

§STATE OF TEXAS
§CALDWELL COUNTY
§CITY OF LULING

THE CITY OF LULING CITY COUNCIL MET IN NUDGET WORKSHOP ON THURSDAY MARCH 23, 2023 AT 5:00P.M. AT CITY HALL COUNCIL CHAMBERS LOCATED AT 509 E. CROCKETT STREET, LULING, TEXAS.

The following members: present:

| | |
|---------------------------|-----------------------|
| C J Watts | Mayor |
| Jackie Campbell | Council Member |
| Lee Rust | Council Member |
| Marc Taylor | Council Member |
| Raymond McGlothlin | Council Member |
| John Wells | Council Member |

Staff Members present:

| | |
|----------------------------|-------------------------|
| Mark Mayo | City Manager |
| Martha C. Velasquez | City Secretary |
| James Rougeou | Finance Director |
| William Sala | Police Chief |

1. Call Meeting to Order.

Mayor Watts called the meeting to order and welcomed everyone present.

2. Budget Work Session on the 2023/2024 Proposed Budget.

City Manager, Mark Mayo stated that they had talked about defunded some jobs, and they did defund those positions.

Sonny Rougeou, Finance Director stated that he broke down the salaries and benefits and he did that without the unfunded positions. Sonny stated that we had 4 police officers and 1 dispatch. Fire Department we had the director and 3 firemen, EMS has 3 positions, Street department had 1 position, Parks had 1 position, Electric had one supervisor, one lineman and one apprentice and the Sewer department had 1 position open. There was like 18 positions that have not been filled. Sonny stated that out of those unfunded positions are two police officers; one was a fireman, 2 EMS positions and one electric lineman. The total of those positions according to their salaries equal \$259,255 and that has been incorporated into the salaries and fringe benefits. Sonny stated that he has fixed up the new proposition and adjusted our TMRS. The total between both funds for salaries and benefits is \$6,227,400.

The summary of the General and Utility Funds which includes the fee increases in the revenue estimate but it does not include the one time fees, like the one time sale of the property to the County for the evacuation center, that is roughly \$750,000 or more if they take more acreage, that's not included so when we worked it through, the total deficient for General Fund is \$2,073,355 surplus of the Utility Fund is \$2,275,966 for an overall total surplus of \$202,611.

This past year we transferred from the utility to general fund \$1.8million, Sonny stated that the Council would decide what should be transferred from the utility fund to the general fund this year.

We are certainly in the accordance to our policy for the minimum General fund balance.

Mark stated that the one-time \$874,000 sales include the sale of the property to the County for the evacuation center, the sale of the property to Xbow. The contract that EDC made with Xbow that their payments are differed for the first 3 years and then it's a 5 year pay off. Mark says that we put this money off and not put our EDC in a bind and wait till they start receiving money from Xbow.

Another thing that we spoke about was the additional money from Buc-ees. Mark stated that for a period we will be receiving 100% of the money

Mark stated that we are sitting at about a \$200,000 surplus not a deficient that is based on us approving the rates and fees. That is not including any cost of living raises or anything. Sonny stated that we have moved money from the first copy of the budget, like the election cost, EMS drug price rise and the new lease vehicles for PD that we are leasing we are adding the lights, radios and outfitting them for PD.

Mark Mayo went over the salary spreadsheet that he had provided the Council and explained that he took the highest and lowest rates and did away with them and then took the second highest and second lowest and averaged them to show where that position should be salary wise.

Council Member McGlothlin stated that it looks like a lot of our employees are still low. Mark stated that by bumping up the 10% cost of living raise we caught up on some of the raises but there are still a lot of employees that are low.

Council Member John Wells asked if the \$202,000 surplus was what we could use for the raises. Council Member John Wells stated that we give a 3% raise across the board and then come by mid-year and try to catch up on some of the pay for some of the employees.

Council Member Lee Rust stated to look at the employees that are under the base making less than \$40,000 and trying to get them a 10% raise.

City Manager asked if Council was looking at using the \$202,000 surplus and work with that money to raise the employee making less to bring their salary up close to \$40,000.

Council Member John Wells stated that he was concerned with the time running close to the end of the month and the proposed budget needing to be adopted before the end of month, so he is suggesting that we adopt the budget with the contingency to come back and do a mid-year review at salaries.

Mayor Watts suggested that we come back next week and look at see where we are, if Sonny and Mark can work up some numbers.

City Manager states that the numbers that are in the proposed budget includes the salary increases.

Council Member Lee Rust stated that he doesn't have a problem with the rates increase just as long as he is assured that we will be taking care of our employees. He stated that he understands that we are potentially losing the 2% discount that a lot of residents are used to due to the new system we are going to move forward with does not handle the discount, and being able to pay on line.

Mayor Watts stated that there was some concerns with the base rates going up and that we were not the only ones going up she stated that Austin Energy is going up on the base too. Austin had not gone up on their base charge in 10 years. They are going from \$10 to \$13 and then November from \$13 to \$14 and then next year November they are going from \$14 to \$15,

Council Member Jackie Campbell stated that that is a \$3 and \$5 increase but we are talking about going up a whole lot more in our rates and that Austin has a lot more money than Luling.

City Manager Mark stated that a lot of the cities around us are looking at going up on their base charges. He stated that the City of Luling had not gone up on their base rate since 1963. Council Member John Wells stated that the City of Luling has to quit absorbing the cost we cannot do it any longer.

Mayor Watts stated that they could do another budget workshop on Tuesday, the 28th at 5 p.m. and then have a Special meeting at 5 p.m. on May 30th.

3. **Adjourn**

Council member Jackie Campbell made a motion seconded by Council Member John Wells to adjourn at 5:52 p.m.

Approved: _____

Martha C. Velasquez
City Secretary

C J Watts. Mayor
City of Luling, Texas