PUBLIC NOTICE

AGENDA

LOCKHART CITY COUNCIL

March 15, 2022

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

6:30 P.M. WORK SESSION (No Action)

Work session will be held to receive briefings and to initially discuss all items contained on the Agenda posted for 7:30 p.m. Generally, this work session is to simplify issues as it relates to the agenda items. No vote will be taken on any issues discussed or reviewed during the work session.

DISCUSSION ONLY

A. Presentation of the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2020-2021 Annual Comprehensive Financial Report (annual financial audit) by BrooksWatson & Company, PLLC., an independent public accounting firm. 6-220

B. Discuss Resolution 2022-19 of the City Council of the City of Lockhart, Texas amending its schedule of permit fees in order to include specific fees applied when a project is outsourced by the City to a third-party company; keeping other fees in the schedule the same; and providing for an effective date. 221-225

C. Discussion to consider in-kind support and approval of Courthouse Nights Event to be held Downtown every 3rd Friday from April to October 2022. 226-238

D. Discuss minutes of the March 1, 2022 Council meeting. 239-247

E. Discuss a short term use agreement extension with the Lockhart Youth Soccer Association (LYSA) for the use of the Cpl. Jason K. LaFleur Soccer Complex and defining maintenance responsibilities of LYSA and the City of Lockhart and appointing the Mayor to sign the agreement if approved by Council. 248-260

F. Discuss bid proposal by The Interlocal Purchasing System (TIPS) cooperative purchasing with PMR Contractors in the amount of $64,633.25 for the replacement of the Senior Center roof located at 901 Bois D' Arc Street and appointing the City Manager to sign the proposal, if approved by Council. 261-265

G. Discuss the preliminary Budget and Tax Calendar for Fiscal Year 2022--2023. 266-267

H. Discuss Resolution 2022-17 for an economic development performance agreement with Caldwell County Farm Bureau for a BIG Grant. 268-304

I. Discuss Resolution 2022-18 for an economic development performance agreement with Good Things Lockhart, LLC for a BIG Grant. 305-314

J. Discuss Resolution 2022-16 to accept a $1.68 million grant from the U.S. Economic Development Administration for wastewater improvements within the City of Lockhart; providing $420,000 in matching funds; and providing an effective date. 315-318

K. Discussion regarding a property sale agreement for 11.82 acres in Lockhart Industrial Park III with Titan Development. 319-363

L. Continue discussion regarding application ZC-22-06 by Curtis Thigpen of Paravel Capital for a **Zoning Change** from *RMD Residential Medium Density District* to *RHD Residential High Density District* for 19.906 acres in the Cornelius Crenshaw Survey, Abstract No. 68, located in the 1900 block of North Cesar Chavez Parkway - Northbound (SH 130). *TABLED at the February 15 meeting. Proposed to be TABLED again to the June 7th meeting due to not yet having a final recommendation from the Planning and Zoning Commission.* 364-375

M. Discuss Ordinance 2022-14 adopting a code of ethics and anti-discrimination policy for city council members, city board/commission members, and employees. 376-387

N. Discussion regarding the nomination of Daniel Koehler to the Airport Advisory Board by Councilmember Derrick David Bryant for a term to expire in November 2022. 388-391

O. Discussion regarding matters related to COVID-19.

392-411

7:30 P.M. REGULAR MEETING

1. CALL TO ORDER

Mayor Lew White

2. INVOCATION, PLEDGE OF ALLEGIANCE

Invocation. Pledge of Allegiance to the United States and Texas flags.

3. PUBLIC COMMENT

The purpose of this item is to allow the public an opportunity to address the City Council on issues that are or are not on the agenda. No discussion can be carried out on the citizen/visitor comment about items not on the agenda. Comments are limited to three minutes per speaker.

4. **PUBLIC HEARING/COUNCIL ACTION**

A. Hold public hearing to receive comments on the proposed Illustrative Plan for redistricting the City Council districts. 412-423

The City Council may go into executive session pursuant to Texas Government Code, Section 551.071 to receive advice from legal counsel regarding the City's redistricting obligations.

B. Hold a PUBLIC HEARING on application ZC-22-07 by Hector and Maria Rangel, and discussion and/or action to consider Ordinance 2022-13 for a **Zoning Change** from *RMD Residential Medium Densitiy District* to *CMB Commercial Medium Business District* on Part of Lots 3 and 4, Block 4, Original Town of Lockhart, consisting of 0.5460 acre located at 604 East Market Street. 424-435

5. **CONSENT AGENDA**

A. Approve minutes of the March 1, 2022 Council meeting. 436-444

B. Approve a short term use agreement extension with the Lockhart Youth Soccer Association (LYSA) for the use of the Cpl. Jason K. LaFleur Soccer Complex and defining maintenance responsibilities of LYSA and the City of Lockhart and appointing the Mayor to sign the agreement if approved by Council. 445-457

C. Approve bid proposal by The Interlocal Purchasing System (TIPS) cooperative purchasing with PMR Contractors in the amount of $64,633.25 for the replacement of the Senior Center roof located at 901 Bois D' Arc Street and appointing the City Manager to sign the proposal, if approved by Council. 458-462

D. Approve Resolution 2022-19 of the City Council of the City of Lockhart, Texas amending its schedule of permit fees in order to include specific fees applied when a project is outsourced by the City to a third-party company; keeping other fees in the schedule the same; and providing for an effective date. 463-467

E. Approve Resolution 2022-17 for an economic development performance agreement with Caldwell County Farm Bureau for a BIG Grant. 468-504

F. Approve Resolution 2022-18 for an economic development performance agreement with Good Things Lockhart, LLC for a BIG Grant. 505-514

G. Approve City Council to consider the preliminary Budget and Tax Calendar for Fiscal Year 2022--2023. 515-516

6. DISCUSSION/ACTION ITEMS

A. Discussion and/or action to consider in-kind support and approval of Courthouse Nights Event to be held Downtown every 3rd Friday from April to October 2022. 517-529

B. Continue discussion and/or action on application ZC-22-06 by Curtis Thigpen of Paravel Capital for a **Zoning Change** from *RMD Residential Medium Density District* to *RHD Residential High Density District* for 19.906 acres in the Cornelius Crenshaw Survey, Abstract No. 68, located in the 1900 block of North Cesar Chavez Parkway - Northbound (SH 130). *TABLED at the February 15 meeting. Proposed to be TABLED again to the June 7th meeting due to not yet having a final recommendation from the Planning and Zoning Commission.* 530-541

C. Presentation, discussion and/or action for the City Council to consider acceptance of the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2020-2021 Annual Comprehensive Financial Report (annual financial audit) by BrooksWatson & Company, PLLC., an independent public accounting firm. 542-756

D. Discussion and/or action regarding Resolution 2022-16 to accept a $1.68 million grant from the U.S. Economic Development Administration for wastewater improvements within the City of Lockhart; providing $420,000 in matching funds; and providing an effective date. 757-760

E. Discussion and/or action regarding a property sale agreement for 11.82 acres in Lockhart Industrial Park III with Titan Development. 761-805

F. Discussion and/or action to consider Ordinance 2022-14 adopting a code of ethics and anti-discrimination policy for city council members, city board/commission members, and employees. 806-817

G. Consider the nomination of Daniel Koehler to the Airport Advisory Board by Councilmember Derrick David Bryant for a term to expire in November 2022. 818-821

H. Discussion regarding matters related to COVID-19. 822-841

7. CITY MANAGER'S REPORT, PRESENTATION AND POSSIBLE ACTION

- KidFish event rescheduled to March 19.
- Household Hazardous Waste Collection Event will be held Saturday, March 26, 2022 (rain or shine) for Lockhart residents.
- Citywide Spring Clean up Program on Saturday, April 30.
- Splash Pad opens April 30.
- Council Goals Retreat is scheduled for Saturday, April 9 from 8:00 a.m. – 12:00 p.m.

8. COUNCIL AND STAFF COMMENTS - ITEMS OF COMMUNITY INTEREST

9. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.087 TO DELIBERATE OR FOR DISCUSSION REGARDING COMMERCIAL OR FINANCIAL INFORMATION THAT THE GOVERNMENTAL BODY HAS RECEIVED FROM A BUSINESS PROSPECT THAT THE GOVERNMENTAL BODY SEEKS TO HAVE LOCATE, STAY, OR EXPAND IN OR NEAR THE TERRITORY OF THE GOVERNMENTAL BODY AND WITH WHICH THE GOVERNMENTAL BODY IS CONDUCTING ECONOMIC DEVELOPMENT NEGOTIATIONS; OR TO DELIBERATE THE OFFER OF A FINANCIAL OR OTHER INCENTIVE TO A BUSINESS PROSPECT.

A. Discussion regarding economic development negotiations with Project Summertime, Project BBQ and Project Revive.

10. OPEN SESSION

A. Discussion and/or action regarding economic development negotiations with Project Summertime, Project BBQ and Project Revive.

11. ADJOURNMENT

City Council shall have the right at anytime to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

Posted on the bulletin board in the Municipal Building, 308 West San Antonio Street, Lockhart, Texas, on the 11th day of March, 2022 at 3:40 p.m.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Presentation of the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2020-2021 Annual Comprehensive Financial Report (annual financial audit) by BrooksWatson & Company, PLLC., an independent public accounting firm.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Pam Larison

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: According to City of Lockhart's Home Rule Charter, Article 3, Section 3.14 - Audit of City books and accounts, the City shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. In addition, Section 3.14 states that the accountant shall not maintain or keep any of the city's accounts or records and shall not perform the city's annual audit for more than five years in succession. This is the first year for BrooksWatson & Company, PLLC to perform the City's annual audit.

BrooksWatson & Company, PLLC has issued an unqualified (clean) opinion. An unqualified opinion is presumed to be free from material misstatements and fairly represents its financial results, financial position, and cash flows.

The Annual Comprehensive Financial Report for FYE 2021 includes three sections: Introduction, Financial, and Statistical. The transmittal letter is one of the legal requirements for the annual report that typically includes the local government's profile, provides an economic update on the local economy, lists any major initiatives undertaken by the local government and states that the financial reports are management's responsibility. The financial section includes all necessary financial information, narratives explaining financials, and an auditor's report. The third section is the statistical section. It outlines financial trends, revenue capacity, debt capacity, demographic information and other operating indicators about the local government.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends acceptance of the audited FY 2020-2021 Annual Comprehensive Financial Report.

LIST OF SUPPORTING DOCUMENTS: Annual Comprehensive Financial Report FYE2021

Annual Comprehensive Financial Report

City of Lockhart, Texas

Fiscal Year Ended September 30, 2021

Lockhart
The BBQ Capital of Texas

Lockhart

TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

City of Lockhart, Texas

For the Year Ended
September 30, 2021

<u>Prepared by</u>

Pam Larison
Finance Director

Robert Eggimann
Controller

Lockhart
TEXAS

City of Lockhart, Texas

TABLE OF CONTENTS

September 30, 2021

INTRODUCTORY SECTION	**Page**
Letter of Transmittal	1
GFOA Certificate of Achievement	7
Organizational Chart	8
List of Elected and Principal Officials	9
FINANCIAL SECTION	
Independent Auditor's Report	11
Management's Discussion and Analysis	15
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	28
Statement of Activities	32
Fund Financial Statements:	
Balance Sheet - Governmental Funds	34
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	35
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds to the Statement of Activities	37
Statement of Net Position - Proprietary Funds	38
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	42
Statement of Cash Flows - Proprietary Funds	44
Fiduciary Funds Financial Statements	
Statement of Fiduciary Net Position	48
Statement of Changes in Fiduciary Net Position	50
Notes to the Financial Statements	53
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General Fund	101
Schedule of Changes in Net Pension Liability and Related Ratios	102
Schedule of Employer Contributions to Pension Plan	104
Schedule of Changes in OPEB Liability and Related Ratios-SDBF	106
Schedule of Changes in OPEB Liability and Related Ratios-Retiree Healthcare	107
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	111

Combining Balance Sheet - Nonmajor Special Revenue Funds 112
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds 116
Combining Balance Sheet - Nonmajor Capital Projects Funds 120
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Capital Projects Funds 122
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
- Radio Tower Equipment Replacement 125
- Forfeited Property 126
- Hotel/Motel Tax Fund 127
- Road Impact Fees #1 128
- Road Impact Fees #2 129
- Court Technology 130
- Radio System Maintenance 131
- Court Security 132
- Child Safety 133
- Court Efficiency 134
- Juvenile Case Manager 135
- Truancy Court 136
- Cable Education 137
- Transportation 138
- Drainage 139
- LEOSE 140
- Clearfork Section 1 Sidewalk 141
- Maple 2201 Trail Project 142
- 2009 Certificates of Obligation 143
- 2015 Certificates of Obligation 144

Combining and Nonmajor Enterprise Funds
- Combining Schedule of Net Position - Nonmajor Enterprise Funds 146
- Combining Schedule of Revenues, Expenses, and Changes in Net Position - Nonmajor Enterprise Funds 150
- Combining Schedule of Cash Flows - Nonmajor Enterprise Funds 152

STATISTICAL SECTION

Financial Trends:

- Net Position by Component 158
- Changes in Net Position 160
- Fund Balances of Governmental Funds 164
- Changes in Fund Balances of Governmental Funds 166

Revenue Capacity:

- Tax Revenues by Source - Governmental Funds 169
- Assessed Value and Estimated Actual Value of Taxable Property 170
- Direct and Overlapping Property Tax Rates 172
- Principal Property Taxpayers 173
- Property Tax Levies and Collections 174
- Electricity Purchased and Consumed 177
- Electric Rates 178
- Largest Electric Customers 181
- Water Produced and Consumed and Wastewater Treated 182
- Largest Water Customers 185
- Water and Sewer Rates 186

Debt Capacity:

- Ratios of Outstanding Debt by Type 188
- Ratios of General Bonded Debt Outstanding 190
- Direct and Overlapping Governmental Activities Debt 192

Demographic and Economic Information:

- Demographic and Economic Statistics 193
- Principal Employers 195

Operating Information:

- Full-Time Equivalent City Government Employees by Function 196
- Operating Indicators by Function 198
- Capital Asset Statistics by Function 200

Lockhart

TEXAS

INTRODUCTORY SECTION

Lockhart

March 15, 2022

Citizens of the City of Lockhart, Texas
Honorable Mayor and City Council

The Texas Local Government Code states that a municipality shall have its records and accounts audited annually and shall have annual financial statements prepared based on the audit. The Code also states that the annual financial statements, including the auditor's opinion on the statements, shall be filed in the office of the municipal city secretary or clerk within 180 days after the last day of the municipality's fiscal year. The Annual Comprehensive Financial Report of the City of Lockhart, Texas (the City) for the year ended September 30, 2021, is hereby submitted to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed the anticipated benefits of providing the control, the objective is to provide sufficient, rather than absolute, assurance that the financial statements are free of any material misstatements.

BrooksWatson & Company, PLLC has issued an unmodified ("clean") opinion on the City of Lockhart financial statements for the year ended September 30, 2021. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this Letter of Transmittal and should be read in conjunction with it. We are pleased to report that the financial position of the City of Lockhart and its component units is strong.

Profile of the Government

The City of Lockhart was founded in 1826 and officially incorporated as a city in 1852. Located in central Texas, Lockhart is 30 miles south of downtown Austin on U.S. Highway 183. It is 70 miles northeast of San Antonio and 156 miles west of Houston. According to the 2020 U.S. Census Bureau, the estimated population of the City of Lockhart is 14,379, and serves as the county seat of Caldwell County, Texas. Lockhart is a Home Rule Charter City and operates under the Council-Manager form of government. Lockhart is served by a seven-person city council. The elected body is made up of the mayor and two council members that are elected at large. The remaining four council members are elected from single-member districts. The length of office for all Council members and the Mayor are three-year terms. The City Council appoints the City Manager, the City Attorney, and the Municipal Court Judge. All other staff members work either directly or indirectly under the direction of the City Manager.

The Combined Financial Statements of the City include all governmental and business-type activities, organizations, and functions, for which the City exercises significant oversight responsibility. The criteria considered in determining governmental activities to be reported within the City's combined financial statements are based upon and consistent with those set forth in GASB Statement No. 61, "The Financial Reporting Entity." Based on this criterion, the Lockhart Economic Development Corporation is included in this report.

The City provides a full range of municipal government services to more than 14,379 residents and numerous visitors annually. Municipal services provided include: police and fire protection; crime prevention, enforcement, and adjudication; electric services; water production and distribution; wastewater collection and treatment; solid waste collection, curbside recycling and disposal; city code enforcement and building inspection; maintenance of streets; maintenance of park land and recreational facilities; library services; cemetery; airport; and economic development.

The annual budget of the City of Lockhart serves as the foundation for its financial plan and control. The budget is proposed by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, ordinances, and state law. The budget process begins each year with the development of priority issues established by Council during a Strategic Goals Workshop. Departments submit their annual departmental budget requests to the City Manager for review. A proposed budget is prepared for presentation to the City Council. The City Council reviews the budget in subsequent work sessions and a formal budget is prepared and made available to the public for review. Prior to official adoption of the budget by Council, any required public hearings on the proposed budget are held to allow for public input and any required notices are published in the City's newspaper of record.

The Council is required to adopt a final budget by no later than ten days before the close of the fiscal year. This annual budget serves as a foundation for the City's financial planning and control. The budget is prepared by fund, department, and category (e.g., salary and benefits). Department managers may transfer resources within their department as they see fit. Transfers between departments, however, need special approval from the City Manager and the Finance department. City Council approval is needed for transfers between funds or between capital projects.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The City of Lockhart is the county seat for Caldwell County. With this designation comes commercial growth not typically seen for population of approximately 14,379 residents. Major industries located within the government's boundaries, or close proximately, include small and advanced manufacturing industries, information technology industries, retail and service industries, and agriculture. The school district has significant economic presence, employing in total more than 731 teachers, professionals, and support staff.

The onset of the COVID-19 pandemic created an unprecedented situation for the City of Lockhart and for every municipality in the United States. While the pandemic presented challenges for local residents and businesses, it also brought with it the passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021. Through these federal programs, states received money to distribute to local governments.

The City of Lockhart received an allotment of $763,895. Using this funding, Lockhart apportioned $235,000 for COVID relief grants and loans for businesses and utilized $25,000 for COVID relief for utilities customers. Major capital purchases paid for using the allotment included a generator for the fire station (which doubles as the city's office of emergency management), air conditioning units for the police department, utilities payment kiosks at City Hall and the Municipal Court, and IT hardware and software for teleworking across all departments. The allotment also helped pay for public safety personnel costs.

After the last allotment in 2021 from the CARES Relief Program, the City of Lockhart was awarded federal grant money from the American Rescue Plan Act (ARPA). The total award was for $3,501,959.00 to be used for further economic relief from the COVID-19 pandemic. The broad eligible uses for ARPA funds include COVID-related expenses (directly or indirectly), premium pay for essential workers, government service programs under certain circumstances, and necessary improvements in water, sewer, or broadband infrastructure (whether related or not to COVID-19).

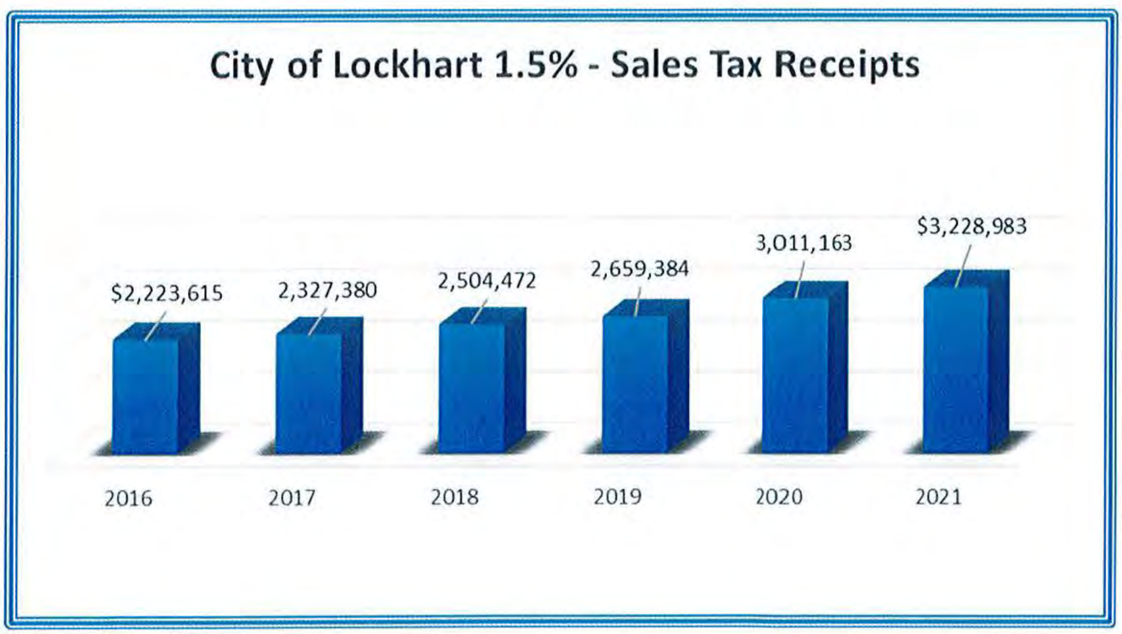
While the national unemployment rate fell to 5.3% compared to 8.5% in 2020, the City of Lockhart witnessed an increase of 2.2% raising the unemployment rate to 6.0% and the State of Texas saw a 1.1% increase to 5.3% like the national average. The impact to the City of Lockhart's unemployment rate increase was seen in the sales and related occupations and the food preparation industry.

Due to the healthy economy, the City of Lockhart has a credit rating of AA- from Standard and Poor's as of March 2016. Over the past 10 years, the City has experienced significant economic growth and investment. Commercial development in 2010 saw an influx of medical facilities such as Jacob Family Eye Care, Pinnacle Health, and additional Seton Health clinics and physician offices. In 2011 and 2012, the City of Lockhart began to see an increase in housing opportunities with Springfield Villas and an assisted care living facility with Golden Age Home. Lockhart had two new banking options by way of Randolph-Brooks Credit Union and Austin Telco Credit Union. Plum Creek Plaza Shopping Center saw a boost in retail stores such as Factory Connection and Hibbett's in 2013-2015. The City of Lockhart's major manufacturing industry witnessed new companies, Fashion Glass and Mirror, Pure Castings, and Hill Country Foodworks: all incentive projects of the Lockhart Economic Development Corporation. AT&T and Verizon vied for locations within the City between 2015-2017. Chain restaurants such as Taco Bell, Kentucky Fried Chicken, Little Caesar's, and Domino's Pizza filled up State Highway 183 and the Woodland Properties and Lockhart Retail Center. The downtown did not go unnoticed; small retail shops and specialty restaurants filled up the courthouse square. In 2020, the Lockhart Economic Development Corporation completed a Strategic Plan to assist in attracting businesses; helped Iron Ox, a robotic farming company to expand operations in Lockhart; established a new economic development office downtown; created the BIG Grant Program to improve downtown businesses and buildings and purchased property for a new 75-acre industrial/distribution park near SH 130. The SH 130 Industrial Park III began construction in 2021 and the Lockhart Economic Development Corporation sold its first ten acres to McElroy Metals.

The City of Lockhart's sound financial position is apparent because of its conservative budgeting practices, as evident from its healthy fund balances. The City experienced growth in assessed valuation of property taxes and collection of 1.5% sales taxes from Fiscal Year 2015 through 2021 and continues to grow. (see charts below). Valuation of property continues to increase at a steady rate. This increase is attributable to construction of multiple sub-divisions due to population growth and the increase in assessed values of current properties including new commercial growth.

During fiscal year 2021 approved development and construction permits were issued to Centerpoint Meadows Subdivision, Maple Park Planned Development District, Summerside Subdivision, Vintage Springs Subdivision, Hansford Subdivision, Golden Eagle Subdivision, Lockhart Farms, Alta One Subdivision, Kelley Villas, and Clearfork Reserve.

The last five years the City of Lockhart has seen a significant increase in sales tax revenues due to new businesses and a healthy area economy. Sales tax revenues for 2021 have recorded all-time highs according to the City's revenue history.



Long-term Financial Planning

The City Council approved a budget that maintained fund balance at 33% for Fiscal Year 2021. This is above the 25% minimum reserve required by the Fund Balance – Stabilization and Excess of Reserves Policy.

The overriding goal of the Fund Balance – Stabilization and Excess of Reserves Policy is to enable the City to achieve a long-term stable and positive financial condition. In order to accomplish this, procedures such as accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, expenditure control, and debt management are practiced.

The City recognizes that debt is usually a more expensive financing method. Alternative financing resources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives that equal or exceed the average life of the debt issue. Debt payments are structured to provide that capital assets funded by debt have a longer life than the debt associated with those assets. Regarding general obligation debt, the City has followed a policy of structuring new debt issue payment schedules to maintain declining debt payment structures to keep tax increases at a minimum and maintain a constant interest & sinking tax rate.

Relevant Financial Policies

The City of Lockhart practices a comprehensive set of financial policies and procedures. Annually or as needed, the City Council approves its financial policies, and an extensive review and revisions are provided to the City Council and the City Manager from the Finance Department. Each year the City Council approves the Investment Policy, which is intended to protect City assets by identifying investment objectives, addressing the issues of investment risks versus rewards, and providing the framework for the establishment of controls, limitations, and responsibilities of City employees in the performance of their fiduciary responsibilities. In Fiscal Year 2021, a revised purchasing policy was approved to maintain a cost-effective purchasing system conforming to good management practice. The establishment and maintenance of an effective purchasing policy is possible only through a cooperative effort. This policy will reaffirm the City of Lockhart's commitment to strengthen purchasing and property controls to reasonably assure that assets are received and retained in the custody of the City of Lockhart.

Major Initiatives

There was no issuance of debt by the City of Lockhart for the Fiscal Year 2021.

The City of Lockhart's Council placed a Strategic Goals Plan in action for Fiscal Year 2020-21, which focuses on COVID-19 management; community clean-up and appearance; customer service; downtown improvements including public facilities; review comprehensive set of capital improvements and financing options; continue with park improvements and associated grant opportunities; workforce diversity (especially racial diversity); traffic signal/safety improvements at South 183 at Summerside; 2040 Comprehensive Plan; and a creation of a summer recreation program in conjunction with the Lockhart Independent School District.

Financial Procedures and Internal Controls

The City's accounting records for all governmental funds are maintained on the modified accrual basis of accounting. This method recognizes revenue when it is measurable and available and expenditures when goods and services are received. All proprietary funds are accounted for using the accrual basis of accounting; revenue is recognized when it is earned, and expenses are recognized when they are incurred. Management of the City is responsible for establishing and maintaining an internal control structure. This structure is designed to provide reasonable, but not absolute, assurance that: (1) City assets are protected from loss, theft or misuse; and (2) City financial records and data are accurate and reliable. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it, and that the evaluation of cost and benefits requires estimates and judgements by management.

Budgetary Controls

Each year, on or before September 30th, the City Council adopts an annual operating budget for the ensuing fiscal year. The operating budget includes anticipated revenues and expenditures for the General Fund, Proprietary Funds, Special Revenue Funds, Debt Service Fund, Airport Fund, EMS Fund, and Lockhart Economic Development. The budget is a planning device that defines the type, quality, and quantity of City goods and services that will be provided to our citizens. The budget is also a control device that serves as a system of "checks" and "balances" between levels of City government. The budgetary system is designed to ensure that individual departments contain their expenditures within limitations set by the City management, and that City management contains expenditures for the entire City within limitations set by the City Council. After adoption, change to a department budget may be made using a line-item transfer, initiated by a department manager, and approved by the City Manager and Finance Director. Any changes to the budget outside of an individual department can only be made by City Council.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lockhart for its annual comprehensive financial report for the fiscal year ended September 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our sincere appreciation to the City's employees for their dedication and commitment to the City. The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. Appreciation is expressed to the City employees throughout the organization, especially those responsible for the maintenance of records upon which this report is based. Acknowledgement is given to representatives of Brooks Watson & Company, PLLC for their assistance in producing the final product.

Other Acknowledgements

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance and Administration Department.

We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the mayor and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Lockhart's finances.

Respectfully Submitted,

Steve Lewis, City Manager

Pam M. Larison, Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lockhart
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

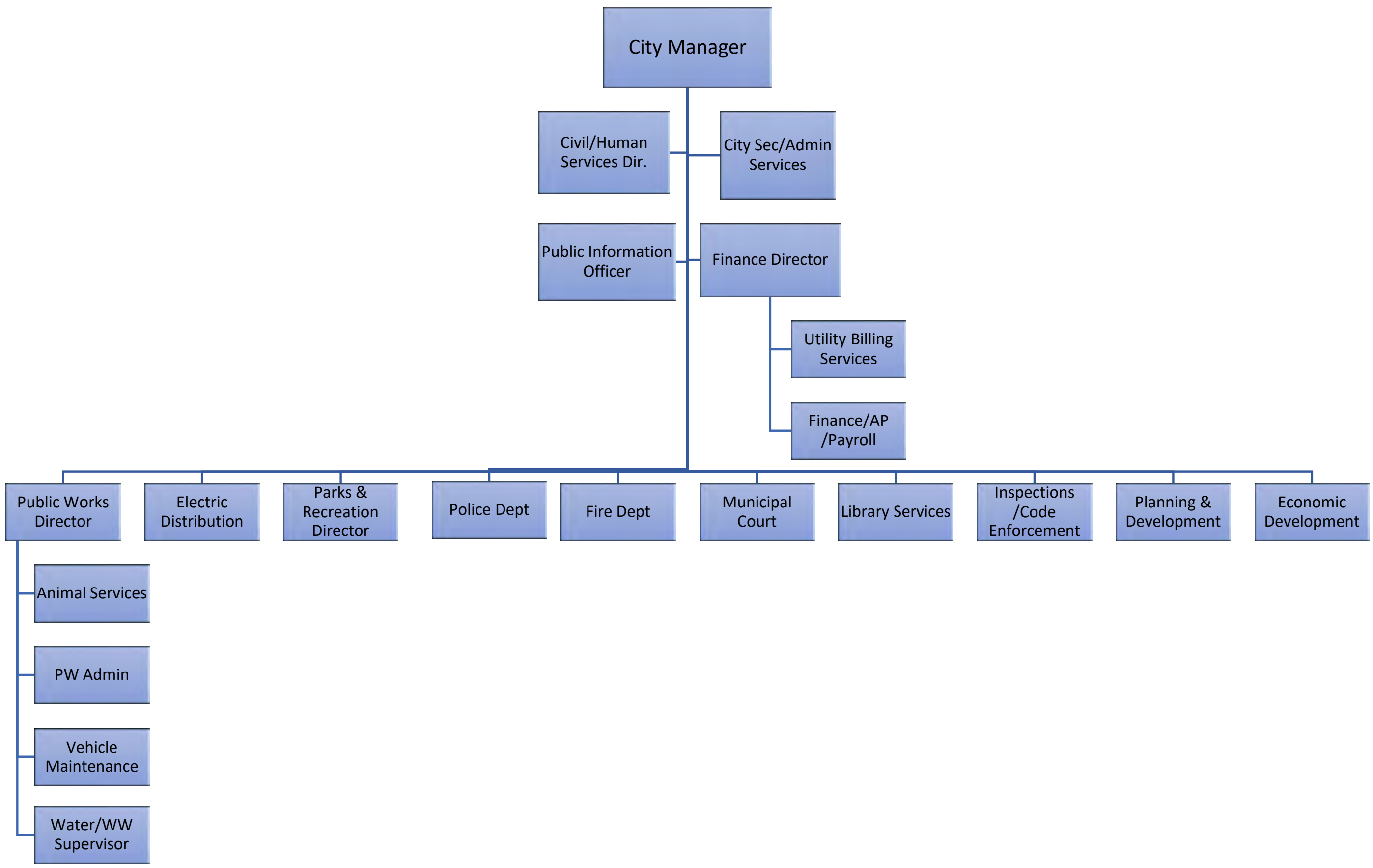
September 30, 2020

Christopher P. Morrill

Executive Director/CEO

City of Lockhart

Organizational Chart



City of Lockhart, Texas

ELECTED AND PRINCIPAL OFFICIALS

September 30, 2021

City Council

Lew White	Mayor
Angie Gonzales-Sanchez	At-Large
Juan Mendoza	District 1
David Bryant	District 2
Kara McGregor	District 3
Jeffry Michelson	District 4
Brad Westmoreland	At-Large

Principal Officials

Steve Lewis	City Manager
Pam Larison	Finance Director
Connie Constancio	City Secretary
Ernesto Pedraza	Police Chief
Randy Jenkins	Fire Chief
Sean Kelley	Director of Public Works

Lockhart
TEXAS

FINANCIAL SECTION

Lockhart
TEXAS

BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Lockhart, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lockhart, Texas (the "City") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note V.G. to the financial statements, the City restated the beginning net position/fund balance of the governmental activities, business type activities, governmental funds and enterprise funds due to accounting errors occurring in prior years. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedules of changes in other postemployment benefits liability and related ratios, and budgetary comparison information for the general fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BrooksWatson & Co.

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
March 15, 2022

Lockhart

TEXAS

As management of the City of Lockhart, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2021 by $43,946,537. Of this amount, $10,801,639 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net position decreased by $439,481. The majority of the City's net position is invested in capital assets and restricted for specific purposes.

- The City's governmental funds reported combined ending fund balances of $13,747,348 at September 30, 2021, an increase of $2,823,894 from the prior fiscal year; this includes an increase of $785,176 in the general fund, and increase of $1,842,428 in the CARES Relief Act fund and an increase of $196,290 in the nonmajor governmental funds.

- At the end of the fiscal year, unassigned fund balance for the general fund was $6,506,302 or 56% of total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, culture and recreation, community development, public safety, and public works. The business-type activities of the City include electric, water, wastewater, sanitation, airport, and EMS operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate component unit, the Lockhart Economic Development Corporation, which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 28-33 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains twenty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and CARES relief act fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, debt service, capital projects, and special revenue funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 34-37 of this report.

<u>Proprietary Funds</u>

The City's proprietary funds are all enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its utility, golf course, and storm water utility operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, and wastewater funds, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 38-47 of this report.

<u>Component Units</u>

The City maintains the accounting and financial statements for one component unit. The Lockhart Economic Development Corporation is a discretely presented component unit, which is displayed on the government-wide financial statements.

<u>Notes to Financial Statements</u>

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 53-98 of this report.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund, schedule of changes in the net pension liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System and schedule of changes in the OPEB liabilities. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Lockhart, Texas, assets exceed liabilities by $43,946,537 as of September 30, 2021, in the primary government.

The largest portion of the City's net position, $27,537,710 reflects its investments in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, construction in progress), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Lockhart, Texas's net position of $5,607,188 represents resources that are subject to external restrictions on how they may be used. The remaining balance of $10,801,639 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Lockhart, Texas is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 15,249,321	$ 16,497,800	$ 31,747,121	$ 12,822,504	$ 18,302,138	$ 31,124,642
Long-term assets	20,636,233	54,425,350	75,061,583	21,528,293	47,576,916	69,105,209
Total Assets	35,885,554	70,923,150	106,808,704	34,350,797	65,879,054	100,229,851
Deferred Outflows of Resources	923,299	338,339	1,261,638	852,823	363,167	1,215,990
Current liabilities	2,573,267	3,519,408	6,092,675	1,765,501	2,845,247	4,610,748
Long-term liabilities	14,169,384	42,920,839	57,090,223	15,337,841	35,993,414	51,331,255
Total Liabilities	16,742,651	46,440,247	63,182,898	17,103,342	38,838,661	55,942,003
Deferred Inflows of Resources	735,928	204,979	940,907	835,570	282,250	1,117,820
Net Position:						
Net investment in capital assets	11,816,033	15,721,677	27,537,710	12,104,249	16,579,735	28,683,984
Restricted	3,598,451	2,008,737	5,607,188	1,603,237	2,034,582	3,637,819
Unrestricted	3,915,790	6,885,849	10,801,639	3,557,222	8,506,993	12,064,215
Total Net Position	$ 19,330,274	$ 24,616,263	$ 43,946,537	$ 17,264,708	$ 27,121,310	$ 44,386,018

Current liabilities of government activities increased $807,766 or 46% primarily as a result of an increase in current portion of compensated absences as well as bonds payable. Long-term liabilities for governmental activities decreased by $1,168,457 or 8% primarily as a result of debt payments and a decrease in the City's net pension liability due to a stronger stock market and increase in investment earnings. Long-term liabilities for business-type activities increased by $6,927,425 or 19% due the issuance of contract revenue bonds with the Guadalupe-Blanco River Authority that occurred in the current year. Long-term assets in business-type activities increased by $6,848,434, due to capital additions during the year as well as the capitalization of the Carrizo water supply project associated with the Guadalupe-Blanco River Authority.

Statement of Activities:

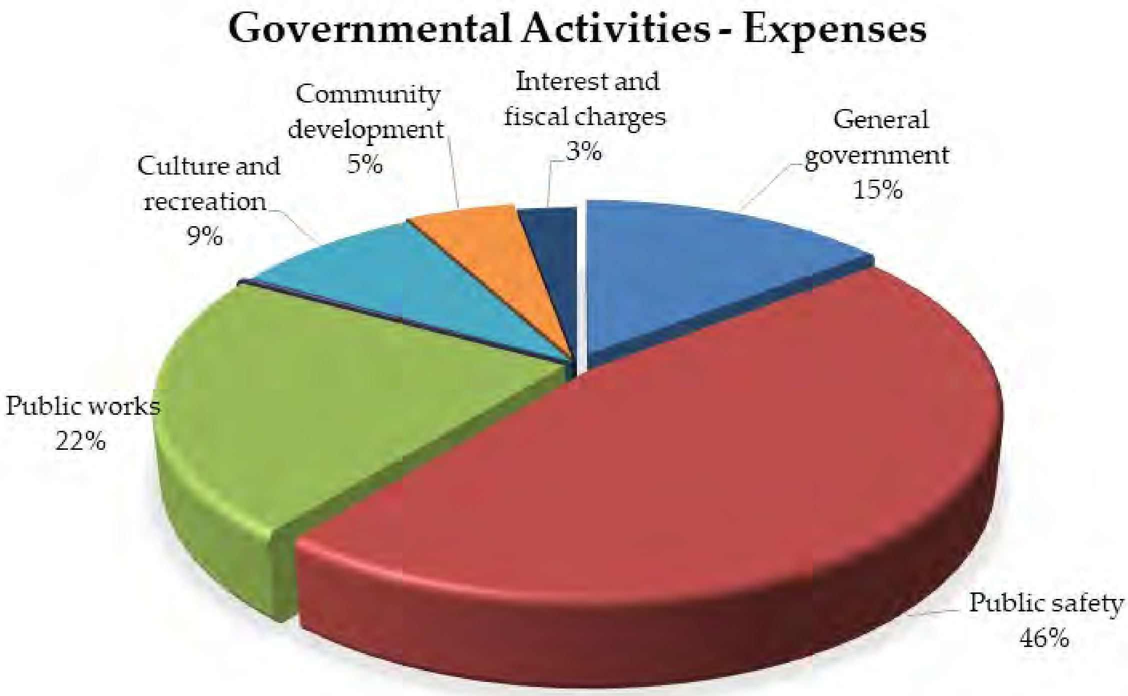
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2021			For the Year Ended September 30, 2020		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 1,756,277	$ 21,059,834	$ 22,816,111	$ 1,453,937	$ 20,304,586	$ 21,758,523
Operating grants	2,485,671	-	2,485,671	1,037,366	44,680	1,082,046
Capital contributions	177,865	432,657	610,522	257,055	23,750	280,805
General revenues:						
Property tax	5,250,047	-	5,250,047	4,991,171	-	4,991,171
Sales tax	2,143,239	-	2,143,239	1,992,939	-	1,992,939
Franchise and local taxes	511,709	-	511,709	451,912	-	451,912
Investment income	20,739	21,947	42,686	119,746	164,183	283,929
Other revenues	102,830	199,136	301,966	233,320	8,552	241,872
Total Revenues	12,448,377	21,713,574	34,161,951	10,537,446	20,545,751	31,083,197
Expenses						
General government	1,931,497	-	1,931,497	1,841,810	-	1,841,810
Public safety	6,202,140	-	6,202,140	5,703,143	-	5,703,143
Public works	2,970,230	-	2,970,230	3,153,763	-	3,153,763
Health and welfare	26,352	-	26,352	144,615	-	144,615
Culture and recreation	1,189,072	-	1,189,072	1,052,444	-	1,052,444
Community development	683,483	-	683,483	613,770	-	613,770
Interest and fiscal charges	371,174	1,235,626	1,606,800	391,300	408,364	799,664
Electric	-	11,329,072	11,329,072	-	8,544,417	8,544,417
Water	-	3,853,355	3,853,355	-	4,170,715	4,170,715
Wastewater	-	1,634,563	1,634,563	-	1,391,411	1,391,411
Nonmajor enterprise	-	3,174,868	3,174,868	-	3,080,568	3,080,568
Total Expenses	13,373,948	21,227,484	34,601,432	12,900,845	17,595,475	30,496,320
Change in Net Position Before Transfers	(925,571)	486,090	(439,481)	(2,363,399)	2,950,276	586,877
Transfers	2,991,137	(2,991,137)	-	3,145,528	(3,145,528)	-
Total	2,991,137	(2,991,137)	-	3,145,528	(3,145,528)	-
Change in Net Position	2,065,566	(2,505,047)	(439,481)	782,129	(195,252)	586,877
	17,264,708	27,121,310	44,386,018	16,482,579	27,316,562	43,799,141
Beginning Net Position						
Ending Net Position	$ 19,330,274	$ 24,616,263	$ 43,946,537	$ 17,264,708	$ 27,121,310	$ 44,386,018

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

For the year ended September 30, 2021, revenues from governmental activities totaled $12,448,377. Property tax, charges for services, and sales tax are the City's largest general revenue sources. Overall revenue increased $1,910,931 or 18% from the prior year. Sales taxes increased by $150,300 or 8% and property tax increased by $258,876 or 5%. Charges for services also increased by $302,340 or 21%. These increases are primarily due growth within the City and an increase in apprised taxable property values. Capital grants increased by $1,448,305 primarily due to the American Rescue Plan Act and COVID relief grants in the current year. These funds were and will be used directly in responding to the COVID-19 pandemic. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:



For the year ended September 30, 2021, expenses for governmental activities totaled $13,373,948. This represents an increase of $473,103 or 4%% from the prior year. The City's largest functional expense is public safety totaling $6,202,140, which increased by $498,997 or 9%. This increase is primarily a result of increasing personnel and vehicle expenses. Public works expenses decreased by $183,533 or 6% due to nonrecurring grant related expenses in the in the prior year. All other governmental activities expenses remained relatively consistent with the prior year.

Business-type activities are shown comparing operating costs to revenues generated by related services.

For the year ended September 30, 2021, charges for services by business-type activities totaled $21,059,834. This represents an increase of $755,248 or 4% from the previous year, which is a direct result of a growing City and customer base. Capital contributions increased by $408,907 as a result of nonrecurring developer contributions and impact fees received in the current year.

Total business-type activity expenses increased $3,632,009 or 21% to a total of $21,227,484. Electric expenses totaled $11,350,044, while water and wastewater operations totaled $5,066,674 and $1,635,537, respectively. Electric expenses increased by $2,784,655 which is the primary driver of the overall increase. This increase is directly related to the winter storm and the resulting increase in cost of electricity.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

<u>Governmental Funds</u> - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

At September 30, 2021, the City's governmental funds reported combined fund balances of $13,747,348, an increase of $2,823,894 in comparison with the prior year. Approximately 47% of this amount, $6,418,871**,** constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable or restricted* to indicate that it is 1) not in spendable form $628,673 or 2) restricted for particular purposes $6,390,754.

As of the end of the year the general fund reflected a total fund balance of $7,678,638. Of this, $628,673 is considered not in spendable form or restricted and $6,506,302 is unassigned. General fund balance increased by $785,176 during the current year as compared to a final budgeted decrease of $1,482,397.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of $6,506,302 is 56% of total general fund expenditures. Overall revenue in the general fund increased by $500,121 when compared to the prior year. Property tax and sales tax showed the largest increase due to a growing City and local economy. General fund expenditures increase $950,543 when compared to the prior year. The largest increase was in public safety of $457,616 which was primarily due to vehicle purchases in the current year

The CARES Act relief fund had an ending fund balance of $1,479,955. There was an increase of $1,842,428 from the previous year. Current year intergovernmental income totaled $2,362,095 and consisted of American Recovery Act and Coronavirus relief grants. The balance of this fund will be expended in subsequent years.

<u>Proprietary Funds</u> - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the close of the fiscal year for all proprietary funds amounted to $24,616,263, a decrease of $2,505,047 from the previous year. Total investment in capital assets, net of related debt was $15,721,667, and capital assets, net of depreciation totaled $54,425,350.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted revenues of $7,734,585 were less than actual revenues of $8,547,354, resulting in a total positive revenue variance of $812,769. All actual revenues were greater than the budgeted amounts with the exception of investment income. Total budgeted expenditures of $12,987,346, were more than actual expenditures of $11,269,473, resulting in a total positive expenditure variance of $1,357,873. Significant changes between the original and final budget include an increase for gain on sale of land of $247,890 and increases in capital outlay for new purchases totaling $1,109,278.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested $20,636,233 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested $54,425,350 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure.

Major capital asset events during the current year include the following:

- Additional investment in streets CIP totaling $421,490.
- Purchase of new machinery and equipment for governmental activities totaling $665,781.
- Purchase of new machinery and equipment for enterprise funds totaling $317,037.
- Addition of intangible water access associated with the Carrizo Groundwater Supply Project for $8,250,000.
- Waterline infrastructure totaling $322,826.

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

The City's outstanding bonds, tax notes, capital leases and certificates of obligation payable, net of all premiums and discounts, increased by $7,109,728 from the prior year. The total bonds, leases and certificates of obligation payable at the close of the fiscal year was $54,901,906, net of all premiums and discounts.

More detailed information about the City's long-term liabilities is presented in note IV.E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Lockhart has seen a steady growth in tax revenue over the last five years. Sales tax revenue has increased by 36.3% since 2017 and property tax valuation has increased by 53.2%. Even with the 36.3% increase, the City continues to forecast sales tax in a conservative position. The total sales tax payments received in 2021 fiscal year equaled $2,143,239. The City anticipates continued increase for 2022.

Property valuations have increased due to new additions and property on the tax roll, along with the appraisal district reassessing valuations in 2020. The certified assessed taxable property valuations for the 2022 fiscal year (2021 tax roll) total $788,504,486 with a tax rate of $0.5297 per $100 valuation for maintenance and operations and $0.1057 per $100 valuation for the interest and sinking fund. The total tax rate of $0.6354 remains the same at 2020.

The City's capital plan for 2021-2022 continues to focus on infrastructure upgrades and improvements to streets, the electric distribution system and water and wastewater lines.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Lockhart, Texas, Finance Department, 308 W. San Antonio Street, Lockhart, Texas 78644. This information can also be accessed on the City's website at www.lockhart-tx.org.

BASIC FINANCIAL STATEMENTS

City of Lockhart, Texas

STATEMENT OF NET POSITION (Page 1 of 2)

September 30, 2021

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Assets			
Current assets:			
Cash and cash equivalents	$ 13,505,859	$ 11,822,009	$ 25,327,868
Receivables, net	1,114,789	4,182,951	5,297,740
Inventories	17,718	487,664	505,382
Prepaid and other assets	610,955	5,176	616,131
Total Current Assets	15,249,321	16,497,800	31,747,121
Noncurrent assets:			
Capital assets:			
Non-depreciable	2,008,884	940,710	2,949,594
Net depreciable capital assets	18,627,349	53,484,640	72,111,989
Total Noncurrent Assets	20,636,233	54,425,350	75,061,583
Total Assets	35,885,554	70,923,150	106,808,704
Deferred Outflows of Resources			
Pension outflows-TMRS	624,096	173,482	797,578
OPEB outflows-TMRS	84,088	23,372	107,460
OPEB outflows-retiree healthcare	27,580	9,902	37,482
Deferred charge on refunding	187,535	131,583	319,118
Total Deferred Outflows of Resources	923,299	338,339	1,261,638

Component Unit
Lockhart EDC
$ 4,436,085
196,044
-
946
4,633,075
3,146,404
870,517
4,016,921
8,649,996
17,275
-
-
-
17,275

City of Lockhart, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable	535,132	1,300,148	1,835,280
Accrued liabilities	422,252	149,674	571,926
Due to other governments	30,432	-	30,432
Customer deposits	-	384,816	384,816
Compensated absences, current	525,547	80,237	605,784
Accrued interest payable	62,378	452,577	514,955
Long-term debt due in one year	997,526	1,151,956	2,149,482
Total Noncurrent Liabilities	2,573,267	3,519,408	6,092,675
Noncurrent liabilities:			
Net pension liability	2,576,946	716,323	3,293,269
OPEB liability-TMRS	422,841	117,532	540,373
OPEB liability-Retiree healthcare	332,007	94,841	426,848
Compensated absences	58,394	8,915	67,309
Long-term debt due in more than one year	10,779,196	41,983,228	52,762,424
Total Current Liabilities	14,169,384	42,920,839	57,090,223
Total Liabilities	16,742,651	46,440,247	63,182,898
Deferred Inflows of Resources			
Pension inflows	693,352	192,733	886,085
OPEB inflows-TMRS	37,525	10,431	47,956
OPEB inflows-Retiree Healthcare	5,051	1,815	6,866
Total Deferred Inflows of Resources	735,928	204,979	940,907
Net Position			
Net investment in capital assets	11,816,033	15,721,677	27,537,710
Restricted for:			
General government	297,773	-	297,773
Public safety	18,994	-	18,994
Municipal court	118,506	-	118,506
Tourism	98,198	-	98,198
Capital projects	3,064,980	2,008,737	5,073,717
Economic development	-	-	-
Unrestricted	3,915,790	6,885,849	10,801,639
Total Net Position	$ 19,330,274	$ 24,616,263	$ 43,946,537

See Notes to Financial Statements.

Component
Unit
Lockhart EDC
50,005
26,636
-
-
3,785
8,708
215,327
304,461
71,330
-
-
421
3,289,099
3,360,850
3,665,311
19,192
-
-
19,192
2,421,480
-
-
-
-
-
2,561,288
-
$ 4,982,768

City of Lockhart, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government				
Governmental Activities				
General government	$ 1,931,497	$ -	$ 238,254	$ -
Public safety	6,202,140	366,887	2,247,417	164,850
Public works	2,970,230	649,986	-	13,015
Health and welfare	26,352	-	-	-
Culture and recreation	1,189,072	88,883	-	-
Community development	683,483	650,521	-	-
Interest and fiscal charges	371,174	-	-	-
Total Governmental Activities	13,373,948	1,756,277	2,485,671	177,865
Business-Type Activities				-
Electric	11,350,044	11,560,085	-	11,369
Water	5,066,674	3,758,322	-	295,427
Wastewater	1,635,537	2,478,077	-	107,861
Nonmajor enterprise	3,175,229	3,263,350	-	18,000
Total Business-Type Activities	21,227,484	21,059,834	-	432,657
Total Primary Government	$ 34,601,432	$ 22,816,111	$ 2,485,671	$ 610,522
Component Units				
Lockhart EDC	526,847	-	-	-
Total Component Units	$ 526,847	$ -	$ -	$ -

General Revenues:

Taxes

Property taxes

Sales taxes

Franchise and local taxes

Investment income

Gain on sale of capital assets

Other revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Lockhart EDC
$ (1,693,243)	$ -	$ (1,693,243)	$ -
(3,422,986)	-	(3,422,986)	-
(2,307,229)	-	(2,307,229)	-
(26,352)	-	(26,352)	-
(1,100,189)	-	(1,100,189)	-
(32,962)	-	(32,962)	-
(371,174)	-	(371,174)	-
(8,954,135)	-	(8,954,135)	-
-	221,410	221,410	-
-	(1,012,925)	(1,012,925)	-
-	950,401	950,401	-
-	106,121	106,121	-
-	265,007	265,007	-
(8,954,135)	265,007	(8,689,128)	-
			(526,847)
			(526,847)
5,250,047	-	5,250,047	-
2,143,239	-	2,143,239	1,071,619
511,709	-	511,709	-
20,739	21,947	42,686	12,154
2,110	2,500	4,610	171,081
100,720	196,636	297,356	73,162
2,991,137	(2,991,137)	-	-
11,019,701	(2,770,054)	8,249,647	1,328,016
2,065,566	(2,505,047)	(439,481)	801,169
17,264,708	27,121,310	44,386,018	4,181,599
$ 19,330,274	$ 24,616,263	$ 43,946,537	$ 4,982,768

City of Lockhart, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2021

	General	CARES Relief Act	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 7,456,003	$ 1,480,657	$ 4,569,199	$ 13,505,859
Accounts receivable, net	917,189	-	197,600	1,114,789
Due from other funds	100,327	-	-	100,327
Inventories	17,718	-	-	17,718
Prepaids	610,955	-	-	610,955
Total Assets	$ 9,102,192	$ 1,480,657	$ 4,766,799	$ 15,349,648
Liabilities				
Accounts payable	$ 517,390	$ 702	$ 17,040	$ 535,132
Accrued liabilities	422,252	-	-	422,252
Due to other governments	30,432	-	-	30,432
Due to other funds	-	-	100,327	100,327
Total Liabilities	970,074	702	117,367	1,088,143
Deferred Inflows of Resources				
Unavailable revenue - property taxes	297,144	-	52,198	349,342
Unavailable revenue-fines	110,630	-	8,479	119,109
Unavailable revenue - notes receivable	45,706	-	-	45,706
Total Deferred Inflows of Resources	453,480	-	60,677	514,157
Fund Balances				
Nonspendable:				
Inventories	17,718	-	-	17,718
Prepaid items	610,955	-	-	610,955
Committed for:				
Sidewalks	52,603	-	-	52,603
Industrial park	256,447	-	-	256,447
Restricted for:				
General government	234,613	-	63,160	297,773
Public safety	-	-	18,994	18,994
Municipal court	-	-	118,506	118,506
Tourism	-	-	98,198	98,198
Capital projects	-	1,479,955	4,377,328	5,857,283
Unassigned	6,506,302	-	(87,431)	6,418,871
Total Fund Balances	7,678,638	1,479,955	4,588,755	13,747,348
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 9,102,192	$ 1,480,657	$ 4,766,799	$ 15,349,648

See Notes to Financial Statements.

