

**MINUTES OF THE SPECIAL CALLED BUDGET RETREAT MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS HELD ON 25<sup>th</sup> OF JUNE, 2018**

On the 25<sup>th</sup> day of June, 2018 the City Council of the City of Lufkin, Texas convened in a Special Called Budget Retreat at Kurth Lake Lodge with the following members, thereof to wit:

Bob F. Brown	Mayor
Mark Hicks	Mayor Pro Tem
Guessippina Bonner	Councilmember, Ward No. 1
Robert Shankle	Councilmember, Ward No. 2
Lynn Torres	Councilmember, Ward No. 3
Rocky Thigpen	Councilmember, Ward No. 5
Sarah Murray	Councilmember, Ward No. 6
Keith Wright	City Manager
Bruce Green	Deputy City Manager/City Attorney
Kara Andrepont	City Secretary
Jason Arnold	Assistant City Manager
Rodney Ivy	Human Resource Director
Gerald Williamson	Director of Public Safety
Kevin Gee	Director of Engineering Services
Belinda Southern	Finance Director
Sid Munlin	IT Director
Bob Samford	Economic Development Director
Brant Lee	Convention Services Director

being present when the following business was transacted.

1. The meeting was opened with prayer by City Manager Keith Wright
2. Mayor Bob F. Brown welcomed Staff and the City Council.
3. **PRESENTATION AND DISCUSSION OF THE 2018-2019 ANNUAL BUDGET**

City Manager Wright presented information regarding the current budget year and projections for the 2019 Annual Budget. City Manager Wright reviewed current revenue projections and steps to be taken to correct negative revenue accounts and stated that revenue should be much improved by the end of the year. City Manager Wright then highlighted next year's budget projections including both revenue and expenditures. City Manager Wright also reviewed revenue and expenditures for Economic Development. Councilmember Guessippina Bonner requested copies of information regarding employee statistics for those companies receiving job incentive payments. City Manager Wright stated that Assistant City Manager Jason Arnold would detail the City's new financial projection program, Whitebirch. Assistant City Manager Arnold detailed the functions of the program through a power point presentation. Deputy City Manager Bruce Green added that the program allowed for data driven decisions which would be of assistance to both Staff and Council when making budget decisions.

4. **PRESENTATION AND DISCUSSION REGARDING 2018-2019 ANNUAL BUDGET SIGNIFICANT CHANGES**

City Manager Wright stated that a three percent (3%) increase for all general fund employees was included in the 2018-2019 Annual Budget. City Manager Wright stated that as a result of a salary survey conducted in the Police Department, there were also increases for patrol and administration positions in the Department. Deputy City Manager Green stated this increase would bring the Department's pay scale in line with surrounding and similar sized cities. City Manager Wright explained the remainder of the changes which included rescinding the payment for Angelina County Jail Services and credit card fee use charges. City Manager Wright also detailed projects and purchases to be funded out of Fund 348 and Fund 380.

**5. PRESENTATION AND DISCUSSION CITY OF LUFKIN ADMINISTRATIVE CHANGES**

Deputy City Manager Green reviewed the changes that have been made to increase efficiency within the City. Deputy City Manager Green stated that more decisions were being driven by data and information which allowed for better resolutions. Deputy City Manager Green furthered that this process began during the end of 2017 and the changes that had been made in several departments were very positive. Deputy City Manager Green continued that a full review of all City departments had been conducted from a legal, leadership competence and effective/efficiency standpoint. Deputy City Manager Green then reviewed the structure of the Administrative team and their respective duties. Discussion ensued regarding the interaction of employees of Inspection Services, now Engineering Services, with the contractors and citizens. Deputy City Manager Green highlighted the remainder of changes that included the creation of new departments, promotions and new procedures. Deputy City Manager Green also stated that an in depth review of Fire and EMS services was currently underway. Deputy City Manager Green concluded by reviewing the new City of Lufkin organizational chart.

**6. PRESENTATION AND DISCUSSION OF CITY OF LUFKIN WATER AND SEWER RATE STUDY**

City Manager Wright presented information regarding the history of water and sewer rate studies that had been conducted in the City of Lufkin. City Manager Wright continued that it had been well over five years since the previous study and Staff proposed that a new study be conducted in order to review rates and provide data for the renewal of current water contracts that are in place. City Manager Wright concluded that the cost of this study had been included in the 2018-2019 proposed annual budget.

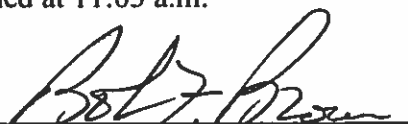
**7. PRESENTATION AND DISCUSSION REGARDING HOTEL/MOTEL TAX**

Deputy City Manager Green gave the history regarding the collection and use of Hotel/Motel Tax Funds. Deputy City Manager Green continued that recent legislature now requires cities to implement strict accounting and reporting records, which if not complied with, could result in the loss of these funds. Deputy City Manager Green furthered that historically, the City Council has managed this funding, but Staff recommended that the City Council create a Hotel Motel Tax Fund or HOT Board that would make recommendations regarding funding disbursements. Deputy City Manager Green detailed legitimate revenue uses and gave nine categories for the expenditure of hotel occupancy tax revenue. City Manager Wright explained the proposed application process and stated that this process would be "soft" started this upcoming January with full implementation to begin in 2020. Discussion ensued regarding the requirements to receive funding, application process and disbursement schedules. Councilmember Rocky Thigpen requested that entities that currently receive funding be informed of the new process in person and not through a mailed letter. There were no further questions.

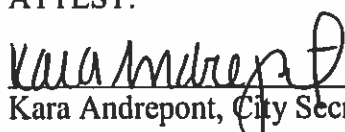
**8. PRESENTATION AND DISCUSSION REGARDING THE PINES THEATER RENTAL RATES**

Convention Services Director Brant Lee presented information regarding the current rates being charged for the use of The Pines Theater as well as comparison rate information of similar venues. Director Lee then reviewed proposed rates and revenue projections should the proposed rate increases be adopted. Discussion ensued regarding the rates and use of the theater.

9. There being no further business, the meeting adjourned at 11:05 a.m.

  
Bob F. Brown, Mayor

ATTEST:

  
Kara Andrepont, City Secretary

