$187,000. Council Member Huffman said maybe we can do a mid-year budget amendment to put \$187,000 to the fire department. McElrath said that money would have to go directly back to the customer. Council Member Elliston said she remembered talking about the money from the county going directly to help build a fire station. Lisa said she remembers the conversation but it wasn't an ordinance. Council Member said if that's the case, she will want everything on an agenda. Council Member Elliston said it was talked about at length. Council Member Huffman said there was extensive conversation. Council Member Huffman said she feels like it falls on Dennis and Lisa. They should be bringing it back. Council Member Sutton said there is a misunderstanding because they can't vote in a workshop. Attorney Hicks said voting should be done in a budget workshop – move to allocate funds as desired. And a second should be made. Discussion items can be brought back as an action item. Mayor Groves said items decided on budget workshops should be adjusted in the budget and Lisa brings back for review. If there is something the council member really wants in the budget, the council member should voice that before the final budget. But the real action is approving the budget. It approves everything in the budget. Attorney Hicks said staff will bring back the effective tax rate using the lower number to not raise revenue, golf course, PD, earmark what you want the money from the County to go towards. Lisa said we do have to have the proposed budget very quickly. Lisa said removing that \$144,000 will take us below the minimum fund balance. Lisa said it can be fixed by transferring more money from the electric fund. Lisa said the electric system has that fund balance in it. We're never going to pay for all of the programs of the city. We're going to always have to lean on the electric system. She hoped to inform council so they would know exactly where the money is coming from. It does change the numbers.

Council took a break at 4:41 p.m. and resumed at 4:55

- C. Police & Fire Department Facilities – Dennis said ⁴icon did the work on the police station, the cafeteria and the fire station for the money we already paid them and they never did anything with it. He asked them to come down. They went to the police station. They remembered everything and in 2001 or 2002 there was \$187,000 spent on remodel. He doesn't know what was done. Mayor Groves said JT Owens said they bought a lot of furniture and distributed it to a lot of offices. McElrath said that's not what happened. All the furniture was donated. Jobe said he didn't see any remodeling that was done on that building. They discussed different options. Dennis said we want it for the cheapest price and told them to make both facilities happen for \$1.5million. Dennis said we have to do something with ADA restrooms at the cafeteria. He said staff took insulation and ceiling tile out of the building so that will have to be replaced. Dennis asked them to look at what we could do. Most everything in the kitchen is gone. It looks like we will have to do a new roof and windows, an ADA ramp, restrooms and offices. They're looking at offices, restrooms, new A/C for new fire station. He believes these guys will do the best they can. Chief Perrin said he agrees that it's going to take a lot. They did talk about the option of the old hospital route. Dennis will bring back to a future meeting.
- D. Police Department staffing - Lisa said right now there is no car budgeted for the new police officer. Council Member Huffman said the Chief said there wouldn't need to be an extra car.
- E. Status of G. Rollie White agreement – Dennis Jobe said they have talked to the lady at Denton, Navarro

regarding a letter of intent. Council Member Elliston said she would like something to be moving. Mayor Groves said the letter of intent for applying for grants could be closer to 40 years. Council Member Elliston said they need to get a plan together. Erin Corbell said they have a rough plan in place on what they would hope to do in what time frames. Council Member Huffman said when we started this process, one of the conditions was they would not build RV spaces for lease, but when they came into the meeting, they said they wanted to build RV spaces to rent out. Mayor Groves said they went forward looking for grants with the concept of a 30 year lease and nobody was interested. They would love to get 99 years but would be ok with 50. Whatever that number is, we need to give to the lawyer to put into the letter of intent to allow them to get grants. It is not well structured in terms of some want to build arenas first, others want to build shooting spots first. They are not very organized. It starts with the letter of intent then a lease with milestones in it. We need to know what the number of years for the lease will be so they can do the letter of intent. Council Member Huffman commented that what we said from the beginning, they have gone against in their plan. She heard they have no plans, and no money, but they are going to build an RV park to start making money. Erin Corbell said you can put in the lease that you get a percentage of revenue from the RV spots. Council Member Huffman said they're getting free money to start a business on. Attorney Hicks said she thinks we should say "not to exceed 50 years" which gives you room to negotiate. Council agreed. Mayor Groves will make sure they understand the concerns of council.

Council discussed if you publish the budget notice in the newspaper, per our Charter, on the 18th, you would have to meet on the 16th. Lisa said the \$144,000 doesn't have to be a budget topic. That's a fund balance appropriation topic that can be handled at a separate meeting or at the end of the year and we can either commit or restrict. It would be in November or December after she closes out all of the books for this fiscal year. Council Member Elliston said we need to get our attorney up to speed on this topic.

3. ADJOURNMENT

There being no further business, the Mayor adjourned the meeting at 5:45 p.m.



Mayor Anthony Groves

Attest: 

Tina Keys, City Secretary