City of Lockhart, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2021

Fund Balances - Total Governmental Funds	$	13,747,348
Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		2,008,884
Capital assets - net depreciable		18,627,349
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax		349,342
Fines and fees		119,109
Other receivables		45,706
Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time		
Pension inflows		(693,352)
OPEB inflows-TMRS		(37,525)
OPEB inflows-Retiree Healthcare		(5,051)
Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/ expenditures) until then		
Pension outflows		624,096
OPEB outflows-TMRS		84,088
OPEB outflows-Retiree Healthcare		27,580
Deferred charge on refunding		187,535
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(62,378)
Deferred charges:		
Bond premium		(528,249)
Net pension liability		(2,576,946)
OPEB liability-TMRS		(422,841)
OPEB liability-Retiree healthcare		(332,007)
Compensated absences		(583,941)
Non-current liabilities due in one year		(997,526)
Non-current liabilities due in more than one year		(10,250,947)
Net Position of Governmental Activities	$	19,330,274

See Notes to Financial Statements.

City of Lockhart, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	General	CARES Relief Act	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property tax	$ 4,580,385	$ -	$ 694,121	$ 5,274,506
Sales tax	2,143,239	-	-	2,143,239
Franchise and local taxes	370,909	-	140,800	511,709
Fines and forfeitures	375,031	-	39,547	414,578
License and permits	301,370	-	349,151	650,521
Charges for services	88,883	-	649,986	738,869
Intergovernmental	507,585	2,362,095	192,076	3,061,756
Investment income	13,171	-	7,568	20,739
Other revenue	166,781	-	20,000	186,781
Total Revenues	8,547,354	2,362,095	2,093,249	13,002,698
Expenditures				
Current:				
General government	1,653,335	-	124,589	1,777,924
Public safety	5,864,676	519,667	254,926	6,639,269
Public works	2,085,802	-	22,628	2,108,430
Health and welfare	20,539	-	-	20,539
Culture and recreation	1,242,185	-	1,263	1,243,448
Community development	707,075	-	-	707,075
Debt Service:				
Principal	51,583	-	745,722	797,305
Interest and fiscal charges	4,278	-	409,169	413,447
Capital outlay	-	-	98,369	98,369
Total Expenditures	11,629,473	519,667	1,656,666	13,805,806
Revenues Over (Under) Expenditures	(3,082,119)	1,842,428	436,583	(803,108)
Other Financing Sources (Uses)				
Capital lease issuances	383,923	-	-	383,923
Sale of capital assets	251,942	-	-	251,942
Transfers in	3,369,050	-	424,565	3,793,615
Transfers (out)	(137,620)	-	(664,858)	(802,478)
Total Other Financing Sources (Uses)	3,867,295	-	(240,293)	3,627,002
Net Change in Fund Balances	785,176	1,842,428	196,290	2,823,894
Beginning fund balances	6,893,462	(362,473)	4,392,465	10,923,454
Ending Fund Balances	$ 7,678,638	$ 1,479,955	$ 4,588,755	$ 13,747,348

See Notes to Financial Statements.

City of Lockhart, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	$	2,823,894
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		1,442,886
Depreciation expense		(2,085,114)
Adjustment for capital asset disposals		(249,832)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property tax		(24,459)
Fines and fees		(47,691)
Grants receivable		(398,220)
Other receivables		(86,061)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(85,003)
Accrued interest		4,204
Pension expense		349,762
OPEB expense-TMRS		(33,616)
OPEB expense-retiree healthcare		3,365
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Capital lease issuance		(383,923)
Amortization of deferred charge on refunding		(23,442)
Amortization of premium		61,511
Principal payments		797,305
Change in Net Position of Governmental Activities	$	2,065,566

See Notes to Financial Statements.

City of Lockhart, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS (Page 1 of 2)

September 30, 2021

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Assets			
Current Assets			
Cash and cash equivalents	$ 1,746,139	$ 5,197,789	$ 3,194,844
Accounts receivable, net	2,089,848	695,000	453,506
Inventories	487,664	-	-
Prepaid items	3,153	802	802
Total Current Assets	4,326,804	5,893,591	3,649,152
Noncurrent Assets			
Capital assets:			
Non-depreciable	366,000	241,312	140,828
Net depreciable capital assets	3,353,483	42,834,020	5,811,154
Total Noncurrent Assets	3,719,483	43,075,332	5,951,982
Total Assets	8,046,287	48,968,923	9,601,134
Deferred Outflows of Resources			
Pension outflows-TMRS	103,373	28,030	21,154
OPEB outflows-TMRS	13,937	3,772	2,847
OPEB outflows-retiree healthcare	6,226	1,350	1,122
Deferred loss on refunding	-	114,069	17,514
Total Deferred Outflows of Resources	123,536	147,221	42,637

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 1,683,237	$ 11,822,009
944,597	4,182,951
-	487,664
419	5,176
2,628,253	16,497,800
192,570	940,710
1,485,983	53,484,640
1,678,553	54,425,350
4,306,806	70,923,150
20,925	173,482
2,816	23,372
1,204	9,902
-	131,583
24,945	338,339

City of Lockhart, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS (Page 2 of 2)

September 30, 2021

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Liabilities			
Current Liabilities			
Accounts payable	$ 719,023	$ 225,804	$ 111,291
Accrued liabilities	138,510	-	-
Customer deposits	268,783	111,058	-
Compensated absences, current	52,773	11,248	7,964
Capital lease payable, current	19,859	14,885	14,963
Bonds and certificates of obligation, current	52,905	910,345	115,421
Accrued interest	6,155	435,104	11,318
Total Current Liabilities	1,258,008	1,708,444	260,957
Noncurrent Liabilities			
Compensated absences	5,864	1,250	885
Capital leases payable	49,807	37,333	37,527
Bonds and certificates of obligation	676,947	39,609,843	1,521,474
Net pension liability	426,838	115,735	87,347
OPEB liability-TMRS	70,087	18,967	14,320
OPEB liability-retiree healthcare	59,630	12,931	10,747
Total Noncurrent Liabilities	1,289,173	39,796,059	1,672,300
Total Liabilities	2,547,181	41,504,503	1,933,257
Deferred Inflows of Resources			
Pension inflows-TMRS	114,845	31,140	23,501
OPEB inflows-TMRS	6,220	1,684	1,271
OPEB inflows-retiree healthcare	1,141	247	206
Total Deferred Inflows of Resources	122,206	33,071	24,978
Net Position			
Net investment in capital assets	3,051,547	6,587,304	4,478,148
Restricted for:			
Capital projects	167,997	960,897	879,843
Unrestricted	2,280,892	30,369	2,327,545
Total Net Position	$ 5,500,436	$ 7,578,570	$ 7,685,536

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 244,030	$ 1,300,148
11,164	149,674
4,975	384,816
8,251	80,237
23,578	73,285
-	1,078,671
-	452,577
291,998	3,519,408
917	8,915
50,297	174,964
-	41,808,264
86,403	716,323
14,158	117,532
11,533	94,841
163,308	42,920,839
455,306	46,440,247
23,247	192,733
1,256	10,431
221	1,815
24,724	204,979
1,604,678	15,721,677
-	2,008,737
2,247,043	6,885,849
$ 3,851,721	$ 24,616,263

City of Lockhart, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended September 30, 2021

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Operating Revenues			
Charges for services	$ 11,560,085	$ 3,758,322	$ 2,478,077
Other revenue	94,280	92,320	803
Total Operating Revenues	11,654,365	3,850,642	2,478,880
Operating Expenses			
Personnel services	1,238,723	377,517	299,678
Supplies	42,704	36,966	15,450
Maintenance and repairs	136,437	104,017	72,821
Contractual services	221,504	771,905	45,154
Power, water, and water treatment	9,269,403	934,112	890,193
Non-departmental	-	-	51,417
Miscellaneous	71,952	2,297	-
Depreciation and amortization	348,349	1,626,541	259,850
Total Operating Expenses	11,329,072	3,853,355	1,634,563
Operating Income (Loss)	325,293	(2,713)	844,317
Nonoperating Revenues (Expenses)			
Gain on sale of capital assets	-	-	-
Insurance recoveries	3,991	2,386	-
Investment earnings	4,965	9,017	5,351
Interest expense	(20,972)	(1,213,319)	(974)
Total Nonoperating Revenues (Expenses)	(12,016)	(1,201,916)	4,377
Income Before Capital Contributions and Transfers	313,277	(1,204,629)	848,694
Capital Contributions and Transfers			
Capital grants	11,369	295,427	107,861
Transfers in	-	333,787	-
Transfers (out)	(1,891,276)	(175,254)	(996,467)
Total Capital Contributions and Transfers	(1,879,907)	453,960	(888,606)
Change in Net Position	(1,566,630)	(750,669)	(39,912)
Beginning net position	7,067,066	8,329,239	7,725,448
Ending Net Position	$ 5,500,436	$ 7,578,570	$ 7,685,536

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 3,263,350	$ 21,059,834
2,856	190,259
3,266,206	21,250,093
265,844	2,181,762
1,295,553	1,390,673
1,393,866	1,707,141
35,728	1,074,291
-	11,093,708
-	51,417
7,001	81,250
176,876	2,411,616
3,174,868	19,991,858
91,338	1,258,235
2,500	2,500
-	6,377
2,614	21,947
(361)	(1,235,626)
4,753	(1,204,802)
96,091	53,433
18,000	432,657
-	333,787
(261,927)	(3,324,924)
(243,927)	(2,558,480)
(147,836)	(2,505,047)
3,999,557	27,121,310
$ 3,851,721	$ 24,616,263

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2021

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Cash Flows from Operating Activities			
Payments to employees	$ (1,342,700)	$ (377,264)	$ (289,691)
Payments to suppliers	(9,664,566)	(2,102,369)	(1,052,070)
Receipts from customers	11,525,106	3,848,785	2,434,533
Net Cash Provided (Used) by Operating Activities	517,840	1,369,152	1,092,772
Cash Flows from Noncapital Financing Activities			
Transfers in	-	333,787	-
Transfers (out)	(1,891,276)	(175,254)	(996,467)
Net Cash Provided (Used) by Noncapital Financing	(1,891,276)	158,533	(996,467)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(273,467)	(465,781)	-
Sale of capital assets	-	-	-
Capital grants	11,369	295,427	107,861
Insurance recoveries	3,991	2,386	-
Principal paid on capital debt	(62,891)	(672,805)	(94,201)
Interest paid on capital debt	(20,972)	(1,124,246)	(2,361)
Net Cash Provided (Used) by Capital and Related Financing Activities	(341,970)	(1,965,019)	11,299
Cash Flows from Investing Activities			
Interest on investments	4,965	9,017	5,351
Net Cash Provided by Investing Activities	4,965	9,017	5,351
Net Increase (Decrease) in Cash and Cash Equivalents	(1,710,441)	(428,317)	112,955
Beginning cash and cash equivalents	3,456,580	5,626,106	3,081,889
Ending Cash and Cash Equivalents	$ 1,746,139	$ 5,197,789	$ 3,194,844

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ (286,363)	$ (2,296,018)
(2,657,905)	(15,476,910)
3,403,772	21,212,196
459,504	3,439,268
-	333,787
(261,927)	(3,324,924)
(261,927)	(2,991,137)
(43,727)	(782,975)
2,500	2,500
18,000	432,657
-	6,377
(20,296)	(850,193)
(361)	(1,147,940)
(43,884)	(2,339,574)
2,614	21,947
2,614	21,947
156,307	(1,869,496)
1,526,930	13,691,505
$ 1,683,237	$ 11,822,009

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2021

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ 325,293	$ (2,713)	$ 844,317
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	348,349	1,626,541	259,850
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(140,317)	343	(44,347)
Inventory	(32,800)	-	-
Prepaid items	15,696	(277)	(502)
Deferred outflows:			
Pension	23,726	(27,676)	21,104
OPEB	(3,768)	(1,200)	(1,031)
Increase (Decrease) in:			
Accounts payable and accrued liabilities	94,538	(252,795)	23,467
Customer deposits	11,058	(2,200)	-
Compensated absences	4,713	651	439
Deferred inflows:			
Pension	(68,493)	14,504	(11,818)
OPEB	742	236	156
Net pension liability	(66,221)	8,815	(1,512)
OPEB Liability	5,324	4,923	2,649
Net Cash Provided (Used) by Operating Activities	$ 517,840	$ 1,369,152	$ 1,092,772
Schedule of Non-Cash Capital and Related Financing Activities			
Acquisition of capital lease	$ 80,942	$ 60,766	$ 60,762
GBRA debt and intangible	$ -	$ 8,250,000	$ -

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 91,338	$ 1,258,235
176,876	2,411,616
137,466	(46,855)
-	(32,800)
(419)	14,498
(1,912)	15,242
(863)	(6,862)
74,662	(60,128)
100	8,958
2,179	7,982
(12,907)	(78,714)
309	1,443
(8,958)	(67,876)
1,633	14,529
$ 459,504	$ 3,439,268
$ 24,605	$ 227,075
$ -	$ 8,250,000

City of Lockhart, Texas

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

September 30, 2021

	Private Purpose Trusts		Custodial Funds	
	Glosserman Trust	**Brock Cabin Trust**	**Confiscated Property**	**Unclaimed Property**
Assets				
Cash and cash equivalents	$ 540	$ 12	$ 18,199	$ 10,374
Total Assets	$ 540	$ 12	$ 18,199	$ 10,374
Liabilities				
Due to others	-	-	17,447	10,177
Total Liabilities	-	-	17,447	10,177
Net Position				
Restricted for various purposes:	$ 540	$ 12	$ 752	$ 197
Total Net Position	$ 540	$ 12	$ 752	$ 197

Custodial Fund	
Bicycle Helmet	Total
$ 1,118	$ 30,243
$ 1,118	$ 30,243
1,116	28,740
1,116	28,740
$ 2	$ 1,503
$ 2	$ 1,503

City of Lockhart, Texas

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the Year Ended September 30, 2021

	Private Purpose Trusts		Custodial Funds	
	Glosserman Trust	**Brock Cabin Trust**	**Confiscated Property**	**Unclaimed Property**
Additions				
Investment income	$ 1	$ -	$ 30	-
Other revenue	-	-	722	-
Total Additions	1	-	752	-
Net Change in Net Position	1	-	752	-
Beginning Net Position	539	12	-	197
Ending Net Position	$ 540	$ 12	$ 752	$ 197

Custodial Fund	
Bicycle Helmet	Total
$ 2	$ 33
-	722
2	755
2	755
-	748
$ 2	$ 1,503

(This page intentionally left blank.)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lockhart, Texas (the "City") is a municipal corporation operating under a home rule charter as authorized in Article XI, Section 5 of the Constitution of the State of Texas. The City operates under a Council-Manager form of government in which all powers of the City are vested in an elective council. The City Council consists of the mayor and six council members. The mayor and two council members are elected at large with the remaining council members elected by district. The City provides services related to the following: public safety, public works, sanitation, health and welfare, culture and recreation, economic development, planning and zoning, and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) applicable to government units. The following is a summary of the more significant accounting policies.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

For financial reporting purposes, management has considered all potential component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability – The primary government is deemed to be financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

Discretely Presented Component Unit

Lockhart Economic Development Corporation ("LEDC")

The LEDC is a nonprofit corporation that was incorporated under the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated, Article 5190.6 Section (a), to receive and account for the proceeds of a designated sales tax levied to benefit the economic development of Lockhart. Under the Act, the Board of Directors consists of seven members appointed by and who serve at the pleasure of the City Council of the City for two-year terms.

LEDC may enter into any project authorized by the Act including, but not limited to, such projects as promotion and development of new and expanded business enterprises, job training centers, infrastructure improvements, public safety, municipal buildings, civic centers, recreation facilities, and other related facilities.

The LEDC meets the criteria of a discretely presented component unit and is presented as a governmental fund type. Complete financial statements for the Lockhart Economic Development Corporation may be obtained at City Hall. No other organizations met the necessary criteria for inclusion as component units for the year ended September 30, 2021.

This component unit is discretely presented in the financial statements. Complete financial statements of the individual component unit can be obtained.

C. Basis of Presentation - Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As discussed earlier, the government has one discretely presented component unit which is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, health and welfare, culture and recreation, and community development.

CARES Relief Fund

The CARES relief fund is used to account for all financial transactions associated with the coronavirus relief and ARPA grant funding.

The government reports the following major enterprise funds:

Electric Fund

The electric fund accounts for the activities of the City related to its provision of electricity. Activities of the fund include administration, operation and maintenance of the electric system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for electric debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Water Fund

The water fund is used to account for the establishment and maintenance of water facilities within the municipal boundaries of the City. Activities of the fund include administration, operation and maintenance of the water system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Wastewater Fund

The wastewater fund is used to account for the establishment and maintenance of sewage and drainage facilities within the municipal boundaries of the City. Activities of the fund include administration, operation and maintenance of the wastewater system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Additionally, the government reports the following fund types:

Debt Service Funds

The City accounts for the accumulation of financial resources for the payments of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance is restricted exclusively for debt service expenditures.

Capital Project Funds

The capital project funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. As of September 30, 2021, the City is maintaining seventeen special revenue funds.

Fiduciary Funds

Private Purpose Trust Funds - These funds are used to account for resources legally held in trust for use by organizations that are separate from the City. All resources of these funds, including any earnings on invested resources, may be used to support the organizations' activities. There is no requirement that any portion of these resources be preserved as capital. These funds include the Glosserman Trust and Brock Cabin Trust fund.

Custodial Funds are custodial in nature and are used to account for the receipt, temporary investment, and remittance of resources to third parties. Because of the nature of these funds, they do not present results of operations or have a measurement focus. The custodial funds include the confiscated property, unclaimed property, and bicycle helmet funds.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary, pension and other postemployment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

E. Assets, Liabilities, Deferred Outflows/Inflows, and Fund Equity or Net Position

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code.

In summary, the City is authorized to invest in the following:

Direct obligations of the U.S. Government
Fully collateralized certificates of deposit and money market accounts
Statewide investment pools
SEC registered, no load money market mutual funds

2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

Inventory of the general fund and the electric fund consists of supplies held for the City's use and are carried at cost. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

5. Restricted Assets

Certain proceeds of re classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants or other restrictions.

6. Capital Assets

Capital assets, are tangible and intangible assets which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and rights to water access are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and capital items received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Building and improvements	10 to 50 years
Machinery and equipment	5 to 10 years
Public domain infrastructure	10 to 40 years
Utility system infrastructure	30 to 50 years
Intangible assets	15 to 40 years

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has three items that qualify for reporting in this category. One example is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results form the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable, pension and OPEB liabilities and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

The net pension liability is included within long term debt. This liability is valued using an actuarial model and represents the difference between the plan fiduciary net position and the net pension liability consistent with GASB statement no. 68. The portion of this liability presented as a current liability is based on actuarial calculations for estimated future payments of benefits and refunds over the twelve months following yearend.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is $7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

In addition to providing pension benefits, the City provides medical benefits to eligible retirees and dependents with postemployment health care benefits through a single-employer postemployment healthcare plan (the "plan") administered by Texas Municipal League Multistate Intergovernmental Employee Benefits Pool. A separate audited financial report is not issued on the plan. In order for a City employee to be eligible for this benefit, he or she needs 20 years of service and/or attained the age of 60 with five years of service. Medical benefits are available with four coverage tiers depending on dependent status and continue until Medicare eligible. A

Medicare supplement policy is available to Medicare eligible retirees with the retiree paying the full premium.

11. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

12. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

13. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The City will maintain a minimum unassigned fund balance in its General Fund of 25 percent of the subsequent year's budgeted expenditures and outgoing transfers. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment. When fund balance falls below the 25 percent range, the City will replenish shortages/deficiencies. Should unassigned fund balance of the General Fund ever exceed the maximum 25 percent range, the City will consider such fund balance surpluses for one-time expenditures that are nonrecurring in nature and which will not require additional future expense outlays for maintenance, additional staffing or other recurring expenditures.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (Council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

14. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

3. Compensated Absences

Vested or accumulated vacation and sick pay that is expected to be liquidated with expendable available resources is reported as an expenditure and fund liability of the governmental fund that will pay for it. Amounts of vested or accumulated vacation and sick pay that are not expected to be liquidated with expendable available financial resources are reported in the government wide financial statements. Vested or accumulated vacation and sick pay of the enterprise funds are recorded as an expense and liability of that fund as the benefits accrue to employees. The General Fund is the governmental fund that has typically been used in prior years to liquidate the liability for compensated absences.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund, golf course fund, and storm water utility funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, capital projects, special revenue and enterprise funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the fund level. No funds can be transferred or added which affect the total fund expenditures without City Council approval. Appropriations lapse at the end of the year. One supplemental budget amendment was made during the year. All governmental funds with a legally adopted budget have been presented. The following funds exceeded appropriations at the level of control:

Court Technology	\$5,324
Radio System Maintenance	\$24,563

No other fund expenditures exceeded appropriations at the legal level of control.

A. Restricted Net Position

The City records restricted net position on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted fund balance for governmental funds was \$6,390,754, of which, \$118,506 is restricted by enabling legislation.

B. Deficit Fund Equity

As of September 30, 2021, three nonmajor governmental funds, the debt service, court technology, and radio system maintenance, reported deficit fund balances of \$45,682, \$6,413, and \$35,366, respectively. The deficits will be replenished through interfund transfers and future operating surpluses.

C. Public Funds Investment & Collateral Acts

State statues require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2021, the market values of pledged securities and FDIC exceeded bank balances. In addition, the City is required to adopt certain standards as it relates to the investment and maintenance of public funds. The City was in compliance with the requirement Public Funds Investment Act and the Public Funds Collateral Act.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits - The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas Public Funds Investment Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the City's and the depository bank's agent bank. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of FDIC insurance. The City's deposits, as well as those of the City’s component unit were fully insured or collateralized as required by the state statutes at September 30, 2021.

As of September 30, 2021, the primary government and component unit had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	$ 26,840,986	0.12
Total value	$ 26,840,986	
Portfolio weighted average maturity		0.12

Following the criteria for GASB Statement No. 79, Certain External Investment Pools and Pool Participants, TexPool and TexStar use amortized cost and Texas CLASS uses the fair value method to value portfolio assets. The pools operate in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2(a)(7) of the Investment Company Act of 1940 but is not registered with the SEC as an investment company. Instead, the regulatory oversight for the pool is the State of Texas. Investments in the pools are classified as cash and cash equivalents for reporting purposes. Approximately 8% or $2,224,147 of the total investment pools was allocated to the Lockhart EDC.

Interest rate risk: In accordance with the City's investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio for investments in nonoperating funds to less than five years from the time of purchase. The weighted average maturity of investments of the City's operating funds cannot exceed one year from the time of purchase. The weighted average maturities of the investment pools did not exceed 60 days.

Credit risk: The City's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user. At year-end, the City was not exposed to concentration of credit risk. It is LEDC policy to limit its investment to those that are authorized under the Texas Public Funds Investment Act. Additionally, any money market mutual funds or local government investment pools must be rated no lower than AAA by at least one nationally recognized rating service. As of September 30, 2021, the investment pools were rated AAAm by Standard and Poor's.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's and LEDC's investment policy requires that deposits at financial institutions be insured by the FDIC and/or collateralized by securities pledged to the City by the depository in an amount equal to at least 102% of the carrying value of deposits held. During the fiscal year and at year-end, all deposits held in the depository bank were fully collateralized. The City's deposits are therefore not subject to custodial credit risk at September 30, 2021.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2021, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

TexSTAR

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated AAAm by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

Texas CLASS

MBIA is a participant of the Texas CLASS program. Texas CLASS has been established for governmental entities pursuant to the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Texas CLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator. The Board administers the affairs of the Trust and enters into contracts and agreements on behalf of the Trust in order to effectuate the terms of the Trust Agreement. It also selects consultants for Texas CLASS, including the Program Administrator and the Custodian. MBIA's Texas CLASS is rated AAA by Fitch. There were no limitations or restrictions on withdrawals.

B. Receivables

The following comprise receivable balances of the primary government at year end:

	Governmental Activities		
	General	Nonmajor Governmental	Total
Property taxes	$ 360,247	$ 52,197	$ 412,444
Sales tax	392,087	-	392,087
Other taxes	49,857	33,194	83,051
Fines and fees	1,580,432	81,945	1,662,377
Accounts	-	30,264	30,264
Other	244,535	-	244,535
Allowance	(1,709,969)	-	(1,709,969)
	$ 917,189	$ 197,600	$ 1,114,789

Business-Type Activities

	Electric	Water	Wastewater	Nonmajor	Total
Accounts	$ 2,200,059	$ 722,760	$ 472,012	$ 315,894	$ 3,710,725
EMS	-	-	-	7,376,389	7,376,389
Allowance	(110,211)	(27,760)	(18,506)	(6,747,686)	(6,904,163)
	$ 2,089,848	$ 695,000	$ 453,506	$ 944,597	$ 4,182,951

The component unit receivables balance consisted entirely of sales tax.

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 1,837,226	$ -	$ (249,832)	$ 1,587,394
Construction in progress	8,550	412,940	-	421,490
Total capital assets not being depreciated	1,845,776	412,940	(249,832)	2,008,884
Capital assets, being depreciated:				
Machinery and equipment	7,453,276	665,781	-	8,119,057
Buildings and improvements	12,910,719	53,375	-	12,964,094
Infrastructure	77,644,475	310,790	-	77,955,265
Total capital assets being depreciated	98,008,470	1,029,946	-	99,038,416
Less accumulated depreciation				
Machinery and equipment	5,848,248	401,033	-	6,249,281
Buildings and improvements	4,943,854	315,423	-	5,259,277
Infrastructure	67,533,851	1,368,658	-	68,902,509
Total accumulated depreciation	78,325,953	2,085,114	-	80,411,067
Net capital assets being depreciated	19,682,517	(1,055,168)	-	18,627,349
Total Capital Assets	$ 21,528,293	$ (642,228)	$ (249,832)	$ 20,636,233

Depreciation was charged to governmental functions as follows:

General government	$ 146,496
Public safety	297,763
Public works	1,437,882
Health and welfare	7,248
Culture and recreation	195,725
Total Governmental Activities Depreciation Expense	$ 2,085,114

City of Lockhart, Texas

NOTES TO THE FINANCIAL STATEMENTS, Continued

September 30, 2021

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 574,710	$ -	$ -	$ 574,710
Construction in progress	3,089,937	283,087	(3,007,024)	366,000
Total capital assets not being depreciated	3,664,647	283,087	(3,007,024)	940,710
Capital assets, being depreciated:				
Machinery and equipment	7,325,208	317,036	-	7,642,244
Buildings and improvements	4,500,538	-	-	4,500,538
Infrastructure	41,385,347	409,927	3,007,024	44,802,298
Intangibles	24,525,000	8,250,000	-	32,775,000
Total capital assets being depreciated	77,736,093	8,976,963	3,007,024	89,720,080
Less accumulated depreciation				
Machinery and equipment	5,950,039	307,924	-	6,257,963
Buildings and improvements	3,162,663	41,684	-	3,204,347
Infrastructure	21,762,765	915,053	-	22,677,818
Intangibles	2,948,357	1,146,955	-	4,095,312
Total accumulated depreciation	33,823,824	2,411,616	-	36,235,440
Net capital assets being depreciated	43,912,269	6,565,347	3,007,024	53,484,640
Total Capital Assets	$ 47,576,916	$ 6,848,434	$ -	$ 54,425,350

Depreciation and amortization was charged to business-type activities as follows:

Electric	$ 348,349
Water	1,626,541
Wastewater	259,850
EMS	20,897
Sanitation	53,687
Airport	102,292
Total Business-type Activities Depreciation Expense	$ 2,411,616

A summary of changes in component unit (LEDC) capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 664,857	$ 2,867,547	$ (386,000)	$ 3,146,404
Construction in progress	-	380,917	-	380,917
Total capital assets not being depreciated	664,857	3,248,464	(386,000)	3,527,321
Capital assets, being depreciated:				
Buildings	612,000	-	-	612,000
Total capital assets being depreciated	612,000	-	-	612,000
Less accumulated depreciation				
Buildings	110,160	12,240	-	122,400
Total accumulated depreciation	110,160	12,240	-	122,400
Net capital assets being depreciated	501,840	(12,240)	-	489,600
Total Capital Assets	$ 1,166,697	$ 3,236,224	$ (386,000)	$ 4,016,921

Depreciation was charged to the following activities as follows:

Lockhart EDC	$ 12,240
Total Depreciation Expense	$ 12,240

D. Long-term Debt

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2021. In general, the City uses the general fund to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, notes and other payables:					
General Obligation Bonds	$ 4,452,980	$ -	$ (228,262)	$ 4,224,718	$ 538,848
Certificates of Obligation	7,208,875	-	(517,460)	6,691,415	364,190
Less deferred amounts:					
For premiums	589,760	-	(61,511)	528,249	-
Total Bonds Payable	12,251,615	-	(807,233)	11,444,382	903,038
Capital leases	-	383,923	(51,583)	332,340	94,488
Total Governmental Activities	$ 12,251,615	$ 383,923	$ (858,816)	$ 11,776,722	$ 997,526
Long-term liabilities due in more than one year				$ 10,779,196	
Business-Type Activities:					
General Obligation Bonds	$ 1,497,018	$ -	$ (76,740)	$ 1,420,278	$ 181,152
Certificates of Obligation	8,091,125	-	(267,540)	7,823,585	425,810
Less deferred amounts:					
For premiums	371,510	-	(32,261)	339,249	-
Total Bonds Payable	9,959,653	-	(376,541)	9,583,112	606,962
Capital leases	69,566	227,075	(48,392)	248,249	73,285
Notes payable	2,536,344	-	(167,521)	2,368,823	171,709
GBRA Obligations	22,975,000	8,250,000	(290,000)	30,935,000	300,000
Total Business-Type Activities	$ 35,540,563	$ 8,477,075	$ (882,454)	$ 43,135,184	$ 1,151,956
Long-term liabilities due in more than one year				$ 41,983,228	

Component Unit Activities (LEDC):	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due Within One Year
Notes payable	$ 574,077	$ -	$ (109,651)	$ 464,426	$ 120,327
Revenue bonds	-	1,645,000	(105,000)	1,540,000	95,000
County obligation	$ -	$ 1,500,000	$ -	$ 1,500,000	$ -
Total Component Unit Activities	$ 574,077	$ 3,145,000	$ (214,651)	$ 3,504,426	$ 215,327
Long-term liabilities due in more than one year				$ 3,289,099	

Long-term debt applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund. The general fund has typically been used to liquidate the liability for compensated absences for governmental activities. Capital leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset.

Lockhart-Luling Water Delivery System

The Guadalupe-Blanco River Authority (GBRA) contracted with the City in 2002 to provide a reliable quantity of treated water through the Luling Water Treatment Plant. For the mutual benefit of the parties, GBRA, the City of Luling, and the City of Lockhart, Texas entered into an agreement that enabled GBRA to pump treated water from the Luling Water Treatment Plant to the Lockhart Treatment Plant ground storage reservoir through the water delivery system.

GBRA issued $4,950,000 in Contract Revenue Refunding Bonds in fiscal year 2014 for the water delivery system. As of September 30, 2021, there was $3,110,000 bonds outstanding.

Carrizo Groundwater Supply Project

The Guadalupe-Blanco River Authority (GBRA) has contracted with the City to assist with the financing for the development of the Carrizo Groundwater Supply Project. This groundwater development project will generate 15,000 acre-feet per year of groundwater which will be distributed to three customers that have contracts with GBRA – New Braunfels Utilities, City of Lockhart, and Goforth Special Utility District. The City is responsible for its proportional share of the contract revenue and board participation loans associated with the financing of the project. As of September 30, 2021, there was $27,825,000 of obligations outstanding.

Primary government long-term debt at year end was comprised of the following debt issues:

	Governmental Activities	Business - Type Activities	Total
General Obligation Bonds:			
$6,530,000 General Obligation Refunding Bond, Series 2016, due in annual installments through August 2028, interest at 3.6%	$ 4,224,718	$ 1,420,278	$ 5,644,996
Total General Obligation Bonds	$ 4,224,718	$ 1,420,278	$ 5,644,996
Certificates of Obligation:			
$16,685,000 Certificates of Obligation, Series 2015, due in annual installments through August 2035 interest at 3.39%	$ 6,691,415	$ 7,823,585	$ 14,515,000
Total Certificates of Obligation	$ 6,691,415	$ 7,823,585	$ 14,515,000
Notes Payable:			
$3,600,000 2013 State Infrastructure Bank Loan due in annual installments through June 2033, interest at 2.50%	$ -	$ 2,368,823	$ 2,368,823
Total Notes Payable	$ -	$ 2,368,823	$ 2,368,823
GBRA Obligations:			
$4,950,000 GBRA Revenue Bond, Series 2014, due in installments through 2030, interest at 3.45%	$ -	$ 3,110,000	$ 3,110,000
$7,095,000 2018 Board Participation Loan due in installments through 2053, interest at 4.24%	-	7,095,000	7,095,000
$2,405,000 Contract Revenue Bond, Series 2018A, due in installments through 2048, interest at 3.96%	-	2,405,000	2,405,000
$2,095,000 Contract Revenue Bond, Series 2018B, due in installments through 2048, interest at 3.23%	-	2,095,000	2,095,000
$6,260,000 2019 Board Participation Loan due in installments through 2054, interest at 3.39%	-	6,260,000	6,260,000
$1,720,000 Contract Revenue Bond, Series 2019, due in installments through 2049, interest at 2.47%	-	1,720,000	1,720,000
$8,250,000 Contract Revenue Bond, Series 2020, due in installments through 2050, interest at 2.08%	-	8,250,000	8,250,000
Total GBRA Obligations	$ -	$ 30,935,000	$ 30,935,000
Capital Leases Payable:			
$121,741 Capital lease payable to Stryker Sales Corporation, due in annual installments of $17,392 through 2024, interest at 3.5%	$ -	$ 52,175	$ 52,175
$610,998 Capital lease payable to Enterprise Fleet, due in monthly installments of $13,106 through 2025, interest at 1.5%	332,340	196,074	528,414
Total Capital Leases Payable	$ 332,340	$ 248,249	$ 580,589
Premiums	528,249	339,249	867,498
Total Debt	$ 11,776,722	$ 43,135,184	$ 54,911,906

The Component unit long-term debt at year end was comprised of the following debt issues:

	Lockhart EDC
Sales Tax Revenue Bonds:	
$1,645,000 Sales Tax Revenue Bond, Series 2020, due in semi-annual installments through August 2035, interest at 2.47%	$ 1,540,000
Total Sales Tax Reveue Bonds	$ 1,540,000
County Obligation:	
$1,500,000 County Obligation, due in annual installments of $500,000, starting in 2026 through 2028, interst at 0%	$ 1,500,000
Total County Obligation	$ 1,500,000
Notes Payable:	
$500,000 2019 Economic Development Note Payable due in quarterly installments through 2025 interest at 3.5%	$ 334,624
$425,000 207 Economic Development Note Payable due in quarterly installments through 2027 interest at 4.25%	129,802
Total Notes Payable	$ 464,426
Total Debt	$ 3,504,426

The annual requirements to amortize the City's long-term activities debt issues outstanding at year end were as follows:

Governmental Activities:

Year ending	2015 Tax & Rev CO		2016 GO Refunding	
September 30,	Principal	Interest	Principal	Interest
2022	$ 364,190	$ 234,597	$ 538,848	$ 147,987
2023	382,630	216,388	565,042	131,821
2024	396,460	201,082	572,526	119,108
2025	412,595	185,224	594,978	101,932
2026	433,340	164,594	624,914	78,133
2027-2031	2,431,775	617,377	1,328,410	80,378
2032-2036	2,270,425	197,106	-	-
	$ 6,691,415	$ 1,816,369	$ 4,224,718	$ 659,359

Year ending September 30,	Capital Leases Principal	Capital Leases Interest
2022	$ 94,488	$ 4,337
2023	95,915	2,910
2024	97,364	1,461
2025	44,573	183
	$ 332,340	$ 8,892

Governmental activities had assets under capital leases with a net book value of $324,912 as of September 30, 2021.

Business-Type Activities:

Year ending	2015 Tax & Rev CO		2016 GO Refunding	
September 30,	Principal	Interest	Principal	Interest
2022	$ 425,810	$ 274,290	$ 181,152	$ 49,751
2023	447,370	253,000	189,958	44,316
2024	463,540	235,105	192,474	40,042
2025	482,405	216,563	200,022	34,268
2026	506,660	192,443	210,086	26,267
2027-2031	2,843,225	721,836	446,586	27,022
2032-2036	2,654,575	230,456	-	-
	$ 7,823,585	$ 2,123,694	$ 1,420,278	221,666

Year ending	State Infrastructure Loan		Capital Leases	
September 30,	Principal	Interest	Principal	Interest
2022	$ 171,709	$ 59,221	$ 73,285	$ 2,558
2023	176,002	54,928	74,129	1,714
2024	180,402	50,528	74,986	857
2025	184,912	46,018	25,849	105
2026	189,535	41,395	-	-
2027-2031	1,021,163	133,485	-	-
2032-2036	445,099	16,760	-	-
	$ 2,368,822	402,334	$ 248,249	5,233

Business-type activities had assets under capital leases with a net book value of $254,903 as of September 30, 2021.

Year ending	Guadelupa-Blanco River Authority		
September 30,	Principal	Interest	Total
2022	$ 300,000	$ 858,966	$ 1,158,966
2023	365,000	848,444	1,213,444
2024	740,000	937,851	1,677,851
2025	765,000	911,666	1,676,666
2026	785,000	895,790	1,680,790
2027	800,000	878,995	1,678,995
2028	820,000	861,122	1,681,122
2029	840,000	842,354	1,682,354
2030	855,000	822,396	1,677,396
2031	465,000	808,454	1,273,454
2032	480,000	800,093	1,280,093
2033	485,000	790,529	1,275,529
2034	500,000	780,100	1,280,100
2035	510,000	768,927	1,278,927
2036	525,000	757,095	1,282,095
2037	535,000	744,556	1,279,556
2038	550,000	731,466	1,281,466
2039	915,000	717,534	1,632,534
2040	1,270,000	689,419	1,959,419
2041	1,310,000	649,348	1,959,348
2042	1,360,000	606,460	1,966,460
2043	1,400,000	561,920	1,961,920
2044	1,440,000	515,983	1,955,983
2045	1,495,000	466,500	1,961,500
2046	1,545,000	414,674	1,959,674
2047	1,595,000	360,515	1,955,515
2048	1,655,000	304,560	1,959,560
2049	1,440,000	246,389	1,686,389
2050	1,400,000	196,882	1,596,882
2051	1,040,000	147,244	1,187,244
2052	1,085,000	106,130	1,191,130
2053	1,135,000	63,234	1,198,234
2054	530,000	18,338	548,338
	30,935,000	20,103,928	31,225,000

Lockhart Economic Development Corporation

Year ending	Southside Bank		First National Bank	
September 30,	Principal	Interest	Principal	Interest
2022	$ 98,955	$ 10,423	$ 21,372	$ 5,173
2023	102,464	6,913	22,311	4,234
2024	106,098	3,280	23,283	3,262
2025	27,107	237	24,315	2,230
2026	-	-	25,384	1,161
2027-2031	-	-	13,137	166
	$ 334,624	$ 20,853	$ 129,802	16,226

Year ending	2020 Sales Tax and Revenue Bonds		2020 Caldwell County Obligation	
September 30,	Principal	Interest	Principal	Interest
2022	$ 95,000	$ 38,038	$ -	$ -
2023	95,000	35,692	-	-
2024	100,000	33,345	-	-
2025	100,000	30,875	-	-
2026	100,000	28,405	500,000	-
2027-2031	555,000	102,876	1,000,000	-
2032-2036	495,000	30,999	-	-
	$ 1,540,000	300,229	$ 1,500,000	-

G. Other Long-term Liabilities

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general fund and utility fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Compensated absences	$ 524,065	$ 430,216	$ (370,340)	$ 583,941	$ 525,547
Total Governmental Activities	$ 524,065	$ 430,216	$ (370,340)	$ 583,941	$ 525,547
Other long-term liabilities due in more than one year				$ 58,394	
Business-Type Activities:					
Compensated absences	$ 81,169	$ 92,351	$ (84,368)	$ 89,152	$ 80,237
Total Business-Type Activities	$ 81,169	$ 92,351	$ (84,368)	$ 89,152	$ 80,237
Other long-term liabilities due in more than one year				$ 8,915	
EDC Activities:					
Compensated absences	$ 4,384	$ 4,206	$ (4,384)	$ 4,206	$ 3,785
Total Business-Type Activities	$ 4,384	$ 4,206	$ (4,384)	$ 4,206	$ 3,785
Other long-term liabilities due in more than one year				$ 421	

H. Deferred Charges on Refunding

Deferred charges resulting from the issuance of series 2016 GO revenue refunding bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding certificates of obligation. Current year balances for governmental and business-type activities totaled $187,535 and $131,583 respectively. Current year amortization expense for governmental and business-type activities totaled $23,442 and $16,448, respectively.

I. Interfund Transactions

The compositions of interfund advances to/from balances as of the year ended September 30, 2021 were as follows:

	Due to: (payable fund)	
Due from: (receivable fund)	**Nonmajor**	**Total**
General	$ 100,327	$ 100,327
Total	$ 100,327	$ 100,327

Interfund receivables and payables relate to various amounts used to cover operational and capital expenditures. All balances are expected to be resolved in the subsequent year.

Transfers between the primary government during the 2021 year were as follows:

	Transfer Out						
Transfer In:	**General**	**Electric**	**Water**	**Wastewater**	**Nonmajor governmental**	**Nonmajor enterprise**	**Total**
General	$ -	$ 1,891,276	$ 175,254	$ 475,735	$ 564,858	$ 261,927	$ 3,369,050
Nonmajor govt	137,620	-	-	186,945	100,000	-	424,565
Water	-	-	-	333,787	-	-	333,787
Total	$ 137,620	$ 1,891,276	175,254	996,467	664,858	261,927	4,127,402

The LEDC transferred $52,898 to the general fund during the year. Transfers between funds were primarily to support debt service requirements and operation of funds.

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City participates in the Texas Municipal League Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool that retains the risk of loss beyond the City's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

B. Contingent Liabilities

The City is involved in lawsuits with other parties from time to time. While the ultimate result of these matters cannot be predicted with certainty, the City does not expect them to have a materially adverse effect on the basic financial statements.

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Commitments

Water Purchase Commitment

The City has entered into an agreement with the Guadalupe-Blanco River Authority (GBRA) that obligates the City to purchase its water from GBRA through December 31, 2027.

D. Pension Plans

Texas Municipal Retirement Systems

Plan Description

The City of Lockhart, Texas participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

Plan provisions for the City were as follows:

	Plan Year 2021	Plan Year 2020
Employee deposit rate	6%	6%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI repeating	70% of CPI repeating

Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	84
Inactive employees entitled to but not yet receiving benefits	124
Active employees	135
Total	343

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Lockhart, Texas were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Lockhart, Texas were 12.81% and 12.47% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were $941,155, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum 16 mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. Of the total pension liability, $3,293,269 is related to the primary government and $71,330 is attributable to discretely presented component units.

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net	Total Net Pension	Primary Government	Component Units
Balance at 12/31/19	$ 35,762,008	$ 32,149,856	$ 3,612,152	$ 3,535,574	$ 76,578
Changes for the year:					
Service cost	961,008	-	961,008	940,635	20,373
Interest	2,392,058	-	2,392,058	2,341,346	50,712
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	193,047	-	193,047	188,954	4,093
Changes of assumptions	-	-	-	-	-
Contributions – employer	-	933,321	(933,321)	(913,535)	(19,786)
Contributions – employee	-	437,153	(437,153)	(427,885)	(9,268)
Net investment income	-	2,439,599	(2,439,599)	(2,387,879)	(51,720)
Benefit payments, including refunds of emp. contributions	(1,609,242)	(1,609,242)	-	-	-
Administrative expense	-	(15,791)	15,791	15,456	335
Other changes	-	(616)	616	603	13
Net changes	1,936,871	2,184,424	(247,553)	(242,305)	(5,248)
Balance at 12/31/20	$ 37,698,879	$ 34,334,280	$ 3,364,599	$ 3,293,269	$ 71,330

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

Primary Government

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 8,679,858	$ 3,293,269	$ (1,086,110)

Component Unit

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 187,999	$ 71,330	$ (23,524)

Total

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 8,867,857	$ 3,364,599	$ (1,109,634)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2021, the City recognized pension expense of $449,623. Of this amount, $440,091 is related to the primary government and $9,532 is attributable to the discretely presented component unit.

At September 30, 2021, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Primary Government:		
Difference between projected and actual investment earnings	$ -	$ 886,085
Change in assumptions	37,627	-
Differences between expected and actual economic experience	100,736	-
Contributions subsequent to the measurement date	659,215	-
Component Units:		
Difference between projected and actual investment earnings	-	19,192
Change in assumptions	815	-
Differences between expected and actual economic experience	2,182	-
Contributions subsequent to the measurement date	14,278	-
Total	$ 814,853	$ 905,277

The primary government and component units reported $659,215 and $14,278, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2022.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Primary Government	Discretely Presented Component Units	Total
2021	$ (270,112)	$ (5,850)	$ (275,962)
2022	87,513	1,895	89,408
2023	(512,367)	(11,097)	(523,464)
2024	(52,756)	(1,143)	(53,899)
2025	-	-	-
Thereafter	-	-	-
	$ (747,722)	$ (16,195)	$ (763,917)

E. Other Postemployment Benefits

Supplemental Death Benefits Fund

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitled to but not yet receiving benefits	20
Active employees	135
Total	213

The City's contributions to the TMRS SDBF for the years ended 2021 and 2020 were $9,355 and $4,006, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2019	0.05%	0.05%	100.0%
2020	0.06%	0.06%	100.0%
2021	0.15%	0.15%	100.0%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2020, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5%, including inflation per year
Discount rate	2.75%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 2.00%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

1% Decrease (1.00%)	Current Single Rate Assumption 2.00%	1% Increase (3.00%)
$ 656,602	$ 540,373	$ 449,687

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/19	$ 474,450
Changes for the year:	
Service Cost	23,315
Interest	13,308
Difference between expected and actual experience	(36,363)
Changes of assumptions	70,035
Benefit payments	(4,372)
Net changes	65,923
Balance at 12/31/20	$ 540,373

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of $52,082.

At September 30, 2021, the City reported deferred outflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	$ -	$ 47,956
Changes in assumptions and other inputs	99,359	-
Contributions subsequent to measurement date	8,101	-
Total	**$** 107,460	**$** 47,956

The City reported $8,101 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2022.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2021	$ 15,459
2022	10,545
2023	16,359
2024	9,040
2025	-
Thereafter	-
	$ 51,403

Retiree Health Benefit Plan

In addition to providing pension benefits, the City provides medical benefits to eligible retirees and dependents with postemployment health care benefits through a single-employer postemployment healthcare plan (the "plan") administered by Texas Municipal League Multistate Intergovernmental Employee Benefits Pool. A separate audited financial report is not issued on the plan. In order for a City employee to be eligible for this benefit, he or she needs 20 years of service and/or attained the age of 60 with five years of service. Medical benefits are available with four coverage tiers depending on dependent status and continue until Medicare eligible. A Medicare supplement policy is available to Medicare eligible retirees with the retiree paying the full premium.

Eligible retirees pay the full contribution rate for pre-65 medical coverage. The amount of the contribution depends on years of service with the City at retirement. The plan was changed effective June 1, 2015 to provide payment of higher retiree contribution rates for future retirees. Employees hired on or after this date will pay the full retiree contribution rate equal to 195% of the active employee contribution rate. Retirees hired prior to this date will pay the active employee contribution rate for either 2, 5 or 10 years (or to age 65, if earlier) depending on the years of service retirement. All retirees on the effective date will continue to pay the active employee contribution rate.

At the September 30, 2020 valuation, the following represents the active employees and retirees that are eligible to participate in the plan:

Employees covered by benefit terms

At the September 30, 2020 valuation date, the following employees were covered by the benefit terms:

Status	Employee	Employee & Spouse
Inactive employees or beneficiaries currently receiving benefits	3	2
Active employees	56	10
Total	**59**	**12**

Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.25%. The discount rate was based on the Bond Buyer GO Bond 20 Year Index rate as of September 30, 2020, date of the actuarial valuation.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 2.25%, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

1% Decrease (1.25%)	Current Single Rate Assumption 2.25%	1% Increase (3.25%)
$ 461,085	$ 426,848	$ 395,276

Healthcare Cost Trend

1% Decrease (3.5%)	Current Healthcare Cost Trend (4.5%)	1% Increase (5.5%)
$ 386,290	$ 426,848	$ 474,415

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 9/30/2020	**$** 436,853
Changes for the year:	
Service Cost	13,045
Interest	9,754
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(32,804)
Net changes	(10,005)
Balance at 9/30/2021	**$** 426,848

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of $29,440.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 6,866
Change in assumptions	37,482	-
Total	**$** 37,482	**$** 6,866

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:		
2022	$	6,641
2023		6,641
2024		6,641
2025		6,641
2026		4,052
Thereafter		-
	$	30,616

Funding Status and Funding Progress

Actuarial valuations of an ongoing program involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Program, assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The current valuation dated September 30, 2020 and measured as of September 30, 2021 uses the mortality table: RPH 2014 Total Table with Projection MP-2019 and turnover: rates varying based on genera, age, and select and ultimate at 9 years. Rates based on the TMRS actuarial assumptions from the 2017 retirement plan valuation report.

Actuarial Methods and Assumptions

There have been no substantive changes in the retiree plan since the last full valuation. Therefore, the interim-year projection study is based on the census information, benefit schedules and costs for the fiscal year 2020 actuarial valuation for the development of the GASB 75 disclosures related to OPEB benefits for the year ended September 30, 2021 and roll forward using a measurement date of September 30, 2021.

Projections of benefits for financial reporting purposes are based on the substantive program (the program as understood by the employer and the Program members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Program members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following is a summary of the actuarial assumptions:

Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent-of-Payroll
Asset Valuation Method	N/A
Discount Rate	2.25%
Inflation Rate	2.5%
Salary Growth	3.0%
Healthcare Cost Trend Rate (Initial/Ultimate)	4.5% for medical

F. Tax Abatement Disclosures

The City of Lockhart enters into tax abatement and rebate agreements with local businesses under the state local government code, title 12, subtitle A, chapter 380. Under the code, the governing body of a municipality may establish and provide for the administration of one or more programs, including programs for making loans or grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality. The City has tax abatement/rebate agreements with three entities as of September 30, 2021:

$5,647 of real property and personal property taxes was rebated to a manufacturing company that produces investment castings in ferrous and non-ferrous materials for purchasing land and building for manufacturing and distribution facility.

$1,014 was rebated to a glass and mirror manufacturing company for sales tax and $13,995 in property taxes on new improvements to building and furniture, fixtures, and equipment.

$13,046 of real property and personal property taxes was rebated to a manufacturing company that commercializes fiber reactor technology to enhance and improve manufacturing environments by increasing the efficiency of existing refining operations utilizing two-phase chemistry.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. The City has chosen to disclose information about its tax abatement agreements individually. It established a quantitative threshold of 100% percent of the total dollar amount of taxes abated during the year.

