

§STATE OF TEXAS
§CALDWELL COUNTY
§CITY OF LULING

THE CITY COUNCIL OF THE CITY OF LULING, MET IN BUDGET WORKSHOP SESSIONS ON WEDNESDAY, FEBRUARY 24, 2021 AT 4:00 P.M. IN CITY HALL, 509 EAST CROCKETT STREET.

The following members were present:

Mike Hendricks	Mayor
Jackie Campbell	Council Member
Melanie Doyle	Council Member
Wayne Tresner	Council Member
Raymond McGlothlin	Council Member
C. J. Watts	Council Member

Staff Members present:

Mark Mayo	City Manager
Martha Velasquez	City Secretary
James Rougeou	Finance Director
William Sala	Police Chief
Liz Mundine	Asst. Fin Director
Bonnie Townsend	Municipal Judge

1. Call Meeting to Order.

Mayor Hendricks called the meeting to order and welcomed everyone.

2. Budget Work Session on the 2021/2022 Proposed Budget.

Mayor Hendricks stated that there were several loose ends that we haven't decided on and we are going to work through some of them today.

Finance Director, Sonny Rougeou, stated that the on the second page, are some of things that we discussed last week and we were all in consensus of making all these cuts in the budget. Overall the General fund had an increase in the surplus of \$8,000 it brought the projected surplus as adjusted to those changes to \$92, 733.00. In the Utility Fund we cut expenditures by \$377,000 overall with the previous projected deficit we dropped that deficit from \$819,000 to \$442,000. Sonny stated that he thinks this is doable in this Fund, its one that has the cash and resources to produce the income with the Utility sales. Sonny stated that those items have been detailed for the Council to see. Sonny stated that the Council had discussed salaries and at the last budget hearing when we discussed salaries we did not have a consensus of this information so he has put

in what we have done in the previous couple of years, which is a COLA increase. They have put in a couple of different scenarios. Sonny stated that we have always gone with scenario A which is \$1,000 raise to salary employees and \$800 to hourly employees. The idea is that it brings up the lower paid employees and they get more of a raise than the upper end of employees. (which is about a 2.08 % increase) and scenario B is \$850 raise to all employees (which is about a 2.09% increase). In the General Fund if we go with Scenario A the projected surplus would decrease \$19,530 and if we go with Scenario B the projected surplus would decrease by \$18,844. On the Utility Fund it would increase the deficit from \$442,000 to \$463,685 with scenario A and if we

went with scenario B it would increase the deficit from \$442,000 to \$463,571. Sonny stated that both scenarios are pretty close. Sonny stated that there were salary increases that were proposed by department heads and you have those, and Sonny stated that instead of going through each individual and saying yes or no that in our personnel policy there is a section 6.08 for performance evaluation and merit raises where Council can set aside funding to a department like non-departmental for those pay increases and authorize the City Manager to distribute those to various departments once the budget is adopted.

Mayor Hendricks stated that they have been going over this for the last couple of hours as to how to handle the raises that department heads requested. He stated that he didn't know if we wanted to go through and say yes to this one and no to this other one, and that this way with setting funds aside that City Manager with the department heads can go decide and if they feel they desire the merit raise then they would make that decision.

Council Member Jackie Campbell asked why we would set aside funding for merit raises this year if we don't have any money? (department heads have asked for merit raises for some employees and departments)

There was discussion about when the last time raises were given and if they were given due to merit or just cost of living raise. Sonny stated that there have been times when no cost of living was given but that there had been a cost of living the last two years and they had gone with scenario A. It was mentioned that if a merit raise is given then they would not get a cost of living raise. It would be one or another not both.

Council Member CJ Watts stated that she believes that when people are excelling and going above and beyond their work they should be rewarded, if not we are going to lose employees and have to start training new ones.

Mayor Hendricks and all the Council agreed that if people are excelling they should be rewarded and given a raise. The question now is do we want to go through the individuals and name each one that is requesting a merit raise or leave it to the City Manager and supervisors?

City Manager, Mark Mayo stated that we could call another meeting and he would get a number that they would put aside for funding the merit raises.

Mark Mayo, City Manager, stated that he knows that everyone is concerned about electric bills and he has been in contact with LCRA and we are not going to see an increase at this time on our fuel charge. We may see an increase later on but not at this time. Our electric rates are the same as Blue Bonnet Coop and lower than some of the areas around us. Our water rates are lower than our surrounding cities so we need to look at bumping up the rates a little.

Council Member, CJ Watts recommended that we have our meeting on Monday, March 8th at 4 p.m. All the Council agreed with coming back to meet on Monday, March 8th at 4 p.m.

Sonny Rougeou apologized to the Council for not giving them the budget sooner but with the City basically being closed last week and then coming back and dealing with emergencies this week. Sonny stated that Liz and he worked on the paperwork for the purchase of the equipment with BT&T and getting all the paperwork to them.

Council Member CJ Watts asked about the remodeling of City Hall. Sonny stated that he had spoken to BT&T and they stated since the remodeling is real property there are a lot of requirements that they will need. Liz Mundine came up with an idea about keeping it local and borrow money from LEDC and repay them at an interest rate comparable to what BT&T would give us. Council Member CJ Watts stated that she liked that idea.

Liz stated that it would take time to get drawing and put out for bids so we are looking at about \$500,000. Liz stated that with the price of lumber and steel we may be waiting for a bit.

3. Adjourn

There was no other business at this time and the meeting was adjourned.

Approved: _____

Mike Hendricks, Mayor
City of Luling

Martha C. Velasquez
City Secretary