

**SPECIAL MEETING
BUDGET WORKSHOP
LOCKHART CITY COUNCIL**

JUNE 12, 2025

6:30 P.M.

CLARK LIBRARY ANNEX-COUNCIL CHAMBERS, 217 SOUTH MAIN STREET, 3RD FLOOR, LOCKHART, TEXAS

Council present:

Councilmember John Castillo
Councilmember Juan Mendoza
Councilmember Jeffry Michelson

Mayor Lew White
Councilmember Brad Westmoreland
Councilmember John Lairsen
Mayor Pro-Tem Angie Gonzales-Sanchez

Staff present:

Steve Lewis, City Manager
Julie Bowermon, City Secretary
Bob Leos, Electric Superintendent
Megan Davilla, Utility Billing Supervisor

Joseph Resendez, Assistant City Manager
Sean Kelley, Public Works Director
Keeli Michna, Finance Director

Citizens/Visitors Addressing the Council: None.

ITEM 1. CALL TO ORDER,

Mayor Lew White called the meeting to order at 6:30 p.m.

ITEM 2-A. PRESENTATION AND DISCUSSION OF THE CITY MANAGER'S WORKING BUDGET FOR FISCAL YEAR 2025-2026, INCLUDING BUT NOT LIMITED TO, CITY UTILITIES AND SPECIAL FUNDS.

Mr. Resendez provided information and there was discussion about the following:

ELECTRIC RATES

- Working with an outside rate consultant to conduct the city's first formal cost of service study for the electric utility
- Last update in October 2018
- Current step = data collection
- Study complete in fall 2025

WATER & WASTEWATER RATES

- Cost of service study by outside rate consultant (Raftelis) completed in August 2021
- Financial plan update recommendations adopted by ordinance in September 2024
- Rate adjustment effective 2nd bill of November 2025

UTILITY FINANCIAL PLAN

- Water 2-year financial plan revenue adjustments
 - Recommended water revenue adjustments
 - FY 2025 – 35% increase, effective November 2025
 - FY 2026 – 20 % increase, effective November 2026
 - Residential customer monthly bill impacts
- Residential customer sewer monthly bill impacts (+ 3%)
- Residential customer water/wastewater monthly bill impacts (combined)
- Peer utility survey

SOLID WASTE

- RFQ waste and recycling procurement consulting services
 - Timeline (tentative)
 - June 2025 publication
 - July 2025 selection
 - June 2026 = CTR contract expiration

AIRPORT

- No significant changes
- Bids to install fencing and consider seeking grant funds from Texas Department of Transportation

ADDITIONAL FUNDING REQUESTS

- Utility
 - One new full-time employee - Meter Reader Lead
 - Replacement of folding machine
- Electric Distribution
 - Leveling of residential pad mount transformers for preventative maintenance
 - Infrared scanning for Lockhart area to identify hotspots for repair
 - Commercial electric meter testing for proper billing
 - Hydro excavator (1/3 split)
- Water Distribution
 - Hydro excavator (1/3 split)
- Wastewater
 - Hydro excavator (1/3 split)

LOCKHART ECONOMIC DEVELOPMENT CORPORATION BUDGET (LEDC)

- Strategic Objectives
 - Goal #1: Business Development
 - Goal #2: Business Retention and Expansion
 - Goal #3: Workforce Development
 - Goal #4: Infrastructure and Asset Development
 - Goal #5: Downtown and Small Business Development
 - Goal #6: Tourism and Community Branding
 - Goal #7: Organizational Excellence
- Tourism – Current affairs
 - Possible locations
 - Transition plan
 - Asset and Contract Transfer
 - Secure location for the visitor center facility
 - Obtain rights to logos, website domains, social media, and printed materials
 - Update insurance policies and liability coverage under the city's name
 - Governance and Compliance
 - Draft city ordinances/resolutions to formalize the tourism division
 - Align operations with procurement, risk management, ADA, and public records laws
 - Establish intellectual property protections and data retention protocols
 - Stakeholder Legal Coordination

- Execute interlocal agreements or MOUs with existing operators (e.g., Chamber, EDC)
 - Coordinate with legal counsel on risk, employment, and property matters
 - Ensure transparency and legal clarity for the community and partners
- LEDC budget
 - Tourism budget

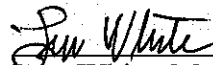
Mr. Lewis stated that non-profit organizations will make their presentations to request funding at the next Council meeting.

ITEM 3. ADJOURNMENT

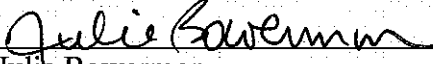
Mayor Pro-Tem Sanchez made a motion to adjourn the meeting. Councilmember Mendoza seconded. The motion passed by a vote of 7-0. The meeting was adjourned at 8:00 p.m.

PASSED and APPROVED this the 16th day of June, 2026.

CITY OF LOCKHART


Lew White, Mayor

ATTEST:


Julie Bowermon
City Secretary