G. Restatement

Due to accounting errors, the City restated beginning net position/fund balance of the governmental activities, general fund, nonmajor governmental funds, business-type activities, nonmajor enterprise funds, and the Lockhart EDC. The restatement of beginning net position/fund balance is as follows:

	Governmental Activities	General Fund	Nonmajor Governmental
Prior year ending net position/ fund balance as reported	$ 16,974,855	$ 7,018,302	$ 4,436,111
Correction of receviable with proper deferral	-	(124,840)	-
Correction of land donation	249,832	-	-
Correction to allocate pension balances	83,667	-	-
Correction of accounts payable	(43,646)	-	(43,646)
Restated beginning net position/fund balance	$ 17,264,708	$ 6,893,462	$ 4,392,465

	Business-type Activities	Water	Nonmajor Enterprise
Prior year ending net position as reported	$ 28,990,530	$ 10,002,144	$ 4,195,872
Recognition of GBRA balances	(1,672,905)	(1,672,905)	-
Recognition of allowance for doubful accounts	(196,315)	-	(196,315)
Restated beginning net position	$ 27,121,310	$ 8,329,239	$ 3,999,557

	Component Unit Lockhart EDC
Prior year ending net position as reported	$ 3,781,378
Correction for land value	231,857
Correction to allocate pension balances	(83,667)
Correction of note receivable	252,031
Restated beginning net position	$ 4,181,599

H. Subsequent Events

There were no subsequent events through March 15, 2022, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	$ 4,663,885	$ 4,663,885	$ 4,580,385	$ (83,500)
Sales tax	1,604,250	1,604,250	2,143,239	538,989
Franchise and local taxes	321,952	321,952	370,909	48,957
License and permits	197,100	197,100	301,370	104,270
Charges for services	79,065	79,065	88,883	9,818
Intergovernmental	437,589	437,589	507,585	69,996
Fines and forfeitures	265,557	265,557	375,031	109,474
Investment income	63,317	63,317	13,171	(50,146)
Other revenue	101,870	101,870	166,781	64,911
Total Revenues	7,734,585	7,734,585	8,547,354	812,769
Expenditures				
Current:				
General government	1,588,946	1,663,234	1,653,335	9,899
Public safety	5,956,714	6,556,704	5,864,676	692,028
Public works	2,565,666	3,000,666	2,085,802	914,864
Health and welfare	16,425	16,425	20,539	(4,114)
Culture and recreation	1,073,425	1,073,425	1,242,185	(168,760)
Community development	676,892	676,892	707,075	(30,183)
Debt Service:				
Principal	-	-	51,583	(51,583)
Interest and fiscal charges	-	-	4,278	(4,278)
Total Expenditures	11,878,068	12,987,346	11,629,473	1,357,873
Revenues Over (Under) Expenditures	(4,143,483)	(5,252,761)	(3,082,119)	2,170,642
Other Financing Sources (Uses)				
Capital lease issuances	-	-	383,923	383,923
Proceeds from sale of capital assets	-	247,890	251,942	4,052
Transfers in	3,584,174	3,584,174	3,369,050	(215,124)
Transfers (out)	(61,700)	(61,700)	(137,620)	(75,920)
Total Other Financing Sources (Uses)	3,522,474	3,770,364	3,867,295	96,931
Net Change in Fund Balance	$ (621,009)	$ (1,482,397)	785,176	$ 2,267,573
Beginning fund balance			6,893,462	
Ending Fund Balance			$ 7,678,638	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

City of Lockhart, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	12/31/2020	12/31/2019	12/31/2018
Total pension liability			
Service cost	$ 961,008	$ 908,475	$ 861,176
Interest	2,392,058	2,267,377	2,158,275
Differences between expected and actual experience	193,047	(28,525)	(144,312)
Changes of assumptions	-	94,975	-
Benefit payments, including refunds of participant contributions	(1,609,242)	(1,233,643)	(1,331,302)
Net change in total pension liability	1,936,871	2,008,659	1,543,837
Total pension liability - beginning	35,762,008	33,753,349	32,209,512
Total pension liability - ending (a)	37,698,879	35,762,008	33,753,349
Plan fiduciary net position			
Contributions - employer	$ 933,321	$ 884,655	$ 848,460
Contributions - members	437,153	408,304	385,314
Net investment income	2,439,599	4,299,655	(862,453)
Benefit payments, including refunds of participant contributions	(1,609,242)	(1,233,643)	(1,331,302)
Administrative expenses	(15,791)	(24,299)	(16,669)
Other	(616)	(730)	(872)
Net change in plan fiduciary net position	2,184,424	4,333,942	(977,522)
Plan fiduciary net position - beginning	32,149,856	27,815,914	28,793,436
Plan fiduciary net position - ending (b)	$ 34,334,280	$ 32,149,856	$ 27,815,914
Fund's net pension liability - ending (a) - (b)	$ 3,364,599	$ 3,612,152	$ 5,937,435
Plan fiduciary net position as a percentage of the total pension liability	91.08%	89.90%	82.41%
Covered payroll	$ 7,285,883	$ 6,805,058	$ 6,421,896
Fund's pension liability as a percentage of covered payroll	46.18%	53.08%	92.46%

Notes to schedule:

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

12/31/2017	12/31/2016	12/31/2015	12/31/2014 [1]
$ 803,650	$ 809,909	$ 755,292	$ 659,622
2,050,665	1,924,544	1,840,606	1,759,695
(95,374)	213,804	541,546	(275,265)
-	-	143,888	-
(1,055,658)	(1,097,681)	(1,084,811)	(987,219)
1,703,283	1,850,576	2,196,521	1,156,833
30,506,229	28,655,653	26,459,132	25,302,299
32,209,512	30,506,229	28,655,653	26,459,132
$ 779,767	$ 708,591	$ 721,903	$ 662,456
358,239	358,731	352,824	321,581
3,497,425	1,599,743	34,935	1,282,369
(1,055,658)	(1,097,681)	(1,084,811)	(987,219)
(18,124)	(18,076)	(21,283)	(13,388)
(918)	(974)	(1,051)	(1,101)
3,560,731	1,550,334	2,517	1,264,698
25,232,705	23,682,371	23,679,854	22,415,156
$ 28,793,436	$ 25,232,705	$ 23,682,371	$ 23,679,854
$ 3,416,076	$ 5,273,524	$ 4,973,282	$ 2,779,278
89.39%	82.71%	82.64%	89.50%
$ 5,970,653	$ 5,937,749	$ 5,730,595	$ 5,359,686
57.21%	88.81%	86.78%	51.86%

City of Lockhart, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2021	9/30/2020	9/30/2019
Actuarially determined employer contributions	$ 941,155	$ 896,545	$ 872,807
Contributions in relation to the actuarially determined contribution	$ 941,155	$ 896,545	$ 872,807
Contribution deficiency (excess)	$ -	$ -	$ -
Annual covered payroll	$ 7,490,384	$ 6,972,445	$ 6,687,118
Employer contributions as a percentage of covered payroll	12.56%	12.86%	13.05%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

9/30/2018	9/30/2017	9/30/2016	9/30/2015 [1]
$ 829,948	$ 754,327	$ 734,637	$ 692,664
$ 829,948	$ 754,327	$ 734,637	$ 692,664
$ -	$ -	$ -	$ -
$ 6,300,160	$ 5,911,532	$ 6,129,529	$ 5,617,224
13.17%	12.76%	11.99%	12.33%

City of Lockhart, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended:

	[1] 12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB liability				
Service cost	$ 23,315	$ 17,693	$ 19,266	$ 15,524
Interest	13,308	14,621	13,571	13,276
Differences between expected and actual experience	(36,363)	(18,892)	(17,158)	-
Changes of assumptions	70,035	77,468	(27,464)	31,482
Benefit payments	(4,372)	(3,403)	(3,211)	(3,582)
Net changes	65,923	87,487	(14,996)	56,700
Total OPEB liability - beginning	474,450	386,963	401,959	345,259
Total OPEB liability - ending	[2] $ 540,373	$ 474,450	$ 386,963	$ 401,959
Covered employee payroll	$ 7,285,883	$ 6,805,058	$ 6,421,896	$ 5,970,653
Fund's net position as a percentage of covered employee payroll	7.42%	6.97%	6.03%	6.73%

Notes to schedule:

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

[2] No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

City of Lockhart, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS

RETIREE HEALTHCARE

Years Ended:

	9/30/2021 [1]	9/30/2020	9/30/2019	9/30/2018
Total OPEB liability				
Service cost	$ $ 13,045	$ $ 11,786	$ $ 11,786	$ 11,326
Interest	9,754	15,971	15,460	15,641
Differences between expected and actual experience	-	(9,846)	-	-
Changes of assumptions	-	53,744	-	-
Benefit payments	(32,804)	(32,804)	(20,086)	(20,086)
Net changes	(10,005)	38,851	7,160	6,881
Total OPEB liability - beginning	436,853	398,002	390,842	383,961
Total OPEB liability - ending	[2] $ 426,848	$ 436,853	[2] $ 398,002	[2] $ 390,842
Covered employee payroll	$ 3,307,156	$ 3,307,156	$ 3,778,438	$ 3,778,438
Fund's net position as a percentage of covered employee payroll	12.91%	13.21%	10.53%	10.34%

Notes to schedule:

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

[2] No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

(This page intentionally left blank.)

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

City of Lockhart, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2021

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Assets				
Cash and cash equivalents	$ -	$ 1,708,636	$ 2,860,563	$ 4,569,199
Accounts receivable	52,197	145,403	-	197,600
Total Assets	$ 52,197	$ 1,854,039	$ 2,860,563	$ 4,766,799
Liabilities				
Accounts payable	$ -	$ 7,230	$ 9,810	$ 17,040
Due to other funds	45,681	54,646	-	100,327
Total Liabilities	45,681	61,876	9,810	117,367
Deferred Inflows/Outflows				
Unavailable revenue-tax	52,198	-	-	52,198
Unavailable revenue-fines	-	8,479	-	8,479
Total Deferred Inflows/Outflows	52,198	8,479	-	60,677
Fund Balances				
Restricted for:				
General government	-	63,160	-	63,160
Public safety	-	18,994	-	18,994
Municipal court	-	118,506	-	118,506
Tourism	-	98,198	-	98,198
Capital projects	-	1,526,575	2,850,753	4,377,328
Unassigned	(45,682)	(41,749)	-	(87,431)
Total Fund Balances	(45,682)	1,783,684	2,850,753	4,588,755
Total Liabilities, Deferred Inflows and Fund Balances	$ 52,197	$ 1,854,039	$ 2,860,563	$ 4,766,799

See Notes to Financial Statements.

City of Lockhart, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Revenues				
Property tax	$ 694,121	$ -	$ -	$ 694,121
Hotel occupancy tax	-	140,800	-	140,800
Fines and forfeitures	-	39,547	-	39,547
License and permits	-	349,151	-	349,151
Charges for services	-	649,986	-	649,986
Intergovernmental	11,690	180,386	-	192,076
Donations	-	-	20,000	20,000
Investment income	618	2,187	4,763	7,568
Total Revenues	706,429	1,362,057	24,763	2,093,249
Expenditures				
General government	-	124,589	-	124,589
Public safety	-	254,926	-	254,926
Public works	-	22,628	-	22,628
Culture and recreation	-	1,263	-	1,263
Debt service:				
Principal	745,722	-	-	745,722
Interest	409,169	-	-	409,169
Capital outlay	-	9,728	88,641	98,369
Total Expenditures	1,154,891	413,134	88,641	1,656,666
Revenues Over (Under) Expenditures	(448,462)	948,923	(63,878)	436,583
Other Financing Sources (Uses)				
Transfers in	286,945	137,620	-	424,565
Transfers (out)		(664,858)	-	(664,858)
Total Other Financing Sources (Uses)	286,945	(527,238)	-	(240,293)
Net Change in Fund Balances	(161,517)	421,685	(63,878)	196,290
Beginning fund balances	115,835	1,361,999	2,914,631	4,392,465
Ending Fund Balances	$ (45,682)	$ 1,783,684	$ 2,850,753	$ 4,588,755

See Notes to Financial Statements.

City of Lockhart, Texas

COMBINING BALANCE SHEET (Page 1 of 2)

NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2021

	Radio Tower Equipment Replacement	Forfeited Property	Hotel/ Motel Tax	LEOSE Fund
Assets				
Cash and cash equivalents	$ 5,755	$ 9,170	$ 72,583	$ 9,824
Accounts receivable	-	-	33,194	-
Total Assets	$ 5,755	$ 9,170	$ 105,777	$ 9,824
Liabilities				
Accounts payable	$ 385	$ -	$ -	$ -
Due to other funds	-	-	7,579	-
Total Liabilities	385	-	7,579	-
Deferred Inflows				
Unavailable revenue-fines and fees	-	-	-	-
Total Deferred Inflows	-	-	-	-
Fund Balances				
Restricted for:				
General government	-	-	-	-
Public safety	-	9,170	-	9,824
Municipal court	-	-	-	-
Tourism	-	-	98,198	-
Capital projects	5,370	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	5,370	9,170	98,198	9,824
Total Liabilities, Deferred Inflows, and Fund Balances	$ 5,755	$ 9,170	$ 105,777	$ 9,824

See Notes to Financial Statements.

Road Impact Fees #1	Road Impact Fees #2	Court Technology	Radio System Maintenance	Court Security
$ 654,080	$ 590,211	$ -	$ -	$ 12,058
-	-	1,708	-	1,947
$ 654,080	$ 590,211	$ 1,708	$ -	$ 14,005
$ -	$ -	$ 83	$ 5,503	$ -
-	-	6,330	29,833	-
-	-	6,413	35,336	-
-	-	1,708	-	1,947
-	-	1,708	-	1,947
-	-	-	-	-
-	-	-	-	-
-	-	-	-	12,058
-	-	-	-	-
654,080	590,211	-	-	-
-	-	(6,413)	(35,336)	-
654,080	590,211	(6,413)	(35,336)	12,058
$ 654,080	$ 590,211	$ 1,708	$ -	$ 14,005

City of Lockhart, Texas

COMBINING BALANCE SHEET (Page 2 of 2)

NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2021

	Child Safety	Court Efficiency	Juvenile Case Manager	Truancy Court
Assets				
Cash and cash equivalents	$ 41,427	$ 11,963	$ 45,521	$ 7,370
Accounts receivable	810	1,726	2,132	121
Total Assets	$ 42,237	$ 13,689	$ 47,653	$ 7,491
Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows				
Unavailable revenue-fines and fees	810	1,726	2,132	121
Total Deferred Inflows	810	1,726	2,132	121
Fund Balances				
Restricted for:				
General government	-	-	-	-
Public safety	-	-	-	-
Municipal court	41,427	11,963	45,521	7,370
Tourism	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	41,427	11,963	45,521	7,370
Total Liabilities, Deferred Inflows, and Fund Balances	$ 42,237	$ 13,689	$ 47,653	$ 7,491

See Notes to Financial Statements.

Local Municipal Jury	Cable Education	Transportation	Drainage	Total Special Revenue Funds
$ 167	$ 57,741	$ 147,135	$ 43,631	$ 1,708,636
35	6,678	66,788	30,264	145,403
$ 202	$ 64,419	$ 213,923	$ 73,895	$ 1,854,039
$ -	$ 1,259	$ -	$ -	$ 7,230
-	-	-	10,904	54,646
-	1,259	-	10,904	61,876
35	-	-	-	8,479
35	-	-	-	8,479
-	63,160	-	-	63,160
-	-	-	-	18,994
167	-	-	-	118,506
-	-	-	-	98,198
-	-	213,923	62,991	1,526,575
-	-	-	-	(41,749)
167	63,160	213,923	62,991	1,783,684
$ 202	$ 64,419	$ 213,923	$ 73,895	$ 1,854,039

City of Lockhart, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Page 1 of 2)

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2021

	Radio Tower Equipment Replacement	Forfeited Property	Hotel/ Motel Tax	LEOSE Fund
Revenues				
Hotel occupancy tax	$ -	$ -	$ 113,504	$ -
Fines and forfeitures	-	3,080	-	-
License and permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	2,521
Investment income	31	19	124	21
Total Revenues	31	3,099	113,628	2,542
Expenditures				
General government	-	4,666	78,183	-
Public safety	20,483	-	-	10,620
Public works	-	-	-	-
Culture and recreation	-	-	1,263	-
Capital outlay	-	-	-	-
Total Expenditures	20,483	4,666	79,446	10,620
Revenues Over (Under) Expenditures	(20,452)	(1,567)	34,182	(8,078)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(20,452)	(1,567)	34,182	(8,078)
Beginning fund balances	25,822	10,737	64,016	17,902
Ending Fund Balances	$ 5,370	$ 9,170	$ 98,198	$ 9,824

See Notes to Financial Statements.

Road Impact Fees #1	Road Impact Fees #2	Court Technology	Radio System Maintenance	Court Security
$ -	$ -	$ -	$ -	$ -
-	-	5,634	-	6,429
10,475	338,676	-	-	-
-	-	-	-	-
-	-	-	164,850	-
1,073	558	-	-	19
11,548	339,234	5,634	164,850	6,448
-	-	12,047	-	5,683
-	-	-	223,823	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	12,047	223,823	5,683
11,548	339,234	(6,413)	(58,973)	765
-	-		64,508	-
-	-	-	(63,003)	-
-	-	-	1,505	-
11,548	339,234	(6,413)	(57,468)	765
642,532	250,977	-	22,132	11,293
$ 654,080	$ 590,211	$ (6,413)	$ (35,336)	$ 12,058

City of Lockhart, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Page 2 of 2)

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2021

	Child Safety	Court Efficiency	Juvenile Case Manager	Truancy Court
Revenues				
Franchise and local taxes	$ -	$ -	$ -	$ -
Fines and forfeitures	11,168	5,687	7,033	400
License and permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	56	26	68	12
Total Revenues	11,224	5,713	7,101	412
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	9,728	-	-
Total Expenditures	-	9,728	-	-
Expenditures	11,224	(4,015)	7,101	412
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	11,224	(4,015)	7,101	412
Beginning fund balances	30,203	15,978	38,420	6,958
Ending Fund Balances	$ 41,427	$ 11,963	$ 45,521	$ 7,370

See Notes to Financial Statements.

Local Municipal Jury	Cable Education	Transportation	Drainage	Total Special Revenue Funds
$ -	$ 27,296	$ -	$ -	$ 140,800
116	-	-	-	39,547
-	-	-	-	349,151
-	-	446,713	203,273	649,986
-	-	-	13,015	180,386
-	101	182	(103)	2,187
116	27,397	446,895	216,185	1,362,057
-	24,010	-	-	124,589
-	-	-	-	254,926
-	-	3,304	19,324	22,628
-	-	-	-	1,263
-	-	-	-	9,728
-	24,010	3,304	19,324	413,134
116	3,387	443,591	196,861	948,923
-	-	-	73,112	137,620
-	-	(400,000)	(201,855)	(664,858)
-	-	(400,000)	(128,743)	(527,238)
116	3,387	43,591	68,118	421,685
51	59,773	170,332	(5,127)	1,361,999
$ 167	$ 63,160	$ 213,923	$ 62,991	$ 1,783,684

City of Lockhart, Texas

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECT FUNDS

September 30, 2021

	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2009 Certificates of Obligation
Assets			
Cash and cash equivalents	$ 33,260	$ 15,000	$ 271,196
Total Assets	$ 33,260	$ 15,000	$ 271,196
Liabilities			
Accounts payable	$ -	$ -	$ -
Total Liabilities	-	-	-
Fund Balances			
Restricted for:			
Capital projects	33,260	15,000	271,196
Total Fund Balances	33,260	15,000	271,196
Total Liabilities and Fund Balances	$ 33,260	$ 15,000	$ 271,196

See Notes to Financial Statements.

2015 Certificates of Obligation	Maple Street Park Improvements	Total
$ 2,521,107	$ 20,000	$ 2,860,563
$ 2,521,107	$ 20,000	$ 2,860,563
$ 9,810	$ -	$ 9,810
9,810	-	9,810
2,511,297	20,000	2,850,753
2,511,297	20,000	2,850,753
$ 2,521,107	$ 20,000	$ 2,860,563

City of Lockhart, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended September 30, 2021

	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2009 Certificates of Obligation
Revenues			
Donations	$ -	$ -	$ -
Investment income	55	-	449
Total Revenues	55	-	449
Expenditures			
Capital outlay	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balances	55	-	449
Beginning fund balances	33,205	15,000	270,747
Ending Fund Balances	$ 33,260	$ 15,000	$ 271,196

See Notes to Financial Statements.

2015 Certificates of Obligation	Maple Street Park Improvements	Total
$ -	$ 20,000	$ 20,000
4,259	-	4,763
4,259	20,000	24,763
88,641	-	88,641
88,641	-	88,641
(84,382)	20,000	(63,878)
2,595,679	-	2,914,631
$ 2,511,297	$ 20,000	$ 2,850,753

(This page intentionally left blank.)

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL RADIO TOWER EQUIPMENT REPLACEMENT

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ 500	$ 31	$ (469)
Total Revenues	500	31	(469)
Expenditures			
Public safety	61,845	20,483	41,362
Total Expenditures	61,845	20,483	41,362
Net Change in Fund Balances	$ (61,345)	(20,452)	$ 40,893
Beginning fund balances		25,822	
Ending Fund Balances		$ 5,370	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FORFEITED PROPERTY

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 36	$ 3,080	$ 3,044
Investment income	-	19	19
Total Revenues	36	3,099	3,063
Expenditures			
General government	8,068	4,666	3,402
Total Expenditures	8,068	4,666	3,402
Revenues Over (Under) Expenditures	(8,032)	(1,567)	6,465
Net Change in Fund Balances	$ (8,032)	(1,567)	$ 6,465
Beginning fund balances		10,737	
Ending Fund Balances		$ 9,170	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

HOTEL/MOTEL TAX

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Hotel occupancy tax	$ 85,000	$ 113,504	$ 28,504
Investment income	-	124	124
Total Revenues	85,000	113,628	28,628
Expenditures			
General government	88,290	78,183	10,107
Culture and recreation	-	1,263	(1,263)
Total Expenditures	88,290	79,446	8,844
Net Change in Fund Balances	$ (3,290)	34,182	$ 37,472
Beginning fund balances		64,016	
Ending Fund Balances		$ 98,198	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ROAD IMPACT FEES #1

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
License and permits	$ 50,000	$ 10,475	$ (39,525)
Investment income	-	1,073	1,073
Total Revenues	50,000	11,548	(38,452)
Expenditures			
Capital outlay	680,960	-	680,960
Total Expenditures	680,960	-	680,960
Revenues Over (Under) Expenditures	(630,960)	11,548	642,508
Net Change in Fund Balances	$ (630,960)	11,548	$ 642,508
Beginning fund balances		642,532	
Ending Fund Balances		$ 654,080	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ROAD IMPACT FEES #2

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
License and permits	$ 35,000	$ 338,676	$ 303,676
Investment income	-	558	558
Total Revenues	35,000	339,234	304,234
Expenditures			
Capital outlay	129,276	-	129,276
Total Expenditures	129,276	-	129,276
Revenues Over (Under) Expenditures	(94,276)	339,234	433,510
Net Change in Fund Balances	$ (94,276)	339,234	$ 433,510
Beginning fund balances		250,977	
Ending Fund Balances		$ 590,211	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURT TECHNOLOGY

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 3,200	$ 5,634	$ 2,434
Total Revenues	3,200	5,634	2,434
Expenditures			
General government	6,723	12,047	(5,324) *
Total Expenditures	6,723	12,047	(5,324)
Revenues Over (Under) Expenditures	(3,523)	(6,413)	(2,890)
Net Change in Fund Balances	$ (3,523)	(6,413)	$ (2,890)
Beginning fund balances		-	
Ending Fund Balances		$ (6,413)	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

* Expenditures exceeded appropriations at the legal level of control.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RADIO SYSTEM MAINTENANCE
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 185,440	$ 164,850	$ (20,590)
Investment income	-	-	-
Total Revenues	185,440	164,850	(20,590)
Expenditures			
Public safety	199,260	223,823	(24,563)
Total Expenditures	199,260	223,823	(24,563) *
Revenues Over (Under) Expenditures	(13,820)	(58,973)	(45,153)
Other Financing Sources (Uses)			
Transfers in	-	64,508	64,508
Transfers (out)	-	(63,003)	(63,003)
Total Other Financing Sources (Uses)	-	1,505	1,505
Net Change in Fund Balances	$ (13,820)	(57,468)	$ (43,648)
Beginning fund balances		22,132	
Ending Fund Balances		$ (35,336)	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

* Expenditures exceeded appropriations at the legal level of control.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COURT SECURITY

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 300	$ 6,429	$ 6,129
Investment income	-	19	19
Total Revenues	300	6,448	6,148
Expenditures			
General government	11,990	5,683	6,307
Total Expenditures	11,990	5,683	6,307
Revenues Over (Under) Expenditures	(11,690)	765	12,455
Net Change in Fund Balances	$ (11,690)	765	$ 12,455
Beginning fund balances		11,293	
Ending Fund Balances		$ 12,058	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CHILD SAFETY

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 1,200	$ 11,168	$ 9,968
Investment income	-	56	56
Total Revenues	1,200	11,224	10,024
Expenditures			
General government	25,154	-	25,154
Total Expenditures	25,154	-	25,154
Revenues Over (Under) Expenditures	(23,954)	11,224	35,178
Net Change in Fund Balances	$ (23,954)	11,224	$ 35,178
Beginning fund balances		30,203	
Ending Fund Balances		$ 41,427	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COURT EFFICIENCY

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 800	$ 5,687	$ 4,887
Investment income	-	26	26
Total Revenues	800	5,713	4,913
Expenditures			
Capital outlay	12,783	9,728	3,055
Total Expenditures	12,783	9,728	3,055
Revenues Over (Under) Expenditures	(11,983)	(4,015)	7,968
Net Change in Fund Balances	$ (11,983)	(4,015)	$ 7,968
Beginning fund balances		15,978	
Ending Fund Balances		$ 11,963	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUVENILE CASE MANAGER

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 2,500	$ 7,033	$ 4,533
Investment income	-	68	68
Total Revenues	2,500	7,101	4,601
Expenditures			
General government	32,417	-	32,417
Total Expenditures	32,417	-	32,417
Net Change in Fund Balances	$ (29,917)	7,101	$ 37,018
Beginning fund balances		38,420	
Ending Fund Balances		$ 45,521	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TRUANCY COURT

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 750	$ 400	$ (350)
Investment income	-	12	12
Total Revenues	750	412	(338)
Expenditures			
General government	6,739	-	6,739
Total Expenditures	6,739	-	6,739
Net Change in Fund Balances	$ (5,989)	412	$ 6,401
Beginning fund balances		6,958	
Ending Fund Balances		$ 7,370	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CABLE EDUCATION

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Hotel occupancy tax	$ 3,200	$ 27,296	$ 24,096
Investment income	-	101	101
Total Revenues	3,200	27,397	24,197
Expenditures			
General government	43,212	24,010	19,202
Total Expenditures	43,212	24,010	19,202
Revenues Over (Under) Expenditures	(40,012)	3,387	43,399
Net Change in Fund Balances	$ (40,012)	3,387	$ 43,399
Beginning fund balances		59,773	
Ending Fund Balances		$ 63,160	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for services	$ 360,000	$ 446,713	$ 86,713
Investment income	-	182	182
Total Revenues	360,000	446,895	86,895
Expenditures			
Public works	83,815	3,304	80,511
Total Expenditures	83,815	3,304	80,511
Revenues Over (Under) Expenditures	276,185	443,591	167,406
Other Financing Sources (Uses)			
Transfers (out)	(400,000)	(400,000)	-
Total Other Financing Sources (Uses)	(400,000)	(400,000)	-
Net Change in Fund Balances	$ (123,815)	43,591	$ 167,406
Beginning fund balances		170,332	
Ending Fund Balances		$ 213,923	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DRAINAGE

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for services	$ 180,000	$ 203,273	$ 23,273
Intergovernmental	-	13,015	13,015
Investment income	-	(103)	(103)
Total Revenues	180,000	216,185	36,185
Expenditures			
Public works	207,524	19,324	188,200
Total Expenditures	207,524	19,324	188,200
Revenues Over (Under) Expenditures	(27,524)	196,861	224,385
Other Financing Sources (Uses)			
Transfers in	73,112	73,112	-
Transfers (out)	(201,855)	(201,855)	-
Total Other Financing Sources (Uses)	(128,743)	(128,743)	-
Net Change in Fund Balances	$ (156,267)	68,118	$ 224,385
Beginning fund balances		(5,127)	
Ending Fund Balances		$ 62,991	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LEOSE

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 2,200	$ 2,521	$ 321
Investment income	-	21	21
Total Revenues	2,200	2,542	342
Expenditures			
Public safety	19,280	10,620	8,660
Total Expenditures	19,280	10,620	8,660
Revenues Over (Under) Expenditures	(17,080)	(8,078)	9,002
Net Change in Fund Balances	$ (17,080)	(8,078)	$ 9,002
Beginning fund balances		17,902	
Ending Fund Balances		$ 9,824	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CLEARFORK SECTION 1 SIDEWALK

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ 360	$ 55	$ (305)
Total Revenues	360	55	(305)
Expenditures			
Capital outlay	33,219	-	33,219
Total Expenditures	33,219	-	33,219
Net Change in Fund Balances	$ (32,859)	55	$ 32,914
Beginning fund balances		33,205	
Ending Fund Balances		$ 33,260	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MAPLE 2201 TRAIL PROJECT

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ -	$ -	$ -
Total Revenues	-	-	-
Expenditures			
Capital outlay	15,000	-	15,000
Total Expenditures	15,000	-	15,000
Net Change in Fund Balances	$ (15,000)	-	$ 15,000
Beginning fund balances		15,000	
Ending Fund Balances		$ 15,000	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
2009 CERTIFICATES OF OBLIGATION

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ 2,400	$ 449	$ (1,951)
Total Revenues	2,400	449	(1,951)
Expenditures			
Capital outlay	274,590	-	274,590
Total Expenditures	274,590	-	274,590
Net Change in Fund Balances	$ (272,190)	449	$ 272,639
Beginning fund balances		270,747	
Ending Fund Balances		$ 271,196	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
2015 CERTIFICATES OF OBLIGATION
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ 19,200	$ 4,259	$ (14,941)
Total Revenues	19,200	4,259	(14,941)
Expenditures			
Capital outlay	3,381,346	88,641	3,292,705
Total Expenditures	3,381,346	88,641	3,292,705
Net Change in Fund Balances	$ (3,362,146)	(84,382)	$ 3,277,764
Beginning fund balances		2,595,679	
Ending Fund Balances		$ 2,511,297	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

COMBINING NONMAJOR ENTERPRISE FUNDS

City of Lockhart, Texas

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS (Page 1 of 2)

September 30, 2021

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Assets			
Current Assets			
Cash and cash equivalents	$ 806,381	$ 299,442	$ 577,414
Accounts receivable, net	299,076	500	645,021
Prepaid items	419	-	-
Total Current Assets	1,105,876	299,942	1,222,435
Noncurrent Assets			
Capital assets:			
Non-depreciable	120,409	72,161	-
Net depreciable capital assets	101,251	1,248,236	136,496
Total Noncurrent Assets	221,660	1,320,397	136,496
Total Assets	1,327,536	1,620,339	1,358,931
Deferred Outflows of Resources			
Pension outflows-TMRS	20,925	-	-
OPEB outflows-TMRS	2,816	-	-
OPEB outflows-retiree healthcare	1,204	-	-
Total Deferred Outflows of Resources	24,945	-	-

See Notes to Financial Statements.

Business-Type Activities
Total
$ 1,683,237
944,597
419
2,628,253
192,570
1,485,983
1,678,553
4,306,806
20,925
2,816
1,204
24,945

City of Lockhart, Texas

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Page 2 of 2)

September 30, 2021

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Liabilities			
Current Liabilities			
Accounts payable	$ 110,647	$ 2,125	$ 131,258
Accrued liabilities	10,499	665	-
Customer deposits	50	4,925	-
Compensated absences, current	7,476	775	-
Capital lease payable, current	6,186	-	17,392
Total Current Liabilities	134,858	8,490	148,650
Noncurrent Liabilities			
Compensated absences	831	86	-
Capital leases payable	15,514	-	34,783
Net pension liability	86,403	-	-
OPEB liability-TMRS	14,158	-	-
OPEB liability-retiree healthcare	11,533	-	-
Total Noncurrent Liabilities	128,439	86	34,783
Total Liabilities	263,297	8,576	183,433
Deferred Inflows of Resources			
Pension inflows-TMRS	23,247	-	-
OPEB inflows-TMRS	1,256	-	-
OPEB inflows-retiree healthcare	221	-	-
Total Deferred Inflows of Resources	24,724	-	-
Net Position			
Net investment in capital assets	199,960	1,320,397	67,390
Unrestricted	864,500	291,366	1,108,108
Total Net Position	$ 1,064,460	$ 1,611,763	$ 1,175,498

See Notes to Financial Statements.

Business-Type Activities
Total
$ 244,030
11,164
4,975
8,251
23,578
291,998
917
50,297
86,403
14,158
11,533
163,308
455,306
23,247
1,256
221
24,724
1,604,678
2,247,043
$ 3,851,721

City of Lockhart, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended September 30, 2021

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Operating Revenues			
Charges for services	$ 2,040,494	$ 85,953	$ 1,136,903
Other revenue	2,856	-	-
Total Operating Revenues	2,043,350	85,953	1,136,903
Operating Expenses			
Personnel services	265,844	-	-
Supplies	4,594	11,000	1,279,959
Maintenance and repairs	1,383,223	10,543	100
Contractual services	8,378	1,316	26,034
Miscellaneous	7,001	-	-
Depreciation	20,897	53,687	102,292
Total Operating Expenses	1,689,937	76,546	1,408,385
Operating Income (Loss)	353,413	9,407	(271,482)
Nonoperating Revenues (Expenses)			
Gain on sale of capital assets	-	-	2,500
Investment earnings	1,187	433	994
Interest expense	(361)	-	-
Total Nonoperating Revenues (Expenses)	826	433	3,494
Income Before Capital Contributions and Transfers	354,239	9,840	(267,988)
Capital Contributions and Transfers			
Capital grants	18,000	-	-
Transfers (out)	(236,396)	-	(25,531)
Total Capital Contributions and Transfers	(218,396)	-	(25,531)
Change in Net Position	135,843	9,840	(293,519)
Beginning net position	928,617	1,601,923	1,469,017
Ending Net Position	$ 1,064,460	$ 1,611,763	$ 1,175,498

See Notes to Financial Statements.

Business-Type Activities
Total
$ 3,263,350
2,856
3,266,206
265,844
1,295,553
1,393,866
35,728
7,001
176,876
3,174,868
91,338
2,500
2,614
(361)
4,753
96,091
18,000
(261,927)
(243,927)
(147,836)
3,999,557
$ 3,851,721

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2021

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Cash Flows from Operating Activities			
Payments to employees	$ (286,567)	$ 204	$ -
Payments to suppliers	(1,459,313)	(23,357)	(1,175,235)
Receipts from customers	2,040,477	86,153	1,277,142
Net Cash Provided (Used) by Operating Activities	294,597	63,000	101,907
Cash Flows from Noncapital Financing Activities			
Transfers (out)	(236,396)	-	(25,531)
Net Cash Provided (Used) by Noncapital Financing	(236,396)	-	(25,531)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	-	(43,727)
Sale of capital assets	-	-	2,500
Capital contributions	18,000	-	-
Principal paid on capital debt	(2,905)	-	(17,391)
Interest paid on capital debt	(361)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	14,734	-	(58,618)
Cash Flows from Investing Activities			
Interest on investments	1,187	433	994
Net Cash Provided by Investing Activities	1,187	433	994
Net Increase (Decrease) in Cash and Cash	74,122	63,433	18,752
Beginning cash and cash equivalents	732,259	236,009	558,662
Ending Cash and Cash Equivalents	$ 806,381	$ 299,442	$ 577,414

See Notes to Financial Statements.

Business-Type Activities Total
$ (286,363)
(2,657,905)
3,403,772
459,504
(261,927)
(261,927)
(43,727)
2,500
18,000
(20,296)
(361)
(43,884)
2,614
2,614
156,307
1,526,930
$ 1,683,237

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2021

	Business-Type Activities		
	Sanitation	Airport	EMS
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ 353,413	$ 9,407	$ (271,482)
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	20,897	53,687	102,292
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(2,773)	-	140,239
Prepaid items	(419)	-	-
Deferred outflows:			
Pension	(1,912)	-	-
OPEB	(863)	-	-
Increase (Decrease) in:			
Accounts payable and accrued liabilities	(55,698)	(498)	130,858
Customer deposits	(100)	200	-
Compensated absences	1,975	204	-
Deferred inflows:			
Pension	(12,907)	-	-
OPEB	309	-	-
Net pension liability	(8,958)	-	-
OPEB liability	1,633	-	-
Net Cash Provided (Used) by Operating Activities	$ 294,597	$ 63,000	$ 101,907

Schedule of Non-Cash Capital and Related Financing Activities			
Acquisition of capital lease	$ 24,605	$ -	$ -

See Notes to Financial Statements.

Business-Type Activities
Total
$ 91,338
176,876
137,466
(419)
(1,912)
(863)
74,662
100
2,179
(12,907)
309
(8,958)
1,633
$ 459,504
$ 24,605

(This page intentionally left blank.)

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends 158

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 169

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity 188

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 193

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 196

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Lockhart, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	$ 18,958,675	$ 18,393,579	$ 16,591,140	$ 16,376,825
Restricted	910,946	1,162,143	2,123,629	1,211,989
Unrestricted	3,139,585	2,880,516	2,859,520	1,328,814
Total governmental activities net position	$ 23,009,206	$ 22,436,238	$ 21,574,289	$ 18,917,628
Business-type activities				
Net investment in capital assets	$ 12,161,005	$ 10,349,284	$ 10,193,932	$ 15,283,769
Restricted	363,365	3,449,423	2,924,473	1,023,082
Unrestricted	7,710,870	7,243,346	8,125,881	5,315,836
Total business-type activities net position	$ 20,235,240	$ 21,042,053	$ 21,244,286	$ 21,622,687
Primary government				
Net investment in capital assets	$ 31,119,680	$ 28,742,863	$ 26,785,072	$ 31,660,594
Restricted	1,274,311	4,611,566	5,048,102	2,235,071
Unrestricted	10,850,455	10,123,862	10,985,401	6,644,650
	$ 43,244,446	$ 43,478,291	$ 42,818,575	$ 40,540,315

(1) Accrual basis of accounting

NOTES:

The City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The City implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

2016	2017	2018	2019	2020	2021
$ 15,001,030	$ 14,162,688	$ 13,774,228	$ 12,648,711	$ 12,104,249	$ 11,816,033
1,093,907	1,141,195	1,396,101	1,571,133	1,603,237	3,598,451
2,137,425	1,886,148	1,823,314	1,972,882	3,557,222	3,915,790
$ 18,232,362	$ 17,190,031	$ 16,993,643	$ 16,192,726	$ 17,264,708	$ 19,330,274
$ 15,074,665	$ 16,507,663	$ 16,961,238	$ 17,492,757	$ 16,579,735	$ 15,721,677
1,071,089	1,163,687	1,421,535	1,661,480	2,034,582	2,008,737
7,979,875	7,489,601	8,791,362	9,434,557	8,506,993	6,885,849
$ 24,125,629	$ 25,160,951	$ 27,174,135	$ 28,588,794	$ 27,121,310	$ 24,616,263
$ 30,075,695	$ 30,670,351	$ 30,735,466	$ 30,141,468	$ 28,683,984	$ 27,537,710
2,164,996	2,304,882	2,817,636	3,232,613	3,637,819	5,607,188
10,117,300	9,375,749	10,614,676	11,407,439	12,064,215	10,801,639
$ 42,357,991	$ 42,350,982	$ 44,167,778	$ 44,781,520	$ 44,386,018	$ 43,946,537

City of Lockhart, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2012	2013	2014	2015
Governmental activities				
Expenses				
General government	$ 1,191,024	$ 1,952,419	$ 2,096,530	$ 2,476,203
Public safety	5,599,728	5,550,020	5,584,295	5,626,336
Public works	2,870,543	2,509,328	2,507,776	2,448,572
Health and welfare	5,834	26,528	6,091	13,489
Community development	-	-	-	-
Culture and recreation	823,923	783,053	771,470	964,757
Interest on long-term debt	456,409	416,095	383,683	612,529
Total governmental activities expenses	10,947,461	11,237,443	11,349,845	12,141,886
Program revenues				
Charges for services				
General government	527,226	517,628	608,232	1,131,977
Public safety	1,028,070	1,180,320	1,362,136	1,531,653
Public works	-	-	-	-
Health and welfare	11,498	-	-	-
Culture and recreation	28,384	32,437	27,773	28,878
Community development	-	-	-	-
Operating grants and contributions	842,045	935,161	432,581	391,200
Capital grants and contributions	156,886	157,320	103,808	-
Total program revenues	2,594,109	2,822,866	2,534,530	3,083,708
Total governmental activities net program expense	$ (8,353,352)	$ (8,414,577)	$ (8,815,315)	$ (9,058,178)
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes, general	2,869,130	2,843,226	2,933,089	2,975,409
Property taxes, debt service	542,274	538,316	555,028	561,588
Sales taxes	1,292,841	1,296,151	1,381,748	1,484,020
Franchise taxes	293,375	308,180	319,982	325,911
Other taxes	104,650	81,614	93,825	106,712
Unrestricted investment earnings	24,992	22,967	18,355	23,881
Gain on sale of capital assets	-	-	-	-
Miscellaneous	195,425	162,186	505,461	493,852
Transfers	2,146,642	2,588,969	2,595,561	2,356,889
Total general revenues and other changes net position	7,469,329	7,841,609	8,403,049	8,328,262
Total governmental activities change in net position	$ (884,023)	$ (572,968)	$ (412,266)	$ (729,916)

2016	2017	2018	2019	2020	2021
$ 1,879,383	$ 2,083,166	$ 2,045,364	$ 2,232,343	$ 2,455,580	$ 1,931,497
5,230,470	5,086,371	5,401,024	5,799,256	5,703,143	6,202,140
2,586,206	2,644,292	3,084,192	3,552,691	3,153,763	2,970,230
17,068	22,137	16,326	18,250	144,615	26,352
-	-	-	-	-	1,189,072
933,135	1,006,038	1,077,697	1,041,842	1,052,444	683,483
621,121	459,629	441,769	415,242	391,300	371,174
11,267,383	11,301,633	12,066,372	13,059,624	12,900,845	13,373,948
191,100	181,313	223,254	601,870	730,384	-
330,826	334,769	1,005,749	295,192	355,773	366,887
723,832	549,097	423,575	291,604	358,837	649,986
-	-	-	-	-	-
33,926	32,699	37,991	29,589	8,943	88,883
-	-	-	-	-	650,521
615,542	202,393	566,039	579,539	1,037,366	2,485,671
-	-	278,000	96,263	257,055	177,865
1,895,226	1,300,271	2,534,608	1,894,057	2,748,358	4,419,813
$ (9,372,157)	$ (10,001,362)	$ (9,531,764)	$ (11,165,567)	$ (10,152,487)	$ (8,954,135)
3,016,649	3,217,538	3,620,758	3,914,885	4,276,918	4,555,926
687,845	692,161	704,442	697,336	714,253	694,121
1,478,065	1,549,695	1,650,931	1,767,048	1,992,939	2,143,239
316,353	312,433	357,278	360,589	349,849	398,205
132,234	96,529	106,756	111,841	102,063	113,504
59,851	99,353	190,320	283,700	119,746	20,739
-	-	-	-	-	2,110
239,590	289,291	192,281	184,509	233,319	100,720
2,448,575	2,896,410	3,094,654	3,044,742	3,145,528	2,991,137
8,379,162	9,153,410	9,917,420	10,364,650	10,934,615	11,019,701
$ (992,995)	$ (847,952)	$ 385,656	$ (800,917)	$ 782,128	$ 2,065,566

City of Lockhart, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2012	2013	2014	2015
Business-type activities				
Expenses				
Electric	$ 8,928,955	$ 8,722,855	$ 9,725,877	$ 9,753,464
Water	2,974,676	2,874,616	2,685,091	3,258,446
Wastewater	1,937,230	1,836,078	1,936,142	1,849,338
EMS	-	-	-	-
Sanitation	1,069,763	1,090,003	1,077,505	1,166,275
Airport	75,469	76,188	79,443	82,646
Total business-type expenses	14,986,093	14,599,740	15,504,058	16,110,169
Program revenues				
Charges for services				
Electric	10,678,214	10,388,956	11,521,734	12,039,498
Water	3,193,225	3,050,522	3,100,358	3,090,312
Wastewater	2,065,623	2,108,828	2,188,454	2,195,102
EMS	-	-	-	-
Sanitation	1,323,672	1,349,400	1,332,323	1,402,428
Airport	70,727	67,799	69,035	68,520
Operating grants and contributions	-	34,606	-	11,821
Capital grants and contributions	257,900	942,271	37,035	-
Total business-type program revenues	17,589,361	17,942,382	18,248,939	18,807,681
Total business-type activities net program expense	$ 2,603,268	$ 3,342,642	$ 2,744,881	$ 2,697,512
General revenues and other changes in net position				
Impact fees	32,398	37,846	218,458	255,462
Unrestricted investment earnings	13,906	15,294	14,881	21,733
Miscellaneous	-	-	-	6,858
Transfers	(2,146,642)	(2,588,969)	(2,595,561)	(2,356,889)
Total general revenues and other changes in net position	(2,100,338)	(2,535,829)	(2,362,222)	(2,072,836)
Total business-type activities change in net position	$ 502,930	$ 806,813	$ 382,659	$ 624,676
Total primary government change in net position	$ (381,093)	$ 233,845	$ (29,607)	$ (105,240)

2016	2017	2018	2019	2020	2021
$ 8,664,234	$ 8,722,211	$ 9,132,038	$ 9,242,068	$ 8,564,816	$ 11,350,044
3,257,979	3,545,084	3,428,101	3,224,639	3,908,621	5,066,674
2,089,407	1,824,111	1,281,066	1,370,942	1,444,482	1,635,537
1,230,254	1,289,014	1,334,506	1,383,128	1,407,549	1,408,385
1,215,636	1,345,466	1,461,111	1,553,603	1,592,412	1,690,298
69,911	76,438	100,130	78,258	80,607	76,546
16,527,421	16,802,324	16,736,952	16,852,638	16,998,487	21,227,484
10,974,720	11,444,388	12,238,369	12,193,929	11,039,153	11,560,085
3,100,239	3,287,603	3,336,689	3,267,558	3,555,391	3,758,322
2,265,298	2,578,386	2,339,875	2,278,003	2,277,346	2,478,077
2,007,847	1,354,810	1,438,174	978,097	1,071,931	1,136,903
1,464,121	1,593,359	1,708,812	1,872,719	1,981,863	2,040,494
68,927	71,489	71,433	89,059	82,809	85,953
-	7,016	24,925	68,272	44,680	-
1,042,796	195,261	-	-	23,750	432,657
20,923,948	20,532,312	21,158,277	20,747,637	20,076,923	21,492,491
$ 4,396,527	$ 3,729,988	$ 4,421,325	$ 3,894,999	$ 3,078,436	$ 265,007
263,817	83,585	244,561	195,808	296,093	-
61,357	118,159	236,101	368,594	164,183	21,947
-	-	23,598	-	8,552	199,136
(2,448,575)	(2,896,410)	(3,094,654)	(3,044,742)	(3,145,528)	(2,991,137)
(2,123,401)	(2,694,666)	(2,590,394)	(2,480,340)	(2,676,700)	(2,770,054)
$ 2,273,126	$ 1,035,322	$ 1,830,931	$ 1,414,659	$ 401,736	$ (2,505,047)
$ 1,280,131	$ 187,370	$ 2,216,587	$ 613,742	$ 1,183,864	$ (439,481)

City of Lockhart, Texas

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2012	2013	2014	2015
General Fund				
Nonspendable				
Prepaid items	$ 19,180	$ 20,452	$ 19,116	$ 23,103
Inventory	31,110	32,669	19,327	14,578
Restricted	94,718	92,510	166,141	91,955
Committed	794,336	745,659	742,680	602,435
Unassigned	2,126,968	2,456,454	2,655,076	3,196,967
Total general fund	$ 3,066,312	$ 3,347,744	$ 3,602,340	$ 3,929,038
All Other Governmental Funds				
Nonspendable				
Prepaid items	$ -	$ -	$ 10,373	$ 2,673
Restricted				
Retirement of long-term debt	499,163	515,468	429,226	362,919
Special revenue funds	473,266	590,589	690,237	757,115
General government	-	-	-	-
Tourism	-	-	-	-
Municipal court	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Various capital projects	3,197,595	2,122,420	838,025	8,386,106
Unassigned	-	-	-	-
Total all other governmental funds	$ 4,170,024	$ 3,228,477	$ 1,967,861	$ 9,508,813

2016	2017	2018	2019	2020	2021
$ 15,728	$ 23,642	$ 37,870	$ 30,627	$ 27,327	$ 610,955
13,699	11,272	11,563	13,572	9,350	17,718
-	-	-	-	-	234,613
604,252	609,054	553,877	574,446	308,539	309,050
3,423,228	3,897,547	4,451,131	5,103,853	6,673,086	6,506,302
$ 4,056,907	$ 4,541,515	$ 5,054,441	$ 5,722,498	$ 7,018,302	$ 7,678,638
$ 4,512	$ 680	$ 2,765	$ -	$ -	$ -
278,089	285,621	240,674	203,016	115,835	-
-	-	-	-	-	
627,417	664,319	35,067	46,502	59,773	63,160
8,248	8,485	2,721	6,637	64,016	98,198
-	-	-	-	-	118,506
180,153	206,068	227,044	206,600	179,496	18,994
-	-	903,976	1,073,692	1,063,841	-
6,792,536	5,160,201	4,531,457	3,437,195	2,914,631	5,857,283
-	-	-	(3,523)	(323,955)	(87,431)
$ 7,890,955	$ 6,325,374	$ 5,943,704	$ 4,970,119	$ 4,073,637	$ 6,068,710

City of Lockhart, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2012	2013	2014	2015
Revenues				
Property taxes	$ 3,402,052	$ 3,381,542	$ 3,488,117	$ 3,531,590
Sales and other taxes	1,690,866	1,697,976	1,795,555	1,916,643
Franchise and local taxes				
Fines, fees and forfeitures	1,725,665	1,099,975	824,213	1,021,043
Licenses and permits	61,138	63,152	147,923	288,438
Charges for services	45,155	812,579	1,103,401	1,383,027
Intergovernmental and grants	655,203	544,888	381,406	391,200
Investment	24,991	23,005	18,355	23,881
Miscellaneous	602,542	739,044	502,274	493,852
Total revenues	8,207,612	8,362,161	8,261,244	9,049,674
Expenditures				
Current				
General government	1,134,953	1,947,463	1,955,191	1,946,091
Public safety	5,426,686	5,425,960	5,639,925	5,767,328
Public works	1,611,562	974,409	1,006,216	930,794
Health and welfare	5,434	26,176	5,739	11,970
Culture and recreation	772,519	782,139	737,113	880,443
Community development	-	-	-	-
Capital outlay	1,033,268	1,088,877	1,334,223	665,475
Debt service				
Principal retirement	914,253	945,374	795,796	358,092
Interest and fiscal charges	460,616	420,448	388,222	825,385
Paying agent and issue costs	400	400	400	132,458
Total expenditures	11,359,691	11,611,246	11,862,825	11,518,036
Excess (deficiency) of revenues over expenditures	(3,152,079)	(3,249,085)	(3,601,581)	(2,468,362)
Other financing sources (uses)				
Debt issued	-	-	-	7,700,735
Premium on issuance of bonds	-	-	-	278,388
Payment to escrow	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Transfers in	2,674,959	3,393,219	3,143,246	2,958,448
Transfers out	(528,317)	(804,250)	(547,685)	(601,559)
Total other financing sources (uses)	2,146,642	2,588,969	2,595,561	10,336,012
Change in fund balances	$ (1,005,437)	$ (660,116)	$ (1,006,020)	$ 7,867,650
Debt service as a percentage of noncapital expenditures	14.02%	13.58%	11.90%	10.91%

2016	2017	2018	2019	2020	2021
$ 3,757,254	$ 3,971,301	$ 4,352,825	$ 4,676,453	$ 5,028,375	$ 5,274,506
1,921,425	1,990,221	2,114,965	2,239,478	2,444,852	2,143,239
					511,709
1,115,233	927,273	1,227,557	1,127,998	1,190,406	414,578
173,641	125,761	192,622	142,721	243,196	650,521
-	-	-	2,200	2,200	738,869
184,438	202,393	458,624	554,354	866,355	3,061,756
59,851	99,353	190,320	283,700	119,746	20,739
550,390	288,003	323,296	275,443	223,199	186,781
7,762,232	7,604,305	8,860,209	9,302,347	10,118,329	13,002,698
1,853,485	1,847,858	1,933,687	2,107,937	2,333,952	1,777,924
4,680,022	4,751,069	5,212,519	5,631,506	5,579,302	6,052,616
1,069,441	1,168,180	1,727,405	1,601,001	1,948,586	1,571,151
12,138	17,207	11,396	13,320	139,685	20,539
834,815	890,047	949,731	912,739	1,150,716	1,022,863
-	-	-	-	-	707,075
1,589,287	1,818,019	828,872	1,238,106	551,827	1,442,886
855,322	587,160	601,470	690,799	727,163	797,305
566,342	500,948	483,207	456,409	432,504	413,447
151,889	1,200	1,000	800	800	-
11,612,741	11,581,688	11,749,287	12,652,617	12,864,535	13,805,806
(3,850,509)	(3,977,383)	(2,889,078)	(3,350,270)	(2,746,206)	(803,108)
4,887,402	-	-	-	-	383,923
593,157	-	-	-	-	-
(5,455,484)	-	-	-	-	-
-	-	-	-	-	251,942
3,451,810	3,440,098	3,688,600	3,796,267	4,360,894	3,793,615
(1,003,235)	(543,688)	(593,946)	(751,525)	(1,215,366)	(802,478)
2,473,650	2,896,410	3,094,654	3,044,742	3,145,528	3,627,002
$ (1,376,859)	$ (1,080,973)	$ 205,576	$ (305,528)	$ 399,322	$ 2,823,894
14.68%	11.64%	10.42%	10.23%	10.14%	9.78%

(This page intentionally left blank.)

