

§STATE OF TEXAS
§CALDWELL COUNTY
§CITY OF LULING

THE CITY OF LULING CITY COUNCIL MET IN BUDGET WORKSHOP ON THURSDAY, FEBRUARY 17, 2022 AT 3:00 P.M. AT CITY HALL COUNCIL CHAMBERS LOCATED AT 509 E. CROCKETT STREET, LULING, TEXAS.

The following members: present:

Mike Hendricks	Mayor
Jackie Campbell	Council Member
Lee Rust	Council Member
Marc Taylor	Council Member
Raymond McGlothlin	Council Member
C J Watts	Council Member

Staff Members present:

Mark Mayo	City Manager
Martha C. Velasquez	City Secretary
James Rougeou	Finance Director
William Sala	Police Chief
Jessica Tucker	Revenue Clerks Supv.

1. Call Meeting to Order.

Mayor Mike Hendricks called the meeting to order.

2. Budget Work Session on the 2022/2023 Proposed Budget.

Mayor Hendricks stated that we have 2 budget workshops scheduled and this is the first one. He turned the meeting over to City Manager, Mark and Sonny, Finance Director.

Mark stated that there were a lot of handouts given today and that they would go through them one by one. He stated that they sat down with all the department heads last week, with the exception of Police, Swimming Pool and Library. Mark stated that basically they take a history of what they have spent in the past and go from there.

Sonny Rougeou stated that the first page is the main one; the others are for you to see what our bonded debts are and our capital leases.

In the General Fund expenditures was \$6.3 million and the Utility Fund was \$7.4 million and the Debt fund is about \$800,000, which totals \$14.5 million dollars total expenditures. Sonny stated that in trying to get the Budget to the Council there are some items that we didn't have at the time or he forgot to get put in, one was the portion that we are proposing that Enterprise Fleet Management that to lease 14 vehicles, Sonny stated that he didn't know how to allocate those since some were going to public works but some in Utility Fund and some in General Fund. He stated that he knew about the Police Department but he didn't know where the other vehicles were going in Public Works until it is approved and assign the vehicles to certain departments. (Street, Parks are in General Fund while Water, Electric and Wastewater are in Utility Fund) and that portion is almost \$65,000.00. He failed to include the 3 to 5 year plan of replacing all the water meters in town where we budgeted about \$230,000 for that project. The new item that we just got in today is new servers for \$104,000.

Mark stated that we need to do some software updates and our current servers that manage everything are at life's end. The \$104,000 includes the cost of re configuring, licenses and so we can update our computers.(update our Microsoft licenses) Sonny stated that when you add these items in our revised budget is \$14.9 million dollars.

Salary and benefits \$5.9 million which does not include any salary increases at this point and time until Council gives us the direction on where to go with this.

Debt services which we pay annually are nearly \$800,000.

Capital Leases which includes the Enterprise Lease (which the Council has not given the authority to do it yet) if it was approved the Capital Leases would be \$210,000.00 that is \$128,000 for 14 vehicles. Sonny stated that we are already obligated for \$82,000 for heart monitors, and powered lifts and stretchers for EMS. Last year we approved the purchase of new communications equipment from Motorola and we paid for a new Brush Chipper and Hole Hog.

The budget for the purchase of electricity from LCRA is \$3.6 million. The budget for GBRA to manage our water supply and run the plant is \$525,000. General Insurance \$103,000 Worker's Comp Insurance \$83,000, our garbage contract runs \$175,000. We have included a 5 year engineering plan from LCRA to relive some of the electric overloads, and the cost for the first year is \$500,000. Mark stated that we basically have the town divided into 3 feeds. One feeding the school and hospital is overloaded, and it takes up about 2/3 of the town. The item for meter replacement is \$230,000. The servers are \$104,000 and the capital layout we have is \$102,000 and that totals \$12.86 million and that accounts for 86% expenditures for the City of Luling.

Sonny stated we could eliminate the \$2,300 for airport insurance since we have the airport closed.

Mark stated that we've been doing the work this year with the money we received from the Federal Government for \$744,000 but we won't receive that money until August.

We have not allocated any transfer from Utility to General Fund like we usually do, but the General \$1.9 million deficit and Utility fund is a surplus of \$1.2 million so that is about \$700,000 deficit before we do anything in this budget.

