

**LOCKHART CITY COUNCIL
SPECIAL MEETING AND
BUDGET WORKSHOP**

JULY 30, 2009

7:00 P.M.

Council present:

Councilmember Paul Gomez
Councilmember Lew White
Councilmember Richard Banks

Mayor James Bertram
Councilmember Kenny Roland
Councilmember Richard Wieland

Council absent:

Mayor Pro-Tem Frank Estrada

Staff present:

Vance Rodgers, City Manager
Jeff Hinson, Finance Director
Raymond DeLeon, Water/Wastewater Super.

Connie Ortiz, City Secretary
M.L. Richards, Electric Superintendent
Emma Rocha, Customer Service Manager

Citizens/Visitors Addressing the Council: John Smith of the Guadalupe-Blanco River Authority.

ITEM 1. CALL TO ORDER.

Mayor James Bertram called the special meeting/budget workshop to order on this date at 7:01 p.m.

ITEM 2. CITIZENS/VISITORS COMMENTS.

Mayor Bertram requested citizens to address the Council. There were none.

**ITEM 3-A. DISCUSSION/ACTION: PRESENTATION AND CONSIDER APPROVAL OF THE
GUADALUPE-BLANCO RIVER AUTHORITY (GBRA) PROPOSED LOCKHART WATER
AND WASTEWATER TREATMENT PLANT BUDGETS AND LULING WATER
TREATMENT PLANT BUDGET FOR FISCAL YEAR 2009-2010.**

Mr. Rodgers stated that representatives, including John Smith from the Guadalupe-Blanco River Authority (GBRA), were present to provide details about their budgets.

Darrel Ball and Jason Eeds were also present to answer questions.

WASTEWATER

John Smith of GBRA provided information about the following:

- Accomplishments to improve and maintain water and wastewater services in Lockhart.
- Total budget and fees assessed to Lockhart.
- Wastewater treatment plant maintenance.
- Costs associated with improving the efficiency of the wastewater plant.
- Goal is to improve the efficiency of the wastewater treatment plant.
- Increased fees to conduct required inspections through the Texas Commission of Environmental Quality.

WATER

John Smith of GBRA providing information about the following:

- Total budget and fees assessed to Lockhart.
- Maintenance to water wells.
- Costs associated with raw water line replacement and how the City Water and Street Department employees have worked hard to replace a water main to save the City money.

Mr. Rodgers stated that the Texas Commission of Environmental Quality informed him that they have inspected several water and wastewater treatment plants managed through GBRA and provided a very favorable report on their plants, including the Lockhart plants.

ITEM 3-B. DISCUSSION/ACTION: PRESENTATION AND WORKSHOP REGARDING THE FISCAL YEAR 2009-2010 PROPOSED BUDGET AND TAX RATE.

Mayor Bertram requested information regarding the following topics:

ELECTRIC BILLING

Ms. Rocha provided information and there was discussion regarding the following:

- Upgrade in utility billing software that would allow electrical and water meters to be read from the office. These costs will be paid for out of the Texas Wise funds.
- Upgrade for computers/laptops that would be paid through the TexasWise funds.
- Discussion regarding the salaries of the employees in the electric billing department.
- Discussion regarding the uniform budget.

ELECTRICAL DISTRIBUTION

Mr. Richards provided information and there was discussion regarding the following:

- Funds allocated for tree trimming around power lines; cutting out \$ 10,000 of the proposed increase.
- Discussion regarding researching products and ways that citizens could possibly utilize to save on their power consumption.
- Purchase of new meters.
- No capital outlay purchases requested.

WATER DISTRIBUTION

Mr. DeLeon provided information and there was discussion regarding the following:

- Funds budgeted for water line replacement projects.

WASTEWATER COLLECTION

Mr. DeLeon provided information and there was discussion regarding the following:

- Funds budgeted for sewer line replacement projects.
- Discussion regarding the capital outlay budget.

There was discussion regarding the process to obtain water from the Luling Water Treatment Plant.

SOLID WASTE/HAND COLLECTIONS

Mr. Rodgers provided information and there was discussion regarding the following:

- Increase due to employee insurance.
- Discussion regarding good customer service.

RECYCLING

Mr. Rodgers providing information and there was discussion regarding the following:

- New baler was purchased during the current budget and the old baler was sold through an auction of which funds were deposited back into the general fund; not sure how the curbside recycling will affect operations at this point.
- Discussion regarding the condition of the building.

LANDFILL

Mr. Rodgers provided information and there was discussion regarding the following:

- Purchase of a new stump grinder that is used to provide free mulch to citizens.
- Discussion regarding the security at the landfill.

AIRPORT

Mr. Rodgers provided information and there was discussion regarding the following:

- Hangar rentals.
- Decrease in fuel costs.
- Discussion regarding the collection process for the t-hangar and clear span rentals.

TAX RATE

Mr. Hinson provided information regarding the tax rate and there was discussion regarding the following:

- Preliminary property tax rate and levy calculation.
- Tax rate assumptions with hotel tax contribution tax issued to entities.
- Tax rate assumptions without hotel tax contribution issued to entities and kept as part of the revenue.
- Tax rate assumptions with hotel tax contribution and excess funds.
- Comparison of hotel/motel occupancy tax funds that have been distributed for the past several years.
- Funding scenarios of proposed capital projects and purchases.

Discussion regarding the hotel/motel tax allocations.

There was discussion regarding a proposed tax rate.

CONSENSUS: After discussion, the Council determined that the initial \$40,000 collected in the hotel/motel tax remains with the City to pay the debt and that the remaining hotel/motel tax funds are distributed evenly amongst the entities.

There was discussion regarding the following:

- Put tax revenue from the cemetery in the general fund or revenue and the expense in a special fund.
- Include \$40,000 of hotel/motel tax funds.
- Set tax rate at the effective tax rate of \$0.6904 pending final word from the Caldwell County Appraisal District about the appraised values.

Councilmember Richard Banks made a consensus motion for staff to apply effective tax rate of \$0.6904, \$40,000 from hotel/motel tax and apply \$.0244 cents cemetery tax and the unencumbered debt service funds up to \$70,000. Councilmember Lew White seconded. There was further discussion. The consensus motion carried by a vote of 5-1, with Councilmember Roland opposing.

ITEM 3-C. DISCUSSION AND/OR ACTION REGARDING TENTATIVE BUDGET AND TAX RATE ADOPTION CALENDAR.

Mr. Rodgers thanked Council for their time and for working with staff. He reminded the Council that staff continues to examine the revenues and expenses proposed and that with each additional monthly posting the data would help to provide more accurate budget projections information.

ITEM 4. ADJOURNMENT.

Councilmember Wieland made a motion to adjourn the meeting. Councilmember Roland seconded. The motion carried by a vote of 6-0. The meeting was adjourned at 8:55 p.m.

PASSED and APPROVED this the 18th day of August, 2009.

CITY OF LOCKHART

James Bertram, Mayor

ATTEST:

Connie Ortiz, TRMC, City Secretary