City of Lockhart, Texas

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Last Ten fiscal years

Fiscal Year	Ad Valorem	Penalty and Interest	Sales	Franchise	Hotel/Motel	Other	Total
2012	$ 3,351,984	$ 50,068	$ 1,292,841	$ 293,375	$ 93,052	$ 11,598	$ 5,092,918
2013	3,333,978	47,564	1,293,019	308,180	81,614	15,163	5,079,518
2014	3,441,616	46,232	1,381,748	319,982	83,831	10,263	5,283,672
2015	3,487,044	44,546	1,479,056	325,911	100,522	11,154	5,448,233
2016	3,704,494	43,744	1,478,065	339,459	90,542	22,375	5,678,679
2017	3,909,699	58,868	1,549,695	336,068	87,766	19,426	5,961,522
2018	4,304,798	48,027	1,650,931	357,278	82,180	24,576	6,467,790
2019	4,620,916	55,537	1,767,048	360,589	87,078	24,763	6,915,931
2020	4,959,883	68,493	1,992,939	349,849	78,696	23,367	7,473,227
2021	5,214,552	59,954	2,143,239	335,952	101,455	34,957	7,890,109

City of Lockhart, Texas

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE

Last Ten fiscal years

Fiscal Year	Tax Roll	Real Property: Residential Property	Real Property: Non-Residential Property	Personal Property	Minerals	Less: Tax Exempt Real Property	Total Taxable Assessed Value Before Freeze
2012	2011	$ 410,135,248	$ 128,443,852	$ 54,648,590	$ 23,060	$ 115,156,405	$ 478,094,345
2013	2012	416,425,765	129,671,339	46,217,410	14,400	114,848,768	477,480,146
2014	2013	427,236,194	131,330,390	53,978,110	14,400	118,025,207	494,533,887
2015	2014	449,920,448	132,450,610	53,836,070	5,040	139,636,140	496,576,028
2016	2015	469,313,930	135,525,093	55,579,530	7,091	141,581,487	518,844,157
2017	2016	482,454,757	141,155,970	53,621,290	7,091	144,119,120	533,119,988
2018	2017	544,551,915	189,973,297	54,203,240	11,626	178,676,169	610,063,909
2019	2018	574,119,621	214,527,344	57,249,280	10,524	175,188,050	670,718,719
2020	2019	553,623,275	326,454,397	58,419,990	10,732	206,639,213	731,869,181
2021	2020	511,111,983	616,467,277	65,657,280	17,930	245,069,989	948,184,481

NOTE: Property in the City is reassessed annually. The City assesses property at 100% of actual taxable value for all types of real and personal property. Tax rates are per $100 of assessed value.

SOURCE: Caldwell County Appraisal District

Total Freeze Taxable	Freeze Adjusted Taxable	Total Direct Tax Rate	Estimated Tax Value Before Freeze Ceiling	Freeze Ceiling	Estimated Tax Value Including Freeze Ceiling	Assessed Value as a Percentage of Actual Value
$ (68,288,668)	$ 409,805,677	$ 0.7228	$ 2,962,075	$ (410,114)	$ 2,551,961	100.00%
(64,845,430)	412,634,716	0.7227	2,982,111	(394,028)	2,588,083	100.00%
(68,854,298)	425,679,589	0.7227	3,076,386	(431,018)	2,645,368	100.00%
(74,867,624)	421,708,404	0.7227	3,047,687	(480,236)	2,567,451	100.00%
(73,449,458)	445,394,699	0.7333	3,266,079	(466,371)	2,799,708	100.00%
(82,590,348)	450,529,640	0.7333	3,303,734	(536,304)	2,767,430	100.00%
(99,921,193)	510,142,716	0.7260	3,703,636	(604,104)	3,099,532	100.00%
(102,926,905)	567,791,814	0.7107	4,035,296	(593,298)	3,441,998	100.00%
(118,099,443)	613,769,738	0.6842	4,199,413	(839,333)	3,360,080	100.00%
(160,899,077)	787,285,404	0.63540	5,002,411	(763,355)	4,239,056	100.00%

City of Lockhart, Texas

DIRECT AND OVERLAPPING PROPERTY TAX RATES

PER $100 OF ASSESSED VALUE

Last Ten fiscal years

	City Direct Rates			Overlapping Rates					
Fiscal Year	Debt Service	General Fund	Total	Lockhart ISD	Plum Creek Underground Water	Plum Creek Conservation District	Caldwell County	Farm to Market Rd	Total
2012	0.1150	0.6078	0.7228	1.1882	0.0200	0.0200	0.6908	0.0001	1.9191
2013	0.1150	0.6077	0.7227	1.1868	0.0210	0.0210	0.6907	0.0001	1.9196
2014	0.1150	0.6077	0.7227	1.1795	0.0220	0.0220	0.6906	0.0001	1.9142
2015	0.1150	0.6077	0.7227	1.4291	0.0220	0.0220	0.6905	0.0001	2.1637
2016	0.1366	0.5967	0.7333	1.3305	0.0215	0.0225	0.7174	0.0001	2.0920
2017	0.1300	0.6033	0.7333	1.3324	0.0215	0.0230	0.7752	0.0001	2.1522
2018	0.1183	0.6077	0.7260	1.3324	0.0214	0.0232	0.7752	0.0001	2.1523
2019	0.1076	0.6031	0.7107	1.3324	0.0214	0.0232	0.7752	0.0001	2.1523
2020	0.0980	0.5862	0.6842	1.2624	0.0207	0.0225	0.7430	0.0001	2.0487
2021	0.0833	0.5521	0.6354	1.1671	0.0216	0.0218	0.7053	0.0001	1.9159

SOURCE: Caldwell County Tax Office

City of Lockhart, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago (Unaudited)

2021

Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Wal-Mart Stores Texas	$ 10,274,840	1.10%
Economy Realty, LTD	7,957,760	0.86%
Stanton XT VRH Holdings	7,115,100	0.76%
H.E.B. Grocery	6,651,096	0.71%
LCRA Transmission Group	6,419,110	0.69%
KB Home Lone Star LP	5,663,980	0.61%
Lockhart DMA Housing LLC	5,418,080	0.58%
Lockhart Village Partners	4,202,700	0.45%
Wal-Mart Properties, Inc.	3,960,580	0.43%
Green Acres Housing LLC	3,598,027	0.39%
	$ 61,261,273	**6.58%**

2012

Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Dormae Products, Inc.	$ 4,532,380	0.95%
Lockhart DMA Housing LLC	3,936,238	0.83%
LCRA Transmission Svc. Corp	3,834,820	0.80%
H.E.B. Grocery	3,672,380	0.77%
Wal-Mart Properties, Inc.	3,247,970	0.68%
Economy Reality	2,854,670	0.60%
Tri-State Facilities Lockhart, LLC	2,787,830	0.58%
First Lockhart National Bank	2,414,950	0.51%
Fred W. Hoskins	2,156,490	0.45%
Hazelett Drilling	2,150,000	0.45%
	$ 31,587,728	**6.62%**

SOURCE: Municipal Advisory Council (MAC)

City of Lockhart, Texas

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten fiscal years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collections within the Fiscal Year of the Levy: Amount	Collections within the Fiscal Year of the Levy: Percentage of Levy
2012	$ 3,358,174	$ (1,511)	$ 3,356,663	$ 3,260,872	97.15%
2013	3,358,263	(12,722)	3,345,541	3,254,196	97.27%
2014	3,441,841	(11,181)	3,430,660	3,350,075	97.65%
2015	3,511,080	(3,381)	3,507,699	3,412,941	97.30%
2016	3,712,656	(4,330)	3,708,326	3,620,368	97.63%
2017	3,896,845	(18,278)	3,878,567	3,798,713	97.94%
2018	4,295,180	38,534	4,333,714	4,226,010	97.51%
2019	4,608,371	(7,833)	4,600,538	4,515,714	98.16%
2020	5,013,498	(10,968)	5,002,530	4,881,568	97.58%
2021	5,196,719	7,716	5,204,435	5,094,484	97.89%

NOTES: Collections do not include penalty and interest.

The information above is presented to illustrate the City's ability to collect the amount it levies for a fiscal yer, rather than provide a detailed breakdown of the revenue recognized in a fiscal year.

SOURCE: Caldwell County Tax Office

Collections in Subsequent Years	Total Collections to Date Amount	Percentage of Levy	Uncollected Balance
$ 86,172	$ 3,347,044	99.71%	$ 9,619
80,486	3,334,682	99.68%	10,859
69,499	3,419,574	99.68%	11,086
80,589	3,493,530	99.60%	14,169
73,086	3,693,454	99.60%	14,872
60,759	3,859,472	99.51%	19,095
85,143	4,311,153	99.48%	22,561
54,864	4,570,578	99.35%	29,960
63,541	4,945,109	98.85%	57,421
-	5,094,484	97.89%	109,951

(This page intentionally left blank.)

City of Lockhart, Texas

ELECTRIC PURCHASED AND CONSUMED

Last Ten fiscal years

Fiscal Year	KWH Electric Purchased	KWH Electric Consumed	KWH Electric Unbilled	Average Percent Unbilled	Total Direct Rate Electric Base Rate	Total Direct Rate Electric Usage Rate
2021	$ 112,093,344	$ 97,543,951	$ 14,549,393	13%	10.00	0.0202
2013	108,361,349	98,539,092	9,822,257	9%	10.82	0.0202
2014	111,416,750	103,167,845	8,248,905	7%	10.82	0.0202
2015	113,918,033	104,171,535	9,746,498	9%	10.82	0.0202
2016	112,447,919	101,868,831	10,579,088	9%	11.32	0.0190
2017	114,910,305	104,995,443	9,914,862	9%	22.20	0.0190
2018	122,944,319	114,446,577	8,497,742	7%	22.60	0.0216
2019	122,837,459	114,115,638	8,721,821	7%	23.10	0.0216
2020	120,845,231	112,276,873	8,568,358	7%	23.10	0.0216
2021	115,850,641	107,243,944	8,606,697	7%	23.10	0.0216

NOTE: Full detail of rate information can be found on schedule titled "Electric Rates".

City of Lockhart, Texas

ELECTRIC RATES

Last Ten fiscal years

	Fiscal Year				
	2012	2013	2014	2015	2016
Electric Rates (per KWH)					
Base Rate	$ 10.00	$ 10.82	$ 10.82	$ 10.82	$ 11.32
Electric Usage Rate					
0 - 1,200 kwh	0.02020	0.02020	0.02020	0.02020	0.01896
1,201 +	0.02910	0.02910	0.02910	0.02910	0.03250
+ all kwh	-	-	-	-	0.00225

NOTE: Increases in electric rates are approved by the City Council.

Fiscal Year									
2017		2018		2019		2020		2021	
$	22.20	$	22.60	$	23.10	$	23.10	$	23.10
	0.01896		0.02156		0.02156		0.02156		0.02156
	0.03250		0.03510		0.03510		0.03510		0.03510
	0.00225		0.00225		0.00225		0.00225		0.00225

`

(This page intentionally left blank.)

City of Lockhart, Texas

TEN LARGEST ELECTRIC CUSTOMERS

Current Year and Nine Years Ago

2021

Customer	Type of Business	12-Month Electric Consumption per kWh	Percent of Total Billed
MTC/Lockhart Correctional Facility	Private Public Safety	3,724,960	3.29%
H.E.B. Stores	Retail	2,578,000	2.28%
Pure Castings	Retail	2,152,500	1.90%
Livingood Feeds	Retail	1,327,500	1.17%
Caldwell County Jail	Government	1,125,000	0.99%
G.B.R.A.	Service	1,106,640	0.98%
Lockhart High School	Public School	1,074,000	0.95%
Dormae/Serta Products	Production	1,030,200	0.91%
City of Lockhart Parks	Government	1,011,300	0.89%
Bluebonnet Elementary	Public School	983,250	0.87%

2012

Customer	Type of Business	12-Month Electric Consumption per kWh	Percent of Total Billed
H.E.B. Stores	Retail	2,574,900	2.56%
Dormae/Serta Products	Production	1,423,800	1.41%
Caldwell County Jail	Government	1,401,000	1.39%
G.B.R.A.	Service	1,213,800	1.21%
Livingood Feeds	Retail	1,149,300	1.14%
Lockhart High School	Public School	1,033,200	1.03%
Pinnacle Health	Healthcare	999,840	0.99%
Henderson Controls	Retail	828,000	0.82%
Bluebonnet Elementary	Public School	654,300	0.65%
Kinlock, LLC DBA McDonalds	Service	590,040	0.59%

City of Lockhart, Texas

WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED

Last Ten fiscal years

Fiscal Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated
2012	589	514	75	13%	481
2013	546	465	81	15%	398
2014	534	478	56	11%	414
2015	522	476	46	9%	482
2016	545	461	84	15%	487
2017	544	466	77	14%	451
2018	575	481	95	16%	399
2019	526	460	66	13%	367
2020	553	452	101	18%	373
2021	473	449	24	5%	412

NOTES: Water and sewer usage rates shown are for 2,001-6,000 gallon usage range.
Gallons produced and consumed are represented in million gallons.
Full detail of rate information can be found on schedule titled "Water and Sewer Rates".

Total Direct Rate			
Water		Sewer	
Base Rate	Usage Rate	Base Rate	Usage Rate
20.75	3.90	14.16	4.67
22.10	3.90	15.51	4.67
22.10	3.90	15.51	4.67
22.10	3.90	15.51	4.67
22.10	3.90	15.51	4.67
22.10	3.90	15.51	4.67
22.60	4.50	15.51	4.67
23.10	4.80	15.51	4.67
23.60	4.80	15.51	4.67
23.60	4.80	15.51	4.67

(This page intentionally left blank.)

City of Lockhart, Texas

TEN LARGEST WATER CUSTOMERS

Current Year and Nine Years Ago (Unaudited)

2021

Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
MTC/Lockhart Correctional Facility	Private Public Safety	54,841	30.64%
Caldwell County Jail	Government	8,902	4.97%
Pinnacle Health Facility	Healthcare	5,180	2.89%
City of Lockhart Airport	Government	4,089	2.28%
Federal Housing - Landing	Government	3,952	2.21%
Wal-Mart Store	Retail	3,082	1.72%
Plum Creek Hospitality	Hospitality	2,965	1.66%
Hill Country Foodworks	Manufacturing	2,718	1.52%
Brite & Shiny Carwash	Service	2,563	1.43%
Town Laundromat	Service	2,062	1.15%

2012

Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
Caldwell County Jail	Government	7,931	4.78%
Lockhart High School Track	Public School	6,437	3.88%
Lockhart ISD	Public School	4,811	2.90%
Pinnacle Health Facility	Healthcare	4,765	2.87%
Diversicare Corporation	Healthcare	2,026	1.22%
Federal Housing - Landing	Government	1,879	1.13%
JAADI Corporation	Hospitality	1,689	1.02%
G&G Laundromat	Service	1,612	0.97%
TXI Operations, LP	Service	1,555	0.94%
Brite & Shiny Carwash	Service	1,523	0.92%

City of Lockhart, Texas

WATER AND SEWER RATES

Last Ten Fiscal Years

	Fiscal Year				
	2012	**2013**	**2014**	**2015**	**2016**
Water Rates (per 2,000 gallons)					
Base Rate	$ 20.75	$ 22.10	$ 22.10	$ 22.10	$ 22.10
Water Usage Rate					
2,001-6,000	3.90	3.90	3.90	3.90	3.90
6,001-8,000	4.15	4.15	4.15	4.15	4.15
8,001-10,000	4.40	4.40	4.40	4.40	4.40
>10,001	5.15	5.15	5.15	5.15	5.15
Sewer Rates (per 2,000 gallons)					
Base Rate	14.16	15.51	15.51	15.51	15.51
Sewer Usage Rate					
>2,000	4.67	4.67	4.67	4.67	4.67

NOTES: Increases in water and sewer are approved by the City Council.

Sewer consumption rates for residential customers are based on the average of the last three-month period of December, January, and February that preceded the billing date.

Fiscal Year				
2017	**2018**	**2019**	**2020**	**2021**
$ 22.10	$ 22.60	$ 23.10	$ 23.60	23.60
3.90	4.50	4.80	4.80	4.80
4.15	4.75	5.05	5.05	5.05
4.40	5.00	5.30	5.30	5.30
5.15	5.75	6.05	6.05	6.05
15.51	15.51	15.51	15.51	15.51
4.67	4.67	4.67	4.67	4.67

City of Lockhart, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	Governmental Activities				Business-type Activities	
Fiscal Year	Certificates of Obligation	General Obligation Bonds	Capital Leases	Plus: Issuance Premiums	Certificates of Obligation	General Obligation Bonds
2012	$ 8,225,979	$ 1,812,396	$ 179,161	$ -	$ 319,021	$ 4,577,604
2013	7,889,937	1,382,225	-	-	250,061	3,927,775
2014	7,539,595	936,771	-	-	180,404	3,253,229
2015	14,875,686	476,031	-	278,388	9,089,313	2,553,969
2016	9,381,395	4,887,402	-	835,806	9,073,608	1,877,593
2017	8,794,235	4,887,052	-	774,293	8,850,765	1,762,948
2018	8,192,765	4,887,052	-	712,782	8,607,235	1,642,948
2019	7,707,775	4,681,243	-	651,271	8,352,225	1,573,757
2020	7,208,875	4,452,980	-	589,760	8,091,125	1,497,018
2021	6,691,415	4,224,718	332,340	528,249	7,823,585	1,420,278

NOTE: Details regarding the City's outstanding debt can be found in the notes to financial statements.

Business-type Activities						
Capital Leases	State Infrastructure Loan	Contractual Obligations	Plus: Issuance Premiums	Total Primary Government	Percentage of Personal Income	Per Capita
$ 2,111,646	$ -	$ -	$ 3,054	$ 17,228,861	4.3%	1,358
1,766,382	3,600,000	-	2,036	18,818,416	4.7%	1,483
1,420,920	3,459,070	3,400,000	1,018	20,191,007	5.1%	1,591
1,045,473	3,314,617	3,400,000	324,792	35,358,269	8.9%	2,787
643,534	3,166,553	3,400,000	500,572	33,766,463	8.4%	2,661
219,939	3,014,787	3,400,000	468,308	32,172,327	7.7%	2,535
104,350	2,859,227	3,400,000	436,047	30,842,406	6.7%	2,215
86,958	2,699,779	14,995,000	403,786	41,151,794	9.0%	2,955
69,566	2,536,344	22,975,000	371,510	47,792,178	16.3%	3,432
248,249	2,368,823	30,935,000	339,249	54,911,906	15.2%	3,819

City of Lockhart, Texas

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

	General Bonded Debt Outstanding					
Fiscal Year	Certificates of Obligation	General Obligation Bonds	Plus: Issuance Premiums	Total	Debt Service Monies Available	Net Bonded Debt
2012	$ 8,225,979	$ 1,812,396	$ -	$ 10,038,375	$ 499,163	$ 9,539,212
2013	7,889,937	1,382,225	-	9,272,162	515,468	8,756,694
2014	7,539,595	936,771	-	8,476,366	429,226	8,047,140
2015	14,875,686	476,031	278,388	15,630,105	362,919	15,267,186
2016	9,381,395	4,887,402	835,806	15,104,603	278,089	14,826,514
2017	8,794,235	4,887,052	774,293	14,455,580	285,621	14,169,959
2018	8,192,765	4,887,052	712,782	13,792,599	240,674	13,551,925
2019	7,707,775	4,681,243	651,271	13,040,289	203,016	12,837,273
2020	7,208,875	4,452,980	589,760	12,251,615	115,835	12,135,780
2021	6,691,415	4,224,718	528,249	11,444,382	-	11,444,382

NOTE: Details regarding the City's outstanding debt can be found in the notes financial statements.

Percentage of Actual Taxable Value of Property	Per Capita
2.00%	752
1.77%	690
1.62%	634
2.94%	1,203
2.78%	1,168
2.32%	1,117
2.22%	973
1.91%	922
1.66%	872
1.21%	796

City of Lockhart, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2021 (Unaudited)

	Gross Debt Outstanding		Percentage Applicable	Amount Applicable
	Date	**Amount**	**to City**	**to City**
Direct Debt:				
City of Lockhart	9/30/2021	$ 20,160,000	100.00%	$ 20,160,000
Overlapping Debt:				
Caldwell County	9/30/2021	17,585,000	30.08%	5,289,568
Lockhart Independent School District	6/30/2021	61,939,961	45.25%	28,027,832
Total Overlapping Debt		79,524,961		33,317,400
Total		$ 99,684,961		$ 53,477,400

NOTES: There is no legal debt limit for the City. Texas municipalities are not bound by any direct constitutional or statutory maximums as to the amount of obligation bonds which may be issued; however, all local bonds must be submitted to and approved by the State Attorney General. It is the established practice of the Attorney General not to approve a prospective bond issue if it will result in a tax levy for general bonded debt of over $1.00 for cities under 5,000 population, or $1.50 for cities over 5,000 population.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each government's total taxable value.

SOURCE: Municipal Advisory Council of Texas `

City of Lockhart, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years (Unaudited)

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2012	12,689	398,637,624	31,416	4,968	6.4%
2013	12,689	398,637,624	31,416	5,130	5.3%
2014	12,689	398,637,624	31,416	5,366	4.2%
2015	12,689	398,637,624	31,416	5,393	4.0%
2016	12,689	404,131,961	31,849	5,699	4.0%
2017	12,689	417,328,521	32,889	5,910	3.4%
2018	13,924	457,946,436	32,889	6,120	3.4%
2019	13,924	457,946,436	32,889	6,160	3.2%
2020	13,924	292,974,884	21,041	6,160	3.2%
2021	14,379	360,711,594	25,086	6,167	6.0%

NOTES: The unemployment rates are a twelve month average from October through September for Caldwell County.

Decrease in personal income in fiscal year 2020 is due to the coronavirus pandemic.

SOURCES: (1) Population based on U.S. Census Bureau

(2) U.S. Department of Commerce, Bureau of Economic Analysis (for Caldwell County)

(3) Lockhart Independent School District

(4) U.S. Department of Labor - Bureau of Labor (for Caldwell County)

(This page intentionally left blank.)

City of Lockhart, Texas

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2021

Employer	Employees	Percentage of Total City Employment
Lockhart ISD	661	3.47%
Serta/Dormae Products	174	0.90%
The GEO Group, Inc.	159	0.83%
Pegasus	151	0.79%
H E Butt Grocery	147	0.77%
City of Lockhart	143	0.75%
Wal-Mart	117	0.61%
Golden Age Home	110	0.58%
Chisolm Trail Rehab Center	76	0.40%
Livengood Feed	64	0.34%
	1,802	9.46%

2012

Employer	Employees	Percentage of Total City Employment
Lockhart ISD	655	3.30%
Walmart	266	1.34%
H E Butt Grocery	180	0.91%
Serta/Dormae Products	177	0.89%
MTC (Lockhart Correctional)	168	0.85%
City of Lockhart	132	0.67%
Pegasus Schools	130	0.66%
Chisolm Trail Nursing	75	0.38%
Parkview Nursing	64	0.32%
Student Transportation	64	0.32%
	1,911	9.63%

SOURCE: Municipal Advisory Council of Texas

City of Lockhart, Texas

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	Fiscal Year				
	2012	**2013**	**2014**	**2015**	**2016**
Function/Program					
General government					
City manager	3.0	3.0	3.0	3.0	4.0
City secretary	1.0	1.0	1.0	1.0	1.0
Finance	5.0	5.0	5.0	5.0	5.0
Municipal court	5.0	5.0	5.0	5.0	5.0
Library	8.0	9.0	9.0	9.0	10.0
Parks and recreation	7.0	7.0	6.0	7.0	7.0
Code enforcement	2.0	3.0	2.0	2.0	3.0
Planning and development	5.0	3.0	4.0	4.0	4.0
Public safety					
Police	24.0	26.0	25.0	25.0	25.0
Communications	9.0	11.0	10.0	8.0	9.0
Fire	18.0	19.0	19.0	16.0	18.0
Public works					
Public works	3.0	3.0	3.0	3.0	3.0
Animal control	7.0	6.0	6.0	5.0	8.0
Garage	4.0	3.0	3.0	3.0	3.0
Streets	11.0	12.0	10.0	14.0	13.0
Electric					
Utility billing	5.0	6.0	6.0	6.0	6.0
Utility distribution	8.0	8.0	7.0	9.0	9.0
Water/wastewater					
Water operations	6.0	6.0	6.0	5.0	5.0
Sewer operations	1.0	1.0	2.0	2.0	3.0
Sanitation					
Operations	2.0	2.0	1.0	1.0	2.0
Recycle					
Economic Development	1.0	2.0	1.0	2.0	1.0
EMS	32	-	-	-	-
Total	167	141	134	135	144

Fiscal Year

2017	2018	2019	2020	2021
4.0	5.0	5.0	5.0	4.0
1.0	1.0	1.0	1.0	1.0
5.0	4.0	5.0	5.0	5.0
4.0	4.0	4.0	4.0	4.0
9.0	9.0	9.0	9.0	6.0
7.0	7.0	8.0	8.0	8.0
3.0	3.0	3.0	3.0	3.0
4.0	4.0	4.0	4.0	4.0
28.0	30.0	29.0	27.0	29.0
9.0	10.0	9.0	9.0	10.0
15.0	14.0	14.0	13.0	13.0
3.0	2.0	2.0	2.0	2.0
8.0	8.0	7.0	6.0	6.0
3.0	3.0	3.0	3.0	4.0
12.0	12.0	12.0	12.0	12.0
5.0	6.0	6.0	6.0	6.0
9.0	8.0	9.0	9.0	9.0
5.0	5.0	6.0	6.0	6.0
3.0	4.0	3.0	3.0	4.0
2.0	2.0	2.0	2.0	2.0
				1.0
2.0	2.0	2.0	2.0	2.0
-	-	-	-	-
141	143	143	139	141

City of Lockhart, Texas

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	Fiscal Year			
Function/Program	**2012**	**2013**	**2014**	**2015**
General government				
Building permits issued	332	345	681	604
Building inspections conducted	1,872	1,934	2,433	1,784
Public safety				
Police				
Physical arrests	648	652	417	398
Traffic violations	4,335	3,396	3,372	1,701
Fire				
Fire calls	1,825	1,918	2,111	1,564
Public works				
Streets (miles)	65	65	65	65
Culture and recreation				
Parks and recreation				
Park rental	120	114	106	75
Swimming pool				
Single admissions	8,762	7,624	5,304	7,529
Party rentals	51	49	47	35
Electric				
New connections	1	10	18	7
Average daily consumption (kwh)	267,244	269,970	282,652	285,401
Water and wastewater				
Water				
New connections/taps	20	21	149	62
Average daily consumption	1.41 mgd	1.27 mgd	1.31 mgd	1.30 mgd
Peak daily consumption	2.625 mgd	2.220 mgd	2.360 mgd	2.192 mgd
Wastewater				
Average daily sewage treatment	1.32 mgd	1.09 mgd	1.13 mgd	1.32 mgd
EMS				
Ambulance loads	*	2,670	2,772	2,867

NOTES: * EMS Ambulance loads not available 2011-2012; EMS was operated by Seton Health Care

Increase in building permits issued in 2020 due to new subdivisions and apartments.

Fiscal Year					
2016	2017	2018	2019	2020	2021
647	495	444	542	839	1339
1,613	1,716	2,179	2,282	1,703	2845
628	596	934	862	451	469
2,149	3,251	5,708	6,281	4,041	4480
1,386	1,501	1,356	1,406	1,361	1388
65	65	65	66	100	124.5
91	107	73	85	32	58
8,554	8,289	6,883	6,596	-	8279
50	34	32	33	-	30
9	11	18	23	49	125
279,093	287,659	313,552	312,646	307,607	297,326
139	56	78	61	50	111
1.26 mgd	1.18 mgd	1.32 mgd	1.26 mgd	1.305 mgd	1.296 mgd
2.075 mgd	2.118 mgd	2.263 mgd	2.160 mgd	2.200 mgd	2.500 mgd
1.34 mgd	1.24 mgd	1.09 mgd	1.00 mgd	1.02 mgd	1.13 mgd
2,989	3,106	3,207	3,199	3,188	3479

City of Lockhart, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2012	2013	2014	2015
Function/Program				
Public safety				
Police				
Stations	1	1	1	1
Patrol units	21	22	22	22
Fire stations	1	1	1	1
Highways and streets				
Streets (miles)	64.7	64.7	64.7	64.7
Streetlights	1,799	1,810	1,824	1,825
School zone flashers	2	2	2	2
Culture and recreation				
Acreage	115	115	115	115
Parks	10	10	10	10
Baseball/softball diamonds	6	6	6	6
Soccer fields	8	8	8	8
Swimming pools	1	1	1	1
Electric				
Electric lines (miles)	75	76	77	77
Number of distribution stations	1	1	1	2
Capacity sold (MwH)	97,544	98,539	103,168	104,172
Water and wastewater				
Water				
Water mains (miles)	87.1	87.1	87.4	87.4
Fire hydrants	635	640	650	660
Storage capacity	1.05 mgd	1.05 mgd	1.05 mgd	1.05 mgd
Wastewater				
Sanitary sewers (miles)	76	76	76	76
Storm sewers (miles)	0	0	0	0
Treatment capacity	2.6 mgd	2.6 mgd	2.6 mgd	2.6 mgd

2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
22	26	28	29	26	31
1	1	1	2	2	2
64.7	65.2	65.2	65.9	100.0	124.5
1,838	1,838	1,844	1,856	1,856	1856
2	2	2	2	2	2
115	115	115	115	115	115
10	10	10	10	10	10
6	6	6	6	6	6
8	8	8	8	8	8
1	1	1	1	1	1
77	77	80	80	80	82
2	2	2	2	2	2
101,869	104,995	114,447	114,116	112,276	107,243
87.4	92.1	92.1	93.7	100.0	100.5
675	685	700	729	721	721
1.05 mgd	1.05 mgd	1.05 mgd	1.05 mgd	1.05 mgd	1.55 mgd
76	76	78	79	80.6	80.8
0	0	0	0	0	0
2.6 mgd	2.6 mgd	2.6 mgd	2.6 mgd	2.6 mgd	2.6 mgd

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discuss Resolution 2022-19 of the City Council of the City of Lockhart, Texas amending its schedule of permit fees in order to include specific fees applied when a project is outsourced by the City to a third-party company; keeping other fees in the schedule the same; and providing for an effective date.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Julie Bowermon

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: In 2017, the City Council authorized an agreement with Bureau Vertias North America, Inc. (BV) to provide building plan review and inspection; fire plan review and inspection; and food establishment inspection for the City as needed. With the recent retirement of Lockhart's Building Official and the loss of our Registered Sanitarian, combined with the current and anticipated development within the community, it has become necessary to outsource construction plan review and inspection services to BV on a regular basis.

Each time the City outsources a construction project to BV for construction plan review and inspection, BV bills the City based on the rates set by the 2017 agreement. These rates were established in 2017 and have not been increased since that time. The fees that the City charges builders for non-residential construction plan review and inspections are less than the fees BV charges the City. Proposed Resolution 2022-19 increases the City's non-residential construction plan review and inspection fees to equal BV fees plus a 5% administrative services fee. When outsourcing non-residential projects to BV, the City has been absorbing the difference between what BV charges the City and what the City charges the builder. The proposed increase reduces the extra expense absorbed by the City.

At this time, the City does not charge for fire plan review and inspections or food establishment inspection services. When BV is utilized for these services, the City absorbs the entire expense. Proposed Resolution 2022-19 only addresses non-residential construction plan review and inspections. City Staff will be returning to the Council in the near future to consider fee increases for residential construction, fire review and inspections, and food establishment inspections.

PROJECT SCHEDULE (if applicable): N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

<u>AMOUNT & SOURCE OF FUNDING:</u>
Funds Required:
Account Number:
Funds Available:
Account Name:

<u>FISCAL NOTE (if applicable):</u> N/A

<u>PREVIOUS COUNCIL ACTION:</u> N/A

<u>COMMITTEE/BOARD/COMMISSION ACTION:</u> N/A

<u>STAFF RECOMMENDATION/REQUESTED MOTION:</u> Staff respectfully requests approval of Proposed Resolution 2022-19.

<u>LIST OF SUPPORTING DOCUMENTS:</u> Proposed Resolution 2022-19

RESOLUTION NO. 2022-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS AMENDING ITS SCHEDULE OF PERMIT FEES IN ORDER TO INCLUDE SPECIFIC FEES APPLIED WHEN A PROJECT IS OUTSOURCED BY THE CITY TO A THIRD-PARTY COMPANY; KEEPING OTHER FEES IN THE SCHEDULE THE SAME; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, by Resolution No. 2019-13, the City Council of Lockhart established a schedule of permit fees, increased and expanded certain fees, and retained other listed fees in the schedule the same as previously adopted by resolution; and

WHEREAS, on December 19, 2017, the City Council authorized an agreement with Bureau Veritas North America, Inc., to provide building plan review and inspection; fire plan review and inspection; and food establishment inspection for the City as needed; and

WHEREAS, due to recent staffing levels and an increase of development within the City, Bureau Veritas North America, Inc services are being utilized on a regular basis, as determined by City Administration; and

WHEREAS, it is the opinion of the City Council that it is appropriate to apply specific fees when a project is outsourced by the City to a third-party company for non-residential building plan review and inspection;.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The City of Lockhart Schedule of Permit Fees is hereby amended by the adoption of the revised schedule of fees that is attached hereto as Exhibit "A."
3. All other fees heretofore adopted and not amended herein shall remain the same.

Adopted and Approved, effective on this the _____ day of _______________, 2022.

CITY OF LOCKHART

____
Lew White, Mayor

ATTEST:

____
Connie Constancio, City Secretary

APPROVED AS TO FORM:

____
Monte Akers, City Attorney

EXHIBIT "A"

CITY OF LOCKHART
SCHEDULE OF PERMIT FEES
Resolution No. 2022-19

All fees listed in the tables below shall be applied to all commercial and multi-family construction plan review and commercial and multi-family construction inspection, that the City outsources to a third-party company. All fees calculated using the following tables will have a 5% added fee of the total cost for administrative services.

Fee Table 1 - Commercial and Multi-Family construction plan review

Valuation	Fee
$1.00 to $10,000.00	$50.00
$10,001.00 to $25,000.00	$70.69 for the first $10,000.00 plus $5.46 for each additional $1000.00
$25,001.00 to $50,000.00	$152.59 for the first $25,000.00 plus $3.94 for each additional $1000.00
$50,001.00 to $100,000.00	$251.09 for the first $50,000.00 plus $2.73 for each additional $1000.00
$100,001.00 to $500,000.00	$387.59 for the first $100,000.00 plus $2.19 for each additional $1000.00
$500,001.00 to $1,000,000.00	$1,263.59 for the first $500,000.00 plus $1.85 for each additional $1000.00
$1,000,001.00 and up	$2,188.59 for the first $1,000,000.00 plus $1.23 for each additional $1000.00

Fee Table 2 - Commercial and Multi-Family construction inspection

Valuation	Fee
$1.00 to $10,000.00	$76.92
$10,001.00 to $25,000.00	$108.75 for the first $10,000.00 plus $8.40 for each additional $1000.00
$25,001.00 to $50,000.00	$234.75 for the first $25,000.00 plus $6.06 for each additional $1000.00
$50,001.00 to $100,000.00	$386.25 for the first $50,000.00 plus $4.20 for each additional $1000.00
$100,001.00 to $500,000.00	$596.25 for the first $100,000.00 plus $3.36 for each additional $1000.00
$500,001.00 to $1,000,000.00	$1,940.25 for the first $500,000.00 plus $2.85 for each additional $1000.00
$1,000,001.00 and up	$3,365.25 for the first $1,000,000.00 plus $1.89 for each additional $1000.00

Non-Residential Re-Inspection Fees

$0 (zero dollars) for each non-residential re-inspection. Re-inspection includes Construction, Plumbing & Gas, Mechanical, and Electrical Inspections or any other require inspections.

Penalties

Where work for which a permit is required by this Code is started or proceeded prior to obtaining said permit, the fees herein specified shall be doubled, but the payment of such double fee shall not relieve any persons from fully complying with the requirements of this Code in the execution of the work nor from any other penalties prescribed herein.

The construction valuation is determined by the greater of the declared valuation of the project or the valuation calculated using the International Code Council Building Valuation Data table, first update of each calendar year.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discussion to consider in-kind support and approval of Courthouse Nights Event to be held Downtown every 3rd Friday from April to October 2022.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION:

Rach and Rhodes Presents seek City Council's approval for "Courthouse Nights" events to be held from April through October of 2022 and in-kind support for their event.

Historically, for events to be held downtown, they need to meet all the following criteria:

- A Special Activity Permit must be obtained from the Police Department.
- The event must be a "city-wide community event."
- If the event costs the City cash for anything, it must be pre-approved by the Council.
- In-kind services can include, but not limited to, trash cans, barricades, dumpsters, reasonable electrical services (110v), and reasonable water services.
- If alcohol is involved, security officers must be provided at the expense of the event holder and TABC laws and the local alcohol related ordinances must be observed.
- All fire and food handling regulations are applicable.
- Approval of affected businesses must be obtained.
- All cleanup must be by the event holder.

Last year's in-kind services for this event included barricading street closures and extra trash cans for the event. Due to the popularity of this series, staff recommends closing two interior streets of the square, both Market Street (Commerce to Main) and Commerce Street (San Antonio to Market). There is also a scheduling conflict on September 16th with the Diez y Seis de Septiembre celebration that will have to be coordinated with the Greater Caldwell County Hispanic Chamber of Commerce.

Courthouse Nights indicates that they will not serve or sell alcohol or food.

PROJECT SCHEDULE (if applicable): N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: May 4, 2021- Council approved event for 2021 season.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: None. Discretion of the Council.

LIST OF SUPPORTING DOCUMENTS: Courthouse Nights Letter to City Council, Courthouse Nights Road Closure map, Special Activity Permit

RACH & RHODES PRESENTS

Courthouse Nights

March 15, 2022

Dear Steve Lewis and members of Lockhart City Council,

Thank you for allowing Will & I to speak with you at the council meeting tonight about the 2nd season of Courthouse Nights.

As you may know, Courthouse Nights is a monthly music series from April to October. It is going to be on the 3rd Friday of each month from 7pm-10pm. This event will once again be free and open to the entire community. We are currently working with musicians and their agents in creating another stellar season. We will not have alcohol or food sales on the lawn. But we will advertise the event as BYOB & BYOF in hopes that attendees will use the resources found in and around the square.

We think last season was a total hit and cannot wait to get it up and running again this year!

The following page will hopefully shed light on what we need from the city in order to make this event successful, safe and fun for all.

Thank you for your time & attention,

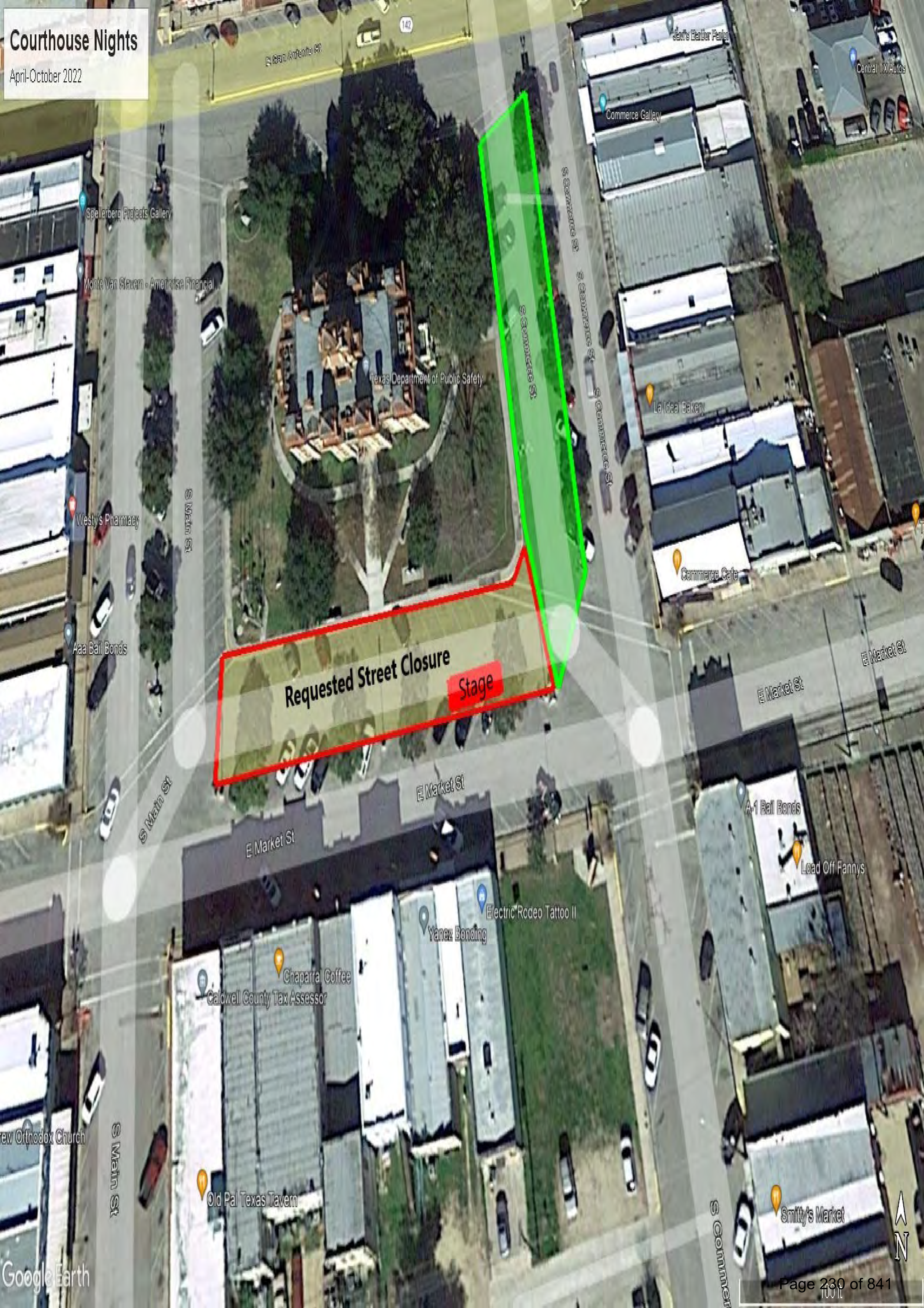
Rachel Lingvai
Rach & Rhodes Presents
(512) 689-2726
rachel@rachandrhodespresents.com
www.rachandrhodespresents.com

What we have:

- Headlining Band contracts for April through October
- Information and levels of involvement sent out to potential Sponsors
- Over 10k in sponsorship money thus far
- Application in to Judge Haden for use of courthouse lawn; waiting on approval
- Application in to Police department for our Special Event Permit; waiting on approval
- Application in to Police department for Market St. closure; waiting on approval

What we need:

- Trash Receptacles -We had 4-6(?) large trash cans on the southwest side of courthouse plus the smaller trash cans on the lawn. We think that worked perfectly.
- A Stage! We used the chamber's stage risers last year. Pegasus dropped off and picked up.
- Barricades for Market St. We are unsure of how many. Whatever we had last year worked perfectly.
- Electric - We need to turn in an application with Bobby Leos regarding power for the bands.


Courthouse Nights
April-October 2022
Requested Street Closure
Stage
E San Antonio St
142
Jan's Barber Parlor
Central TX Autos
Commerce Gallery
Spellerberg Projects Gallery
Monte Van Slavern - Ameriprise Financial
Texas Department of Public Safety
S Commerce St
La Ideal Bakery
Westy's Pharmacy
S Main St
Commerce Cafe
Aaa Bail Bonds
E Market St
A-1 Bail Bonds
Load Off Fannys
Electric Rodeo Tattoo II
Yanez Bonding
Chaparral Coffee
Caldwell County Tax Assessor
Old Pal Texas Tavern
Smitty's Market
Google Earth
N

CITY OF
Lockhart
TEXAS

CITY OF LOCKHART

SPECIAL ACTIVITY PERMIT APPLICATION

THIS APPLICATION <u>MUST BE SUBMITTED TO THE LOCKHART POLICE DEPARTMENT AT 214 BUFKIN LANE, LOCKHART, TEXAS</u>. THE APPROVAL PROCESS MAY TAKE UP TO 3 BUSINESS DAYS TO COMPLETE.

NOTES: FAILURE TO FILE THE APPLICATION WITH THE LOCKHART POLICE DEPT. IN SUFFICIENT TIME MAY RESULT IN DENIAL OF THE PERMIT FOR THIS ACTIVITY.
IN THE EVENT THERE IS A SITUATION/CONFLICT WITH THE PERMIT, YOU WILL BE CONTACTED BY A MEMBER OF LOCKHART CITY STAFF.

DATE RECEIVED: 3/8 ***BY:*** M-M

TYPE OF ACTIVITY: CourthouseNights-ConcertSeries

DATE(S) OF ACTIVITY: 4/15/22, 5/20, 6/17, 7/15, 8/19, 9/16, 10/21

TIMES OF ACTIVITY: 7pm-10pm

ACTIVITY SPONSOR (NAME OF GROUP, ORGANIZATION, OR INDIVIDUAL SPONSORING THE ACTIVITY)

NAME: Rach&RhodesPresents

PHYSICAL ADDRESS: 104E.MarketSt.Apt.A,Lockhart,TX78644
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

MAILING ADDRESS: 104E.MarketSt.Apt.A,Lockhart,TX78644
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

TELEPHONE NUMBER: (512) 689 - 2726

APPLICANT (NAME OF THE PERSON WHO WILL BE IN CHARGE OF THIS ACTIVITY)

NAME: RachelLingvai

PHYSICAL ADDRESS: 104E.MarketSt.Apt.A,Lockhart,TX78644
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

MAILING ADDRESS: 104E.MarketSt.Apt.A,Lockhart,TX78644

TELEPHONE NUMBER: (512) 689 - 2726

D.L. # / ID CARD # [redacted]

Updated: February 2016

LOCATION OF ACTIVITY (FACILITY TO BE USED, PARK, ETC.)

PHYSICAL ADDRESS: CourthouseLawn

NAME OF PROPERTY OWNER: CaldwellCounty-JudgeHaden'soffice

OWNERS ADDRESS: CountyCourthouse
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

MAILING ADDRESS: ____________________
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

TELEPHONE NUMBER: (512) 398 - 1808 ext. 4651

FACILITY DESRIPTION

WILL YOU BE USING A TENT OR AN AIR SUPPORTED STRUCTURE? ☐ YES ■ NO

IF YES, WHAT IS THE SIZE OF THE TENT OR AIR SUPPORTED STRUCTURE? ________

IF YES, IS IT FIRE RETARDENT OR FLAME RESISITANT? ☐ YES ☐ NO

IF YES, DO YOU HAVE THE CERTIFICATE FOR IT? ☐ YES ☐ NO

DO YOU HAVE THE REQUIRED NUMBER OF THE FOLLOWING:

- FIRE EXISTS? ■ YES ☐ NO
- FIRE EXTINGUSHERS? ☐ YES ☐ NO
- RESTROOM FACILITITES? ■ YES ☐ NO
- SANITATION FACILITIES? ☒ YES ☐ NO

WHAT AREA WILL BE USED FOR VEHICLE PARKING? parkingin/aroundsquare

ADMISSION

IS THE ACTIVITY OPEN TO THE PUBLIC? ■ YES ☐ NO

IF NOT, WHO WILL MONITOR ADMITTANCE? _____

WILL AN ENTRANCE FEE BE CHARGED? ☐ YES ■ NO

IF YES, HOW MUCH? ____________________

ESTIMATED NUMBER OF PEOPLE TO ATTEND? 200+

ALCOHOLIC BEVERAGES

WILL ALCOHOLIC BEVERAGES BE ALLOWED ON PREMISES? ■ YES ☐ NO

IF SO, WHAT TYPE? beer,wine,liquor

WILL ALCOHOLIC BEVERAGES BE FOR SALE? ☐ YES ■ NO

IF YES, DO YOU HAVE A TEMPORARY ALCOHOLIC BEVERAGE PERMIT ISSUED BY THE TEXAS ALCOHOLIC BEVERAGE COMMISSION? ☐ YES ☐ NO

IF YES, WHAT IS THE PERMIT NUMBER? ______________________

WHO HOLDS THE PERMIT LICENSE? ______________________

FOOD

WILL FOOD BE SOLD? ☐ YES ■ NO

IF YES, WHAT TYPE OF FOODS? ______________________

WILL FOOD BE PREPARED AT THIS LOCATION? ☐ YES ■ NO

WILL YOU BE USING HEATING OR COOKING EQUIPMENT? ☐ YES ■ NO

IF YES, WHAT TYPE OF EQUIPMENT? ______________________

IS THE EQUIPMENT INSTALLED AND SECURED PROPERLY? ☐ YES ☐ ON

DO YOU HAVE A FOOD HANDLERS PERMIT? ☐ YES ☐ NO

IF YES, DATE OF ISSUE: __________ DATE OF EXPIRATION: __________

WILL FOOD BE CATERED? ☐ YES ☐ NO

CATERER'S PHONE NUMBER: (____) _______ - _________

AMUSEMENTS

WILL YOU HAVE ANY AMUSEMENTS? ■ YES ☐ NO

IF YES, WHAT TYPE: astagw/livemusic

AMPLIFIED SOUND

WILL AMPLIFIED SOUND BE USED (i.e., band, disc jockey, loud speakers, etc.)?

■ YES ☐ NO

IF YES, WHAT TYPE? livebandwithaprofessionalsoundteam

DURING WHAT HOURS? 7-10pm

NO OPERATORS OR ACTIVITY SHALL AT ANY TIME ALONG ANY FACILITY PROPERTY LINE CAUSE A SOUND PRESSURE LEVEL WHICH EXCEEDS THE FOLLOWING DECIBLE LIMITS:

Frequency (Hz)	Maximum db level
0 – 600	58
600 – 2400	50
Above 2400	42

VIOLATION OF THESE SOUND LEVELS IS A CRIME PUNISHIBLE BY A FINE NOT TO EXCEED $1,000.00.

SECURITY

DO YOU HAVE SECURITY OFFICERS? ☐ YES ■ NO HOW MANY? _____

AGENCY PROVIDING SECURITY? ____________________

ADDRESS: ____________________
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

TELEPHONE NUMBER: (____) _______ - _________

SECURITY INFORMATION MUST BE PROVIDED TO THE LOCKHART POLICE DEPARTMENT BEFORE THIS ACTIVITY BEGINS

POLICE DEPARTMENT

City Use Only/Cost: __________

NUMBER OF OFFICERS REQUIRED (IF PD IS TO PROVIDE SECURITY): N/A

HOURS TO BE USED: ____________________

PARKS City Use Only/Cost: __________

NUMBER OF PARKS PERSONNEL NEEDED FOR EVENT: 0

TRASH CANS NEEDED: 4-5

NUMBER OF BARRICADES REQUIRED: ?

LOCATION WHERE BARRICADES ARE TO BE USED: Marketst.betweencommerce andmainst.Onlythelaneclosesttocourthouselawn(thenorthernlanewheretrafficttravelswest.

STREETS City Use Only/Cost: __________

NUMBER OF STREETS PERSONNEL NEEDED FOR EVENT: 0

NUMBER OF BARRICADES REQUIRED: ?