Mark stated that he would like for them to look at the rate comparison from different cities around us. Mark stated that the City of Luling is extremely low on our water and sewer rates. He stated that he feels very comfortable where we stand on electricity.

Mark stated that the permit fees are something we may need to look at, looking at going up on some of the permit fees. Our water and sewer taps are low and we may look at those revenue items.

Council Member CJ Watts stated that this is a place we need to look and make up some of the difference so we don't have an impact fee.

Mark Mayo stated that he would like at looking at our sewer rates, instead of using 3 months average let's do a 75% or 80% of what your water usage is and charge that rate. He will be putting some scenarios together and get them to you next workshop.

Salary survey were taken from Brady, Yoakum, La Grange, Lockhart, Giddings and Gonzales. The salary and wages for the City of Luling are extremely lower than most of the other cities around us.

Council Member CJ Watts asked how employees were paid for certifications pay. Mark stated that the jobs are classified and certification is based on the next step classified. Council Member CJ Watts asked if someone received certification pay would they also get the cost of living raise to which Finance Director, Sonny Rougeou and City Manager, Mark Mayo stated yes. Council Member CJ Watts asked if someone gets a certification in the months of January, February and March do they still get both cost of living and certification pay to which Mark Mayo stated yes. He stated that the certification pay would be different if someone went to a one day class or someone received a certification that required a longer time to acquire certificate.

Council Member Lee Rust asked if the City had any programs where the employee was locked in a 24 month stay to keep them. City Manager, Mark Mayo stated that we have a program we use for the Police Department.

Council Member Lee Rust asked about the \$10,000 cut in the Fire Department. Finance Director, Sonny Rougeou stated that is due to an employee leaving and he was a higher paid fire fighter and it included his insurance which he was covering his family.

Council Member Jackie Campbell asked about the credits that were being given to Fire Departments. Fire Chief, Tom Harmon stated that they don't use money but credit that goes on their utilities when they attend drills and fires. If someone doesn't live inside the city limits they are given credit to use to purchase equipment.

The heavy equipment budget amount is \$10,000 because the Fire Department is looking at doing some repairs and upgrades to a truck that was purchased last year.

Council Member Jackie Campbell asked about the cost of the telephone lines, it is high. Council Member Jackie Campbell asked about Main Street the amount of money put in a line item which was explained to her was the other half of the amount for the sign repairs.

Council Member Jackie Campbell asked Code Enforcement he used \$6.95 in small tools and now he has \$1,000 is for a metal detector that Ryan is requesting to located survey pins.

Council Member Lee Rust stated that he was just concerned about seeing something as important as the Fire Department seeing a decrease in their funds. Council Member Lee Rust asked about the \$41,000 and asked if that was for the skid steer.

Council Member Lee Rust asked Sonny if he could show the number of employees that were in the different departments and salaries.

Council Member Jackie Campbell asked about \$3,000 proposal for street department when he only used about \$11.23 last year. Sonny stated that it's because he is wanting to replace/repair some damages that was caused by a wind storm we had last year.

Question was asked the \$325,000 that was put in the budget last year for repairs to City Hall, Mark stated that he still would like to do the repairs but if it comes between doing upgrades to City Hall or upgrades to electrical he will do the electrical.

Council Member CJ Watts asked now that we were done going through the budget what were we going to do?

City Manager, Mark Mayo, stated that he was going to finish a couple of proposals and bring back to the Council about 3 different proposals on salaries, fee and rates.

Council Member CJ Watts stated that the City of Luling is a business and it needs to be run as a business and she thinks it is being run as a business but we need to take care of our employees that run the wheels of the business and if we don't take care of our employees the wheels don't turn very well and they have got to turn. She stated that we are behind the curve and we need to get better at what we are doing, she knows it takes money to do that but we need to do something.

City Manager, Mark Mayo stated the other cities have more ad valorem and sales tax than the City of Luling. Mark Mayo stated that we have some hard decisions to make, for the last couple of years they have put a lot of money in infrastructure.

Mark stated that he would be working on some proposals and try to get them to the Council if possible before the next budget hearing.

3. Adjourn

There was no other business and the meeting was adjourned.

Approved: _____

Mike Hendricks, Mayor
City of Luling

Martha C. Velasquez
City Secretary