

§STATE OF TEXAS
§CALDWELL COUNTY
§CITY OF LULING

**THE CITY COUNCIL OF THE CITY OF LULING, MET IN A BUDGET WORKSHOP ON
TUESDAY, FEBRUARY 9, 2021 AT 4:30 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. Finance Director
Pablo Reyes	Parks director
Buddy Pearson	Electric Departments
Bonnie Townsend	Municipal Judge

1. Call Meeting to Order.

Mayor Hendricks called the meeting to order.

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

Mark stated that we have spoken and met with our department heads, and have told them to bring us their need list not a wish list. We did receive some wish list and sent them back for them to regroup on some of the items. Mark stated that Council knows that we have been keeping a close watch on the budget. There are things that different departments do need and if possible we have told them to go ahead and purchase them this year. Like the Police Department we approved the Chief to go ahead and purchase a new vehicle for his department.

Liz Mundine stated that the department heads have been doing a really good job of holding the line on their spending during these uncertain times of the pandemic.

She stated that they went over the routine expenditures and they went over some of the things that departments need example equipment and/or additional employees.

Liz stated that on the first page of each fund they wrote the total amount of dollars needed to support that fund. In the General Fund the projected surplus at this point in time is \$84,733 with salary and fringe benefits at this current time and Utility Fund is \$819,182 deficit.

CJ Watts wants to know what Sonny has come up with in the last couple of days. Sonny stated that in the General Fund the revenue, in the transfer in from the Utility Fund we have \$2,375,000 it was originally budgeted at \$2.1 million and if we did the renovations to City Hall that we estimate will cost about \$350,000

that we use extra \$275,000 transfer in because the whole expenditure is going to be in the general fund but obviously utility fund, the revenue collections housed in here. A lot of the renovations are due to safety reason and ADA accommodations. Sonny stated that we could borrow the money for the renovations at a low rate and this would help the Utility Fund by \$275,000 and General Fund by \$350,000. This helps with the deficits.

Sonny Rougeou stated that he is going to amend and bring the General Fund Policy to the City Council because the Auditors stated that we had dipped low in the fund but we adopted this policy in 2011 and at the time we did not have EMS on our budget.

Sonny stated that on the Police Department we are proposing to purchase another vehicle and he had added to the vehicle maintenance but with two new vehicles he can lower the vehicle maintenance from \$20,000 to \$15,000.

There is a Capital Layout for the Fire Department, and that is for a new firehose.

EMS budget under billing collection that has declined quite a bit but they have negotiated a reduction on their rates. Under the vehicle maintenance they can reduce by \$5,000 because we have two new vehicles.

Code Enforcement one of the vehicles that Bill was driving was going to be turned over to code enforcement. We thought about selling it or trading it for a small pickup because they do not need a big Tahoe to drive around looking at tall grass.

Street Department we have seal coating down for \$100,000 and we are going to try to seal coat as much as we can with this amount.

We could lower the price of Legal fees to \$20,000, this year the fees were high because there were a lot of contracts that needed to be reviewed before approved. (Texas Disposal, Sensus, Cintas)

Sonny stated that if we reduce our General Fund Policy our minimum General Fund amount we could possibly save even more money to help out the Utility Fund.

Wholesale power purchase amount, this year our cost has been cost to what we receive has been about 50%, we had 2 months in the summer where we received a refund 2 months. Sonny stated that he thinks we can save on this amount. Mark stated that he meets with LCRA Rates and Resources to go over some of fees.

Mark stated that he is going to look at water taps, water rates and sewer rates because we are lower than our surrounding areas. We may be looking at raising our rates a bit.

Sonny stated that they went up on pole replacement and distribution system maintenance. Sonny stated that we may be able to lower the amount of pole replacement because we have been getting reimbursement for the poles but the fees paying for the poles have been going into an account created for deferred income but this is something we are correcting and putting them back into the line item that they should have been going into.

Mark stated that he asked Representative Cloud about EDA grant to separate the school and hospital on a separate line.

Water Department we have \$230,000 for water meters. That is to replace within time all the meters around town.

Mark stated he wants to change the extension policy allowing only 2 extensions per year versus allowing an extension every month. Mark stated that he will be bringing that up to the council later this year.

Liz Mundine explained to the Council about the grants that are still outstanding and she explained how she was working on getting money to finish all the projects.

Sonny and Liz stated that there is an additional payroll sheet where supervisors asked for specific raises for their departments or a specific person or for themselves.

Liz Mundine stated that she took the same flat amounts for cost of living raises that were used last year.

Mark Mayo stated that he wishes he could give everyone a raise but unfortunately we cannot at this time. We have to be conservative with our funds,

Sonny Rougeou stated that we are all lucky that we still have a job, a lot of people lost their jobs during this pandemic,

We will meet again on Wednesday, February 24th.

3. Adjourn.

There was no other business and the meeting was adjourned.

Approved: _____

Mike Hendricks, Mayor
City of Luling

Martha C. Velasquez
City Secretary