

§STATE OF TEXAS
§CALDWELL COUNTY
§CITY OF LULING

THE CITY OF LULING CITY COUNCIL MET IN A BUDGET WORKSHOP ON MONDAY, MARCH 7, 2022 IMMEDIATELY FOLLOWING THE SPECIAL CALLED MEETING 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
Raymond McGlothlin	Council Member
C J Watts	Council Member

Council Member Marc Taylor was absent.

Staff Members present:

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

1. Call Meeting to Order.

Mayor Hendricks called the meeting to order and welcomed all the visitors.

Mayor Hendricks stated that since our other budget workshop somewhere privileged to get some emails and some of us others were not. The emails stated some assumptions of what we should do with the City of Luling and all these ideas and assumptions came from the first workshop we had. Mayor Hendricks stated that if anyone has any comments or something you want to add that is what the workshop is for and this is the time to speak up.

Council Member CJ Watts stated that she would like to comment on the two emails that the Council received. She stated that assuming that the person that send the emails is a citizen of the City of Luling, she feels that they should be able to address her city council member in their ward. Council Member CJ Watts stated that the first email they received was on the day of the first workshop before the workshop and the second email come in during the weekend. Council Member CJ Watts stated that she didn't know where the information came from but it had to come from our workshop, and to assume that we take money away from our top 10% of our work force is unacceptable. (Council Member CJ Watts stated that this is her personal opinion)

She stated to assume that our Water Supervisor does not supervise anyone, when he was hired he was supervising people. She stated that it infuriates her as she goes down this email how they slammed everyone in this room. She stated that it was mentioned that there are too many bosses and few officers in the Police Department, she stated that is how it is in all Police Departments.

They talked about our Finance Director; CJ stated that she has known this man for many years when he worked in the County. She stated that neither the County nor the City can afford a full time Finance Director, and then to assume that you can replace some of these head departments for less than what we are currently paying is not going to happen.

Council Member CJ Watts stated that for someone to have a lot of say on paper did not bother to show up to this workshop. CJ stated that she responded and thanked them and acknowledged receipt of the emails and told them when the next workshop was going to be and where it was going to take place, and they aren't here.

She mentioned that the email suggested paying City Manager less, she stated that she has been in these meeting where the City Manager has turned down raises and asked City Council member Ward 1 if she remembered that, to which Ward 1 acknowledge that he had turned down raises.

Council Member Watts stated that everyone had received the second email with the exception of Council Member Ward 2, to which they acknowledge they had received it. They stated that they might know where the letter originated but to assume that someone in the workshop had wrote it, they did not believe that.

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

Finance Director, Sonny Rougeou stated at the last workshop he mentioned that there were some items that had failed to include in the budget, he has added them to the budget along with the fact that the second round of COVID relief fund which should come in in August, we can use those funds for our water meter replacement, so that increased our revenue by about \$230,000. They also met with the LCRA engineer that is looking at our 5 year plan and instead of half million dollars the cost has dropped to \$200,000. It has reduced our deficit to \$685,235.00. Mark stated that the 5 years LCRA plan is \$300,000 for the next 5 years.

Mark stated that the survey that he passed out shows rates of what we charge for water and what our surrounding city charges and we are lower than the surrounding cities. Mark stated that this is only a proposal for the Council to look at; the base charge for water \$12.50 and if we did a 50% increase on base which is \$6.25 the total would be \$18.75. Mark stated that we have a total of 2173 customers inside the city limits; if we increase base by 50% that would generate \$13,581.25 per month if we increase base by 60% that would generate \$16,297 per month. If we did 50% base increase that would generate a increase of \$201,298.20 annually and if we did a 60% increase it would generate an increase of \$241,557.84 annually. Mark stated that we have about 156 customers that are outside of city limits and they are looking at adding a \$6.00 bump for living outside city limits along with the 50% increase of the base charge, He stated that they aren't paying city taxes but are receiving some of our services. The annual increase of the outside city limits is \$27,235.60 for 50 % increase and \$30,215 annual increase for 60% increase in revenue.

Mark stated that the base on sewer right now is \$13.50 and if they did a 45% increase that would be \$6.08 base increase which would total \$19.58 base. Total number of customers are 1671, and increase of about \$11,983 monthly and commercial \$5,111 residents \$7,024. If we go up we are still right there with other cities, comparable.

Mark stated that other cities are charging more but it varies from city to city. Mark stated that we can change sewer rates from average of 3 months to 70 to 75% of your water usage, instead of averaging.

City Manager, Mark Mayo stated that total water and sewer fees would increase by \$517,597.00 if we raised some of the charges as discussed, which helps on the deficit we have but we haven't even discussed raises yet. Mark stated that he wanted to get the Council's opinion on this and for them to think about it.

As far as salaries go, he passed out a survey from surrounding cities. He stated that he took the highest paying and lowest paying and took those numbers out. He took the second highest and the second lowest and averaged them. The column in pink is the City of Luling.

Mark stated that there are a lot of cities that are paying incentive pay to get people to come work for them, like a sign on bonus.

He stated that Municipal Judge, EMS Director and Main Street are the only ones that are not in the low category. Mark stated that for us to be in the competitive we need to be at the average price in a few years. What the government has put out for inflation cost of living raise is 5.75% is what is on the news. Mark stated that he has put a 5% and 10% scenario for the Council to look at and decide what they want to do or which direction they want to go.

Mark stated that if you look at the Police Department they have some that offer the sign on bonus. Council member CJ Watts stated that she has a problem with the sign on bonuses because you give something to the new people that sign on but what do you do for the ones that have been there, what are you doing for them?

Council Member Raymond McGlothlin stated that he believes we need to do a significant increase on salaries like maybe a 10% increase which is about \$571,000. He stated that some of the hourly need a little bit more raise in some of those areas but we need to give our salary employees a raise too. He stated that this year we are going to have to take a hit and make a pretty significant increase if we are ever going to catch up.

Council Member CJ Watts stated that 5% is 5% but with the way things are going these days that 5% is not much to consider, and we are still losing ground. She stated that she agrees with Council Member Raymond McGlothlin that we are going to have to give a considerable increase to catch up with surrounding areas or else we are going to continue to lose employees which you cannot fault them for leaving for more pay.

Council Member Jackie Campbell stated that she is looking at street workers and we are going to have to do a considerable percentage raise because they are at the low totem pole and 5% is not going to be enough.

Council Member Lee Rust stated that he would like to have in the spreadsheet how many people are in the different departments. He would like to know how many employees we have that are on the low in, \$29,000 a year.

Council Member CJ Watts asked about the rates for permits, water taps and other permits, Mark stated that raising some of other fees to be able to give our employees a raise.

Mayor Hendricks stated that he agreed with Council Member Ray that we have to make a significant move to gain even a little ground because we are going to lose what we lose now. We talk about Buc-ees paying \$19 and other surrounding cities making more.

Mayor Hendricks stated that it looks like all the Council agrees that we need to do a significant raise.

City Manger, Mark Mayo stated that he needs the direction from the Council on how they want to proceed with raising water and sewer base rates and increases.

He stated that approval for the budget was on the agenda for Thursday, but if the Council needed more time to look at the budget and give the staff time to get some numbers together that we could call a special meeting to adopt the budget. The budget needs to be approved before April 1, 2022.

Council agreed that having a special meeting would be better so that they wouldn't make a hasty decision and it would give them more time to review the numbers.

3. Adjourn

There was no other business and the meeting was adjourned at 4 p.m.

Approved: _____

Mike Hendricks, Mayor
City of Luling

Martha C. Velasquez
City Secretary