STREETS TO BE CLOSED: 1) MarketSt.betweenCommerceandMainSt.

2) __________

3) __________

4) __________

5) __________

PLEASE USE A SEPARATE SHEET OF PAPER TO CONTINUE STREET CLOSURES.

I, the undersigned applicant, hereby affirm that I am the person who is responsible for this activity. I understand that any false or misleading statement in this application is grounds for denial of a permit, or if one has already been issued, grounds for its revocation. I also understand that I am responsible for compliance with all applicable laws and any other requirements set forth for the issuance of this permit.

RachelLingvai

Applicant Printed Name

3/8/22

Date

Rachel Lingvai

Signature

APPROVED

- ☐ POLICE OFFICIAL: ______________________________ DATE: ______________
- ☐ FIRE OFFICIAL: ______________________________ DATE: ______________
- ☐ BUILDING OFFICIAL: ______________________________ DATE: ______________
- ☐ PARKS OFFICIAL: ______________________________ DATE: ______________
- ☐ HEALTH OFFICIAL: ______________________________ DATE: ______________
- ☐ ELECTRICAL OFFICIAL: ______________________________ DATE: ______________
- ☐ PUBLIC WORKS OFFICIAL: ______________________________ DATE: ______________

DISSAPROVED

- ☐ POLICE OFFICIAL: ______________________________ DATE: ______________
- ☐ FIRE OFFICIAL: ______________________________ DATE: ______________
- ☐ BUILDING OFFICIAL: ______________________________ DATE: ______________
- ☐ PARKS OFFICIAL: ______________________________ DATE: ______________
- ☐ HEALTH OFFICIAL: ______________________________ DATE: ______________
- ☐ ELECTRICAL OFFICIAL: ______________________________ DATE: ______________
- ☐ PUBLIC WORKS OFFICIAL: ______________________________ DATE: ______________

COMMENTS / ADDITIONAL REQUIREMENTS:

MUST BE SIGNED AND RETURNED WITH VENDORS APPLICATION
FOOD SERVICE AT SPECIAL EVENTS

BY HEALTH DEPARTMENT
CITY OF LOCKHART

FOOD BOOTH

This Guideline for Food Service at Special Events is compiled to give patrons of those events assurance of Vendors Commitment to Food Safety.

- Food Booths – all food must be covered or all sides of booth must be screened.
- Top to repel water.
- Floors that can be cleaned.
- All food prepared, stored, or displayed must be in booth. **All food must be prepared on site!**
- Hand wash facility shall have adequate amounts of water, soap dispenser and towels (disposable).
- If cooking utensils are used the booth must have two containers large enough to wash the utensils: one for detergent and one for Clorox and water (one tablespoon per gallon of water). **These are not to be used for hand washing!**
- All eating utensils to be disposable (cups, knives, forks spoons and plates).
- Food preparation to be done on nonporous surface (cutting boards of hard plastic).
- There shall be a container to hold all waste from beverages, ice, etc. and disposed of in proper manner (not on ground).
- There must be a food thermometer in each food booth.
- **Cold food must be kept at 41 degrees F or below** (potentially hazardous food [food that will spoil]).
- **Hot food must be kept at 165 degrees F or over** (potentially hazardous food [food that will spoil]).
- Condiments shall be in pumps, squeeze containers, self-closing lids or individual wrapped packages.
- Ice for drinks to be kept separate from ice for cooling.
- Ice used for refrigeration can not be used for consumption.
- **Refrigeration large enough to hold food to 41 degrees or lower day and night** (can not take home).
- Food must be covered at all times.
- If cooking – all grease to be recovered and disposed of properly **(not on the ground)**!
- Store everything at least 6" off the ground.
- All garbage to be in plastic lined container with lid.

FOOD HANDLERS

- **Must wear clean outer garments/aprons.**
- **Restrain hair (hats, scarves or hair nets).**
- **Do not work if ill.**
- **Wash hands each time you enter food area from eating, smoking, using restroom, etc.**
- **If you are handling food, you must use disposable, chemically treated towelette.**
- **Persons using tongs or individual tissue need not use gloves.**
- **No smoking or eating in the booth.**
- **No visitors, children or pets are allowed in the booth.**

COMPLIANCE IS MANDATORY

You must sign this document and return it with your application or the application will be denied.

____
Printed Name

______________________________________ ____________________
Signature Date

PARK USE APPLICATION (PAVILION)

NAME OF PERSON, GROUP OR: ____

ADDRESS: ____
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

TELEPHONE NUMBER: (____) _______ - _________

DATE & TIME OF ACTIVITY: ____

FACILITY TO BE USED: ____

PURPOSE OF ACTIVITY: ____

WHO WILL BE RESPONSIBLE FOR THE ACTIVITY? ______________________________

ADDRESS: ____
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

TELEPHONE NUMBER: (____) _______ - _________

________________________________ ________________
SIGNATURE DATE

Sec. 19-35 Revocation of Permit

A park use permit may be revoked at any time by the City Manager or his designate for reasons which may include, but are not limited to misrepresentation of information given at the time of permit application, failure to comply with conditions the permit, or assignment of the permit to another party without the prior written consent of the City Manager or his designate.

****<u>SPECIAL NOTE</u>: IT IS THE USER/APPLICANT'S RESPONSIBILITY TO BAG AND PLACE ALL GARBAGE IN THE NEAREST DUMPSTER TO THE PAVILION BEING USED. FAILURE TO COMPLY WITH THIS REQUIREMENT WILL FORFEIT ALL DEPOSITS AND FUTURE USE OF ANY CITY FACILITY!** ____________
APPLICANT'S INITIALS

FOR OFFICIAL USE ONLY

APPROVED ☐
DISAPPROVED ☐ ________________________________ ________________
(SIGNATURE OF OFFICIAL) DATE

FEES PAID: ______________ DEPOSIT PAID: ______________

DATE PAID: ______________ DATE PAID: ______________

RECEIPT # ______________ RECEIPT # ______________

REGULAR MEETING
LOCKHART CITY COUNCIL MARCH 1, 2022 6:30 P.M.

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

Council present:

	Mayor Lew White
Mayor Pro-Tem Angie Gonzales-Sanchez	Councilmember Derrick David Bryant
Councilmember Juan Mendoza	Councilmember Kara McGregor
Councilmember Jeffry Michelson	Councilmember Brad Westmoreland

Staff present:

Steven Lewis, City Manager	Connie Constancio, City Secretary
Monte Akers, City Attorney	Victoria Maranan, Public Information Officer
Pam Larison, Finance Director	Dan Gibson, City Planner
Ernest Pedraza, Police Chief	Randy Jenkins, Fire Chief

Citizens/Visitors Addressing the Council: Citizens: Len Gabbay, Donna Daniels, Alexandra Worthington, Jason Jones, Suzanne Fulton, Samuel Meneses; and Brad Schwab of Cornerstone Housing Group.

Work Session 6:30 p.m.
Mayor White opened the work session and advised the Council, staff and the audience that staff would provide information and explanations about the following items:

DISCUSSION ONLY
A. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, 551.071, CONSULTATION WITH THE CITY ATTORNEY REGARDING MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE, AND 551.074, REGARDING THE DUTIES OF COUNCIL MEMBERS.
Mayor White announced that the Council would enter Executive Session at 6:35 p.m.

Mayor White announced that the Council would enter Open Session at 7:50 p.m.

RECESS: Mayor White announced that the Council would recess for a break at 7:50 p.m.

REGULAR MEETING

ITEM 1. CALL TO ORDER.
Mayor Lew White called the meeting to order at 8:05 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.
Mayor White gave the Invocation and led the Pledge of Allegiance to the United States and Texas flags.

ITEM 3. PUBLIC COMMENT.

Mayor White requested citizens to address the Council.

Len Gabbay, 420 W. Prairie Lea Street, spoke in opposition of Councilmember David Bryant's sermon on January 23, 2022, and expressed disappointment that Mr. Bryant refuses to retract the comments against the Jewish religion.

Donna Daniels, 420 W. Prairie Lea Street, spoke in opposition of Councilmember David Bryant's sermon on January 23, 2022, and requested that Councilmember Bryant resign his position as Lockhart City Councilmember.

Alexandra Worthington, 701 Campbell, spoke in opposition of Councilmember David Bryant's sermon on January 23, 2022. She stated that his comments about the Jewish religion were harmful and possibly dangerous.

Jason Jones, 608 Bois D'arc, President of the Gaslight Baker Theatre, thanked the Lockhart City Council for their support of allocating Hotel Occupancy Tax funds to the Theatre.

Suzanne Fulton, 316 Cibilo, spoke in opposition of Councilmember David Bryant's sermon on January 23, 2022. She stated that the antisemitic beliefs that Mr. Bryant expressed in his sermon were uncalled for.

Sam Meneses, 1606 Shenandoah Trail, stated that he commends Councilmember Bryant for making a public apology and stated that Mr. Bryant should remain on the Lockhart City Council.

ITEM 4. DISCUSSION AND/OR ACTION REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSION.

Mayor White stated that members of the Lockhart City Council expressed concern about the comments made by Councilmember Bryant during a recent sermon of which the City Council is in strong disagreement. The City Charter does not allow the City Council to remove a Councilmember. The City Charter only allows a Councilmember to be removed by a recall election after a certified recall petition that was distributed by voters in the Councilmembers' district.

Mayor White read Resolution 2022-11 in its entirety expressing the Council's opposition to Councilmember David Bryant's position.

Mayor White stated that each Councilmember will sign the Resolution, except Councilmember Bryant.

Mr. Akers stated that the number assigned to the Resolution (2022-11) is incorrect. The correct number of the Resolution is 2022-15.

Mayor Pro-Tem Sanchez made a motion to approve Resolution 2022-15, as presented. Councilmember McGregor seconded.

Mayor Pro-Tem Sanchez assured the community that an elected official will be held accountable for their actions and that being a Councilmember is a responsibility to encourage the community to be respectful to each another.

VOTE: The motion passed by vote of 6-1, with Councilmember Bryant opposing.

ITEM 5-A. HOLD PUBLIC HEARING AND DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2022-14 OF NO OBJECTION FOR ATTAINABLE SENIOR HOUSING FOR CORNERSTONE HOUSING GROUP, LLC FOR APARTMENTS NORTH OF SAN ANTONIO STREET, BETWEEN STANTON APARTMENTS AND HIGHWAY 130.
Mayor White opened the public hearing at 8:34 p.m.

Mr. Gibson stated that Cornerstone Housing Group, LLC requests a Resolution of No Objection for their submission of an application to the Texas Department of Housing and Community Affairs (TDHCA). A public hearing is being held about the Resolution of No Objection to abide by TDHCA's requirements of the Governing Body holding a public hearing regarding the development. He requested Brad Schwab to address the Council.

Brad Schwab of Cornerstone Housing Group stated that they propose to develop 160 units of attainable senior housing on 7.5 acres located north of San Antonio St between Stanton Apartments and Hwy 130. All 160 units will be in a single, elevator-served building. Indoor amenities include a community room with a serving kitchen, a game and craft room, a theater, library, and a fitness center. Outdoor amenities include an inground pool, an outdoor kitchen, and two dog parks. An interior courtyard will be landscaped and include a shade structure. The development will be funded using 4% bond tax credits provided by the Texas Department of Housing and Community Affairs (TDHCA). Cornerstone Housing's funding application to TDHCA must include a "Resolution of No Objection" approved by City Council.

Mayor White requested citizens to address the Council. There were none. He closed the public hearing at 8:45 p.m.

Councilmember Michelson made a motion to approve Resolution 2022-14, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-H. DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2022-13 SUPPORTING A DEVELOPMENT FOR AFFORDABLE RENTAL HOUSING THAT WILL BE LOCATED NORTH OF SAN ANTONIO STREET BETWEEN STANTON APARTMENTS AND HIGHWAY 130 IN LOCKHART, CALDWELL COUNTY, TEXAS FOR SUBMITTAL OF AN APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR 2022 HOUSING TAX CREDITS FOR CORNERSTONE HOUSING GROUP, LLC.
Mr. Gibson stated that the Resolution is the same project. The Resolution is a requirement of the TDHCA's application process. There was discussion.

Mayor Pro-Tem Sanchez made a motion to approve Resolution 2022-13, as presented. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 6-A. DISCUSSION AND/OR ACTION TO CONSIDER CONTRACT FOR ELECTION SERVICES WITH THE CALDWELL COUNTY ELECTIONS ADMINISTRATOR TO CONDUCT THE CITY OF LOCKHART'S GENERAL ELECTION ON NOVEMBER 8, 2022.
Ms. Constancio stated that the Caldwell County Elections Administrator (County EA) is conducting Elections on November 8, 2022. The City of Lockhart will hold a General election on November 8, 2022 for the positions of Councilmember District 1, Councilmember District 2 and Two Councilmembers At-Large. Since 2010, in the interest of a public purpose, the City of Lockhart has contracted with the County EA to conduct City elections to enable all propositions and public official positions to be on one ballot for voters within the City of Lockhart and Caldwell County. The City of Lockhart shall pay an administrative fee of 10% of the total cost of the election and any runoff election or $500, whichever is greater. In the

event the services are provided for a joint election, the cost shall be equally prorated between the participating entities. A runoff Election shall be treated as a separate election. The City of Lockhart will order the November 8, 2022 General Election in June 2022. The candidate filing period is July 23, 2022 through August 22, 2022. City staff will have candidate packets available for distribution to potential candidates in late May 2022. There was discussion.

Councilmember McGregor made a motion to approve the contract for election services with the Caldwell County Elections Administrator to conduct the City of Lockhart's General election on November 8, 2022. Councilmember Michelson seconded. The motion passed by a vote of 7-0.

ITEM 6-B. DISCUSSION AND/OR ACTION TO CONSIDER THE 2021 RACIAL PROFILING REPORT OF THE LOCKHART POLICE DEPARTMENT.

Chief Pedraza stated that State law requires collection of information relating to motor vehicle stops in which a ticket, citation, or warning is issued and to arrests made because of those stops. In addition, State law requires the following:

1. A comparative analysis of the information compiled;
2. Evaluate and compare the number of motor vehicle stops, within the applicable jurisdiction, of persons who are recognized as racial or ethnic minorities and persons who are not recognized as racial or ethnic minorities;
3. Examine the disposition of motor vehicle stops made by officers employed by the agency, categorized according to the race or ethnicity of the affected persons, as appropriate, including any searches resulting from stops within the applicable jurisdiction;
4. Evaluate and compare the number of searches resulting from motor vehicle stops within the applicable jurisdiction and whether contraband or other evidence was discovered during those searches and whether the individual detained consented to the search;
5. Information relating to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling;
6. Whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual;
7. Whether the peace officer used physical force that resulted in bodily injury, as that term is defined by Section 1.07, Penal Code, during the stop;
8. Location of the stops; and
9. The reason for the stops.

Chief Pedraza provided a comparison of stops and searches between 2019, 2022 and 2021. There was discussion.

Mayor Pro-Tem Sanchez made a motion to accept the 2021 Racial Profiling Report of the Lockhart Police Department. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 6-C. DISCUSSION AND/OR ACTION TO CONDUCT AN ANNUAL REVIEW OF THE CITY OF LOCKHART EMERGENCY WARNING SYSTEM POLICIES WHICH INCLUDES THE OUTDOOR WARNING SIRENS (OWS) AND THE REGIONAL NOTIFICATION SYSTEM (RNS) IN PARTNERSHIP WITH THE CAPITAL AREA COUNCIL OF GOVERNMENTS (CAPCOG).

Chief Jenkins stated that severe weather is common in Central Texas from March through November. This includes the typical, peak severe thunderstorm and tornado months from March to June, and it includes the Atlantic hurricane season from June 1 to November 30. The purpose of this agenda item is to complete a routine annual review of the policy and to make any necessary amendments before the upcoming severe weather season. The current emergency warning system includes both outdoor and indoor warning methods. Outdoor Warning Sirens (OWS) consisting of five (5) electro-mechanical rotating sirens strategically located throughout the city. The sirens are tested the 1st Monday of each month at 1 p.m. and are maintained through an annual maintenance contract. Indoor warnings are managed through the CAPCOG Regional Notification System (WarnCentralTexas.org) which has been implemented for citizens to receive warnings and important information on a phone (call or text), and computers (Email), to include automated weather warnings from the National Weather Service (NWS). The current warning system was adopted by Resolution No. 2019-14 on July 2, 2019. Key points of the emergency warning system include the outdoor sirens are tested the first Monday of each month; dispatch staff conducts monthly tests in the event of a manual activation; and activation criteria for the sirens was adopted. On August 6, 2019, City Council approved the purchase of an automated Tornado Warning siren activation software that will be automatically activated if the National Weather Service (NWS) issues a tornado warning for the City of Lockhart. Outdoor Warning Sirens were activated once by staff in 2021 for severe weather. The City of Lockhart currently has 11,300 contacts in *WarnCentralTexas.org*.

There was discussion regarding the difference between an outdoor and indoor warning system and about educating the public about the difference.

Councilmember Michelson made a motion to accept and to continue the City of Lockhart Emergency Warning System Policies which includes the Outdoor Warning Sirens (OWS) and the Regional Notification System (RNA) in partnership with the Capital Area Council of Governments (CAPCOG). Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 6-D. DISCUSSION AND/OR ACTION TO CONSIDER HOTEL OCCUPANCY TAX (HOT) ALLOCATIONS AS RECOMMENDED BY THE HOT ADVISORY BOARD FOR THE 2022 FUNDING YEAR.

Ms. Larison stated that on February 17, 2022, the HOT Advisory Board met to discuss allocations for the 2022 funding year. Organizations were allowed to make presentations to the Board. There were seven organizations that requested funding; which included the Lockhart Chamber of Commerce, the Greater Caldwell County Hispanic Chamber of Commerce, the Gaslight-Baker Theatre, the Lockhart Downtown Business Association, Caldwell County Jail Museum, Feria De Culturas, and representatives of KOKE FM. The total amount requested was $264,200, which included the option for marketing from Texas Monthly for the World Series BBQ Festival. After much consideration and discussion, the Board recommended that the historical recipients receive their total requested amounts, a small allocation to Feria De Culturas since this is their first request and to see if their event has any significant impact on the hotel industry. The request by KOKE FM was to hold the first annual Mockingbird Music Festival in Lockhart was not recommended due to the unavailability of funds requested and the magnitude of the event. The Texas Monthly World Series BBQ Festival request was also not recommended, yet the Board understood that this item could reappear to request funding in the future since the event date is later in the year. There was discussion.

Mayor Pro-Sanchez made a motion to approve the HOT allocations as recommended by the HOT Advisory Board for the 2022 funding year. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

The following are the HOT allocations:

Lockhart Chamber of Commerce Visitor's Center	$50,000
Lockhart Chamber of Commerce Chisholm Trail Roundup	$40,000
Hispanic Chamber of Commerce Cinco de Mayo	$6,500
Hispanic Chamber of Commerce Diez y Seis	$6,500
Gaslight-Baker Theatre	$15,000
Lockhart Downtown Association Texas Swing	$12,500
Caldwell County Jail Museum	$5,000
Feria de Culturas	$1,000
Texas Monthly – World Series BBQ	0
KOKEFEST	0
TOTAL	$136,500
CURRENT FUNDS AVAILABLE	$141,750

ITEM 6-E. DISCUSSION AND/OR ACTION TO CONSIDER ORDINANCE 2022-12 ESTABLISHING A SHORT TERM RENTAL (STR) REGISTRATION PROCESS; ISSUING AN ANNUAL PERMIT AND ANNUAL REGISTRATION FEE; AND RESTRICTIONS AND SAFETY REQUIREMENTS FOR OWNER/OPERATORS.

Ms. Larison stated that due to the increase in short-term rental (STR) properties in the City of Lockhart, research was conducted by staff and a third-party consultant in 2019 to locate owner/operators and have them remit the local HOT tax required by law. Over the past two years, there have been a total of eight properties remitting payments either monthly or quarterly, but it has been determined that there could be as many as a dozen more that are still not reporting revenues. The primary reason for the registration process is: (1) establish a minimal level of regulation for the protection of the health and safety of occupants and to protect the integrity of the neighborhoods in which STR's operate; (2) allow for the management and tracking of units within the City of Lockhart, and (3) offer a primary tool for city enforcement of non-compliant STR units. Ordinance 2022-12 will establish a registration process for STR units, allow the City to enforce the remittance of the HOT taxes, enforce restrictions on owners by way of penalties, and provide safety features for renters.

Ms. Larison stated that the application will require the following information to be eligible for approval:

1. Registration Fee - $50.00
2. Property owner contact information.
3. Local emergency contact information.
4. Working smoke alarms.
5. Working carbon monoxide alarm.
6. Working fire extinguishers.
7. Maximum occupancy and parking are approved by the Planning and Zoning Department.

Once an application has been approved and the registration fee has been paid, a permit will be issued for one year. The Finance Department will work with the Planning and Zoning Department and the Building Official to ensure owners/operators are following the guidelines set by the ordinance. The Finance department will be responsible for applications, fees, and remittance of tax. The Planning and Zoning will monitor residential dwelling locations to prepare for any future changes in this ordinance. The Building Official will be responsible for initial inspections and any inspections initiated by complaint. It is expected that the registration process will help monitor existing STR's as well as assist new owners/operators to register with the City through a formal process and provide guidelines to operate in a safe and neighborhood-friendly manner.

There was discussion regarding the possibility of Councilmember Kara McGregor having a conflict of interest.

Mayor Pro-Tem Sanchez made a motion to approve Ordinance 2022-12, as presented. Councilmember Michelson seconded. The motion passed by a vote of 6-0-1, with Councilmember McGregor abstaining.

ITEM 6-F. DISCUSSION CONCERNING TEXAS SENATE BILL 3 - LOAD SHEDDING NOTIFICATION TO MUNICIPALLY OWNED UTILITY CUSTOMERS.

Ms. Larison stated that Winter Storm Uri exposed critical weaknesses in the state's power grid and regulatory framework. These outages confirmed the lack of coordinated communications among all stakeholders including municipally owned utilities and their customers. Because of this lack of communication, the Texas State Legislature addressed the problem by passing Senate Bill 3, which relates to preparing for, preventing, and responding to weather emergencies and power outages. It calls for more clarity in a municipally owned utility's procedures for the following: (1) implementing involuntary load shedding; (2) identifying critical care residential customers, critical load industrial customers, and chronic-condition residential customers; (3) the procedure as to how to apply to be considered as "critical care" or "chronic-condition" customers; and (4) providing information about reducing electricity use at times when involuntary load shed events may be implemented. The City's utility department will implement the provisions of S.B. 3 starting with the first City newsletter in March 2022. A second notice to customers will be sent in the last quarter of 2022. Load shed notifications will also be available on the City's website under the Utility Billing department, and also on social media. There was discussion.

ITEM 6-G. DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2022-11 IN SUPPORT OF THE CAPITAL AREA COUNCIL OF GOVERNMENTS' APPLICATION FOR ENHANCED FINE PARTICULATE MATTER MONITORING IN CENTRAL TEXAS.

Mr. Lewis stated that the Clean Air Coalition recommended at their last Advisory meeting that CAPCOG apply for an Environmental Protection Agency (EPA) grant to enhance fine particulate matter ($PM_{2.5}$) monitoring in the region. Part of the application includes a letter or resolution of partnership from member cities that indicates the organization’s level of support for the application. The Resolution expresses the City of Lockhart's support of CAPCOG's application for enhanced $PM_{2.5}$ monitoring in Central Texas

Mayor Pro-Tem Sanchez made a motion to approve Resolution 2022-11, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 6-I. CONSIDER THE NOMINATION OF BENNY HILBURN TO THE AIRPORT ADVISORY BOARD BY MAYOR LEW WHITE FOR A TERM TO EXPIRE IN NOVEMBER 2023.

Mayor White stated that Mr. Hilburn is flight rated, resides within the city limits of Lockhart, and meets all of the requirements to serve on the Board.

Councilmember Michelson made a motion to appoint Benny Hilburn to the Airport Advisory Board. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

ITEM 6-J. DISCUSSION REGARDING MATTERS RELATED TO COVID-19.

Mayor White stated that the COVID-19 cases are decreasing. He provided details about testing and vaccination sites in Caldwell County. He encouraged everyone to stay safe.

Mr. Lewis provided information regarding the Center for Disease Control and Prevention's (CDC) updated framework on monitoring the level of COVID-19 in communities. Caldwell County is currented rated at "high". There was discussion.

ITEM 6-K. DISCUSSION AND/OR ACTION TO CONSIDER CITY COUNCIL MINUTES OF THE FEBRUARY 8, 2022 AND FEBRUARY 15, 2022 MEETINGS.

Mayor White requested corrections to the minutes. There were none.

Mayor Pro-Tem Sanchez made a motion to approve the minutes. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 7. CITY MANAGER'S REPORT, PRESENTATION AND POSSIBLE ACTION.

- Downtown Revitalization Project's Second Open House, March 3.
- Redistricting Public Hearing, March 15.
- Household Hazardous Waste Collection Event will be held Saturday, March 26, 2022 (rain or shine) for Lockhart residents.
- KidFish at City Park on March 12 at 9:00 a.m.
- Library Updates.
- Civil Service Examinations for Public Safety positions.

ITEM 8. COUNCIL AND STAFF COMMENTS - ITEMS OF COMMUNITY INTEREST.

Mayor Pro-Tem Sanchez expressed condolences to the families of Abraham Mata, Jose Silva, Martin Alfaro, Dorris Jackson, Gary Cochran, Jacob Maciel, and Marie Miles for their loss. She congratulated Joyce Buckner on her retirement from Bluebonnet Electric Coop after 30+ years and for her involvement in the community. She welcomed Joanna Gillin as Bluebonnet Electric's new Community Coordinator.

Councilmember McGregor encouraged unity in the community.

Councilmember Bryant expressed his appreciation for kindness in the community and he thanked citizens for expressing their concerns.

Mayor White thanked Council for their dedication to the community.

ITEM 9. 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 9:55 p.m.

PASSED and APPROVED this the 15th day of March 2022.

CITY OF LOCKHART

____
Lew White, Mayor

ATTEST:

____
Connie Constancio, TRMC
City Secretary

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discuss a short term use agreement extension with the Lockhart Youth Soccer Association (LYSA) for the use of the Cpl. Jason K. LaFleur Soccer Complex and defining maintenance responsibilities of LYSA and the City of Lockhart and appointing the Mayor to sign the agreement if approved by Council.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: Lockhart Soccer Youth Association's Complex Use Agreement for the Cpl. Jason K. LaFleur Sports Complex is set to expire March 24, 2022. LYSA requested changes to their contract which were presented to the Parks and Recreation Advisory Board and the board recommended approval of an extension of the agreement with LYSA. The most notable changes that LYSA requested in this contract renewal are:

- Reducing the renewal term from 5 years to 1 year
- Authorizing LYSA to rent the fields to LYSA authorized organizations instead of non-profit organizations only
- Clarifying lease fees to allow for fees based on scope of use
- City to provide insect treatment quarterly instead of annually
- Reducing the number of days that City staff has to resolve maintenance requests from 14 days to 10 days
- Change LYSA's responsibility for field dirt work to a shared responsibility of LYSA and the City to include dirt work, fertilization, weed control, irrigation and seeding the fields to provide neat and safe fields

Many of these items that have been requested would require the budgeting of funds and the further clarification of duties. Staff is requesting the current agreement be extended, so that these items can be evaluated, probable costs determined, and allow time for LYSA to meet directly with staff prior to bringing forward a revised agreement to Council..

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: N/A

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approving extension of the Cpl.Jason K. LaFleur Complex Use Agreement with LYSA.

LIST OF SUPPORTING DOCUMENTS: Extension of LYSA Agreement, Attachment A, 2017 LYSA Use Agreement

EXTENSION OF JASON K. LAFLEUR COMPLEX USE AGREEMENT

This Extension of Complex Use Agreement (“Extension”) is made by and between the City of Lockhart, Texas, as Owner, and Lockhart Youth Soccer Association (LYSA).

Recitals

1. The City is the owner of the Complex, located at 1507 Maple Street, Lockhart, Texas and consisting of approximately 28 acres with concession facilities, restroom facilities, and other improvements. The Complex is used as multi-purpose fields and soccer fields for team games, practicing, and tournaments. Any reference to the Complex in this agreement includes any one or all fields, structures, and related areas and improvements thereon.

2. The LYSA is experienced in the maintenance and repairs of the Complex and has regular use of the Complex. The LYSA primarily serves youths in the City of Lockhart, Texas.

3. The City desires to enter into an agreement with the LYSA for the exclusive operation and general maintenance of the Complex, and the LYSA desires to have such exclusive operation and general maintenance on the terms and conditions set forth in this agreement, dated March 24, 2017.

Agreement

For and in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, Owner and LYSA agree that the term of the Lease shall be extended until June 30, 2022.

This Extension binds and inures to the benefit of the parties, their heirs, executors, administrators, successors in interest, and assigns.

Approved and adopted effective the 15th day of March 2022.

Owner: City of Lockhart

Lockhart Youth Soccer Association: LYSA

____
Lew White, Mayor

____
Amy Limas, President

Attest:

____
Connie Constancio, City Secretary

Attachment A
Common Areas- City Maintained
Fields- LYSA Maintained
Maple Street Park
Lockhart Soccer Complex
Maple St
Maple St
Maple St
Maple St
Maple Street Park
Colton Ln
Colton Ln
Google Earth
N

STATE OF TEXAS	)	
	)	**CITY OF LOCKHART**
COUNTY OF CALDWELL	)	

JASON K. LAFLEUR FIELD COMPLEX USE AGREEMENT

This Agreement is made between the City of Lockhart, Texas, a municipal corporation organized under the laws of the State of Texas, having its principal office at 308 W. San Antonio Street, Lockhart, Texas 78644, referred to as "the City," and the Lockhart Youth Soccer Association, a non-profit entity having its principal office at 925 W Live Oak Street, Lockhart, Texas 78644, referred to as "LYSA."

The City recognizes that the LYSA Youth Field Programs (the "Programs"), consisting of supervised, competitive athletic and recreational events for children, adolescents, and teenagers, non-adult, serve a public purpose by providing for the recreational needs of Youth in the City.

The LYSA, a 38 year old volunteer organization dedicated to youth soccer recreation, and the City have worked together to provide these programs since 2005 at the Jason K. Lafleur Field Complex ("the Complex"), and have helped more than 350 youths each year since that time. The LYSA has made significant improvements to the Complex including field irrigation, storage facility, goals, and other amenities, and the LYSA continues to use its funds to improve the Complex.

Based on the relationship of the parties and the public purpose served thereby, the City and the LYSA enter into this Use Agreement under the following conditions:

I. Recitals

1. The City is the owner of the Complex, located at 1507 Maple Street, Lockhart, Texas and consisting of approximately 28 acres with concession facilities, restroom facilities, and other improvements. The Complex is used as multi-purpose fields and soccer fields for team games, practicing, and tournaments. Any reference to the Complex in this agreement includes any one or all fields, structures, and related areas and improvements thereon.

2. The LYSA is experienced in the maintenance and repairs of the Complex and has regular use of the Complex. The LYSA primarily serves youths in the City of Lockhart, Texas.

3. The City desires to enter into an agreement with the LYSA for the exclusive operation and general maintenance of the Complex, and the LYSA desires to have such exclusive operation and general maintenance on the terms and conditions set forth in this agreement.

Therefore, in consideration of the mutual covenants set out herein, the City and the LYSA agree as follows:

II. Term

The term of this agreement is five (5) years from the date of its execution by the parties. This agreement may be extended for another five (5) year term upon written request by the LYSA, and approval of the Lockhart City Council. Any renewal request by LYSA must be in writing and be received by the City at least 30 days prior to the end of the initial term. This agreement applies to the full twelve months of each year of the term, rather than for the soccer season only, except as otherwise provided herein.

III. Use

The Complex will be used for conducting Youth Field Programs by the LYSA, and will be used by other organizations and individuals as described herein.

Youth Field Programs and other organized uses conducted at the Complex shall be sponsored by *non-profit organizations only*, and shall be open to all persons, regardless of race, color, religion, national origin, or ability and any other federally protected groups.

IV. Improvements and Alterations to the Field Complex

Upon assuming the operation and maintenance of the Complex, the LYSA shall submit in writing to the City any recommended improvements and alterations to the Complex, and any other matters that will enhance its efficient use or management. All plans and specifications for improvements and alterations must be approved in writing by the City. Improvements and alterations must conform to the current standards as specified by the Texas Parks and Wildlife Department and other state, local and federal law, including City ordinances. After conferring with the City and obtaining approval to make improvements and alterations, the LYSA will undertake completion of the improvements and alterations at the sole expense of the LYSA, unless otherwise agreed upon by the City and the LYSA in writing. Utilities, including electrical wiring, must be placed by qualified/licensed individuals underground as required by the Texas Parks and Wildlife Department. Any improvements or alterations to the Complex, including the fields, cannot be done without written permission of the City Parks Manager and/or Public Works Director. Such improvements or alterations must be completed by LYSA in a timely manner.

Advertising signs at the Field Complex must be approved in writing by the LYSA and the City, and are permitted only on fences or as temporary attachments to the concession stand, causing no damage, and only during the seasonal soccer play.

V. Use of the Field Complex by Other Organizations or Individuals

Other certified non-profit organizations/groups (the "Organization(s)") may request the use of the Complex and will be given *reasonable access to the fields* where no conflicts exist with use of the Complex by the LYSA or other scheduled events. Such requests are to be made in writing to the LYSA Board for approval, and will be provided by the LYSA to the City's Parks Manager and/or Public Works Director. Organizations shall provide to the LYSA adequate general liability insurance coverage naming LYSA and the City of Lockhart as additional insureds, and provide assurances of safe use of the Complex to LYSA and the City.

Each certified non-profit Organization shall agree to return the Complex to the condition that it was in prior to the Organization's use of it, and to repair any damage done to the Complex before or immediately upon completion of the games/tournaments.

Organizations shall pay to the LYSA the following fees for the use of the Complex:

-- $100.00 per month per field, single team practice;

-- $30.00 per team per tournament;

-- $100.00 per field for a cleaning and repair deposit, to be applied against any costs incurred by the LYSA or the City for cleaning and repairing the Complex after use by the certified non-profit Organization, including but not limited to replacing field markers, field paint, and dirt. LYSA may choose to refund the deposit if the Organization performs such tasks to LYSA's satisfaction; and

-- $60.00 per month, per field, to the City as a lighting fee for the use of the lights at the Complex, where such use shall occur at or after sundown. Proof of payment must be provided to LYSA by the certified non-profit Organization.

LYSA and the City recognize that the complex is public property that can be used by families, individuals and groups for general recreation when there is no conflict with the City, LYSA, or other scheduled events or uses as provided herein.

The City's Parks and Recreation Department may use the Complex at no charge when the Complex is not scheduled for league play or maintenance, and after receiving clearance from the LYSA. Use of the Complex by a school district shall require an Interlocal Agreement among the City, the LYSA, and the school district.

The Complex fields will not be used as practice fields except as approved in writing by the LYSA Board or designated President or Vice-President during the LYSA soccer season. LYSA will not unreasonably deny use of the fields.

VI. City Maintenance, Repair, and Services at the Complex

The City shall provide the following maintenance, repairs and services at the Complex:
1. Maintain Complex and parking area lighting. Requests for light bulb replacement or maintenance of lighting equipment must be made via email to the City Parks and Recreation Department. A total of two light bulbs must be burned out prior to any request. Please allow time for this process to take place..

2. Mow and weed-eat common areas (areas outside playing surfaces) identified in Attachment A, and treat the fields and common areas for fire ants, bees, and other insects once at the beginning of each seasonal play. Subsequent treatments during the season shall be the responsibility of the LYSA and in compliance with pest control laws.

3. Provide water, electricity and wastewater utilities, subject to reimbursement as provided in this agreement. Any excessive use will be addressed with LYSA. It is the responsibility of LYSA to ensure that utilities are used in a responsible manner.

4. Where the City must make repairs for damages to the Complex as a result of negligence or misuse by the LYSA or Organizations, the LYSA shall reimburse the City for the costs of such repairs within a reasonable period of time.

5. Respond within 14 days to requests for maintenance and repairs to the Complex as provided herein. If the City cannot make repairs or perform maintenance within this time frame, City will notify LYSA. If a health or safety problem arises at the Complex, LYSA will protect the public from the problem as best it can, shall halt all or a part of the use of the Complex as deemed necessary by LYSA, and must immediately report it to the City. Requests for maintenance and repairs must be made by email to the Parks Manager of the Lockhart Parks and Recreation Department.

VII. LYSA Maintenance, Repairs, and Services at the Complex

LYSA shall provide all maintenance, repairs and other services for the Complex not provided by the City in this agreement, including but not limited to:

1. Marking and lining the fields as needed.

2. Keeping the fields and common areas, including parking lots, free of litter during use by the LYSA, Organizations and/or individuals, and shall empty trash receptacles.

3. Clean the Complex restrooms, concession stand, and other facilities during use by the LYSA, certified non-profit Organizations, and/or individuals.

4. Control lights and other utility usage at the Complex. Where such utilities are misused, the City may immediately stop providing such utilities and/or require the misusing organization or individuals to pay for additional usage;

5. Abide by the City's Parks and Recreation Department Water Conservation Plan;

6. Conduct background checks on all LYSA coaches and volunteers and keep such records for at least 3 years.

7. Pay to the City $50.00 per field per year as a general use fee.

8. Perform normal maintenance and provide materials (cleaning, painting, tightening, straightening, alignments, plumbing stoppages, interior light bulbs, toilet paper, paper towels, etc.) for the Complex concession building, bleachers, posts, restrooms, scoreboards, and concession appliances.

9. Perform all mowing, weed-eating, and dirt work on the fields to provide neat and safe fields. The City will provide sand and/or loam for the fields as needed, upon request of LYSA and approval of the City.

10. Announce before each game that alcohol is not allowed at the Complex and that violators will be reported to the Lockhart Police Department.

11. Ensure that coaches, players, spectators and others conduct themselves in an appropriate manner for a family recreational setting, and if necessary call the Lockhart Police Department to stop unruly behavior.

12. Use its best efforts to insure that the Complex is maintained in an attractive condition and in a good state of repair, including off-season.

13. In addition to the foregoing, perform all services that are reasonable and necessary for the operation and maintenance of the Complex during the term of this agreement, unless otherwise directed by the City.

VIII. Sales of Goods at the Complex

Only LYSA and Organizations may sell goods at the Complex, and only during games or tournaments. Goods shall consist of food, non-alcoholic beverages, and items related to sport being played by LYSA or the Organization. The income from such sales shall be the property of the LYSA or Organization. The LYSA retains the right to approve or disapprove all concession stand usage at the Complex. All certified non-profit Organizations that wish to use a concession stand or sell goods at the Complex must receive written approval by the LYSA and the City, and must conform to all city, county, and state food, health, and other applicable regulations, ordinances and statutes.

IX. Annual Reporting Requirements

The LYSA shall provide the following information to the City on an annual basis:

1. On December 1 of each year, a completed set of forms promulgated by the City's Parks and Recreation Department which provide information regarding the use of the Complex by LYLSA and Organizations.

2. A report providing the following information:

a) A list of at least five (5) officers and board members of the LYSA, with addresses and phone numbers, who shall be responsible for the LYSA financing of the Youth Field Programs;

b) Programs information as determined by the City;

c) Complex information as determined by the City;

d) A financial statement of the LYSA;

e) Other information regarding LYSA and/or the Complex and its use as determined by the City;

f) A copy of the LYSA's current insurance policy, naming the City of Lockhart, Texas as additional insured; and

g) A copy of the official documents proving the LYSA's current non-profit status.

X. Insurance

During the use of the Complex by the LYSA and Organizations, beginning with registration of players and through the entire season of play, the LYSA must carry liability and property damage insurance, naming the City of Lockhart, Texas as an additional insured. The insurance coverage must insure against any and all injuries (including death) and damages arising in any way from the use or operations of the Complex. The amounts of coverage must be $25,000 in property damage, and $100,000 per person/$300,000 per occurrence for personal injury and public liability. The primary insured shall be the LYSA, and an insurance policy naming as primary insured any other person or organization will not meet the requirements of this section. The LYSA shall bear the cost of such insurance coverage. The City will cooperate with the LYSA and any insurer in the making and delivery of all reports, notices, and other items required in connection with the insurance policy.

XI. Termination

Either party may terminate this agreement with 90 days' written notice to the other party.

If the LYSA materially breaches any of the terms of this agreement, including but not limited to the failure to maintain the Complex or provide needed repairs as described herein, or the failure to submit the yearly set of completed forms to the Parks and Recreation Department on December 1 of each year, then the City will give the LYSA written notice of the breach. If the LYSA fails to remedy the breach within thirty (30) days after receiving such notice in writing, the City may terminate this agreement.

LSYA's failure to obtain and maintain insurance as provided in this agreement shall be a material breach of this agreement, and is ground for immediate termination of this agreement by the City.

The cessation of Youth Field Programs by the LYSA, or the termination of the LYSA as an active non-profit organization, will result in the immediate termination of this Agreement.

Upon the termination of this agreement or any extension of it, LYSA will leave the Complex in good condition and properly maintained. Within 3 working days of the termination, LYSA will remove all items belonging to LYSA and/or any Organization unless otherwise agreed to by the City.

XII. No Property Interest Created

Nothing contained in this agreement is to be deemed to create or is to be construed as creating in the LYSA or any other person or entity any property interest in or to the Complex.

XII. Licensing of the LYSA

The LYSA must at all times during the term of this agreement maintain such licenses and permits as are required for any of the various services to be performed by the LYSA on behalf of the City.

XIV. Independent Contractor

In following their respective obligations under this Agreement, the parties are and shall act at all times as independent contractors and at no time shall either party make any commitments or incur any charges or expenses for or in the name of the other party.

XV. Notice

Except as otherwise provided herein, all notices, requests, demands, or other communications under this agreement must be in writing, and will be deemed to have been duly given if delivered in person, or within three (3) days after deposited in the United States mail, postage prepaid, to the City at 308 W. San Antonio Street, Lockhart, Texas 78644, or to the LYSA at 925 W Live Oak Street, Lockhart, Texas 78644. Either party to this agreement may change the address at which it receives written notices by so notifying the other party in writing.

XVI. Assignment

This agreement is personal to the LYSA and is not assignable. Any attempt to assign the Agreement by the LYSA will immediately terminate the Agreement.

XVIII. Effect of Partial Invalidity

If any section or any part of any section of this agreement is rendered void, invalid, or unenforceable by a court of law, for any reason, such determination will not render void, invalid, or unenforceable any other section or part of any section in this agreement.

XIX. Integration

The drafting, execution, and delivery of this agreement by the parties have been induced by no representations, statements, warranties, or agreements, other than those expressed in this agreement. This agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to its subject matter, unless expressly referred to in this agreement

XX. Attorney Fees

Should either party bring suit to enforce any of the terms of this agreement, the prevailing party will be entitled to recover court costs and reasonable attorney fees.

XXI. Modification

This agreement may not be modified unless the modification is in writing and signed by both parties to this agreement

XXII. Authority

Each party acknowledges that the person signing this agreement has full and legal authority to sign this agreement for the party.

City of Lockhart, Texas,
A Municipal Corporation

By: Vance Rodgers
Vance Rodgers, City Manager
Date: 3-21-2017

NOTARY:
Signed before me on this the 21st day of March, 2017

CONNIE CONSTANCIO
Notary ID # 5271582
My Commission Expires
May 25, 2017

Connie Constancio
Notary Signature

Lockhart Youth Soccer Association,
A Texas Non-Profit Entity

By: ______________________
Amy Limas, President
Date: 3/24/17

NOTARY:
Signed before me on this the 24th day of March, 2017

Connie Constancio
Notary Signature

CONNIE CONSTANCIO
Notary ID # 5271582
My Commission Expires
May 25, 2017

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discuss bid proposal by The Interlocal Purchasing System (TIPS) cooperative purchasing with PMR Contractors in the amount of $64,633.25 for the replacement of the Senior Center roof located at 901 Bois D' Arc Street and appointing the City Manager to sign the proposal, if approved by Council.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Approval of Bid

BACKGROUND/SUMMARY/DISCUSSION:
The City filed a claim with TMLIRP for damage to the roof at 901 Bois D' Arc Street (Senior Center) after an inspection by a local roofer revealed that the roof had suffered hail damage. TIPS cooperative purchasing agency has gone through the bidding process for the roof replacement. During the bidding process, PMR contractors were found to be the best and most qualified vetted contractor. The cost for the replacement of the roof at the Senior Center is $64,633.25,

The project includes the following:

- Hosting a preconstruction meeting
- Weekly inspections
- Full-time onsite non-working project manager
- Removal of old roof and disposal
- Prepping and treating surfaces
- New 60mil membrane roof and all components
- Replace 20 damaged ceiling tiles in the Senior Center
- 20 year warranty on materials
- 5 year warranty on workmanship

PROJECT SCHEDULE (if applicable): May 2022- Completion of roof replacement at the Senior Center

AMOUNT & SOURCE OF FUNDING:
Funds Required: $64,633.25
Account Number: 100-5211-911-00
Funds Available: 0
Account Name: Construction/Project Improvement

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

FISCAL NOTE (if applicable): Funds available will come from the General Fund Balance through the use of excess reserves in the form of a one-time expenditure that is allowable for maintenance that cannot be funded by current revenues.

PREVIOUS COUNCIL ACTION: February 1, 2022- Authorized Membership with TIPS purchasing cooperative

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of bid.

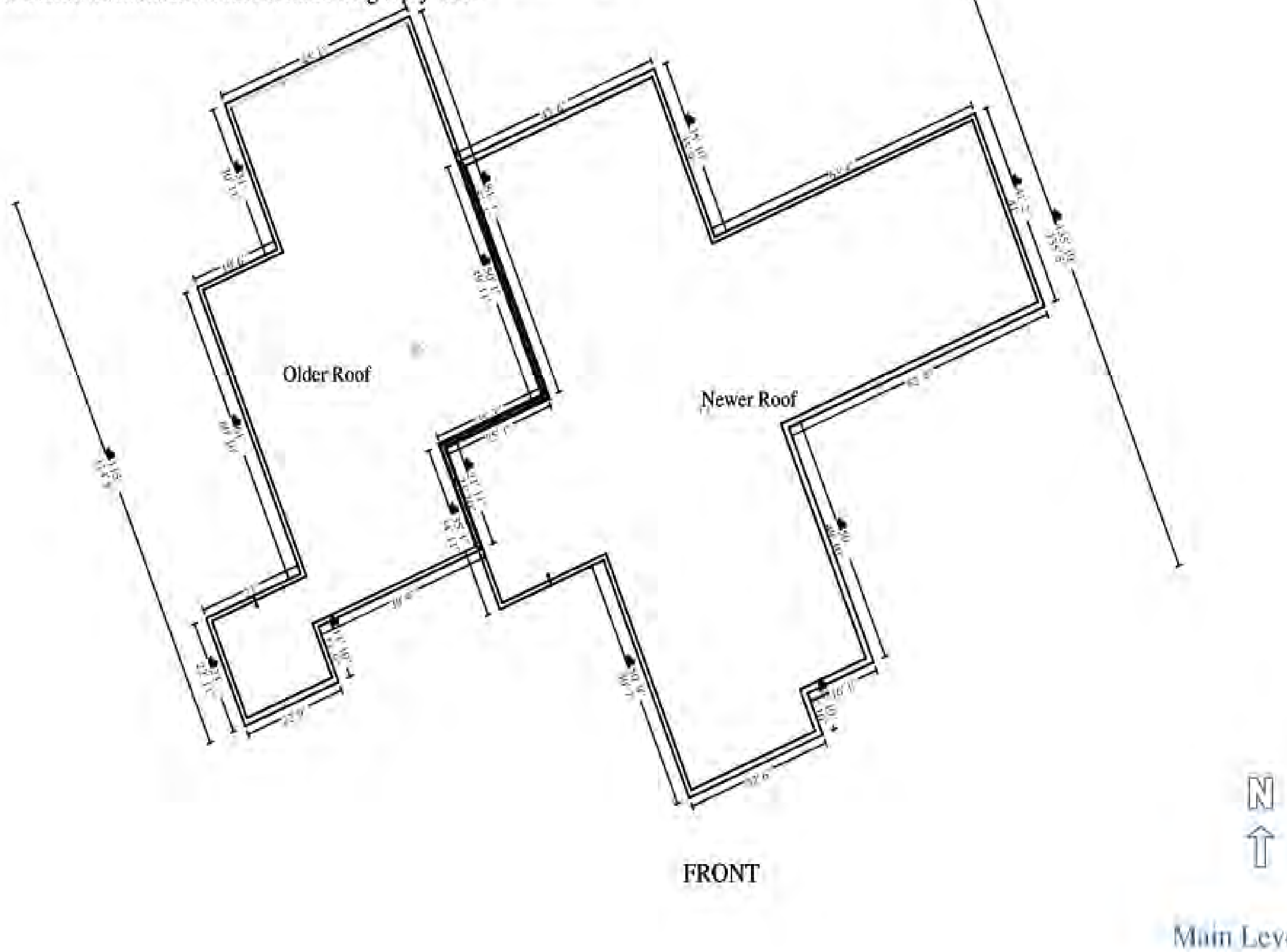
LIST OF SUPPORTING DOCUMENTS: Senior Center - City of Lockhart Executive Summary, Roof diagram

TMLIRP	BOLGER							
	CITY OF LOCKHART						Feb-22	
	CLAIM #PR1551741							
	TMLIRP	**EXECUTIVE SUMMARY**				**PMR**		**PMR**
BUILDING	BLDG/UNIT #	PHYSICAL ADDRESS	UNITS S.F./L.F./EACH	UNIT QTY TOTAL	Adjuster's Statement Of Loss	TIPS #01 VETTED PROPOSAL	Delta Difference (Adjustment - Tips)	TIPS #01 Alternate PROPOSAL
#11	SENIOR CITIZEN TECH CENTER					02.22.22	02.22.22	02.22.22
	LOW_SLOPE-LOWER ROOF							
		PROJECT MANAGER	SF	6034.49				
		DEMO / REMOVE ALL DEMO	SF	6,034				
	SUB-TOTAL					Include		
	ROOF-UPPER							
		NO DAMAGE/NO WORK	SF	0				
	SUB-TOTAL					No Damage		
	ROOF-LOWER LOW-SLOPE							
		REMOVE EXISTING 40 mill PVC MEMBRANE + ALL SREWS & PLATES	SF	6335.7				
		REMOVE UNDERLYING COVER BOARD + SCREWS AND PLATES	SF	6335.7				
		CLEAN SURFACE OF UNDERLYING ROOF / REPAIR ANY BLISTERS	SF	6335.7				
		REMOVE ANY WET OR DAMAGED UNDERLYING MEMBRANE	SF	6335.7				
		INSTALL 1/4" DENS DECK OVER UNDERLYING MEMBRANE	SF	6335.7				
		Install 60 mill bareback mechanically attach	SF	6335.7				
		INSTALL 50 mill FB adhered and CURB CORNERS at CURB FLASHINGS	LF	42				
		INSTALL TWO-PIECE COMPRESION AT PERIMETER	LF	405.16				
		INSTALL 1/4" Primed with 50 mill BB at all WALL to Deck	LF	106				
		INSTALL NEW TWO PIECE SAW CUT COUNTER FLASHING	LF	106				
		INSTALL NEW OPEN CANALE AT PERIMETER	EA	24				
		R&R PLUMBING STACKS / USING PVC SPLIT BOOTS	EA	10				
		R&R EXHAUSE CAPS + DIVERTERS	EA	2				
	LOW AREAS	CRICKETING / BUILDUP OF LOW SPOTS	SF	6335.7				
		NOTE: INTERIOR PARAPET LIMITING WATER FLOW						
		THRU WALL SCUPPER	EA	4				
		PYRAMID SUPPORTS- DUCT LEGS	EA	12				
		PYRIMID SUPPORT-WIRES	EA	3				
		4x4 INSTALL NEW 4x4 and encapsulate with roof / Reset AC Unit	EA	1				
		COUNTER FLASHING-ADD AT ALL 3 MECHANICAL UNITS	EA	3				
		ADD LUMBER-FRAME PROPER CURB TO HOUSE CURBED EXHAUST VENT	EA	3				
		MANUFACTURE 20-YEAR NDL	SF	6,335.70				
		CONTRACTOR 5-YEAR WARRANTY						
	SUB-TOTAL				$ 61,265.55	$ 61,500.00	$ (234.45)	
	ALTERNATE	LOW ROOF ONLY						COST ADD-ALTERNATE
ALT #01	ALTENRATE-GREY MEMBRANE	INSTALL DENS DECK 1/4" And ADHERE 50 mill FB on top and sides of exposed Duct work	LF	*verify*				$ 3,500.00
ALT #02	ALTERNATE - 60 MILL MEMBRANE	PROVIDE ALTERNATE COST TO USE 60 mill FB in Lue of 50 MILL FB	SF	6335.7				$ 14,500.00
ALT#03	ALTERNATE-DRAIN	ALTERNATE - INSTALL DRAIN (INTERNAL)	EA	1				$ 4,500.00
	SUB-TOTAL							
	INTERIOR-CEILING TILES							
		R&R CEILING TILES 2'x4"	SF	160				
		DEMO/DEBRIS	EA	1				
	SUB-TOTAL				$ 522.75	$ 350.00	$ 172.75	
	TOTAL	TOTAL FOR ALL WORK REQUIRED			$ 61,788.30	$ 61,850.00	$ (61.70)	$ 22,500.00
	EXECUTIVE SUMMARY:				**Total Adjustment Stement Of Loss**	**Total TIPS Proposal #01**	**Delta / Difference ADJUSTMENT - TIPS #01**	**TIPS #01 ALTERNATE + BASE TOTAL**
	BASE PROPOSAL			**TOTAL**	**$ 61,788.30**	**$ 61,850.00**	**$ (61.70)**	**$ 84,350.00**
	TIPS FEE			*TIPS FEE*	*EXCLUDED*	*$ 1,237.00*	N/A	$ 1,687.00
	BOND FEE			BOND FEE	EXCLUDED	$ 1,546.25	N/A	$ 2,108.75
	TAX			TAX	EXCLUDED	Excluded	EXCLUDED	EXCLUDE
	PERMIT FEE			PERMIT FEE	EXCLUDED	Excluded	EXCLUDE	EXCLUDE
	TOTAL PROPOSAL+BOND+TIPS			TOTAL PROPOSAL+BOND+TI	$ 61,788.30	$ 64,633.25	$ (61.70)	$ 88,145.75

WARRANTY / GUARANTY:					TIPS	TIPS ALTERNATE
Manufacture Warranty	LWO_SLOPE	NDL WARRANTY	EXCLUDED		INCLUDE	INCLUDE
Contractor Warranty		CONTRACTOR	EXCLUDED		INCLUDE	INCLUDE
UNIT PRICES:						
R&R PLYWOOD		S.F.			$ 4.00	
R&R FASCIA		L.F.			$ 9.00	
CEILING TILE		EA			$ 25.00	
CRICKETING		SF			$ 5.00	

CONTRACTOR NOTES:	
Cost to include all material, lobor,bond,warranties to perform work	
Proposal to be good for 90 days	DATE SUBMITTED:
EXCLUSIONS / COMMENTS:	**SIGNATURE**
	NAME:
	TITLE:
	EMAIL:
	PHONE:

Inspection on November 5, 2021 revelaed evidence of hail damage and other installation issues to older single ply roof.



City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discuss the preliminary Budget and Tax Calendar for Fiscal Year 2022--2023.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Pam Larison

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: This document is the preliminary budget and tax calendar for the fiscal year 2022-2023. Tentative dates are subject to Council acceptance of the Council workshop. This year's budget workshops will have two dedicated days (as has been recent practice) for management to present and discuss the City Manager's proposed budget for fiscal year 2022-2023.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff respectfully request acceptance of the 2022-2023 Budget and Tax Calendar for Fiscal Year 2022-2023.

LIST OF SUPPORTING DOCUMENTS: Budget and Tax Calendar FY 22-23

CITY OF LOCKHART

BUDGET CALENDAR (TENTATIVE) FY 2022-23

March 25	Budget kick-off - Departmental operating budget requests; justifications with written quotes due to the Finance department and City Manager.
April 11-15	Meetings with Department Heads to discuss budget expenses & needs.
April 29	Chief appraiser prepares and certifies estimate of taxable values.
April 29	Revised Budgets due to Finance Director from departments.
May 9	LEDC meeting and Budget workshop
June 7	Distribution of City Manager's Proposed Budget – no action Non-Profits Presentation to Council
June 14 & 15	Budget Workshops to discuss budget with Council.
June 21	Budget Workshop to discuss budget with Council. Presentation of GBRA & CCAD Budget
July 1	File City Manager's Proposed Budget with City Secretary
July 5	Appointment of Caldwell County Tax Assessor/Collector to calculate and prepare the 2020 Effective and Rollback Tax rates
July 23	Budget Workshop to discuss budget with Council (if necessary)
July 25	Chief Appraiser certifies the appraised roll to taxing units.
August 2	City Manager presents Proposed Budget to Council; LEDC presents budget to Council; set two public hearings on proposed budget.
August 3	Publish notice of Effective and Rollback Tax Rates
August 16	Public hearing on Budget #1; **City Council sets proposed tax rate; record vote; schedule Public hearing.**
August 31	*Notice of Public Hearing* on Tax Rate (at least 5 days before public hearing).
September 6	Public hearing #2 on budget; Public hearing #1 on tax rate. City Council to adopt Budget, approve LEDC Budget; and adopt tax rate.
September 20	Public hearing #2 on tax rate if rate exceeds the No New Revenue tax rate.
October 1	New Fiscal Year
November 30	Deadline for Budget distribution to City Council, Caldwell County Clerk, City Hall, Municipal Library, and post to City's website.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discuss Resolution 2022-17 for an economic development performance agreement with Caldwell County Farm Bureau for a BIG Grant.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Michael Kamerlander

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Attached is the resolution and performance agreement offering a BIG Grant to the Caldwell County Farm Bureau at 108 E. Market Street.

The Farm Bureau has invested in the updating of the façade of the building including, paint, new awning, new sign, and soon to be new doors.

The attached economic development performance agreement outlines the work to be done on the building, and the rebate the owners would be entitled to should the work be completed as stated and paid as required. The work is not complete, which is why there is no amount filled in the agreement. The BIG Grant's policy is to gain board approval as early in the process as possible and then collect the correct documents for reimbursement. The maximum rebate for any applicant is $20,000.

LEDC staff will work with the Farm Bureau to obtain all documentation to provide the correct 50% rebate of whatever the final expenditure becomes.

PROJECT SCHEDULE (if applicable): Business has already commenced improvements.

AMOUNT & SOURCE OF FUNDING:
Funds Required: $20,000
Account Number: 800-5199-702.-00
Funds Available: $17,086
Account Name: Business Improvement Grants

FISCAL NOTE (if applicable): This will require a budget amendment to the Lockhart Economic Development budget for FY 2021-2022.

PREVIOUS COUNCIL ACTION: None

COMMITTEE/BOARD/COMMISSION ACTION: LEDC Board unanimously passed this BIG Grant for Caldwell County Farm Bureau at its February 14, 2022 Board meeting.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

STAFF RECOMMENDATION/REQUESTED MOTION: Move to adopt Resolution 2022-17 for an economic development performance agreement with Caldwell County Farm Bureau for a BIG Grant.

LIST OF SUPPORTING DOCUMENTS: City Resolution 2022-17, Caldwell County Farm Bureau Grant Performance Agreement Final, LEDC Resolution-Caldwell County Farm Bureau BIG grant, LEDC Minutes, Caldwell County Farm Bureau BIG Application

RESOLUTION NO. 2022-17

A RESOLUTION OF THE CITY COUNCIL OF LOCKHART, TEXAS APPROVING AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT WITH CALDWELL COUNTY FARM BUREAU FOR A BUSINESS IMPROVEMENT & GROWTH PROGRAM GRANT AS AN AUTHORIZED PROJECT PURSUANT TO CHAPTERS 501 AND 505, TEXAS LOCAL GOVERNMENT CODE

WHEREAS, the City of Lockhart ("City") is a Type B corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, Caldwell County Farm Bureau ("CCFB") has applied to LEDC for a grant pursuant to the LEDC's Business Improvement & Growth Program in order to make improvements and repairs to its facility; and

WHEREAS, the City finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the City is of the opinion that approving an Economic Development Performance Agreement ("EDPA") for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LOCKHART, TEXAS, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The EDPA by and between the LEDC and CCFB is attached hereto as Exhibit "A" and incorporated herein, the same and the Project described therein being hereby approved and authorized.
3. The Executive Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

Approved and adopted on this, the 15th day of March, 2022.

City of Lockhart

Lew White, Mayor

Attest:

Approved as to form:

Connie Constancio, City Secretary

Monte Akers, City Attorney

EXHIBIT A

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT

This Economic Development Performance Agreement ("EDPA" or "Agreement") is made and entered into by and between THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION OF LOCKHART, TEXAS ("LEDC"), a Type B Economic Development Corporation, and CALDWELL COUNTY FARM BUREAU ("CCFB")

RECITALS

WHEREAS, CCFB is an existing business in the City of Lockhart located at 108 E. Market Street, the owner of which desires to make repairs and improvements, expand its operations to the City of Lockhart, Texas ("City"), and retain primary jobs ("the Improvements"); and

WHEREAS, the LEDC is a Texas Type B economic development corporation located in a city with a population of less than 20,000, operating pursuant to the applicable provisions of the Texas Local Government Code, as amended, and the Texas Non-Profit Corporation Act, as amended; and

WHEREAS, the LEDC desires to assist CCFB and offer financial incentives as part of LEDC's Business Improvement & Growth ("BIG") Economic Development Program in the City; and

WHEREAS, the LEDC Board finds that the Project as herein described and carried out will promote new or expanded business development and is an "Authorized Project" as that term is defined in Chapter 505 of the Texas Local Government Code, as amended; and

WHEREAS, the LEDC Board will hold at least one public hearing on the Project prior to spending funds in accordance with Sections 505.159(a) of the Texas Local Government Code, as amended; and

WHEREAS, the LEDC Board finds that this EDPA is conditional in the event the City of Lockhart, Texas (City) receives a petition no later than the 60th day after the date notice of the Project was published, which is duly certified and accepted by the City Council, from more than 10% of the registered voters of the City of Lockhart, Texas, requesting that an election be held before the Project is undertaken in accordance with Section 505.160 of the Texas Local Government Code, as amended; and,

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and

valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LEDC and CCFB agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein by reference as if fully set forth in their entirety.

Section 2: Term

The term of this Agreement shall be two (2) years from the effective date of this EDPA.

Section 3. CCFB Performance Requirements

In consideration of LEDC agreeing to provide the Grant described below in Section 4, CCFB agrees to perform the following:

(a) To make the improvements and repairs described in the BIG Program Application filed by the owners of CCFB, which is attached hereto as Exhibit "A" and incorporated herein for all purposes ("the Improvements).

(b) Commence construction of the Improvements within one hundred twenty (120) days after the City's approval of the construction plans and issuance of a building permit for the same.

(c) Complete construction of the Improvements within eighteen (18) months after the issuance of the aforesaid building permit.

(d) CCFB shall provide LEDC with proof of making the Improvements by submitting copies of receipts for expenditures satisfactory to LEDC, which shall be provided within thirty (30) days of completion of the Improvements.

(e) Keep current in the payment of taxes owed for the facility to any taxing jurisdiction in which the Property is located unless such taxes are being legally contested by CCFB.

Section 4. LEDC Requirements

In consideration of CCFB's agreement to locate its business within the City and to perform the other acts hereinafter described, LEDC agrees it will:

(a) Provide a Grant to CCFB of not more than twenty-thousand dollars ($20,000.00) of the cost of making the Improvements.

(b) Provide the Grant to CCFB within fourteen (14) days of receiving satisfactory proof of CCFB's completion of construction of the Improvements and payment of CCFB's payment to its architect, contractor, and vendors in full.

Section 5. <u>Termination and Recapture</u>

(a) In the event that CCFB discontinues operations for a period of more than one hundred eighty (180) days during the duration of this Agreement, then in such event CCFB shall be required to repay to LEDC any monies expended by LEDC under Section 4 of this Agreement within thirty (30) days of written demand from LEDC therefore following the expiration of such period; provided however that CCFB shall not be required to repay such monies if such discontinuation of operations is caused by force majeure.

For the purposes of this Agreement, "force majeure" shall be defined as fire, explosion, natural disaster or other act of God, war, pandemic, or civil unrest, taking under eminent domain, regulatory restrictions or action of any applicable governmental entity, or other event or action that makes the conduct of the CCFB illegal or economically unsustainable is beyond the reasonable control of CCFB. CCFB shall not be required to repay such amounts so long as it is, in the opinion of the LEDC, diligently taking action(s) to renew or continue operations.

(b) In the event, that CCFB shall fail to repay LEDC within thirty (30) days of the date such repayment is due according to the written demand from LEDC, CCFB hereby agrees that LEDC may enforce all of its rights and remedies available at law and in equity against CCFB.

Section 6. <u>Entire Agreement</u>

This Agreement, when executed, contains the entire agreement between LEDC and CCFB with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by LEDC and CCFB.

Section 7. <u>Successors and Assigns</u>

Neither party shall assign its rights, obligations, or interest in this Agreement without the prior written consent of the other party. In the event of consent to such assignment or in the event of legal succession of CCFB's interest in this Agreement by operation of law, this Agreement shall be binding on and inure to the benefit of such assign or successor.

Section 8. <u>Notices</u>

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

CCFB: CCFB

Attn: Elaine Kimbrough
108 E. Market Street
Lockhart, TX 78644

Lockhart Economic Development Corporation:

Lockhart Economic Development Corporation
Attn: Executive Director
308 W. San Antonio
P.O. Box 239
Lockhart, TX 78644

Section 9. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for nor against either party.

Section 10. Severability

In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Section 11. Mutual Assistance

LEDC and CCFB agree to do all things reasonably necessary and appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

Section 12. Representations and Warranties of LEDC.

LEDC hereby represents, warrants, and covenants that:

(a) It is a Type B Economic Development Corporation, duly organized and validly existing under the laws of the State, particularly Sections 501 and 505 of the Texas Local Government Code.

(b) The facility constitutes a "project" as defined in Sections 501.101 and 505.155 of the Texas Local Government Code.

(c) All requirements related to public notice of the project, particularly those included in Section 505.160 of the Texas Local Government Code, have been satisfied.

(d) The person executing this Agreement on behalf of the LEDC is fully authorized to do so.

Section 13. <u>Representations and Warranties of CCFB.</u>

(a) It is a duly incorporated business entity with full authority to enter into this Agreement.

(b) The person executing this Agreement on behalf of CCFB is fully authorized to do so.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the __________ day of _______________, 2022.

LOCKHART ECONOMIC DEVELOPMENT CORPORATION:

____
Steven Lewis, LEDC President

ATTEST:

____
Michael Kamerlander, LEDC Secretary

CALDWELL COUNTY FARM BUREAU

____
Elaine Kimbrough

RESOLUTION NO. 2022-04

A RESOLUTION OF THE BOARD OF DIRECTORS FOR THE LOCKHART ECONOMIC DEVELOPMENT COPORATION APPROVING AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT WITH CALDWELL COUNTY FARM BUREAU FOR A BUSINESS IMPROVEMENT & GROWTH PROGRAM GRANT AS AN AUTHORIZED PROJECT PURSUANT TO CHAPTERS 501 AND 505, TEXAS LOCAL GOVERNMENT CODE

WHEREAS, the City of Lockhart ("City") is a Type B corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, Caldwell County Farm Bureau ("CCFB") has applied to LEDC for a grant pursuant to the LEDC's Business Improvement & Growth Program in order to make improvements and repairs to its facility; and

WHEREAS, the City finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the City is of the opinion that approving an Economic Development Performance Agreement ("EDPA") for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The EDPA by and between the LEDC and CCFB is attached hereto as Exhibit "A" and incorporated herein, the same and the Project described therein being hereby approved and authorized.
3. The Executive Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

Approved and adopted on this, the 14th day of February, 2022.

Lockhart Economic Development Corporation

Alan Fielder, Board Chairman

Attest:

Michael Kamerlander, Board Secretary

Approved as to form:

Monte Akers, Board Attorney

DRAFT MINUTES

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

MONDAY, FEBRUARY 14, 2022
6:00 P.M.

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

Board Members Present: Alan Fielder, Chairman; Alfredo Muñoz; Sally Daniel; Doug Foster; Frank Estrada (6:03 pm); Juan Alvarez (6:03 pm); David Bryant (6:29 pm)

Board Members Absent: None

Staff Present: Mike Kamerlander; Pam Larison, Treasurer; Armando Morales; Monte Akers

1. CALL TO ORDER
   The meeting was called to order by Alan Fielder, Chairman at 6:00 pm

2. PUBLIC HEARING – 6:00 PM

   2.1 Hold a public hearing regarding a performance agreement with Caldwell County Farm Bureau for a Big Grant pursuant to Sec. 505.159, Local Government Code.
   Public Hearing Opened at 6:00 PM and Closed at 6:01 PM

3. PUBLIC COMMENTS
   No public comments

4. DISCUSSION AND/OR ACTION
   4.1 Discussion and/or action regarding minutes from the January 10, 2022 meeting.

   No Discussion.

   Motion to approve the minutes from the January 10, 2022 meeting.

   Motion: Alfredo Muñoz   Second: Sally Daniel   Vote: 4 of 4

   4.2 Discussion and/or action regarding sales tax and financial statements for January 2022.

   Ms. Larison provided an overview of the financials from the past two months with no significant issues to report. Revenues continue to trend higher than budget and expenses are on track.

   Motion to approve the January 2022 financial statements.

   Motion: Alfredo Muñoz   Second: Doug Foster   Vote: 6 of 6

4.3 Discussion and/or action regarding LEDC Resolution 2022-04 for an economic development performance agreement with Caldwell County Farm Bureau for a BIG Grant.

Directors discussed whether to amend the budget prior to passing the BIG Grant for CCFB. Ms. Larison went through the budget amendment process with the board and stated that it is not unusual for the amendments to happen after the fact.

Motion to approve LEDC Resolution 2022-04 for an economic development performance agreement with Caldwell County Farm Bureau for a BIG Grant.

Motion: Doug Foster Second: Sally Daniel Vote: 6 of 6

4.4 Discussion and/or action regarding assignment of an economic development performance agreement for Sabre Commercial to Warelock Partners, LLC for the purchase of LEDC-owned 5-acres in Industrial Park II.

Motion to approve the assignment of an economic development performance agreement for Sabre Commercial to Warelock Partners, LLC for the purchase of LEDC-owned 5-acres in Industrial Park II.

Motion: Alfredo Muñoz Second: Sally Daniel Vote: 6 of 6

4.5 Discussion and/or action regarding the cancellation of the performance agreement with Silicon Vegas, LLC, dba Promogo, and unencumbering funds associated with the project.

Mr. Kamerlander discussed circumstances that have led to the business failure of Promogo which LEDC incentivized to move to Lockhart in 2019. The pandemic caused a complete collapse of Promogo's customer marketing operations and the company was not able to survive the loss. The board discussed what to do with the $200,000 remaining balance of encumbered funds and ultimately decided to have staff report back on the outstanding loan balance before deciding whether or not to pay off the loan.

Motion to cancel the economic development performance agreement with Silicon Vegas, LLC and unencumber any funds associated with the agreement.

Motion: Doug Foster Second: Alfredo Muñoz Vote: 5 of 7

Directors Frank Estrada and Juan Alvarez voted against canceling the performance agreement and unencumbering the funds.

5. Executive Session – In: 6:46 PM Out: 7:05 PM
5.1 Close Open Session and Convene Executive Session pursuant to Secs. 551.071 (consultation with attorney), 551.072 (real estate) and 551.087 (Economic Development) of the Texas Open Meetings Act. Gov't Code Ch. 551, to discuss the following:

- BBQ
- Harrison
- Revive

6. Board Action from Executive Session

6.1 Motion to extend an offer of incentives to Project BBQ as discussed in executive session:

Motion: Doug Foster Second: Alfredo Muñoz Vote: 7 of 7

6.2 Motion to accept the LOI terms for Project Harrison and direct staff to negotiate a purchase sale agreement as discussed in executive session.

Motion: Doug Foster Second: Alfredo Muñoz Vote: 7 of 7

7. DISCUSSION ONLY
7.1 Activity Updates

Mr. Kamerlander gave an update on the LEDC Staff activities for January 2022.

ADJOURN

Motion to Adjourn.

Motion: Sally Daniel Second: Alfredo Muñoz Vote: 6 of 6

LEDC Board of Directors Adjourned at 7:12 PM.

Minutes approved this the _______ day of _________________, 2022.

____
Alan Fielder, Chairman LEDC

____
Michael Kamerlander, Secretary LEDC

BIG Grant Application

Return Completed Application to:

Lockhart EDC
308 W. San Antonio
Lockhart, TX 78644
EcoDev@lockhart-tx.org

Applicant's Name Caldwell Co. Farm Bureau

Mailing Address 108 East Market St. Lockhart, Texas 78644

Phone 512-398-2427 Email ccarrillo@txfb-ins.com

Business Organization of Applicant:

☑ Corporation (dba) ☐ Partnership ☐ Sole Proprietorship

Business Name Caldwell Co. Farm Bureau

Relationship of Applicant to the property to be renovated:

☑ Owner — Attach copy of latest tax bill and proof of payment

☐ Tenant — Attach copy of CoL Certificate of Occupancy and written permission from building owner to participate in BIG Grant Program including expiration date of present lease.

Address of property to be improved:

108 East Market Street, Lockhart, Texas 78644

Describe the scope of work:

New sign, new awning, painting and door replacement.

Design professional responsible for your drawings, plans, and permits:

____

Mailing Address ______________________________

Phone ______________ E-mail ______________

The undersigned hereby represents and certifies to the best of his/her knowledge and belief that the information contained on this statement and any exhibits or attachments hereto are true and complete and accurately describe the proposed project, and the undersigned agrees to promptly inform the City of Lockhart Economic Development Director of any changes in the proposed project which may occur.

Elaine M. Kimbrough
Signature of Property Owner

January 14, 2022
Date

ELAINE M. KIMBROUGH
Print Name

____
Signature of Commercial Tenant (if applicable)

____
Date

____
Print Name

The Lockhart EDC reserves the right to terminate any agreement under the BIG Program if a participant is found to be in violation of any conditions set forth in these guidelines or if the project has been started prior to an executed agreement with the Lockhart EDC.

INFORMATION FOR PERMITS

CITY OF
Lockhart
TEXAS

Today's Date: July 23, 2021

Permit type: Building

Property Address: 108 E Market St

Contractor Name: Austin Awning

Property Owner Name: Caldwell County Farm Bure:

Phone Number & Email:
emkimbrough@mac.com 512-376-8152

Job Description:
Replace awning

Commercial Project Valuation: $7500-$8000

Residential Sq. Ft.:

Elaine Kimbrough
Signature: Elaine Kimbrough **Date:** 7/23/21

NOTE: RECEIPTS WILL BE EMAILED WITHIN 5 BUSINESS DAYS OR AS SCHEDULE ALLOWS IT. WE THANK YOU FOR YOUR TIME AND CONSIDERATION.

PO BOX 239 * 308 W. SAN ANTONIO ST. * LOCKHART, TX 78644 PHONE: (512) 398-3461 * FAX: (512) 398-3833

Caldwell County Appraisal District
211 Bufkin Ln.
P.O. Box 900
Lockhart, TX 78644

Receipt Number	
1114576	
Date Posted	01/15/2021
Payment Type	P
Payment Code	Full
Total Paid	$4,141.52

PAID BY:

CALDWELL CO FARM BUREAU
PO BOX 688
LOCKHART, TX 78644-0688

Property ID	Geo	Legal Acres
16884	0300000-013-002-40	0.0000

Legal Description
O.T. LOCKHART, BLOCK 13, LOT PT 2

Situs
108 MARKET ST LOCKHART, TX 78648

DBA Name

Owner Name and Address
CALDWELL CO FARM BUREAU
PO BOX 688
LOCKHART, TX 78644-0688

Entity	Year	Rate	Taxable Value	Stmt #	Void	Original Tax	Discnts	P&I	Att Fees	Overage	Amount Pd
Lockhart ISD Plum Creek	2020	1.16710	155,930	6185	N	1,819.86	0.00	0.00	0.00	0.00	1,819.86
Underground Water Plum Creek	2020	0.02160	155,930	6185	N	33.68	0.00	0.00	0.00	0.00	33.68
Conservation District	2020	0.02180	155,930	6185	N	33.99	0.00	0.00	0.00	0.00	33.99
Farm to Market Road	2020	0.00010	155,930	6185	N	0.16	0.00	0.00	0.00	0.00	0.16
City of Lockhart	2020	0.63540	155,930	6185	N	990.78	0.00	0.00	0.00	0.00	990.78
Caldwell County	2020	0.70530	155,930	6185	N	1,099.77	0.00	0.00	0.00	0.00	1,099.77
											3,978.24

Balance Due As Of 01/15/2021: .00

Property ID	Geo	Legal Acres
21326	0300900-450-000066	0.0000

Legal Description
FURNITURE, FIXTURES, EQUIPMENT

Situs
108 E MARKET ST

DBA Name

Owner Name and Address
CALDWELL CO FARM BUREAU
PO BOX 688
LOCKHART, TX 78644-0688

Entity	Year	Rate	Taxable Value	Stmt #	Void	Original Tax	Discnts	P&I	Att Fees	Overage	Amount Pd
Caldwell County	2020	0.70530	6,400	6186	N	45.14	0.00	0.00	0.00	0.00	45.14
City of Lockhart	2020	0.63540	6,400	6186	N	40.66	0.00	0.00	0.00	0.00	40.66
Lockhart ISD Plum Creek	2020	1.16710	6,400	6186	N	74.69	0.00	0.00	0.00	0.00	74.69
Underground Water Plum Creek	2020	0.02160	6,400	6186	N	1.38	0.00	0.00	0.00	0.00	1.38
Conservation District	2020	0.02180	6,400	6186	N	1.40	0.00	0.00	0.00	0.00	1.40
Farm to Market Road	2020	0.00010	6,400	6186	N	0.01	0.00	0.00	0.00	0.00	0.01
											163.28

Balance Due As Of 01/15/2021: .00

Tender	Details	Description	Amount
Check	014939		4141.52
			4141.52

Operator	Batch	Total Paid
BRITTANIM	8658 (01142021B)	4,141.52

From: **Rebecca Dean** rebecca.tfl1@gmail.com
Subject: Invoice from CT Electric
Date: October 20, 2021 at 10:27 AM
To: Elaine Kimbrough emkimbrough@mac.com, johnny.homann24@gmail.com

RD

Ms. Kimbrough,

Attached is CT Electric's Invoice for the work done at the Sign.

--
Thank You,
Rebecca Dean
TFL, Inc.
830-822-1822

Johnny Homann

DBA CT. ELECTRIC
PO BOX 1185
LOCKHART, TX 78644

Invoice

Date	Invoice #
10/20/2021	1643

Bill To
Mrs. Kimbrough Dale, Texas

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
6	We went to new sign and checked the power the sign company connected the sign to We then added a switch and a photocell to the sign	55.00	330.00
1	Materials	15.22	15.22

			Total	$345.22

From: **Billy Ray Buckner** brbuckner@yahoo.com
Subject: Hemme Estimate
Date: July 22, 2021 at 2:56 PM
To: Elaine emkimbrough@mac.com

BB

HOME REPAIR

HEMME CONTRACTING
Jonathan Hemme
435 County Line Road
Dale, Texas 78616
512-971-4521

Estimate

Billy Ray Buckner
brbuckner@yahoo.com

Dec. 7, 2020

Painting the front of the Farm Bureau building in Lockhart, labor and materials	$1,700.00
Painting the awning, labor and materials	800.00
Total Estimate	$2,500.00

Thanks for your business!

QUOTE

Caldwell County Farm Bureau
Lockhart
TX 78644
Attention: Elain Kimbrough
512-376-8152
emkimbrough@mac.com

Quote Number: Q210408
Quote Date: May 17, 2021
Valid To: June 16, 2021
Account Manager: Linda Robinson
Payment Terms: 50% Materials Draw with order
Balance Due on Completion

Austin American AWNING
Austin American Awnings
600 East Saint Elmo Rd.
Austin Texas 78745
512-326-1670

Job Location: Caldwell County Farm Bureau - 108 E Market, Lockhart, TX 78644

Description:

Fabrication and Installation of one (1) custom shed style standing seam awning with enclosed ends and 6" valance

Approx. Size: 24'-5" wide x 7'-9" projection x 4'-0 drop with 6" valance

Frame: 1" x 1" and 1" x 2" aluminum tubing
Color: Mill Finish

Pan: Standing Seam 16" wide panels
Color: Standard from Chart
NOTE: Panels are white on bottom

Install: New roofing panels to new aluminum frame, then mount flush and seal in place with new edge trim.

Permitting if applicable not included in price.

Estimated time of completion 6-8 weeks after receiving the materials draw.

Subtotal	6,595.00
Tax	544.10
Total	**7,139.10**

Terms & Conditions:

1. Because this Contract calls for made to order goods, it is not subject to cancellation after the 3-day period has expired on the notice of opportunity to rescind. Damages recoverable by seller for failure of the buyer to accept delivery and installation shall be the full purchase price.
2. All goods shall remain the property of the seller until paid for in full.
3. All canvas awnings, patio covers and related items are solely for use as a sun shade. Seller does not warrant fitness for use of any such item for any purpose other than use as a sun shade, and assumes no liability or responsibility for destruction, damage or injury to persons or property caused by wind, hail or accumulation of snow, ice or water. Purchaser shall assume responsibility for reasonable care and maintenance.
4. In the event this Contract is referred to an attorney, buyer agrees to pay in addition to all other sums hereunder, a reasonable attorney's fee and court costs.
5. Any part of this Contract declared invalid under any law shall be severable and the Contract shall then be construed as though such part were not included.
6. Seller shall not be held liable on damages for delay in the performance of the Contract due to causes beyond his reasonable control.
7. Buyer agrees to pay unpaid principal balance of the cash price, in full, to the installer immediately upon substantial completion of installation.
8. In the event this payment is not made when due, buyer agrees to pay to the seller interest at a rate of 21% per annum on the unpaid balance.
9. Buyer acknowledges that seller shall not be responsible or liable for any pre-existing code violation, leaks, or defects in the structure on which the above products are installed.
10. No warranties, expressed or implied, can be given on concrete work.
11. Seller does no painting or staining unless specified above.
12. Our workers are fully covered by Workman's Compensation insurance.

Supply chain issues have become an increasing difficulty in both the fabric and metal commodity markets. Should a supply problem arise that is out of our hands impacting your order, we will notify you as quickly as possible and offer a workable solution based on available materials.

ACCEPTANCE OF CONTRACT OWNER: X______________________________ Date: ____________________

From: cindy@austinawning.com
Subject: Invoice 21-0872 from Austin American Awning Co.
Date: July 26, 2021 at 8:47 AM
To: emkimbrough@mac.com

Austin American Awning Co.

Invoice Due:07/23/2021
21-0872

Amount Due: **$3,569.54**

Dear Customer :

Your Materials Draw invoice appears below. Please remit payment at your earliest convenience.

Thank you for your business - we appreciate it very much.

Sincerely,

Austin American Awning Co.

Please note: We will never ask you to wire money directly to a temporary account or ask you to pay with any method other than by clicking the payment box below. You may, at any time call our office and pay by phone with a credit card, or simply mail us a check. If you are suspicious of any emails you receive from us, please call our office at 512-326-1670 and verify the legitimacy of the email.

View & Pay Invoice

Austin American Awning
600 E. Saint Elmo Rd.
Austin, TX 78745-1226
Phone # 5123261670
www.austinawning.com

Materials Draw Invoice

Date	Invoice #
7/23/2021	21-0872

Bill To	Ship To
Caldwell County Farm Bureau 108 E. Market Lockhart, TX 78644	

	Contact Name & #	

NOTES		Project

P. O.		Terms	50% deposit, 50% COD ...	21200-Metal Awning

Description	Estimate Amt	Total %	Amount
Manufacture and install one (1) custom shed style standing seam awning approx. 24' 5" wide x 7' 9" projection x 4' drop with enclosed ends and 6" valance. Frame: 1" x 1" and 1" x 2" aluminum tubing Frame Color: Mill finish Pan: Standing seam 16" wide panels Pan Color: Standard from chart. Note: Panels are white on bottom. Installation: Install new roofing panels to new aluminum frame, then mount flush and seal in place with new edge trim.	6,595.00	50.00%	3,297.50T

PLEASE NOTE: THIS INVOICE IS FOR 50% OF THE TOTAL CONTRACT ONLY. THE BALANCE OF THE CONTRACT WILL BE DUE UPON COMPLETION.

Subtotal	$3,297.50
Sales Tax (8.25%)	$272.04
Total	$3,569.54
Payments/Credits	$0.00
Balance Due	**$3,569.54**

Seguin Canvas & Awning, LLC

4945 N State Hwy 123
Seguin, TX 78155

Estimate

Date	Estimate #
4/20/2021	04001m

E-mail **seguincanvasllc@seguincanvas.com**
Phone # **830-379-6795**
Web Site www.seguincanvas.com

Customer Phone

512-398-2427

Customer Contact

Name / Address

Caldwell County Farm Bureau
Elaine Kimbrough
108 E. Market St.
Lockhart, Texas 78644

Customer E-mail

ccarrillo@txfb-ins.com

Project/Location

Lockhart Farm Bureau

Terms
50% down remaini...

Description	Qty	Rate	Total
Labor and materials to manufacture and install one awning. Frame to be all welded aluminum. Fabric to be Sunbrella fabric in customers choice of solid colors. All seams sewn with Solarfix UV lifetime thread. Fabric to be Approved farm Bureau blue. Size is 294" wide x 41" high x 6" sign band x 94" projection (This is the current measurements of the metal old awning.)	1	5524.00	5,524.00T
Labor and materials to remove and dispose of all old metal awning parts. This will have to be done after hours so there is a fee for night work.	1	1500.00	1,500.00T
TERMS: 50% down and remaining upon completion. Quote is valid for 5 days. New construction involving metals such as steel and aluminum are valid for 24 hours. Quotes where site evaluations and our field measurements have not been completed can change upon evaluating project.		0.00	0.00
A permit will be required. If you decide to move forward we will contact the City of Lockhart permits and apply for the permits. This quote does not include the cost of applying and obtaining the permit. We will provide all necessary drawings required by Lockhart.		0.00	0.00T

Payment Terms and Late Fees: Our terms are 50% down and due on receipt. We will Use your Purchase Orders to assit your Accounting with tracking; however your PO does not change our terms. Final payments made late could have a fee assocsiated with collecting that payment after 10 days and every 30 days after that. CHANGE ORDERS: Any change to this estimate whether a verbal agreement or a change in scope on the job could result in additional charges.

Estimate is valid from five days. For New Construction quotes are valid for 24 hours due to constant changes in market pricing.

All Materials guranteed as specified. All work to be completed in a professional manner according to standard practices. Any alternations, additions, or modifications to this bid will only be executed upon written and verbal orders and will become a change order from the above price. Material warranties are based upon Manufacture. Performance warranty varies on type of job.

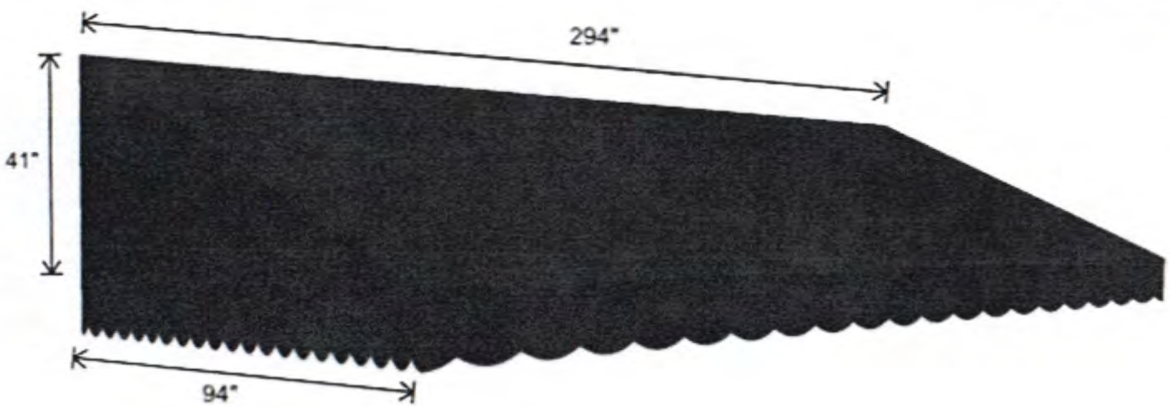
Subtotal	$7,024.00
Sales Tax ..	$579.48
Total	$7,603.48

Late Fee Notice: Our terms are setup as Due Upon Receipt with 50% down; unless a customer is setup with a NET. Failure to pay payments on time will result in a 15% of total balance due late charge after 10 day grace period. For customers setup with a NET, a late fee will be assessed 10 days after due date.

Caldwell County Farm Bureau
PO Box 688
108 E. Market St.
Lockhart, Texas 78644
512-398-2427

Labor and materials to remove existing metal framing and dispose of parts.

Price: $1500.00 (this includes doing disposal during the night.)



Labor and materials to manufacture and install new awning. Fabric to be Sunbrella fabric in approved Farm Bureau Colors. All seams sewn with Soalrfix UV lifetime thread. We will put a notch in the awning @ 139" wide x16" down for the electrical.

Price $5524.00 plus tax installed price
NOTE: This does not include any logo work.

Seguin Canvas & Awning, LLC
4945 N State Hwy 123
Seguin, TX 78155

Estimate

Date	Estimate #
5/18/2021	04059m

E-mail **seguincanvasllc@seguincanvas.com**
Phone # **830-379-6795**
Web Site www.seguincanvas.com

Customer Phone
512-398-2427

Customer Contact

Customer E-mail
ccarrillo@txfb-ins.com

Name / Address

Caldwell County Farm Bureau
Elaine Kimbrough
108 E. Market St.
Lockhart, Texas 78644

Terms
50% down remaini...

Project/Location

Lockhart Farm Bureau

Description	Qty	Rate	Total
OPTION 1: Labor and materials to manufacture and install one awning. Frame to be all welded aluminum. Fabric to be Sunbrella fabric in customers choice of solid colors. All seams sewn with Solarfix UV lifetime thread. Fabric to be Approved farm Bureau blue. Size is 294" wide x 41" high x 6" sign band x 94" projection (This is the current measurements of the metal old awning.)	1	5524.00	5,524.00T
Labor and materials to remove and dispose of all old metal awning parts. This will have to be done after hours so there is a fee for night work.	1	1500.00	1,500.00T
TERMS: 50% down and remaining upon completion. Quote is valid for 5 days. New construction involving metals such as steel and aluminum are valid for 24 hours. Quotes where site evaluations and our field measurements have not been completed can change upon evaluating project.		0.00	0.00
A permit will be required. If you decide to move forward we will contact the City of Lockhart permits and apply for the permits. This quote does not include the cost of applying and obtaining the permit. We will provide all necessary drawings required by Lockhart.		0.00	0.00T

Payment Terms and Late Fees: Our terms are 50% down and due on receipt. We will Use your Purchase Orders to assit your Accounting with tracking; however your PO does not change our terms. Final payments made late could have a fee assocsiated with collecting that payment after 10 days and every 30 days after that. CHANGE ORDERS: Any change to this estimate whether a verbal agreement or a change in scope on the job could result in additional charges.

Estimate is valid from five days. For New Construction quotes are valid for 24 hours due to constant changes in market pricing.

All Materials guranteed as specified. All work to be completed in a professional manner according to standard practices. Any alternations, additions, or modifications to this bid will only be executed upon written and verbal orders and will become a change order from the above price. Material warranties are based upon Manufacture. Performance warranty varies on type of job.

Subtotal

Sales Tax ..

Total

Late Fee Notice: Our terms are setup as Due Upon Receipt with 50% down, unless a customer is setup with a NET. Failure to pay payments on time will result in a 15% of total balance due late charge after 10 day grace period. For customers setup with a NET, a late fee will be assessed 10 days after due date.

Seguin Canvas & Awning, LLC

4945 N State Hwy 123
Seguin, TX 78155

E-mail **seguincanvasllc@seguincanvas.com**
Phone # **830-379-6795**
Web Site www.seguincanvas.com

Estimate

Date	Estimate #
5/18/2021	04059m

Customer Phone

512-398-2427

Customer Contact

Customer E-mail

ccarrillo@txfb-ins.com

Name / Address

Caldwell County Farm Bureau
Elaine Kimbrough
108 E. Market St.
Lockhart, Texas 78644

Terms
50% down remaini...

Project/Location

Lockhart Farm Bureau

Description	Qty	Rate	Total
OPTION 2: In the event that a change to the project is done requested by the customer, the customer will be responsible for those additional cost. Those cost will be billed separate.CHANGE ORDER: Labor and materials to manufacture and install one awning. Frame to be all welded aluminum. Fabric to be Firsist FRfabric in customers choice of solid colors. All seams sewn with Solarfix UV lifetime thread. Fabric to be Approved farm Bureau blue. Size is 294" wide x 41" high x 6" sign band x 94" projection (This is the current measurements of the metal old awning.)	1	6274.00	6,274.00T

Payment Terms and Late Fees: Our terms are 50% down and due on receipt. We will Use your Purchase Orders to assit your Accounting with tracking; however your PO does not change our terms. Final payments made late could have a fee assocsiated with collecting that payment after 10 days and every 30 days after that. CHANGE ORDERS: Any change to this estimate whether a verbal agreement or a change in scope on the job could result in additional charges.

Estimate is valid from five days. For New Construction quotes are valid for 24 hours due to constant changes in market pricing.

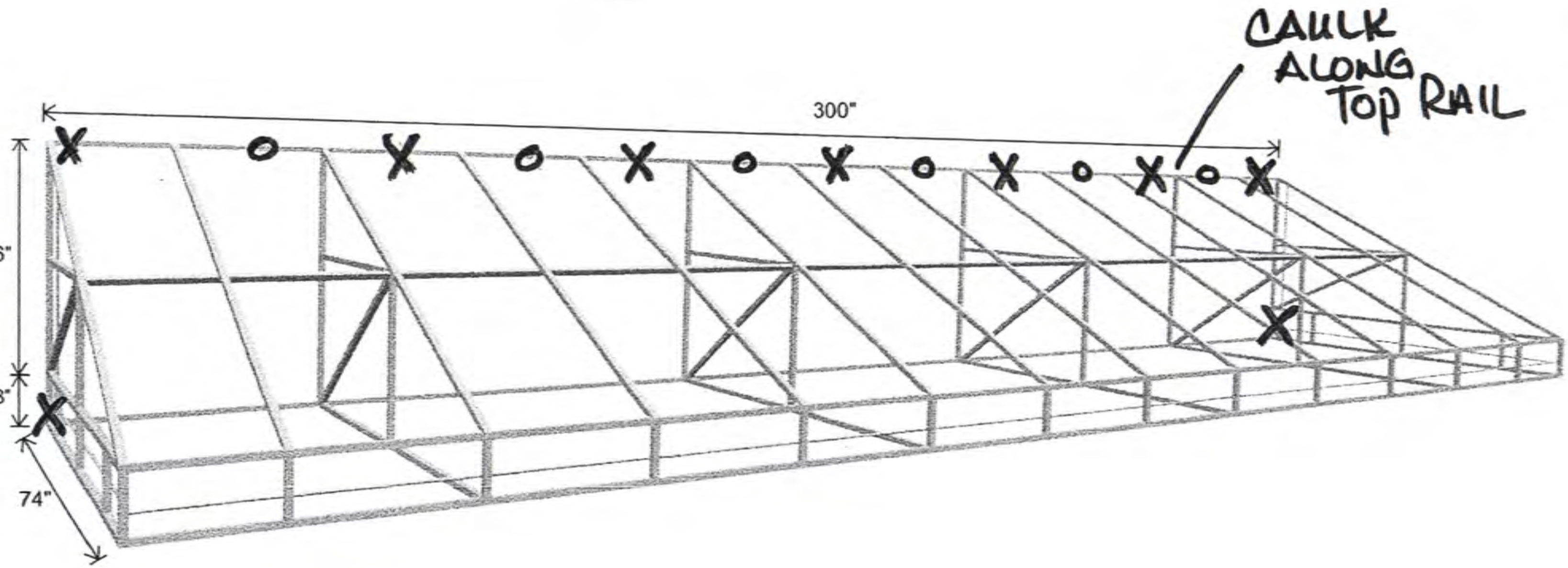
All Materials guranteed as specified. All work to be completed in a professional manner according to standard practices. Any alternations, additions, or modifications to this bid will only be executed upon written and verbal orders and will become a change order from the above price. Material warranties are based upon Manufacture. Performance warranty varies on type of job.

Subtotal	$13,298.00
Sales Tax ..	$1,097.09
Total	$14,395.09

Late Fee Notice: Our terms are setup as Due Upon Receipt with 50% down; unless a customer is setup with a NET. Failure to pay payments on time will result in a 15% of total balance due late charge after 10 day grace period. For customers setup with a NET, a late fee will be assessed 10 days after due date.

QUOTE MOCK UP

Seguin Canvas & Awning, LLC

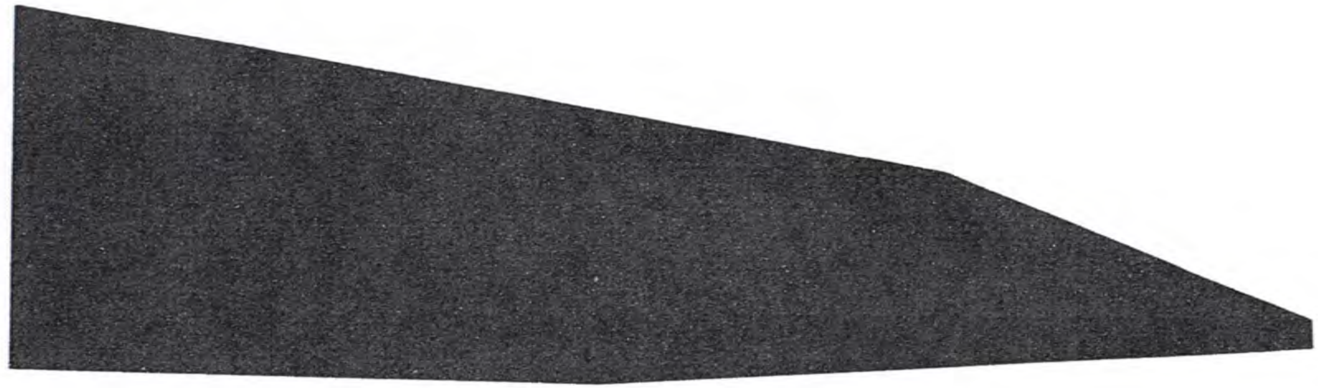


X's... Poxypro with 3/8" ALL THREAD APPROX 6" IN WALL
O's... 1/4" x 3" TAP CONS

Seguin Canvas & Awning, LLC
4945 North State Highway 123
Seguin, Texas 78155
830-379-6795
seguincanvasllc@seguincanvas.com

QUOTE

Caldwell County Farm Bureau
Elaine Kimbrough
108 E. Market St.
Lockhart, Texas 78644



Labor and materials to manufacture one awning out of Fire Retardant Fabric called Firesist. Color to be Regatta Blue #888500.

Size is approximate 294" wide x 41" high x 6" sign band x 94" projection (Same as current Metal Awning). We can also go less if it is required. Usually we only go out 76".

$6274.00 Plus Tax
Price To Remove Old and dispose $1500.00.

NOTE: This will have to be done after hours.

Keeping Texas Covered...
Since 1985

Awnings|Tarps|Canopies|Covers|Upholstery|Pool|Marine|Sail Shades

308 W. San Antonio
P.O. Box 239
Lockhart, Texas 78644
512-398-3461 FAX 512-398-3833

COMMERCIAL SIGN PERMIT

PERMIT #:	210728001	DATE ISSUED:	7/28/2021
		DATE EXPIRED:	1/24/2022
JOB ADDRESS:	108 E MARKET-COMB#0280	LOT #:	
PARCEL ID:		BLK #:	
SUBDIVISION:		ZONING:	
ISSUED TO:	CALDWELL COUNTY FARM BUREAU	CONTRACTOR:	CALDWELL COUNTY FARM BUREAU
ADDRESS	108 E MARKET ST	ADDRESS:	108 E MARKET ST
CITY, STATE ZIP:	LOCKHART TX 78644	CITY, STATE ZIP:	LOCKHART TX 78644
PHONE:		PHONE:	
PROP.USE		SETBACKS:	
VALUATION:	$ 0.00	FRONT:	
SQ FT	23.00	LEFT SIDE:	
OCCP TYPE:		RIGHT SIDE:	
CNST TYPE:		REAR:	

FEE CODE	DESCRIPTION	AMOUNT
SIGN	SIGN PERMIT	$ 10.00
	TOTAL	$ 10.00

NOTES: ON-PREMISE NEW WALL SIGN TOTAL SIGN FACE AREAA 23.83 SQ FT INTERNAL ILLUMINATION APPROVED BY LHPC 7-21-21

NOTICE

THIS PERMIT BECOMES NULL AND VOID IF WORK OR CONSTRUCTION AUTHORIZED IS NOT COMMENCED WITHIN 90 DAYS, OR IF CONSTRUCTION OR WORK IS SUSPENDED OR ABANDONED FOR A PERIOD OF 6 MONTHS AT ANY TIME AFTER WORK IS STARTED. PERMIT EXPIRES SIX MONTHS FROM ISSUE DATE.

TO THE BEST OF MY KNOWLEDGE, THIS APPLICATION AND ASSOCIATED DOCUMENTS CONFORM TO ALL REQUIREMENTS OF THE CITY OF LOCKHART BUILDING REGULATIONS. BY SIGNING BELOW I AGREE THAT IF ANY PART OF THIS PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS IS FOUND TO BE INCORRECT, INCOMPLETE, OR OTHERWISE DEFICIENT WITH REGARD TO APPLICABLE CITY STANDARDS, THE DEADLINE IMPOSED BY THE TEXAS LOCAL GOVERNMENT CODE, SECTION 212.009 FOR APPROVAL OR DENIAL OF THE PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS BY THE CITY WITHIN 30 DAYS OF THE DATE OF THIS APPLICATION IS AUTOMATICALLY EXTENDED FOR AN ADDITIONAL 30 DAYS. I FURTHER AGREE THAT IF ANY PART OF THIS PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS REMAINS DEFICIENT AT SUCH TIME THAT THE PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS CANNOT BE APPROVED PRIOR TO THE EXPIRATION OF THE SECOND 30 DAYS, THE PLAT OR CONSTRUCTION PLANS WILL BE SUBJECT TO DENIAL BY THE APPROVAL AUTHORITY. IT IS UNDERSTOOD THAT I OR ANOTHER REPRESENTATIVE SHOULD BE PRESENT AT ALL PUBLIC MEETINGS CONCERNING THIS APPLICATION. ____________________ INITIALS

IF HOME WAS BUILT PRIOR TO 1978, YOU ARE REQUIRED BY LAW TO BE A U.S. EPA CERTIFIED RRP RENOVATOR. CALL 214-655-7577 FOR QUESTIONS RE: THE RRP RULE.

ON FILE
(SIGNATURE OF CONTRACTOR OR AUTHORIZED AGENT) — __/__/__ DATE

ON FILE
(BUILDING DEPT. APPROVAL) — 7/22/21 DATE

ON FILE
~~(PLANNING DEPT.~~ APPROVAL) — 7/22/21 DATE
LHPC OFFICER

City of Lockhart
(512) 398-3461

REC#: 01020370   7/29/2021   4:31 PM
OPER: EO   TERM: 020
REF#: 015130

TRAN: 500.0000   BUILDING PERMIT
210728001   10.00CR
CALDWELL COUNTY FARM BUREAU
108 E MARKET-COMB#0280
COMM-SIGN   10.00CR

TENDERED: 10.00   CHECK
APPLIED: 10.00-

CHANGE: 0.00

AVOID THE WAIT
GO ONLINE TO MAKE PAYMENTS
WWW.LOCKHART-TX.ORG

308 W. San Antonio
P.O. Box 239
Lockhart, Texas 78644
512-398-3461 FAX 512-398-3833

COMMERCIAL ADDITION PERMIT

PERMIT #:	210804009	DATE ISSUED:	8/04/2021
		DATE EXPIRED:	1/31/2022
JOB ADDRESS:	108 E MARKET-COMB#0280	LOT #:	
PARCEL ID:		BLK #:	
SUBDIVISION:		ZONING:	
ISSUED TO:	AUSTIN AWNING	CONTRACTOR:	AUSTIN AWNING
ADDRESS	600 E SAINT ELMO RD	ADDRESS:	600 E SAINT ELMO RD
CITY, STATE ZIP:	AUSTIN TX 78745	CITY, STATE ZIP:	AUSTIN TX 78745
PHONE:		PHONE:	
PROP.USE		SETBACKS:	
VALUATION:	$ 8,000.00	FRONT:	
SQ FT	0.00	LEFT SIDE:	
OCCP TYPE:		RIGHT SIDE:	
CNST TYPE:		REAR:	

FEE CODE	DESCRIPTION	AMOUNT
B-COM BLD	COMMERCIAL BUILDING	$ 50.00
	TOTAL	$ 50.00

NOTES: REMOVE AND REPLACE AWNING 24FT 5INCH WIDE X 7FT 9INCH PROJECTION X 4FT DROP WITH 6INCH VALANCE

NOTICE

THIS PERMIT BECOMES NULL AND VOID IF WORK OR CONSTRUCTION AUTHORIZED IS NOT COMMENCED WITHIN 90 DAYS, OR IF CONSTRUCTION OR WORK IS SUSPENDED OR ABANDONED FOR A PERIOD OF 6 MONTHS AT ANY TIME AFTER WORK IS STARTED. PERMIT EXPIRES SIX MONTHS FROM ISSUE DATE.

TO THE BEST OF MY KNOWLEDGE, THIS APPLICATION AND ASSOCIATED DOCUMENTS CONFORM TO ALL REQUIREMENTS OF THE CITY OF LOCKHART BUILDING REGULATIONS. BY SIGNING BELOW I AGREE THAT IF ANY PART OF THIS PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS IS FOUND TO BE INCORRECT, INCOMPLETE, OR OTHERWISE DEFICIENT WITH REGARD TO APPLICABLE CITY STANDARDS, THE DEADLINE IMPOSED BY THE TEXAS LOCAL GOVERNMENT CODE, SECTION 212.009 FOR APPROVAL OR DENIAL OF THE PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS BY THE CITY WITHIN 30 DAYS OF THE DATE OF THIS APPLICATION IS AUTOMATICALLY EXTENDED FOR AN ADDITIONAL 30 DAYS. I FURTHER AGREE THAT IF ANY PART OF THIS PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS REMAINS DEFICIENT AT SUCH TIME THAT THE PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS CANNOT BE APPROVED PRIOR TO THE EXPIRATION OF THE SECOND 30 DAYS, THE PLAT OR CONSTRUCTION PLANS WILL BE SUBJECT TO DENIAL BY THE APPROVAL AUTHORITY. IT IS UNDERSTOOD THAT I OR ANOTHER REPRESENTATIVE SHOULD BE PRESENT AT ALL PUBLIC MEETINGS CONCERNING THIS APPLICATION. ____________________ INITIALS

IF HOME WAS BUILT PRIOR TO 1978, YOU ARE REQUIRED BY LAW TO BE A U.S. EPA CERTIFIED RRP RENOVATOR. CALL 214-655-7577 FOR QUESTIONS RE: THE RRP RULE.

______________________________   ___/___/______
(SIGNATURE OF CONTRACTOR OR AUTHORIZED AGENT)   DATE

Shane Mondo   8/2021
(BUILDING DEPT. APPROVAL)   DATE

______________________________   ___/___/______
(PLANNING DEPT. APPROVAL)   DATE

City of Lockhart
(512) 398-3461

REC#: 01020370 7/29/2021 4:31 PM
OPER: EO TERM: 020
REF#: 015130

TRAN: 500.0000 BUILDING PERMIT
210728001 10.00CR
CALDWELL COUNTY FARM BUREAU
108 E MARKET-COMB#0280
COMM-SIGN 10.00CR

TENDERED: 10.00 CHECK
APPLIED: 10.00-

CHANGE: 0.00

AVOID THE WAIT
GO ONLINE TO MAKE PAYMENTS
WWW.LOCKHART-TX.ORG

City of Lockhart
(512) 398-3461

REC#: 01029824 9/15/2021 10:20 AM
OPER: EO TERM: 020
REF#: 015172

TRAN: 500.0000 BUILDING PERMIT
210804009 50.00CR
AUSTIN AWNING
108 E MARKET-COMB#0280
COMM-ADD 50.00CR

TENDERED: 50.00 CHECK
APPLIED: 50.00-

CHANGE: 0.00

AVOID THE WAIT
GO ONLINE TO MAKE PAYMENTS
WWW.LOCKHART-TX.ORG

Carrillo, Cherie M. 028-Caldwell

From:	Kevin Waller <kwaller@lockhart-tx.org>
Sent:	Thursday, July 22, 2021 11:55 AM
To:	Elaine Kimbrough
Cc:	Carrillo, Cherie M. 028-Caldwell; Dan Gibson; Shane Mondin
Subject:	Lockhart Historical Preservation Commission Approval
Attachments:	7-22-2021 LHPC Decision Letter (TX Farm Bureau).pdf

Elaine:

At yesterday's Historical Preservation Commission meeting, the Commission **approved**, by unanimous vote, the new wall sign and new awning for Texas Farm Bureau Insurance at 108 E. Market Street. Attached is the decision letter. The original document can be mailed to you upon request.

Please review the attached letter for the next steps in the process. If you have any questions regarding the letter, please let me know. Thank you.

Sincerely,

Kevin Waller

Assistant City Planner
City of Lockhart Development Services
308 W. San Antonio St.
Lockhart, TX 78644
512.398.3461 x2400
kwaller@lockhart-tx.org

CITY OF Lockhart

(512) 398-3461 • FAX (512) 398-5103
P. O. Box 239 • Lockhart, Texas 78644
308 West San Antonio Street

July 22, 2021

Elaine Kimbrough
Texas Farm Bureau Insurance
P.O. Box 688
Lockhart, TX 78644
emkimbrough@me.com

Dear Ms. Kimbrough:

On July 21, 2021, the Lockhart Historical Preservation Commission unanimously **approved** your request for a Certificate for Alteration (CFA-21-16) for a new wall sign and new awning for Texas Farm Bureau, located at 108 East Market Street. A Building Permit application for the awning, and an Electrical Permit application for the sign (if required by the Building Official) may now be submitted for the proposed work. In addition, you will be contacted when the Sign Permit (application already submitted) is ready to be issued and picked up, at which time the $10.00 permit review fee must be paid.

If you have any questions, please contact me by phone at (512) 398-3461, Ext. 2400, or by email at kwaller@lockhart-tx.org.

Sincerely,

Kevin Waller
Historical Preservation Officer
Assistant City Planner

Cc: Dan Gibson, City Planner
Shane Mondin, Building Official
Cherie Carrillo, Texas Farm Bureau Insurance (ccarrillo@txfb-ins.com)

Johnny Homann

DBA CT. ELECTRIC
PO BOX 1185
LOCKHART, TX 78644

Invoice

Date	Invoice #
10/20/2021	1643

Bill To
Mrs. Kimbrough Dale, Texas

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
6	We went to new sign and checked the power the sign company connected the sign to We then added a switch and a photocell to the sign	55.00	330.00
1	Materials	15.22	15.22

Code 4402

	Total	$345.22

- # Estimate Paint $ 2,200
- power Wash

including paint

- Dtm For metal
-

Willebaldo Carmona
CW Painte 512 8 10 10 07

HEMME CONTRACTING
Jonathan Hemme
435 County Line Road
Dale, Texas 78616
512-971-4521

Invoice

Farm Bureau
P.O. Box 1200
Lockhart, TX 78644

Oct. 9, 2021

Labor and materials for painting the front of the building on the square	$1,080.00
Code 4402	
Balance Due	$1,080.00

Thanks for your business!

NELSON DOOR REPAIR SERVICE PROPOSAL

5488 TAYLORSVILLE RD.

DALE, TEXAS 78616
nelsondoors3@yahoo.com
512 995-9795

DATE 11/23/21

CUSTOMER: CALDWELL COUNTY FARM BUREAU

108 E. MARKET PL LOCKHART TEXAS

JOB DESCRIPTION: REMOVE EXISTING DOORS AND INSTALL NEW FRAME AND DOORS MADE OF FIVER GLASS WITH FULL VIEW INSULATED GLASS LOW-E GLASS 64" WIDE BY 96 "TALL, WITH THRESHOLD AND HINGES

ONE SET OF DEAD BOLT AND LEVEL HANDLE LOCK "C" HANDEL ON THE OUTSIDE, TWO KICK PLATES AND DOOR CLOSER

WE DO NOT PAINT IT HAS TO BE DONE BY OTHER.

TOTAL PRICE DOORS AND HARDWARE $2,880.00 TAX $244.80 INSTALLATION $750.00 TOTAL $3,874.80

50 % DEPOSIT AND BALANCE WHEN JOB IS DONE.

IF YOU ACCEPT THE PRICE AND CONDITION PLEASE SIGN AND PRINT YOUR NAME AND E-MAIL IT BACK TO ME.

THANK YOU.

CUSTOMER NAME AND SIGNATURE:

In the event it shall become necessary for Nelson Door Repair Service to enforce the payment terms of this invoice, Purchaser agrees to pay all cost associated with such enforcement without limitation, the fees of collection agency and (or) attorney. The signer is acknowledging the service describe above to go ahead with the job and agrees to the payment terms.

THANK YOU.

Done by: *Nelson Hernandez*

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discuss Resolution 2022-18 for an economic development performance agreement with Good Things Lockhart, LLC for a BIG Grant.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Michael Kamerlander

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Attached is the resolution and performance agreement offering incentives BIG Grant to Good Things Lockhart at 110 S. Commerce Street.

Good Things will be investing into the updating of the façade of the building including paint, cleaning, letters added to the awning, sign painted on the exterior, and new lighting.

The attached economic development performance agreement outlines the work to be done on the building, and the rebate the owners would be entitled to should the work be completed as stated and paid as required. The work has not begun which is why there is no amount filled in the agreement. The BIG Grant's policy is to gain board approval as early in the process as possible and then collect the correct documents for reimbursement. The maximum rebate to any one applicant is $20,000.

LEDC staff will work with Good Things to obtain all documentation to provide the correct 50% rebate of whatever the final expenditure becomes.

PROJECT SCHEDULE (if applicable): The company is required to start improvements within 6 months and finish within 12 months after project start date.

AMOUNT & SOURCE OF FUNDING:
Funds Required: $20,000
Account Number: 800-5199-702-00
Funds Available: $17,086
Account Name: Business Improvement Grants

FISCAL NOTE (if applicable): This will require a budget amendment to the Lockhart Economic Development budget for FY 2021-2022.

PREVIOUS COUNCIL ACTION: N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COMMITTEE/BOARD/COMMISSION ACTION: The LEDC Board of Directors will consider this at its March 14, 2022 Regular Board Meeting

STAFF RECOMMENDATION/REQUESTED MOTION: Adopt Resolution 2022-18 for an economic development performance agreement with Good Things Lockhart, LLC for a BIG Grant.

LIST OF SUPPORTING DOCUMENTS: City Resolution 2022-18, Good Things Grant Performance Agreement Final, LEDC Resolution 2022-06 Good Things, Application

RESOLUTION NO. 2022-18

A RESOLUTION OF THE CITY COUNCIL OF LOCKHART, TEXAS APPROVING AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT WITH GOOD THINGS LOCKHART, LLC FOR A BUSINESS IMPROVEMENT & GROWTH PROGRAM GRANT AS AN AUTHORIZED PROJECT PURSUANT TO CHAPTERS 501 AND 505, TEXAS LOCAL GOVERNMENT CODE

WHEREAS, the City of Lockhart ("City") is a Type B corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, Good Things Lockhart, LLC ("Good Things") has applied to LEDC for a grant pursuant to the LEDC's Business Improvement & Growth Program to make improvements and repairs to its facility; and

WHEREAS, the City finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the City is of the opinion that approving an Economic Development Performance Agreement ("EDPA") for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF LOCKHART, TEXAS, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The EDPA by and between the LEDC and Good Things is attached hereto as Exhibit "A" and incorporated herein, the same and the Project described therein being hereby approved and authorized.
3. The Executive Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

Approved and adopted on this, the 15th day of March, 2022.

City of Lockhart

____

Lew White, Mayor

Attest: **Approved as to form:**

______________________________ __________________________________

Connie Constancio, City Secretary

Monte Akers, City Attorney

EXHIBIT A

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT

This Economic Development Performance Agreement ("EDPA" or "Agreement") is made and entered into by and between THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION OF LOCKHART, TEXAS ("LEDC"), a Type B Economic Development Corporation, and GOOD THINGS LOCKHART, LLC ("GOOD THINGS")

RECITALS

WHEREAS, GOOD THINGS is an existing business in the City of Lockhart located at 110 S. Commerce Street, the owner of which desires to make repairs and improvements, expand its operations to the City of Lockhart, Texas ("City"), and retain primary jobs ("the Improvements"); and

WHEREAS, the LEDC is a Texas Type B economic development corporation located in a city with a population of less than 20,000, operating pursuant to the applicable provisions of the Texas Local Government Code, as amended, and the Texas Non-Profit Corporation Act, as amended; and

WHEREAS, the LEDC desires to assist GOOD THINGS and offer financial incentives as part of LEDC's Business Improvement & Growth ("BIG") Economic Development Program in the City; and

WHEREAS, the LEDC Board finds that the Project as herein described and carried out will promote new or expanded business development and is an "Authorized Project" as that term is defined in Chapter 505 of the Texas Local Government Code, as amended; and

WHEREAS, the LEDC Board will hold at least one public hearing on the Project prior to spending funds in accordance with Sections 505.159(a) of the Texas Local Government Code, as amended; and

WHEREAS, the LEDC Board finds that this EDPA is conditional in the event the City of Lockhart, Texas (City) receives a petition no later than the 60th day after the date notice of the Project was published, which is duly certified and accepted by the City Council, from more than 10% of the registered voters of the City of Lockhart, Texas, requesting that an election be held before the Project is undertaken in accordance with Section 505.160 of the Texas Local Government Code, as amended; and,

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and

valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LEDC and GOOD THINGS agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein by reference as if fully set forth in their entirety.

Section 2: Term

The term of this Agreement shall be two (2) years from the effective date of this EDPA.

Section 3. GOOD THINGS Performance Requirements

In consideration of LEDC agreeing to provide the Grant described below in Section 4, GOOD THINGS agrees to perform the following:

(a) To make the improvements and repairs described in the BIG Program Application filed by the owners of GOOD THINGS, which is attached hereto as Exhibit "A" and incorporated herein for all purposes ("the Improvements).

(b) Commence construction of the Improvements within one hundred twenty (120) days after the City's approval of the construction plans and issuance of a building permit for the same.

(c) Complete construction of the Improvements within eighteen (18) months after the issuance of the aforesaid building permit.

(d) GOOD THINGS shall provide LEDC with proof of making the Improvements by submitting copies of receipts for expenditures satisfactory to LEDC, which shall be provided within thirty (30) days of completion of the Improvements.

(e) Keep current in the payment of taxes owed for the facility to any taxing jurisdiction in which the Property is located unless such taxes are being legally contested by GOOD THINGS.

Section 4. LEDC Requirements

In consideration of GOOD THINGS's agreement to locate its business within the City and to perform the other acts hereinafter described, LEDC agrees it will:

(a) Provide a Grant to GOOD THINGS of not more than twenty-thousand dollars ($20,000.00) of the cost of making the Improvements.

(b) Provide the Grant to GOOD THINGS within fourteen (14) days of receiving satisfactory proof of GOOD THINGS's completion of construction of the Improvements and payment of GOOD THINGS's payment to its architect, contractor, and vendors in full.

Section 5. Termination and Recapture

(a) In the event that GOOD THINGS discontinues operations for a period of more than one hundred eighty (180) days during the duration of this Agreement, then in such event GOOD THINGS shall be required to repay to LEDC any monies expended by LEDC under Section 4 of this Agreement within thirty (30) days of written demand from LEDC therefore following the expiration of such period; provided however that GOOD THINGS shall not be required to repay such monies if such discontinuation of operations is caused by force majeure.

For the purposes of this Agreement, "force majeure" shall be defined as fire, explosion, natural disaster or other act of God, war, pandemic, or civil unrest, taking under eminent domain, regulatory restrictions or action of any applicable governmental entity, or other event or action that makes the conduct of the GOOD THINGS illegal or economically unsustainable is beyond the reasonable control of GOOD THINGS. GOOD THINGS shall not be required to repay such amounts so long as it is, in the opinion of the LEDC, diligently taking action(s) to renew or continue operations.

(b) In the event, that GOOD THINGS shall fail to repay LEDC within thirty (30) days of the date such repayment is due according to the written demand from LEDC, GOOD THINGS hereby agrees that LEDC may enforce all of its rights and remedies available at law and in equity against GOOD THINGS.

Section 6. Entire Agreement

This Agreement, when executed, contains the entire agreement between LEDC and GOOD THINGS with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by LEDC and GOOD THINGS.

Section 7. Successors and Assigns

Neither party shall assign its rights, obligations, or interest in this Agreement without the prior written consent of the other party. In the event of consent to such assignment or in the event of legal succession of GOOD THINGS's interest in this Agreement by operation of law, this Agreement shall be binding on and inure to the benefit of such assign or successor.

Section 8. Notices

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

GOOD THINGS: Good Things Lockhart, LLC
Attn: Taylor Burge
406 S. Church Street
Lockhart, TX 78644

Lockhart Economic Development Corporation:

Lockhart Economic Development Corporation
Attn: Executive Director
308 W. San Antonio
P.O. Box 239
Lockhart, TX 78644

Section 9. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for nor against either party.

Section 10. Severability

In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Section 11. Mutual Assistance

LEDC and GOOD THINGS agree to do all things reasonably necessary and appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

Section 12. Representations and Warranties of LEDC.

LEDC hereby represents, warrants, and covenants that:

(a) It is a Type B Economic Development Corporation, duly organized and validly existing under the laws of the State, particularly Sections 501 and 505 of the Texas Local Government Code.

(b) The facility constitutes a "project" as defined in Sections 501.101 and 505.155 of the Texas Local Government Code.

(c) All requirements related to public notice of the project, particularly those included in Section 505.160 of the Texas Local Government Code, have been satisfied.

(d) The person executing this Agreement on behalf of the LEDC is fully authorized to do so.

Section 13. Representations and Warranties of GOOD THINGS.

(a) It is a duly incorporated business entity with full authority to enter into this Agreement.

(b) The person executing this Agreement on behalf of GOOD THINGS is fully authorized to do so.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the __________ day of _______________, 2022.

LOCKHART ECONOMIC DEVELOPMENT CORPORATION:

____
Steven Lewis, LEDC President

ATTEST:

____
Michael Kamerlander, LEDC Secretary

GOOD THINGS LOCKHART, LLC

____
Taylor Burge

RESOLUTION NO. 2022-06

A RESOLUTION OF THE BOARD OF DIRECTORS FOR THE LOCKHART ECONOMIC DEVELOPMENT COPORATION APPROVING AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT WITH GOOD THINGS LOCKHART, LLC FOR A BUSINESS IMPROVEMENT & GROWTH PROGRAM GRANT AS AN AUTHORIZED PROJECT PURSUANT TO CHAPTERS 501 AND 505, TEXAS LOCAL GOVERNMENT CODE

WHEREAS, the City of Lockhart ("City") is a Type B corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, Good Things Lockhart, LLC ("Good Things") has applied to LEDC for a grant pursuant to the LEDC's Business Improvement & Growth Program to make improvements and repairs to its facility; and

WHEREAS, the City finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the City is of the opinion that approving an Economic Development Performance Agreement ("EDPA") for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The EDPA by and between the LEDC and Good Things is attached hereto as Exhibit "A" and incorporated herein, the same and the Project described therein being hereby approved and authorized.
3. The Executive Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

Approved and adopted on this, the 14th day of March, 2022.

Lockhart Economic Development Corporation

____
Alan Fielder, Board Chairman

Attest:

____
Michael Kamerlander, Board Secretary

Approved as to form:

____
Monte Akers, Board Attorney

BIG Grant Application

Return Completed Application to:

Lockhart EDC
308 W. San Antonio
Lockhart, TX 78644
EcoDev@lockhart-tx.org

Applicant's Name Taylor Burge

Mailing Address 406 S. Church St. Lockhart, TX 78644

Phone 512-230-2366 Email goodthingsgrocery@gmail.com

Business Organization of Applicant:

☐ Corporation (dba) ☒ Partnership ☐ Sole Proprietorship

Business Name Good Things Lockhart, LLC

Relationship of Applicant to the property to be renovated:

☐ Owner — Attach copy of latest tax bill and proof of payment

☒ Tenant — Attach copy of CoL Certificate of Occupancy and written permission from building owner to participate in BIG Grant Program including expiration date of present lease.

Address of property to be improved:

110 S. Commerce St.

Describe the scope of work:

exterior painting, cleaning, letters added to awning, Sign painted on exterior, window vinyl decals, lighting

Design professional responsible for your drawings, plans, and permits:

Alec Esh

Mailing Address

Phone 917.627.9536 E-mail esh@masscrush.com

The undersigned hereby represents and certifies to the best of his/her knowledge and belief that the information contained on this statement and any exhibits or attachments hereto are true and complete and accurately describe the proposed project, and the undersigned agrees to promptly inform the City of Lockhart Economic Development Director of any changes in the proposed project which may occur.

Michael R. Shaw, as agent — 2/15/2022
Signature of Property Owner — Date

Michael R. Shaw, as agent
Print Name

[signature] — 2/15/22
Signature of Commercial Tenant (if applicable) — Date

Taylor Burge
Print Name

The Lockhart EDC reserves the right to terminate any agreement under the BIG Program if a participant is found to be in violation of any conditions set forth in these guidelines or if the project has been started prior to an executed agreement with the Lockhart EDC.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discuss Resolution 2022-16 to accept a $1.68 million grant from the U.S. Economic Development Administration for wastewater improvements within the City of Lockhart; providing $420,000 in matching funds; and providing an effective date.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Michael Kamerlander

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: The EDA issued a grant in the territory that includes Texas and 4 of our neighboring states that is a normal EDA grant. Like any EDA grant, it is about economic growth and job creation. The expected location for large scale growth in residential, commercial, and industrial development is on the western side of the city along SH 142 including LEDC's new 75-acre industrial park. The main wastewater line serving that area is inadequate for large sustained growth in the future and it also serves properties between our new industrial park and the wastewater treatment plant. Currently there is 2.5 miles of an 8" wastewater line that runs along the rail line from SH 130 East to along Tank Street to the Larremore wastewater treatment plant on the creek. This EDA Project would expand the line to a 12" line the majority of the length as well as 15" in areas that would collect more effluent such as in town where there are more connections. This line would follow the same path but just make it larger to handle more capacity. This EDA grant would allow the City to apply and potentially receive enough funds to design and build the project to accommodate the expected future growth with a 20% match. Under the terms of the grant, infrastructure grants must be completed within 5 years. LEDC has applied twice before for similar grant funding in 2020 from an EDA Disaster grant. We were denied once and left pending on the second application for this project due to lack of funding or inadequate "beneficiaries". Those denials or funding losses were mainly because we lacked ownership of the park and real economic development projects considering the site.

LEDC has been awarded the grant and attached is Resolution 2022-16 which will officially accept the EDA Grant to construct a new wastewater line from the industrial park along the Union Pacific Railroad to the Larremore treatment plant.

The entire project cost is estimated at $2.1 million. The EDA grant is $1.68 million and the LEDC is required to provide a 20% match which would bring the total to $2.1 million. The LEDC Board and City Council both passed resolutions last summer to provide $400,000 to the project as the match but now that the grant has been awarded, the final amount must be exactly 20%.

If approved, this resolution would be provided to the EDA as proof of funds for the project which is required to move forward. The same resolution will be considered by the LEDC Board

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

on Monday, March 14, 2022.

PROJECT SCHEDULE (if applicable): The LEDC will begn to execute the project as soon as possible.

AMOUNT & SOURCE OF FUNDING:
Funds Required: $420,000
Account Number: 800-5199-738-00
Funds Available: 0
Account Name: Grant Match

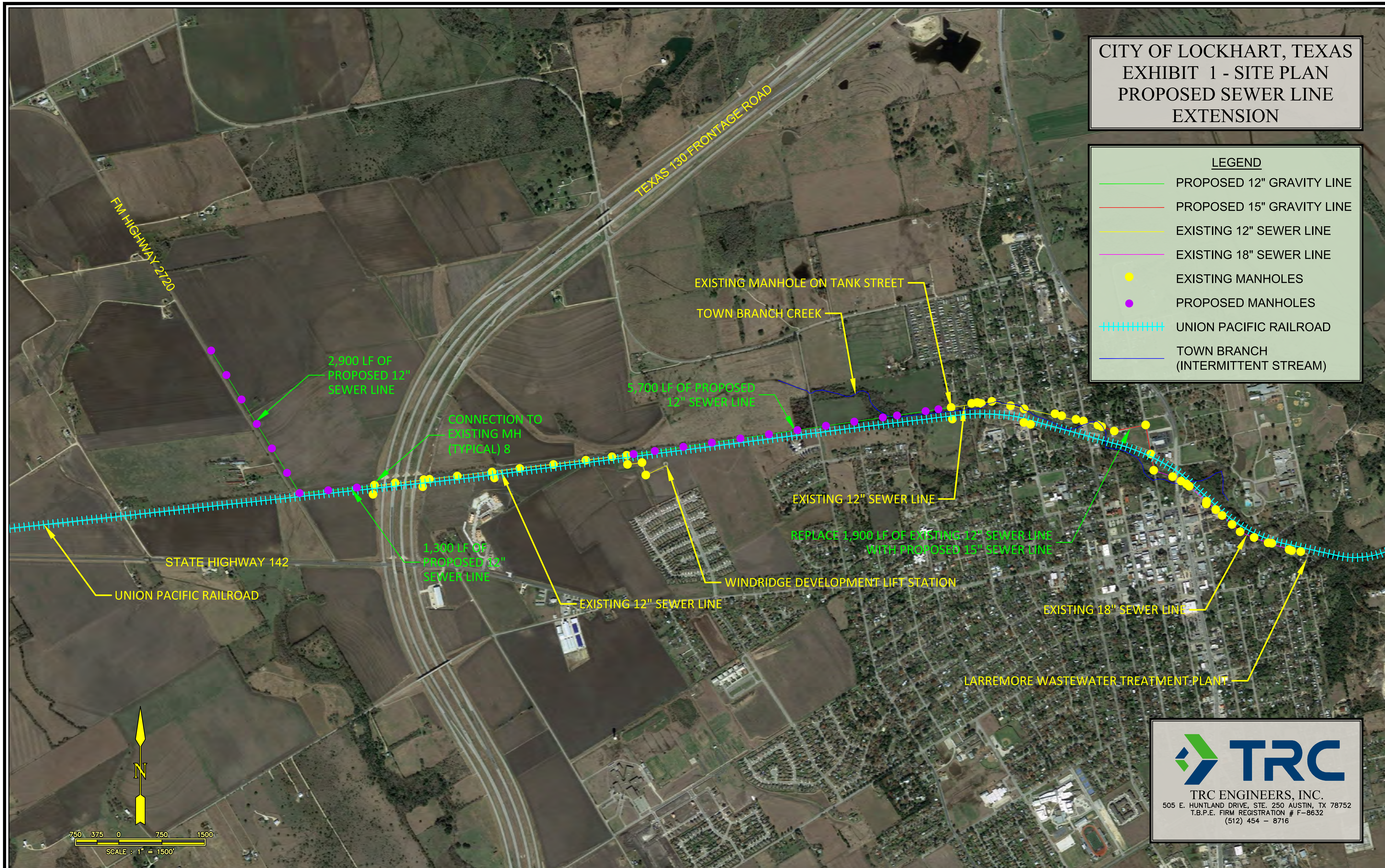
FISCAL NOTE (if applicable): This will require a budget amendment of $420,000 to the Economic Development budget for FY 2021-2022.

PREVIOUS COUNCIL ACTION: City Council passed Resolution 2021-11 at the July 20, 2021 Council meeting unanimously to support the project and allocate $400,000 to the match,

COMMITTEE/BOARD/COMMISSION ACTION: The LEDC Board passsed a resolution at its July 2021 board meeting supporting the project and allocating $400,000 from fund balance as the 20% match. The LEDC board is considering a new resolution at its regular meeting on March 14, 2022.

STAFF RECOMMENDATION/REQUESTED MOTION: Move to adopt Resolution 2022-16 to accept a $1.68 million grant from the U.S. Economic Development Administration for wastewater improvements within the City of Lockhart; providing $420,000 in matching funds; and providing an effective date.

LIST OF SUPPORTING DOCUMENTS: LEDC EDA Sewer Map, City Res Accept Grant EDA 22024202



F:\WORK IN PROGRESS\LOCKHART\406807 LEDC EDA GRANT SEWER LINE PER\500 CAD-GIS DRAWINGS\501 DRAWINGS\501.4 WORKING DWGS\GRAVITY LINE PROP EXHIBIT.DWG - 8/31/20

RESOLUTION NO 2022-16

A RESOLUTION OF THE CITY COUNCIL OF LOCKHART, TEXAS, AUTHORIZING THE LOCKHART ECONOMIC CORPORATION TO ACCEPT A $1.68 MILLION GRANT FROM THE U.S. ECONOMIC DEVELOPMENT ADMINISTRATION FOR WASTEWATER IMPROVEMENTS WITHIN THE CITY OF LOCKHART; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Lockhart Economic Development Corporation ("LEDC") is a Type B corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Economic Development Administration has grants available to make wastewater infrastructure improvements needed to protect businesses and support economic growth in the city; and

WHEREAS, the Board of Directors finds that the Grant will protect businesses and support growth in the City of Lockhart and the surrounding area; and

WHEREAS, the Board of Directors is of the opinion that accepting the Grant is in the best interests of the LEDC and the City of Lockhart; and

WHEREAS, funds can be used for the purpose of upsizing an existing wastewater line serving the industrial park within the City of Lockhart and a portion of west Lockhart, Texas;

WHEREAS, the LEDC agree to provide the required 20% matching funds equal to $420,000;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LOCKHART, TEXAS:

SECTION 1. The recitals set forth above are true and correct and are incorporated as if fully set forth herein.

SECTION 2. The Lockhart Economic Development Corporation is hereby authorized to accept a grant from the Economic Development Administration for improvements on a wastewater line within the city.

SECTION 3. This Resolution shall take effect from and after its date of adoption.

PASSED AND APPROVED by the City Council of the City of Lockhart, Texas this the 15th day of March 2022.

____
Lew White, Mayor

ATTEST:
By: ____________________________
Connie Constancio, City Secretary

APPROVED AS TO FORM:

By: ___________________________________
Monte Akers, City Attorney

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discussion regarding a property sale agreement for 11.82 acres in Lockhart Industrial Park III with Titan Development.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Michael Kamerlander

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Attached is a land purchase agreement with Titan Development out of Albuquerque, NM. Titan Development is one of the Southwest's largest and most active real estate development and investment firms. Titan offers real estate services for a variety of asset classes to take projects from inception to completion, as well as an in-house private equity fund management platform to better respond to their investor's needs.

Titan Development expanded into other strategic and high growth markets including Texas, Arizona, Colorado, and Florida. Over the past 22 years, Titan Development has established a proven track record across a diversified class of real estate investments including: multifamily, senior living, office, industrial, retail, and single-family lots.

Since its inception, the firm has completed over $2.4B in real estate development by the partners with $375.5M of assets under management, and over 15.5M square feet of developed real estate.

LEDC is currently under contract on 13.6 acres of land in Lockhart Industrial Park III with Titan. This 11.82 acres is being considered as part of the Right of First Refusal provision in the property currently under contract with Titan. Titan has exercised its Right of First Refusal because LEDC received an LOI on this tract and Titan is working with a distribution/fulfillment prospect that LEDC has been working with for a few months now. Because of this prospect, Titan felt comfortable moving forward with land acquisition and planning. Attached is the site flyer from Aquila Commercial for the industrial park. This tract shows a 154,440 SF building on 11.82 acres.

Information of note:

1. Site under the contract: Block C, Lot 2 (11.82 acres) (See Map)
2. Purchase Price: $2.75/SF or $1,415,000
3. Earnest Money: $28,000
4. Due Diligence Period: Titan shall have 180 days to complete its Due Diligence related to the site.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

Titan's receipt of site plan approval for buyer's intended use of the property from the City of Lockhart is a condition of closing.

PROJECT SCHEDULE (if applicable): Close in approximately 6 months.

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: City Council approved the sale of 13.6 acres to Titan Development in November 2021. As part of that agreement, Titan has a First Right of Refusal to purchase this property.

COMMITTEE/BOARD/COMMISSION ACTION: LEDC Board will discuss this item at its March 14, 2022 regular board meeting.

STAFF RECOMMENDATION/REQUESTED MOTION: Accept the property sale agreement for 11.82 acres in Lockhart Industrial Park III with Titan Development.

LIST OF SUPPORTING DOCUMENTS: Notice of Intent to Purchase, Purchase and Sale Agreement, Right of First Refusal Agreement, AQUILA-Lockhart-Industrial-Park-Flyer

TITAN DEVELOPMENT

REAL ESTATE INVESTING
+ DEVELOPMENT EXPERTISE

February 17, 2022

SENT VIA EMAIL

Lockhart Economic Development Corporation
Attn: Steve Lewis
308 W. San Antonio St.
Lockhart, TX 78644
Email: slewis@lockhart-tx.org

Lockhart Economic Development Corporation
Attn: Mike Kamerlander
215 E, Market St.
Lockhart, TX 78644
Email: mkamerlander@lockhart-tx.org

Messer, Fort, McDonald PLLC
Attn: Monty Akers, City Attorney
13625 Pond Springs Rd., Ste. 204
Austin, TX 78729
Email: monte@txmunicipallaw.com

RE: Notice Electing to Purchaser under that Right of First Refusal Agreement dated December 15, 2021 ("ROFR Agreement") between Titan Property Management, LLC ("TPM") and Lockhart Economic Development Corporation ("LEDC")

Dear Steve, Mike and Monty,

TPM it is in receipt of LEDC's Offer Notice as it pertains to that LOI dated January 18, 2022 from Speculative Buyer, Threecore, LLC, regarding Block C, Lot 2 of the ROFR Property ("Threecore LOI". Pursuant to Section 2 of the ROFR Agreement, TPM hereby gives notice of its intent to purchase the same from LEDC upon substantially the same terms and conditions set forth in the Threecore LOI.

TPM will prepare and delivery a purchase and sale agreement for your review shortly.

Sincerely,

BEN F. SPENCER
Manager

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is entered into by and between LOCKHART ECONOMIC DEVELOPMENT CORPORATION, a Texas Type B sales tax corporation ("Seller"), and TITAN PROPERTY MANAGEMENT, LLC, a New Mexico limited liability company, its successors or assigns ("Buyer"), Seller and Buyer are sometimes referred to herein each individually as a "Party" and collectively as the "Parties".

RECITALS:

Seller is the owner of certain unimproved real property described below. Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, such real property on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

ARTICLE I
GENERAL INFORMATION

The following general information is used throughout this Agreement:

1.1	Buyer's Tax ID:	87-0707883
1.2	Title Company:	Chicago Title Attn: Robert P. Jordan 15727 Anthem Pkwy, Suite 210 San Antonio, TX 78249 Telephone: 210-482-3701 Email: Robert.Jordan@ctt.com
1.3	Effective Date:	The date the Title Company acknowledges receipt of counterparts of this Agreement executed by both Buyer and Seller, which date will be set forth on the Joinder of Title Company which follows the signatures of Seller and Buyer below.
1.4	Property:	That certain real property containing approximately 11.820 acres to be known as Block C, Lot 2 of the Lockhart Industrial Park III, being located near the intersection of San Antonio, St. and SH 130, Lockhart, Texas described and depicted with further particularity in Exhibit "A" attached hereto and made a part hereof.

1.5	Purchase Price:	Approximately One Million Four Hundred Fifteen Thousand and 00/100ths Dollars ($1,415,00.00), which shall be adjusted at $2.75 per square foot upon confirmation of the Property's square footage pursuant to the Survey (defined below).
1.6	Earnest Money:	Twenty-Eight Thousand Five Hundred and 00/100ths Dollars ($28,500.00) to be deposited within five (5) business days of the Effective Date, and to be applied as set forth in Section 4.1 below.
1.7	Feasibility Period:	The time period beginning on the Effective Date and ending one-hundred eighty (180) days after such date, as the same may be extended pursuant to Section 6.3 below and the deposit of the corresponding additional earnest money for each such extension as set forth therein.
1.8	Closing Date:	Thirty (30) days after expiration of the Feasibility Period.
1.9	Place of Closing:	At the office of the Title Company, in San Antonio, Texas. There shall be no requirement that Seller and Buyer physically attend the Closing, and all funds and documents to be delivered at the Closing may be delivered to Title Company unless the Parties hereto mutually agree otherwise.
1.10	Broker:	Seller's: None Buyer's: None
1.11	Commission:	None
1.12	Seller Notice:	Lockhart Economic Development Corporation Attn: Steve Lewis 308 W. San Antonio St. Lockhart, TX 78644 Telephone: 512-398-3461 Email: slewis@lockhart-tx.org
	With a copy to:	Messer, Fort, McDonald PLLC Attn: Monty Akers, City Attorney 13625 Pond Springs Rd., Ste. 204 Austin, TX 78729 Email: monte@txmunicipallaw.com

1.13	Buyer Notice:	Titan Property Management, LLC Attn: Joe Iannacone 4903 Woodrow Ave., Bldg. A Austin, Texas 78756 Telephone: 512-720-7200 Email: jiannacone@titan-development.com
	With a copy to:	Christopher M. Pacheco 6300 Riverside Plaza Ln., NW, Suite 200 Albuquerque, New Mexico 87120 Telephone: 505-998-0163 Email: cpacheco@titan-development.com
1.14	Buyer's Intended Use:	Construction of Class-A industrial concrete tilt-up building(s) for warehousing, distribution, and light manufacturing users, including perimeter landscaping and other design characteristics.

ARTICLE II
DEFINITIONS

The terms defined in Article I, this Article II and elsewhere in this Agreement, whenever capitalized, will have the meanings so defined whenever such terms are used in this Agreement, unless the context clearly indicates a different meaning:

2.1 "Agreement". This instrument, together with all exhibits hereto.

2.2 "Closing". The consummation of the transaction contemplated by this Agreement, including the transfer of the Property to Buyer and receipt of the Purchase Price by Seller.

2.3 "Current Funds". Wire transfer of current federal funds in accordance with wiring instructions to be provided by the Title Company, or such other forms of immediately available funds as may be acceptable to Seller.

2.4 "Deed". The Special Warranty Deed to be delivered to Buyer at Closing, in the form attached hereto as Exhibit "B" and made a part hereof.

2.5 "Earnest Money". The funds as specified in Section 1.6 above to be paid by Buyer to Title Company in accordance with Section 4.1 upon Buyer's and Seller's execution of this Agreement.

2.6 "Effective Date". is as specified in Section 1.3 above and as set forth in the Joinder Agreement herein.

2.9 "Permitted Exceptions". Those matters subject to which title to the Property will be conveyed to Buyer in accordance with Section 6.2 hereof.

2.11 “Property”. The real property to be conveyed to Buyer pursuant to this Agreement as approximately described in Exhibit “A” hereto; any utility capacities, licenses, permits, approvals, authorizations, entitlements and other intangibles owned by Seller, if any, and situated on or associated with the real property (including, without limitation, any right to refunds, rebates or concessions from governmental authorities associated with the real or personal property); all easements and rights-of-way, if any, benefiting the Property and all rights and appurtenances, if any, pertaining to the Property, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way or adjacent strips or gores, and all development and air rights, riparian and other water access rights, mineral rights, sewer rights and all other rights belonging or pertaining thereto, if any. Seller

2.12 “Purchase Price”. The sum specified in Section 15. above, payable in the manner set forth in Sections 4.1 and 4.2 hereof.

2.14 “Survey”. A new ALTA Survey prepared by a surveyor reasonable acceptable to Buyer, which shall be delivered by Seller, at its sole cost and expense, to Buyer and Title Company in accordance with Section 6.2, showing the improvements in place as of the date of the Survey.

2.15 “Title Commitment”. The commitment for an Owner’s Title Insurance Policy in the form prescribed by the Texas Department of Insurance, to be issued to Buyer, at Seller’s expense, in accordance with Section 6.1 hereof.

2.16 “Title Documents”. True and legible copies of the documents listed in the Title Commitment as affecting the title to the Property.

2.17 “Title Policy”. A TX-T1 Owner’s Policy of Title Insurance (1-3-2014), to be issued to Buyer in the full amount of the Purchase Price, in accordance with Section 8.3 hereof.

2.18 “Hazardous Substances”. Any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde, polychlorinated biphenyls and radon gas and any chemicals, materials or substances defined as or included in the definitions of “hazardous substances,” “hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “bio-hazard,” “biological waste,” “medical waste” or words of similar import, under any applicable federal, state or local environmental, safety or health laws, ordinances, rules of common law, regulations or directives.

ARTICLE III
AGREEMENT OF PURCHASE AND SALE

3.1 Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell, transfer and assign to Buyer, and Buyer agrees to purchase and accept from Seller, all of Seller’s right, title and interest in and to the Property. The Title Company shall act as the escrow agent for this transaction and Seller and Buyer agree to enter into any standard escrow agreement or escrow instructions required by the Title Company that are not inconsistent with the provisions of this Agreement.

ARTICLE IV
CONSIDERATION

4.1 Earnest Money Deposits. Within five (5) business days after the Effective Date, and as a condition precedent to Seller's obligations under this Agreement, Buyer will deliver the Earnest Money to Title Company, in Current Funds, to be held in escrow pursuant to the terms and conditions of this Agreement. Buyer has the unilateral right to direct the return of the Earnest Money upon any termination of this Agreement by Buyer prior to the expiration of the Feasibility Period, in which event all Earnest Money shall be refunded immediately to Buyer after Buyer's delivery of notice of termination to Seller and Title Company. Except in the event of an uncured default by Seller, or as otherwise set forth herein, if the Agreement is not terminated by Buyer prior to expiration of the Feasibility Period, the Earnest Money shall immediately become non-refundable thereafter but shall be applicable to the Purchase Price at Closing.

The Earnest Money will be held by the Title Company in an FDIC insured interest bearing account under Buyer's taxpayer identification number until disbursed in accordance with this Agreement. In the event that Buyer fails to timely deliver the Earnest Money to the Title Company, this Agreement shall be voidable at Seller's option upon written notice to the Title Company and Buyer at any time before the Earnest Money is deposited.

4.2 Payment of Purchase Price. The balance of the Purchase Price, subject to adjustments and prorations as provided herein, will be paid to Seller, through escrow with the Title Company, at Closing in Current Funds.

4.3 Independent Consideration. One Hundred and No/100 Dollars ($100.00) of the Earnest Money (the "Independent Contract Consideration") has been bargained for and is as consideration for Seller's execution and delivery of this Agreement. The Independent Contract Consideration is (i) independent of any other consideration or payment provided for in this Agreement, (ii) wholly earned by Seller upon Seller's execution of this Agreement, and (iii) not refundable and shall be retained by Seller except in the case of a default by Seller and the termination of this Agreement by Buyer. If and when the transaction closes, but not otherwise, the Independent Contract Consideration will be credited towards the Purchase Price at Closing.

ARTICLE V
CONDITIONS TO CLOSING

5.1 General Conditions.

(a) Seller's obligation to sell the Property to Buyer at the Closing is subject to and conditioned upon (i) Buyer not being in material default under this Agreement beyond any applicable notice and cure periods; and (ii) the delivery by Buyer of the items set forth in Section 8.2(b) on or before the Closing Date, or the written waiver of any such conditions in accordance with the terms of this Agreement.

(b) Buyer's obligation to purchase the Property from Seller at the Closing is subject to and conditioned upon (i) Buyer's receipt of site plan approval for Buyer's Intended Use of the

Property from the City of Lockhart, Texas, (ii) recordation of a plat by Seller of the Property in accordance with Section 7.3(k) below, (iii) completion by Seller of utilities (electric, natural gas, water, sanitary sewer, offsite storm sewer and related pond and drainage improvements, but excluding communications) and completion of the road known as Cahill Street all in accordance with Section 7.3(j) below, (iv) Seller not being in material default under this Agreement beyond any applicable notice and cure periods; (v) the delivery by Seller of the items set forth in Section 8.2(a) on or before the Closing Date, (vi) there existing no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, pending or threatened against Seller or the Property that would materially and adversely affect the operation or value of the Property or Seller's ability to perform its obligations under this contract, (vii) there being no material adverse change to the Property from and after the expiration of the Feasibility Period, and (viii) the Property being vacant with no parties or tenants in possession and no binding lease agreements in effect with respect to the Property, or the waiver of any such conditions in accordance with the terms of this Agreement.

If any condition to Buyer's obligation to proceed with the closing hereunder has not been satisfied as of closing, Buyer may, in its sole discretion, (x) terminate this contract by delivering written notice to Seller on or before Closing, and upon such termination, all of the Earnest Money, less the Independent Contract Consideration, shall be returned to Buyer, (y) elect to extend the closing until such condition is satisfied, provided, Buyer can elect to terminate this Agreement pursuant to subparagraph (x) of this paragraph at any time prior to the satisfaction of such condition, or (z) elect to consummate the transaction, notwithstanding the non-satisfaction of such condition, in which event Buyer shall be deemed to have waived any such condition. Notwithstanding the foregoing, the failure of a condition due to the breach by Seller shall not relieve Seller from any liability it would otherwise have under this Agreement. The conditions set forth in this Section 5.1(b) are for the benefit of Buyer and may be waived only by Buyer.

ARTICLE VI
DELIVERIES AND INSPECTIONS

6.1 Seller's Deliveries. Seller shall deliver to Buyer copies of the following items within Seller's possession or control, if any (collectively the "Property Documents"), within seven (7) days after the Effective Date:

a. Existing title policies for the Property;

b. Any existing surveys of the Property;

c. Building and use restrictions or declarations of easements, covenants, and restrictions applicable to any portion of the Property, specifically any architectural or design restrictions, or any other restriction as it pertains to design and development of the Property;

d. Public or private utility easements, access agreements, special assessment arrangements, tap-in or connection fee agreements or procedures relating to the Property;

e. Existing soils or boring reports, Phase I or other environmental studies, hydrological studies, engineering studies, physical condition or property condition reports, percolation tests or data, septic permits or other permits issued by any governmental authority in connection with the development of the Property;

f. Any FEMA documentation, zoning documentation of the Property;

g. Current tax bills; and

h. Notices of any action or proceeding pending or, to Seller's knowledge, threatened against Seller or relating to the Property, including, without limitation, any condemnation or bankruptcy proceedings, which challenges or impairs Seller's ability to execute or perform its obligations under this Agreement.

Seller shall have an ongoing obligation during the pendency of this Agreement to provide Buyer with any document described above and coming into Seller's possession or produced by Seller after the delivery of the Property Documents.

6.2 Title Objections. No later than fifteen (15) days after the Effective Date, Seller shall cause the Title Company to issue the Title Commitment and provide a copy to Buyer along with legible copies of the Title Documents. Additionally, within fifteen (15) days after the Effective Date, Seller shall deliver to Buyer and the Title Company, the Survey from a surveyor reasonably acceptable to the Buyer. If any exceptions or other matters appear in the Title Commitment, Title Documents or the Survey that Buyer determines in its sole discretion are unacceptable to it, then Buyer shall, not later than One Hundred Fifty (150) days after the Effective Date, furnish written notice to Seller and Title Company of such objections. If Buyer fails to so object to any item reflected in the Title Commitment or Survey by written notice received by Seller and Title Company prior to expiration of the Feasibility Period, time being of the essence with regard thereto, Buyer will be deemed to have approved all such items. Seller may, within ten (10) days after receipt of Buyer's objections (the "Title Cure Period"), cure or attempt to cure any matter to which Buyer has timely objected, although Seller will have no obligation to endeavor to cure any title objection raised by Buyer except for the removal of monetary liens created or assumed by Seller (the "Non-Permitted Liens"), and Seller will not be required to expend any effort or funds, or to commence litigation to cure any objection except the removal of monetary liens and/or encumbrances. In the event that Buyer's objections have not been cured, or Seller has not committed in writing to cure such objections at or prior to Closing, by the end of the Title Cure Period, then Buyer may terminate this Agreement by delivering a written termination notice to Seller and the Title Company within ten (10) days after the end of the Title Cure Period in which event this Agreement shall terminate, the Earnest Money shall be returned to Buyer and neither party shall have any further rights or obligations hereunder. If Buyer does not terminate this Agreement as provided herein, Buyer will be deemed to have waived any uncured objection to title and shall be deemed to have approved the same other than the Non-Permitted Liens and any matters which Seller has agreed in writing to cure at or prior to Closing. Any matters shown on the Title Commitment which Buyer approves, or is deemed to have approved, pursuant to this Section 6.2 and any liens or encumbrances caused or created by Buyer (or Buyer's employees, representatives or contractors) will constitute "Permitted Exceptions" for purposes of the Title Policy and the Deed.

If prior and up to Closing any update of the Title Commitment discloses any title exception which was not disclosed in the original Title Commitment previously delivered to Buyer (a "New Title Exception") or any update of the Survey discloses any survey defect which is not disclosed in the Survey previously provided to Buyer (a "New Survey Defect"), upon written objection from Buyer, Seller shall remove or cure such New Title Exception or New Survey Defect at or prior to Closing to the extent any such New Title Exception or New Survey Defect is susceptible to removal or cure and materially and adversely affects the Property. In the event that Seller fails to remove or cure such New Title Exception or New Survey Defect at or prior to Closing, Buyer shall be entitled to terminate this Agreement and, in such an event, the Earnest Money shall be promptly returned to Buyer, in which event neither party shall have any further obligations hereunder except those matters that expressly survive termination of this Agreement. Notwithstanding anything herein to the contrary, Buyer shall not be deemed to have waived the requirement that Seller remove (i) all monetary liens created by, through, or under Seller at or before Closing, or (ii) any encumbrances which Seller has agreed to cure in writing at or before Closing, and the failure to do so shall be a default by Seller.

6.3 Feasibility Period. During the Feasibility Period and thereafter up to and including the Closing Date, Buyer will be permitted to inspect (i) the Property (ii) the Property Documents, (iii) title, (iv) entitlements required or desired for the development of the property for Buyer's intended uses, and (v) any other matter with respect to the Property, including but not limited to economic feasibility, zoning, the local government comprehensive plan, governmental restrictions and requirements, physical condition, subsoil conditions, environmental matters, financing, and such other matters as may be of concern to Buyer. Seller shall promptly cooperate with Buyer with respect to such inspections. Buyer will restore the Property to as close as reasonably practicable to the same condition in which it existed immediately prior to the conducting of any such inspection promptly upon completion of each such inspection. Buyer may undertake physical testing of the Property with prior notice to Seller. Buyer will not permit any liens or encumbrances to arise against the Property by, through, or under Buyer in connection with or as a result of such inspection or testing.

The Feasibility Period may be extended by Buyer for three (3) additional, thirty (30) day periods, consecutively exercised. Buyer shall send written notice to Seller and Title Company of its intent to exercise any such extension periods at least three (3) days prior to expiration of the then-current feasibility period and depositing an additional sum of Five Thousand and 00/100ths Dollars ($5,000.00) for each extension period exercised. Each such extension deposit shall be considered additional Earnest Money and shall be applied or otherwise returned to Buyer as set forth in Section 4.1 herein.

6.4 Right to Market. During the Feasibility Period, Buyer shall have the exclusive right to market the Property to potential users. The Property shall be marketed by a third-party brokerage company of the Buyer's choosing and at its sole cost and expense. Any potential users that are disclosed to Buyer during the Feasibility Period which Buyer elects to not pursue shall be disclosed to Seller for its consideration.

6.5 Buyer Assumes All Risks; Indemnification. Buyer will indemnify, defend and hold Seller, and Seller's members, managers, shareholders, directors, officers, management companies, agents, employees and representatives, and the Property, harmless of, from and against losses, liabilities, costs, expenses (including, without limitation, reasonable attorneys' fees and costs of court), damages, liens, claims (including, without limitation, mechanics' or materialmen's liens or claims of liens), actions and causes of action to the extent resulting from the Buyer's (or Buyer's agents, employees, contractors, or representatives, collectively, "Buyer's Consultants") inspections or actions on or related to the Property; provided, however, the foregoing indemnity shall not apply to any liability arising out of any condition discovered as a result of such inspections, samples, investigations or tests so long as such condition was not actually caused by Buyer or Buyer's Agents. All inspections/tests shall be performed in a good and workmanlike manner by persons qualified and having experience in preparing such inspections and investigations. Prior to Buyer's Consultants having access to the Property, Buyer's Consultants shall obtain and maintain during the term of this Agreement, commercial general liability insurance with solvent and responsible insurance companies legally authorized to transact business in the State of Texas, with no less than $1,000,000.00 general liability and $1,000,000 excess umbrella liability, in a form and content reasonably acceptable to Seller and deliver a certificate to Seller prior to first entry on the Premises showing Seller named as an additional insured under such policy. Buyer shall repair any damage caused by its physical inspections and shall restore the Property to their condition prior to such inspections all in accordance with law (including any damage or injury resulting from such access or inspections). The obligations of Buyer pursuant to this Section 6.5 shall survive the Closing or termination of this Agreement.

6.6 Buyer's Termination Rights. If Buyer, in its sole and absolute discretion, determines that the Property is not suitable to Buyer for its intended purpose or any condition of or related to the Property is unacceptable to Buyer, or for no reason at all, Buyer may terminate this Agreement by delivering written notice to Seller and the Title Company prior to the end of the Feasibility Period in which event this Agreement shall terminate, the Earnest Money shall be returned to Buyer as set forth in Section 4.1 above, and neither party shall have any further rights or obligations hereunder except those obligations of Buyer or Seller which shall survive such termination. If Buyer does not provide written notice of termination pursuant to this Section 6.6 on or before the expiration of the Feasibility Period, then Buyer shall be conclusively deemed to have waived its right to terminate under this Section 6.6.

6.7 Delivery of Materials Upon Termination. In the event that this Agreement is terminated under the terms of this Agreement, upon written request from Seller, Buyer will deliver not later than ten (10) days after the effective date of termination, all Property Documents delivered to Buyer by Seller as described in Section 6.1 above.

ARTICLE VII
REPRESENTATIONS, DISCLAIMERS, ACKNOWLEDGMENTS, AND COVENANTS

7.1 Limited Representations and Warranties. Seller represents and warrants to Buyer as of the Effective Date and as of the Closing Date that:

a. Seller has no knowledge of any violation of any laws, regulations or codes, nor has Seller received any written or other notice of any alleged violations of any laws, regulations or codes;

b. Seller has no knowledge of, nor has Seller received any written or other notice of, any pending or threatened claims or notices of condemnations, changes in zoning, or special assessments, concerning the Property;

c. Except (i) as may be set forth in any Phase I Environmental Site Assessment delivered to Buyer for the Property, and (ii) any Hazardous Substances used in the ordinary course of the operation of the Property, all in accordance with all applicable laws, Seller has no knowledge of any releases of, or the existence of, any Hazardous Substances on, under, or from the Property.

d. Seller owns the Property and has the right, power and authority to enter into this Agreement and to cause the Property to be sold in accordance with its terms and conditions. Seller is duly organized and legally existing under the laws of its organization and is duly qualified to transact business in the state where the Property is located. The execution and delivery of, and performance under, this Agreement are within Seller's powers and have been duly authorized. The person executing this Agreement on behalf of Seller has the authority to do so. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable in accordance with its terms, subject to equitable principles and laws applicable generally to creditor's rights;

e. There is no agreement to which Seller is a party or, to the best of Seller's knowledge, is binding on Seller or the Property that is in conflict with this Agreement or that might render Seller unable to perform its obligations under this Agreement; and there is no pending or, to Seller's knowledge, threatened litigation, arbitration, mediation, or administrative proceeding affecting the Property that challenges or would materially impair the ability of Seller to execute, deliver, or perform its obligations under this Agreement;

f. Seller has received no written notice of any threatened or pending condemnation or similar proceedings affecting the Property, and to Seller's best current actual knowledge, there are no threatened or pending condemnation or similar proceedings affecting the Property.

g. To the best of Seller's knowledge, all of the Property Documents which are delivered by Seller to Buyer pursuant to Section 6.1 are complete copies of such items as are in Seller's possession and contained in Seller's files.

h. There are no parties in possession of the Property and there are no binding lease agreements affecting the Property. No person, firm, corporation, or other entity has any right to purchase, right of first refusal, option to purchase or any other right or option to acquire all or any part of the Property and any such rights or options previously granted by Seller covering any part of the Property have been fully released.

i. Except for recorded covenants included in the Title Documents, to Seller's knowledge, there is no other agreement, understanding or restriction with or for the benefit of any person or entity, whether private, public or quasi-public, that will be binding upon Buyer after Closing and which may prevent or limit in any way the current use, or Buyer's intended use, of the Property or for any uses allowed by current zoning regulations.

j. Seller is the sole owner of good and indefeasible fee simple title to the Property.

7.2 Buyer's Covenants. Buyer hereby covenants and agrees with Seller that after the Effective Date and Closing that the use and users that Buyer will promote, utilize, and implement on the property will be similar to the types of uses and users which Buyer has promoted, utilized, and implemented for other industrial parks in central Texas, as listed below:

a. Uses:
(i) Light Manufacturing – Indoors
(ii) Warehousing and Distribution – Indoors
(iii) Small amounts of outdoor storage

b. Examples of Users:
(i) O'Reilly Auto Parts Distribution Center
(ii) Ben E Keith Foods
(iii) Texas Speed and Performance
(iv) EDC Moving Systems
(v) Paradigm Metals
(vi) Canadian General Tower
(vii) T.J. Maxx Distribution Center
(viii) 3-Way Logistics
(ix) Kval Machinery
(x) Ovivo Water
(xi) Brycomm
(xii) Berger Allied Moving and Storage

7.3 Seller's Covenants. Seller hereby covenants and agrees with Buyer that after the Effective Date and prior to Closing (or any earlier termination of this Agreement pursuant to its terms):

a. After the Effective Date, Seller will not, without the express prior written approval of Buyer, which may be withheld in Buyer's sole discretion, enter into any lease, easement, or other agreement for the Property, or any portion thereof, which would continue for a period subsequent to the Closing Date.

b. Seller will continue to maintain and operate the Property in accordance with its past practices.

c. Promptly upon Seller's receipt of any notice of the institution of, or plans for the institution of, proceedings for the condemnation of the Property, or any portion thereof, Seller will notify Buyer thereof.

d. From and after the Effective Date until the Closing, Seller will maintain, or cause to be maintained, in full force and effect public liability insurance with respect to damage or injury to persons or property occurring on the Property in such amounts as is maintained by Seller on the Effective Date.

e. Seller will advise Buyer promptly of any litigation, arbitration or administrative hearing concerning or affecting the Property of which Seller has received actual knowledge or written notice.

f. Seller will not seek any zoning changes or take any action which encumbers Seller's title to the Property without Buyer's prior written consent, which consent may be granted or withheld in Buyer's sole discretion.

g. Seller will not, without the prior written consent of Buyer, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for ad valorem taxes on the Property which are not delinquent), encumbrance or charge, or conditional sale or other title retention document, against or covering the Property, or any part thereof, other than the Permitted Exceptions. Seller will not impose any restrictive covenants or encumbrances on the Property or execute or file any subdivision plat affecting the Property not otherwise previously approved by Buyer. Seller will not sell, exchange, assign, transfer, convey or otherwise dispose of all or any part of the Property or any interest therein, or enter into any agreement or "back-up" contract related to the disposition of the Property, or permit any of the foregoing during the term of this Agreement.

h. Seller will promptly deliver to Buyer all information received by Seller regarding alleged violation(s) by Seller or the Property of any laws, rules, regulations, ordinances, court orders, decrees, or restrictions.

i. Seller will not cause or permit any portion of the Property to be used to transport, store, dispose of, generate, emit, manufacture, refine, treat, or process any Hazardous Substances, nor cause or permit, as a result of any intentional act or omission on the part of Seller, a release, discharge, emission, leak, or percolation of Hazardous Substances onto the Property or from the Property onto any other property. Further, Seller shall comply with all applicable federal, state, and local laws, ordinances, rules, and regulations, and shall obtain and comply with all approvals, registrations, and permits required thereunder.

j. Seller will cause the installation, construction and completion of utilities and related infrastructure (electric, natural gas, water, sanitary sewer, offsite storm sewer and related pond and drainage improvements, but excluding communications) to the Property's boundary line in sufficient capacities to reasonably serve the Property and the ROFR Property (defined below) for their intended uses up to 600,000 square feet of industrial building and completion of a 60' road with 40' pavement section minimum known or to be known as Cahill Street, all as constructed or installed pursuant to the corresponding governmental standards and requirements.

k. Seller shall cause the platting of the Property, and recordation of the same, approved by Buyer, which approval shall not be unreasonably withheld, conditioned or delayed, creating a separate legal tract as substantively shown in Exhibit "A" herein within one hundred fifty (150) days from the Effective Date.

If at any time prior to Closing Seller learns or becomes aware that any of Seller's representations and warranties or covenants set forth in this Agreement are untrue in any material respect, or at any time at or before Closing there is any material change with respect to the matters represented and warranted by Seller pursuant to Section 7.1, then Seller shall give Buyer prompt written notice thereof (the "Notice"), and Buyer shall have the right to terminate this Agreement and recover the Earnest Money by delivering written notice of termination to Seller within fifteen (15) days after receipt of the Notice from Seller, provided, that if Buyer elects to proceed to Closing, the Closing Date shall be extended as necessary not to exceed fifteen (15) days from the date Buyer receives the Notice.

ARTICLE VIII
CLOSING

8.1 Date and Place of Closing. Subject to the satisfaction or waiver in writing of all conditions to either party's obligation to consummate the purchase and sale of the Property, the Closing will take place on the Closing Date at the Place of Closing, as set forth in Sections 1.8 and 1.9 above.

8.2 Items to be Delivered at Closing.

a. By Seller. At or prior to Closing, Seller will deliver or cause to be delivered to Buyer, through escrow or directly to Buyer, each of the following items (collectively, the "Closing Documents"):

i. The Deed, conveying title to the Property to Buyer, subject to the Permitted Exceptions and free of any liens;

ii. Evidence of Seller's authority to consummate this transaction.

iii. A Non-foreign Certification of Entity Transferor from Seller or other evidence satisfying the requirements of Section 1445 of the Internal Revenue Code;

iv. Any reasonable and customary certificates and affidavits that may be required in the normal course by Title Company or governmental authority, in form and substance satisfactory to the Title Company or such governmental authority, duly executed by Seller; and

v. All other instruments and documents reasonably required to effectuate this Agreement and the transactions contemplated thereby.

b. By Buyer. At or prior to Closing, Buyer will deliver to Seller, or cause to be delivered to Seller, through escrow or directly to Seller, each of the following items:

i. The balance of the Purchase Price in Current Funds;

ii. Evidence of Buyer's authority to consummate this transaction;

iii. Any customary certificates and affidavits that may be required in the normal course by Title Company, in form and substance satisfactory to Title Company, duly executed by Buyer; and

iv. All other instruments and documents reasonably required to effectuate this Agreement and the transactions contemplated thereby.

8.3 Title Policy. Buyer's obligation to Close shall be contingent upon receipt by Buyer at Closing of a contractual commitment by the Title Company to issue an Owner's Policy of Title Insurance issued pursuant to the Title Commitment subject only to the Permitted Exceptions and other exceptions as provided pursuant to this Agreement. As soon as possible in the ordinary course of business of the Title Company after the Closing occurs and all documents delivered at the Closing that are intended to be recorded are so recorded and returned to the Title Company, the Title Company will deliver the Title Policy to Buyer, subject only to the Permitted Exceptions. The provisions of this Section will survive the Closing.

8.4 Actions at Closing. Upon delivery of all items set forth in Section 8.2 and the satisfaction or waiver of all other conditions and obligations set forth in this Agreement:

a. The Title Company shall record the Deed;

b. The Title Company shall release to Seller the Purchase Price, as adjusted by any prorations, charges, and credits;

c. Possession and control of the Property shall be delivered to Buyer effective as of the Closing;

d. The Title Company shall release from escrow and deliver to Buyer the recorded Deed, and any other documents deliverable to Buyer pursuant to this Agreement;

e. The Title Company shall release from escrow and deliver to Seller any documents deliverable to Seller pursuant to this Agreement;

f. The Title Company shall issue to Buyer the Title Policy in accordance with Section 8.3; and

g. The Title Company, Seller and Buyer shall take and complete such other actions and deliver such other documentation as required or reasonably contemplated by this Agreement as necessary to complete the transaction contemplated herein.

ARTICLE IX
CLOSING COSTS AND PRORATIONS

9.1 Closing Costs.

a. Seller and Buyer will each pay their respective attorneys' fees (except as provided in Section 11.12 of this Agreement).

b. Seller will pay (i) the cost of the Title Commitment, (ii) the cost of the basic premium of the Title Policy, (iii) the cost of recording the Deed, (iv) one-half (1/2) escrow fees of Title Company, (v) any costs incurred to satisfy any mortgage loan encumbering the Property, (vi) the cost of the Survey; and (vii) such other incidental costs and fees customarily paid by sellers in Caldwell County, Texas land transactions of this nature.

c. Buyer will pay (i) all costs related to Buyer's due diligence inspection, (ii) the cost of deleting the standard exceptions and the cost of any endorsements, or any other "extended" title coverage, requested by Buyer, to the Title Policy, (iii) cost of any mortgagee's policy of title insurance, (iv) all recording fees charged for documents required to be recorded by Buyer's lender in connection with any mortgage obtained by Buyer, (v) one-half of any escrow fees, (vi) Buyer's inspection costs, and (vii) such other incidental costs and fees customarily paid by Buyers in Caldwell County, Texas land transactions of this nature.

9.2 Prorations, Etc. Real estate taxes, assessments, utilities and other similar expenses related to the Property for the period prior to the Closing Date shall be prorated as of the Closing Date, with the amount attributable to the period prior the Closing Date credited toward the Purchase Price, the amount for the remainder of the year following the Closing Date paid by Buyer to Seller in addition to the Purchase Price, and the taxes and such other amounts paid by Seller to the taxing authorities. Real estate taxes will be based on the most recent tax certificates for the Property, adjusted for the most current tax rates and appraised value. Buyer shall thereafter pay all property taxes, assessments and interest incurred after the Closing and shall set up a separate account for the Property with the Caldwell County Assessor's Office for notice. Seller shall be responsible for payment of all rollback taxes, or similar taxes (if any) imposed as the result of any change in ownership or use of the Property, assessments, or interest assessed against the Property resulting from this sale after the Closing date.

ARTICLE X
DEFAULTS AND REMEDIES

10.1 Seller's Default: Buyer's Sole Remedies. If Seller fails to consummate this Agreement in accordance with its terms, other than by reason of a termination of this Agreement by Seller or Buyer pursuant to a right to do so expressly provided for in this Agreement (except by reason of a default by either party) or Seller breaches this Agreement, after five (5) days written notice and opportunity to cure (except for a failure to consummate Closing on the Closing Date, for which there shall be no cure period), Buyer may, as Buyer's sole and exclusive remedy either (a) terminate this Agreement by giving written notice to Seller and Title Company, in which event (i) Buyer shall be entitled to the immediate return of the Earnest Money, together with all interest accrued thereon and Seller will reimburse the actual, out-of-pocket costs incurred by Buyer in connection with the due diligence activities conducted by or on behalf of Buyer with respect to the Property; and (ii) this Agreement shall be of no further force and effect except for those provisions that expressly survive termination of the Agreement, or (b) seek specific performance of Seller's obligations under this Agreement. If Buyer elects to seek such specific performance, Buyer shall give Seller written notice of such election within thirty (30) days after the occurrence of such Seller's Default, and thereafter commence an action seeking such specific performance. In the event Buyer terminates this Agreement in accordance with the terms of this Agreement, then this Agreement shall be of no further force and effect and the Parties shall have no further rights, obligations, or liabilities hereunder, except for those obligations that expressly survive termination of the Agreement.

10.2 Buyer's Default: Seller's Sole Remedies. If Buyer fails to consummate this Agreement in accordance with its terms, other than by reason of a termination of this Agreement by Seller or Buyer pursuant to a right to do so expressly provided for in this Agreement (except by reason of a default by either party) or Buyer breaches this Agreement, after thirty (30) days written notice and opportunity to cure (except for a failure to consummate Closing on the Closing Date, for which there shall be no cure period), Seller may, as Seller's sole and exclusive remedy, terminate this Agreement and retain the Earnest Money as liquidated damages (and not as a penalty) for breach of this Agreement. Such amount and terms are agreed upon by and between Seller and Buyer as liquidated damages, due to the difficulty and inconvenience of ascertaining and measuring actual damages, and the uncertainty thereof, and the payment of the Earnest Money, and the terms provided herein will constitute full satisfaction of Buyer's obligations under this Agreement. Such amount is agreed upon by and between Seller and Buyer as a reasonable estimate of just compensation for the harm caused by Buyer's default.

ARTICLE XI
MISCELLANEOUS PROVISIONS

11.1 Broker's Commission. Each party represents to the other that it has not authorized any broker or finder to act on its behalf in connection with the sale and purchase hereunder and as such, no commission is due or owing hereunder. Each party agrees to indemnify and hold harmless the other from and against any and all claims, losses, damages, costs or expenses of any kind or character arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by each party with any broker or finder in connection with this Agreement or the transaction contemplated hereby.

11.2 Assignment. Buyer may not assign this Agreement to any person, firm, corporation, or other entity without Seller's consent; provided, however, Buyer may assign all of its rights, title, liability, interest and obligation pursuant to this Agreement to an any entity controlled by, in control of, or under common control with Buyer without Seller's consent, provided that the assignee assumes all obligations of the Buyer under this Agreement. Notwithstanding the foregoing, Buyer may form a single purpose entity to take title of the Property at closing, and Buyer may assign its rights under this Agreement to any affiliated or single purpose entity which directly or indirectly controls, is controlled by or is under common control with Buyer, without the consent of Seller. No such assignment and assumption shall relieve Buyer or any assignee previously approved by Seller from its obligations hereunder.

11.3 Condemnation and Casualty. In the event that any portion of the Property will be taken in condemnation or by conveyance in lieu thereof or under the right of eminent domain after the Effective Date and before the Closing Date, Buyer may, at its option, terminate this Agreement by written notice thereof to Seller within ten (10) days after Seller notifies Buyer of the condemnation, in which event Buyer will receive an immediate refund of all Earnest Money. In the event Buyer fails to timely deliver written notice of termination as described above, Buyer will be deemed to have elected to proceed to close the transaction contemplated herein pursuant to the terms hereof, in which event Seller will deliver to Buyer at the Closing any proceeds actually received by Seller attributable to the Property from such condemnation or eminent domain proceeding or conveyance in lieu thereof or assign to Buyer Seller's rights to such proceeds and there will be no reduction in the Purchase Price. Prior to Closing, and notwithstanding the pendency of this Agreement, the entire risk of loss or damage by casualty shall be borne and assumed by Seller, except as otherwise provided in this Section 11.3. If, before Closing, any part of the Property is damaged or destroyed by casualty, Seller shall immediately give written notice to Buyer of such fact. If such damage or destruction is "material", Buyer shall have the option in its sole and absolute discretion, either to (a) terminate this Agreement by notice to Seller and receive a prompt refund of all Earnest Money, or (b) purchase the Property. In the event that Buyer elects to proceed with the purchase, Seller shall assign to Buyer all of its right, title, and interest in and to the proceeds of any and all fire or other casualty insurance or condemnation proceeds relating to such damage or condemnation, and Buyer shall receive a credit against the Purchase Price in the amount of any applicable deductible or other uninsured amount based on Seller's and Buyer's mutual, reasonable, good faith estimate of the cost to repair and restore. Buyer's election shall be made by written notice to the Seller given not later than ten (10) days after Buyer's receipt of notice from Seller of the casualty. If the damage is not material, then Buyer shall not have the right to terminate this Agreement, but Seller shall, at its cost, repair the damage before the Closing in a manner reasonably satisfactory to Buyer, or if repairs cannot be completed before the Closing, credit Buyer at Closing for the reasonable cost to complete the repair, as reasonably agreed to by Seller and Buyer. For purposes of this Section 11.3, "material" means that (w) the damage is of a nature that adversely affects access to the Property, (x) the cost to repair such damage is reasonably estimated to exceed two percent (2%) of the Purchase Price, or the damage will, in Buyer's reasonable estimation, take longer than ninety (90) days to repair.

11.4 Notices. Any notice, approval, waiver, objection or other communication (for convenience, referred herein as a "notice") required or permitted to be given hereunder or given in regard to this Agreement by one party to the other will be in writing and the same will be given and be deemed to have been delivered, served and given when actually delivered to the address specified in Article I above of the person to whom notice is given or delivery is refused may by any of the following means: (a) via courier (including overnight delivery services), (b) United States mail, postage prepaid, by certified mail, return receipt requested, addressed to the person to whom notice is given at the address specified in Article I above, (c) email, provided that the transmitting email indicates that the transmission of all pages of the notice was effectively completed and a copy of such notice is also sent by one of the other means of notice described above simultaneously with such email. Any party may change its address for notices by notice theretofore given in accordance with this Section and will be deemed effective only when actually received by the other party.

11.5 Entire Agreement. This Agreement and the Exhibits attached hereto constitute the entire agreement between Seller and Buyer, and there are no other covenants, agreements, promises, terms, provisions, conditions, undertakings, or understandings, either oral or written, between them concerning the Property other than those herein set forth. No subsequent alteration, amendment, change, deletion or addition to this Agreement will be binding upon Seller or Buyer unless in writing and signed by both Seller and Buyer.

11.6 Headings. The headings, captions, numbering system, etc. are inserted only as a matter of convenience and may under no circumstances be considered in interpreting the provisions of this Agreement.

11.7 Binding Effect. All of the provisions of this Agreement are hereby made binding upon the successors, and assigns of both Parties hereto. Where required for proper interpretation, words in the singular will include the plural; the masculine gender will include the neuter and the feminine, and vice versa.

11.8 Time of Essence. Time is of the essence in each and every provision of this Agreement.

11.9 Unenforceable or Inapplicable Provisions. If any provision hereof is for any reason unenforceable or inapplicable, the other provisions hereof will remain in full force and effect in the same manner as if such unenforceable or inapplicable provision had never been contained herein, unless such unenforceable provision materially affects any material covenants set forth herein.

11.10 Counterparts. This Agreement may be executed in any number of counterparts and/or electronic versions, each of which will for all purposes be deemed to be an original, and form a fully binding contract.

11.11 Applicable Law; Venue. This Agreement will be construed under and in accordance with the laws of the State of Texas without regard to principles of conflicts of laws. Venue for any suit filed with respect to the enforcement or interpretation of this Agreement shall be in the State District Court located in Caldwell County, Texas. THE PARTIES HEREBY EXPRESSLY WAIVE THE RIGHT TO A TRIAL BY JURY OF ANY MATTER RELATED TO OR ARISING OUT OF THIS AGREEMENT.

11.12 Attorneys' Fees. In the event any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the prevailing party will be entitled to recover reasonable attorney's fees, court costs and expenses incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.

11.13 Limitations on Liability. In no event shall any officer, director, shareholder, partner, member, employee, agent or affiliate of Seller or Buyer have any personal liability hereunder, nor shall any of them be named personally in any suit, action or proceeding concerning any matter hereunder, nor shall any of their assets be attached, liened or levied upon or in any other way held liable for any of the obligations of Seller or Buyer, respectively. Notwithstanding anything to the contrary contained in this Agreement, in no event shall either party be entitled to recover from the other party in connection with any claim arising out of or relating to this Agreement or any representation made herein, any lost profits or any direct, compensatory, punitive, indirect, consequential or other damages. The limitations contained in this Section 11.13 shall not apply to claims of fraud or intentional misconduct.

11.14 Authority. Each person executing this Agreement, by his execution hereof, represents and warrants that he is fully authorized to do so, however, the Parties will cooperate in providing appropriate proof to the other party of the authority of the signing person to bind the party.

11.15 Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed at the Closing, Seller and Buyer agree to perform such other acts, and to execute and deliver such other instruments and documents as either Seller or Buyer, or their respective counsel, may reasonably require in order to effect the intents and purposes of this Agreement.

11.16 Time Periods. Unless otherwise expressly provided herein, all periods for delivery or review and the like will be determined on a "calendar" day basis. If any date for performance, approval, delivery or Closing falls on a Saturday, Sunday or legal holiday (state or federal) in the State of Texas, the time therefor will be extended to the next day which is not a Saturday, Sunday or legal holiday (a "business day"). Any period during which any act is required to be performed under this Agreement including, without limitation, the providing of notice, which ends on any date which is a Saturday, Sunday or federal holiday shall be performed by 5:00 p.m. Central Time on the next business day.

11.17 No Recording. Seller and Buyer agree that neither this Agreement, a copy of this Agreement, nor any instrument describing or referring to this Agreement, will ever be filed of record in the county records where the Property is located or elsewhere, and in the event this Agreement, a copy of this or any instrument describing or referring to this Agreement is so filed of record by either party or its agents, such act will be considered a default under this Agreement by the recording party, and the non-recording party may, at its option, terminate this Agreement and exercise any other rights or remedies of such party under this Agreement for a default on the part of the recording party. The limitations contained herein shall not apply to any actions taken by Buyer in connection with Buyer's pursuit of the remedy of specific performance.

11.18 Interpretation. The Parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement or in any amendments or exhibits thereto.

11.19 No Third Party Beneficiary. The provisions of this Agreement are for the exclusive benefit of the Seller and Buyer hereto and no other party will have any right or claim against the Seller and Buyer, or either of them, by reason of those provisions or be entitled to enforce any of those provisions against the Seller and Buyer hereto, or either of them.

11.20 Confidential Agreement. Prior to Closing, except as required by court order or by operation of law, the terms and conditions of this Agreement will be treated as confidential by both Parties, and neither any of such terms or conditions nor any copy of this Agreement will be divulged or provided to any third party other than the Parties' respective attorneys, engineers, surveyors, accountants, consultants, brokers, Buyer's actual or potential partners, investors and lenders, if any, and such other third parties whose assistance is required in connection with the consummation of this transaction by either party hereto without the prior consent of the other party hereto. Buyer will use Buyer's commercially reasonable efforts to cause Buyer's lender to retain the confidentiality required pursuant to this Section.

11.21 Title Company. The Parties acknowledge and agree that in the event of any dispute concerning the Earnest Money while the same is in the possession of Title Company, Title Company will have the right to interplead with the state or federal district court in which the Property is located, all or any portion of the Earnest Money received by it pursuant to this Agreement.

11.22 Indemnity Limitation. To the extent, if at all, any indemnity, hold harmless or insurance provision of this Agreement is invalidated by law or otherwise, the remaining indemnity, hold harmless and insurance provisions of this Agreement shall remain in full force and effect.

11.24 Exchange Facilitation. At the option of either party, upon not less than five (5) days written notice to the other party prior to Closing, a party may require the Closing to be achieved pursuant to an escrow created to effectuate an exchange pursuant to Section 1031 of the Internal Revenue Code. In such event, the other party agrees to cooperate with the party giving such notice, provided that such facilitation will not delay Closing, or result in any additional cost or expense to the cooperating party, and the cooperating party shall not be required to take title to or to convey the exchange property or to incur any personal liability in connection with the exchange transaction, and the party requiring the exchange facilitation shall indemnify and hold harmless the cooperating party from and against any and all causes, claims, demands, liabilities, costs and expenses, including reasonable attorneys' fees, resulting from the exchange transaction.

11.25 Waiver. No delay on the part of a party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any specific waiver by a party of any right or remedy hereunder operate or be construed as a waiver of any other right or remedy hereunder, nor shall any single or partial waiver or exercise of any right or remedy hereunder preclude any other or further exercise thereof, or the exercise of any other right or remedy hereunder (unless the provisions of this Agreement which establish any such right or remedy provide otherwise). No waiver of any right or remedy hereunder shall be valid or enforceable unless in writing and signed by the party against whom such waiver is sought to be enforced.

11.26 Right of First Refusal. Concurrent with the execution of this Agreement, the Parties shall execute a Right of First Refusal Agreement and Memorandum of Agreement, each in the forms attached hereto as Exhibit "C" and made a part hereof wherein Seller grants to Buyer the right of first refusal to purchase additional land owned by Seller and commonly known as Lot 2 and Lot 3 in Block C, Lockhart Industrial Park III in Caldwell County, Lockhart, Texas (“ROFR Property”).

[SIGNATURE PAGES IMMEDIATELY FOLLOWING]

IN WITNESS WHEREOF, this Agreement has been executed under seal by the undersigned as of the Effective Date.

SELLER:

LOCKHART ECONOMIC
DEVELOPMENT CORPORATION
a Texas Type B sales tax corporation

By: ________________________________
Steven Lewis, President

BUYER:

TITAN PROPERTY MANAGEMENT, LLC
a New Mexico limited liability company

By: ________________________________
Ben F. Spencer. Manager

JOINDER OF TITLE COMPANY

Title Company executes this Agreement for the sole purpose of agreeing to serve as escrow agent with respect to the Earnest Money and closing in accordance with this Agreement. The undersigned representative of the Title Company hereby agrees to promptly acknowledge receipt of a counterpart original (or multiple original counterparts) of this Agreement executed by both Buyer and Seller, by promptly transmitting by e-mail a copy of this page, signed and dated as of the date of acknowledgment, to all Parties designated for notice in Sections 1.12 and 1.13 of the Agreement, and the Broker identified in Section 1.10 of the Agreement, for the purpose of promptly notifying all Parties of the Effective Date as described in Section 1.3 of the Agreement. The Title Company agrees to invest the Earnest Money in accordance with Section 4.1.

TITLE COMPANY:

Chicago Title Insurance Company
15727 Anthem Pkwy, Suite 210
San Antonio, TX 78249
Telephone: 210-482-3701
Email: Robert.Jordan@ctt.com

By: ______________________________
Robert P. Jordan,
VP & Commercial Escrow Officer

Date: ______________________________
(The Effective Date)

EXHIBIT "A"

PROPERTY

A certain tract of land situated in the City of Lockhart, Caldwell County, Texas being a part of the Cornelius Crenshaw Survey A-68 and containing approximately 11.820 acres of that 71.476 acre tract conveyed to Lockhart Economic Development Corporation by General Warranty Deed recorded on February 22, 2021 as Document No. 2021-000994 of the Official Pubic Records of Caldwell County, Texas being more particularly described as follows:

BEGINNING *at a red capped iron pin found (markings not legible) used for basis of bearing in the West corner of the above mentioned 71.476 acre tract and the South corner of a tract of land called 99.304 acres and conveyed to SHB Family LP by deed recorded in Volume 636 Page 708 of the said Official Public Records and in the NE line of F.M. #2720 (80' ROW) for the West corner this tract.*

THENCE N 58 degrees 31 minutes 44 seconds E *with the NW line of the said 71.476 acre tract and the SE line of the said 99.304 acre tract* **1691.74 feet** *to a ½" iron pin found used for basis of bearing in the North corner of the said 71.476 acre tract and the apparent East corner of the said SHB Family tract and the apparent SW line of a tract of land called 51.82 acres and conveyed to Mary Faye Barnes by deed recorded in Volume 408 Page 608 of the Deed Records of Caldwell County, Texas for the most Westerly North corner this tract.*

THENCE S 31 degrees 28 minutes 38 seconds E *with a NE line of the said 71.476 acre tract and the apparent SW line of the above mentioned Barnes 51.82 acre tract* **1115.38 feet** *to a red capped iron pin found in the apparent South corner of the said 51.82 acre tract and the West corner of the above mentioned 43.392 acre tract for an ell corner this tract.*

THENCE N 79 degrees 28 minutes 38 seconds E *with the NW line of the said 43.392 acre tract and the apparent SE line of the said 51.82 acre tract* **557.24 feet** *to an aluminum capped iron pin found in the NW line of North Cesar Chavez Parkway SB (State Highway #130) for the most Easterly North corner this tract.*

THENCE *with the NW line of North Cesar Chavez Parkway SB and over and across the said 43.392 acre tract and partially with the SE line of the said 71.476 acre tract for the following two (2) courses:*
(1) S 21 degrees 09 minutes 48 seconds W 929.91 feet *to a capped ½" iron pin set (stamped "HINKLE SURVEYORS") for an angle point this tract.*
(2) S 07 degrees 50 minutes 42 seconds W 307.87 feet *to a capped ½" iron pin set (stamped "HINKLE SURVEYORS") in the intersection of the NW line of North Cesar Chavez Parkway SB and the North line of the Union Pacific RR ROW and in the East corner of the said 71.476 acre tract for the most Southerly East corner this tract.*

THENCE S 83 degrees 10 minutes 44 seconds W *with the NW line of the said Union Pacific RR ROW and the SE line of the said 71.476 acre tract* **1406.29 feet** *to a capped ½" iron pin set (stamped "HINKLE SURVEYORS") in the South corner of the said 71.476 acre tract and the intersection of the NW line of the said Union Pacific RR ROW and the NE line of F.M. #2720 for the South corner this tract.*

THENCE N 31 degrees 28 minutes 15 seconds W *with the SW line of the said 71.476 acre tract and the NE line of F.M. #2720* **1530.63 feet** *to the place of beginning containing* **75.039 acres** *of land more or less.*

Such 11.820 acres as further depicted as Block C, Lot 2 below:

EXHIBIT "B"

FORM OF SPECIAL WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

STATE OF TEXAS)
)
COUNTY OF CALDWELL)

LOCKHART ECONOMIC DEVELOPMENT CORPORATION, a Texas Type B sales tax corporation ("Grantor"), for and in consideration of the sum of Ten and 00/100th Dollars ($10.00) cash and other good and valuable consideration paid, the receipt and sufficiency of which is hereby acknowledged, paid by **______________________________**, a Texas limited liability company ("Grantee"), whose address is 6300 Riverside Plaza Ln, NW, Suite 200, Albuquerque, NM 87120 has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents DO RESPECTIVELY GRANT, BARGAIN, SELL and CONVEY with special warranty covenants unto Grantee all of the real property situated in Caldwell County, Texas more particularly described in **Exhibit "A"** attached hereto and made a part hereof, together with all of Grantor's rights, ways, privileges and appurtenances pertaining thereto and all improvements and fixtures located thereon, if any (hereinafter collectively referred to as the "Property").

TO HAVE AND TO HOLD the Property, subject to the Permitted Exceptions as set forth in Exhibit "B" attached hereto and made apart hereof, unto Grantee, its successors and assigns, forever, and, subject to the Permitted Exceptions, Grantor does hereby bind itself and its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Grantor, but not otherwise.

Real property ad valorem taxes and assessments having been prorated to the date hereof, Grantee hereby assumes and agrees to pay when due all such ad valorem property taxes and assessments for the year 2022 and subsequent years.

WITNESS this my hand and seal this _____ day of __________________, 2022.

LOCKHART ECONOMIC
DEVELOPMENT CORPORATION
a Texas Type B sales tax corporation

By: ______________________________
Name: ______________________________
Title: ______________________________

STATE OF TEXAS)
) ss.
COUNTY OF CALDWELL)

This instrument was acknowledged before me on ____________________, 2022, by __________ __________________, as _______________ of LOCKHART ECONOMIC DEVELOPMENT CORPORATION, a Texas Type B sales tax corporation, on behalf of the corporation.

Notary: ______________________________
Printed Name: ________________________
Notary Public, State of Texas
My Commission Expires: _______________

Exhibit "A"
To Special Warranty Deed

LEGAL DESCRIPTION

Exhibit "B"
To Special Warranty Deed

PERMITTED EXCEPTIONS

RIGHT OF FIRST REFUSAL AGREEMENT

THIS RIGHT OF FIRST REFUSAL AGREEMENT ("Agreement") is made as of December 15, 2021 ("Effective Date") by and between TITAN PROPERTY MANAGEMENT, LLC, a New Mexico limited liability company, its successors or assigns ("TPM") and LOCKHART ECONOMIC DEVELOPMENT CORPORATION, a Texas Type B sales tax corporation, ("LEDC"), (TPM and LEDC are sometimes hereinafter collectively referred to as the "Parties").

RECITALS

WHEREAS, LEDC is the owner of those certain parcels of land known as Lot 2 and Lot 3 in Block C, Lockhart Industrial Park III in Caldwell County, Lockhart, Texas, as further described on Exhibit "A" attached hereto and made a part hereof (either or both lots, the "ROFR Property");

WHEREAS, TPM, its successors or assign, and LEDC have entered into that Purchase and Sale Agreement concurrent herewith ("Purchase Agreement") for the purchase of the property contiguous to the Exclusive Area known as Lot 2 in Block A, Lockhart Industrial Park III, Caldwell County, Lockhart, Texas;

WHEREAS, LEDC desires to grant TPM a right of first refusal and option to purchase the ROFR Property as set forth herein ("ROFR"); and

WHEREAS, the Parties desire to set forth the terms and conditions of the right of first refusal and option to purchase the ROFR Property.

NOW, THEREFORE, in consideration of the agreements contained herein, and the sum of Ten and No/100 Dollars ($10.00) paid on the date hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Right of First Refusal. LEDC hereby grants to TPM a right of first refusal for the purchase of the ROFR Property, or any portion thereof, upon the same terms and conditions being offered by a Speculative Purchaser which LEDC is willing to accept during that period commending on the Effective Date herein and ending twelve (12) months thereafter ("ROFR Period"). LEDC shall not sell the ROFR Property, or any portion thereof, to any Speculative Purchaser without first providing TPM the opportunity to purchase such property. A "Speculative Purchaser" shall be any party who is purchasing the ROFR Property, or any portion thereof, to hold or for speculative development, to lease to an unrelated third-party, to build a speculative building, or for resale for such purposes. If LEDC desires to sell the Property to a Speculative Purchaser, TPM shall have the right to buy such ROFR Property, or portion thereof, for the same price and general terms as set forth in a bona fide, third-party offer that TPM desires to accept. Notwithstanding the foregoing, the ROFR shall not apply to a party who will immediately develop the ROFR Property, or a portion thereof, for its own use (an "End User").

2. Exercise of ROFR. In the event LEDC desires to sell to a Speculative Purchaser the ROFR Property, or any portion thereof, during the ROFR Period, LEDC shall provide to TPM a copy of

the letter of intent, term sheet or other preliminary agreement ("LOI") between LEDC and the Speculative Purchaser that has been accepted by LEDC or which LEDC desires to accept (any LOI executed by LEDC shall be expressly subject to the ROFR) (the "Offer Notice"). TPM shall have thirty (30) days after receipt of the Offer Notice to deliver notice to LEDC electing to purchase the property set forth in the Offer Notice upon the terms and conditions set forth in the Offer Notice. If TPM timely exercises its ROFR, the Parties shall enter into a Purchase and Sale Agreement in a form materially similar to the Purchase Agreement. If TPM fails to timely exercise its ROFR for the property included in the Offer Notice, TPM shall be deemed to have waived its rights as to such property as it relates to the offer set forth in the Offer Notice; provided, however, in the event that LEDC does not sell such Property pursuant to the Offer Notice or LEDC seeks to materially amend the terms of the Offer Notice, then TPM's ROFR shall be reinstated for such portion of the ROFR Property, and further provided, that the ROFR shall continue to apply to all other portions of the ROFR Property.

3. Purchase Option. LEDC hereby grants to TPM the right and option to purchase all or any portion of the ROFR Property, at terms to be agreed upon by the Parties (the "Purchase Option"). TPM may exercise the Purchase Option, with respect to all or any portion of the ROFR Property, by delivering written notice to LEDC at any time during the ROFR Period. Upon receipt of such written notice, the Parties shall use good faith efforts to negotiate the terms of the purchase and sale of the portion of the ROFR Property to be sold, including, but not limited to, the purchase price for of the ROFR Property, or such portion thereof. Upon agreement to the purchase terms pursuant to this Section 3, the parties shall execute a purchase and sale agreement for the ROFR Property, or portion thereof, being purchased substantially in the same form as the Purchase Agreement, with any necessary changes made to account for the circumstances of the transaction. In the event that the Parties are unable to agree upon the terms of the purchase and sale within thirty (30) days after delivery of the applicable notice from TPM and the Parties entering into a purchase and sale agreement (the "Negotiation Period"), and after compliance with TPM's ROFR and satisfaction of the ROFR conditions set forth in Section 1 above, LEDC may sell all or any portion of the ROFR Property to a Speculative Purchaser. Provided that the ROFR conditions have been satisfied, the Purchase Option shall not run with the ROFR Property and shall not be binding on such Speculative Purchaser.

4. End User. In the event that LEDC desires to sell the ROFR Property, or any portion thereof, to an End User, at least fifteen (15) days prior to negotiating or entering into an LOI with said End User, LEDC shall introduce TPM to such End User and provide TPM the opportunity to meet with the End User and discuss TPM's development of the project for the End User's intended use. In the event that any party other than the End User or its subsidiary acts as the developer of the End User's project (the End User may contract directly with the general contractor to build its project), the ROFR shall apply.

5. Exclusivity. LEDC, directly or through an affiliated or related party, shall not, during the ROFR Period, enter into any lease or occupancy agreement for any portion of the ROFR Property or Commence Development (as defined below) within the ROFR Property. For the purpose of this Agreement only, "Commence Development" shall mean any commencement of permanent construction of a structure or improvements on or within the ROFR Property, including, but not limited to, the pouring of slab or footings, the installation of piers, the construction of columns, excavation, or the placement of any improvements on the ROFR Property (LEDC may install

utilities and other offsite improvements for the benefit of the ROFR Property). The restrictions set forth in this Section shall run with the ROFR Property for the ROFR Period unless otherwise terminated as provided for herein.

6. Default and Remedies. If LEDC fails or refuses to meet, comply with or perform any agreement or obligations under this Agreement, and such failure or refusal is not cured within ten (10) after notice from TPM, then LEDC shall be deemed to be in default hereunder and TPM may (i) seek specific performance along with all reasonable out of pocket expenses, including reasonable attorney's fees incurred by TPM in connection with enforcement of this Agreement; or (ii) pursue an action for damages and any other remedies available at law or equity; provided, however, in no event shall TPM be entitled to consequential, special or punitive damages.

7. Entire Agreement. This Agreement constitutes the entire agreement of the Parties and may not be amended except by written instrument executed by the Parties.

8. Applicable Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas.

9. Recording. This Agreement shall not be recorded. Notwithstanding the foregoing, a Memorandum of this Agreement (the "Memorandum") shall be recorded in the Real Property Records of Caldwell County, Texas on the date hereof to evidence the existence of this Agreement. Provided that the ROFR conditions herein have been satisfied and TPM has not elected to purchaser the ROFR Property, or applicable portion thereof, or the ROFR Period has expired, then TPM will execute a release of the Memorandum, to be recorded in the Real Property Records of Caldwell County, Texas, with respect to the portion of the ROFR Property sold to a Speculative Purchaser (concurrently with the sale to a Speculative Purchaser), or within fifteen (15) days after the end of the ROFR Period. If TPM fails to execute such release, LEDC shall be permitted to execute a release of the Memorandum, to be recorded in the Real Property Records of Caldwell County, Texas, with respect to the portion of the ROFR Property sold to a Speculative Purchaser or for all remaining ROFR Property at the end of the ROFR Period, provided that LEDC certifies in such release that either (i) the ROFR conditions herein have been satisfied in full by LEDC, or (ii) the ROFR Period has expired.

10. Time. Time is of the essence hereof. The parties require strict compliance with the times for performance set forth herein.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which taken together shall constitute one original document. A counterpart of this Agreement transmitted by email or other electronic means shall, if it is executed, be deemed in all respects to be an original document, and any email, or other electronic signature shall be deemed an original signature and shall have the same binding legal effect as an original executed counterpart of this Agreement.

Binding Effect. The restrictions set forth herein shall run with the ROFR Property.

SIGNATURE PAGE TO
RIGHT OF FIRST REFUSAL AGREEMENT

IN WITNESS WHEREOF, the parties hereto have set their hands and seals hereto as of the date first set forth above.

LOCKHART ECONOMIC
DEVELOPMENT CORPORATION
a Texas Type B sales tax corporation

By: ______________________________
Steven Lewis, President

SIGNATURE PAGE TO
RIGHT OF FIRST REFUSAL AGREEMENT

IN WITNESS WHEREOF, the parties hereto have set their hands and seals hereto as of the date first set forth above.

TITAN PROPERTY MANAGEMENT, LLC
a New Mexico limited liability company

By: ______________________________
Ben F. Spencer, Manager

EXHIBIT "A"
Description of ROFR Property

A certain tract of land situated in the City of Lockhart, Caldwell County, Texas being a part of the Cornelius Crenshaw Survey A-68 and containing approximately 26.095 acres of that 71.476 acre tract conveyed to Lockhart Economic Development Corporation by General Warranty Deed recorded on February 22, 2021 as Document No. 2021-000994 of the Official Pubic Records of Caldwell County, Texas being more particularly described as follows:

BEGINNING *at a red capped iron pin found (markings not legible) used for basis of bearing in the West corner of the above mentioned 71.476 acre tract and the South corner of a tract of land called 99.304 acres and conveyed to SHB Family LP by deed recorded in Volume 636 Page 708 of the said Official Public Records and in the NE line of F.M. #2720 (80' ROW) for the West corner this tract.*

THENCE N 58 degrees 31 minutes 44 seconds E *with the NW line of the said 71.476 acre tract and the SE line of the said 99.304 acre tract* **1691.74 feet** *to a ½" iron pin found used for basis of bearing in the North corner of the said 71.476 acre tract and the apparent East corner of the said SHB Family tract and the apparent SW line of a tract of land called 51.82 acres and conveyed to Mary Faye Barnes by deed recorded in Volume 408 Page 608 of the Deed Records of Caldwell County, Texas for the most Westerly North corner this tract.*

THENCE S 31 degrees 28 minutes 38 seconds E *with a NE line of the said 71.476 acre tract and the apparent SW line of the above mentioned Barnes 51.82 acre tract* **1115.38 feet** *to a red capped iron pin found in the apparent South corner of the said 51.82 acre tract and the West corner of the above mentioned 43.392 acre tract for an ell corner this tract.*

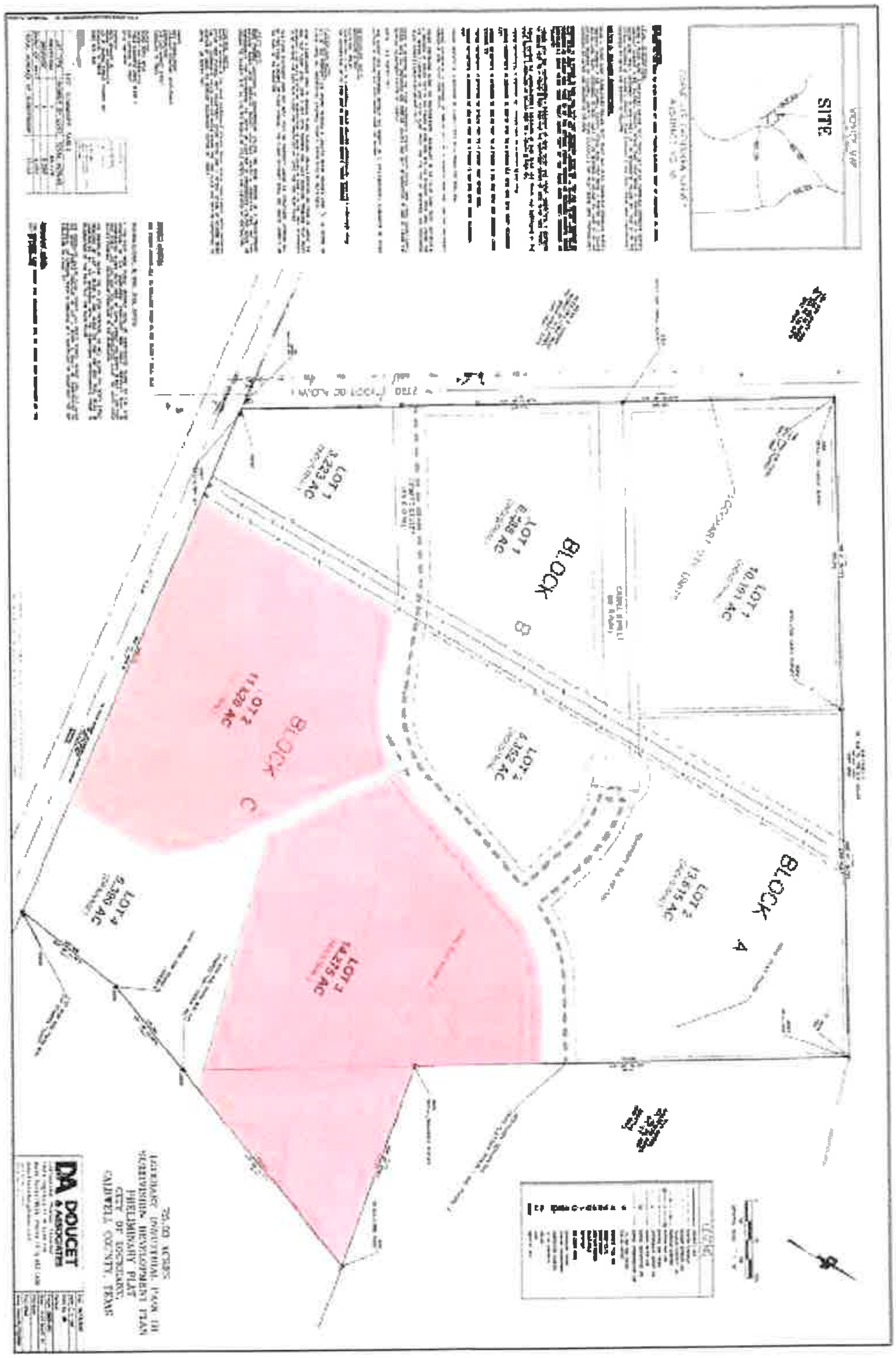
THENCE N 79 degrees 28 minutes 38 seconds E *with the NW line of the said 43.392 acre tract and the apparent SE line of the said 51.82 acre tract* **557.24 feet** *to an aluminum capped iron pin found in the NW line of North Cesar Chavez Parkway SB (State Highway #130) for the most Easterly North corner this tract.*

THENCE *with the NW line of North Cesar Chavez Parkway SB and over and across the said 43.392 acre tract and partially with the SE line of the said 71.476 acre tract for the following two (2) courses:*
(1) S 21 degrees 09 minutes 48 seconds W 929.91 feet *to a capped ½" iron pin set (stamped "HINKLE SURVEYORS") for an angle point this tract.*
(2) S 07 degrees 50 minutes 42 seconds W 307.87 feet *to a capped ½" iron pin set (stamped "HINKLE SURVEYORS") in the intersection of the NW line of North Cesar Chavez Parkway SB and the North line of the Union Pacific RR ROW and in the East corner of the said 71.476 acre tract for the most Southerly East corner this tract.*

THENCE S 83 degrees 10 minutes 44 seconds W *with the NW line of the said Union Pacific RR ROW and the SE line of the said 71.476 acre tract* **1406.29 feet** *to a capped ½" iron pin set (stamped "HINKLE SURVEYORS") in the South corner of the said 71.476 acre tract and the intersection of the NW line of the said Union Pacific RR ROW and the NE line of F.M. #2720 for the South corner this tract.*

THENCE N 31 degrees 28 minutes 15 seconds W *with the SW line of the said 71.476 acre tract and the NE line of F.M. #2720* **1530.63 feet** *to the place of beginning containing* **75.039 acres** *of land more or less.*

Such 26.095 acres as further depicted as Block C, Lot 2 and Lot 3 below:



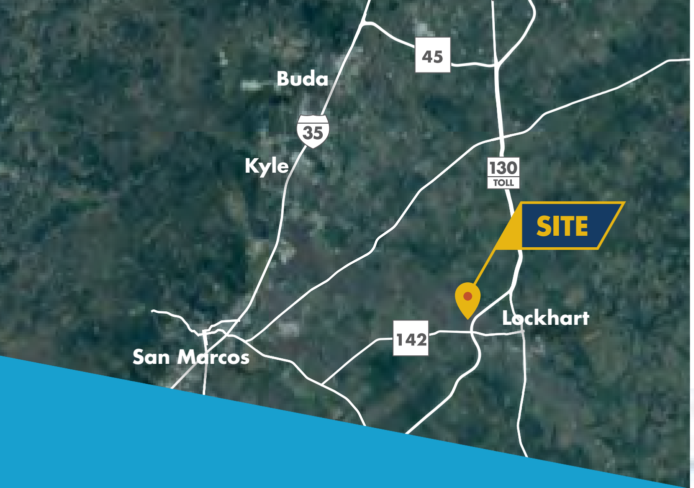
FOR LEASE
LOCKHART INDUSTRIAL PARK

NEAR FM 2720 & US-130 • LOCKHART, TEXAS 78644

AQUILA™

TITAN DEVELOPMENT

168,480 SF Rear-Load Building



Building Park
Four rear-load buildings

Building 1
42,120 - 168,480 SF

Building 1 Construction Timeline
Groundbreaking: Q2 2022
Delivery: Q1 2023

Clear Height
32′

Developed by

FOR LEASE
LOCKHART INDUSTRIAL PARK

NEAR FM 2720 & US-130 • LOCKHART, TEXAS 78644

LOCKHART INDUSTRIAL PARK is a brand new Class A industrial spec development for lease in Lockhart, Texas, just west of SH-130. Developed by Titan Development, the park can accommodate buildings of various sizes. Building 1 will begin construction in Q2 2022 with delivery in Q1 2023.

Property Highlights

- Brand new Class A spec industrial park
- Triple freeport tax exempt
- Just west of SH-130 with easy access
- Aggressive incentives from the City of Lockhart

Omar Nasser
512.684.3721
nasser@aquilacommercial.com

Blake Patterson
512.684.3717
patterson@aquilacommercial.com

SITE PLAN
LOCKHART INDUSTRIAL PARK

NEAR FM 2720 & US-130 • LOCKHART, TEXAS 78644

TITAN DEVELOPMENT

AQUILA™

BUILDING 1
LOCKHART INDUSTRIAL PARK

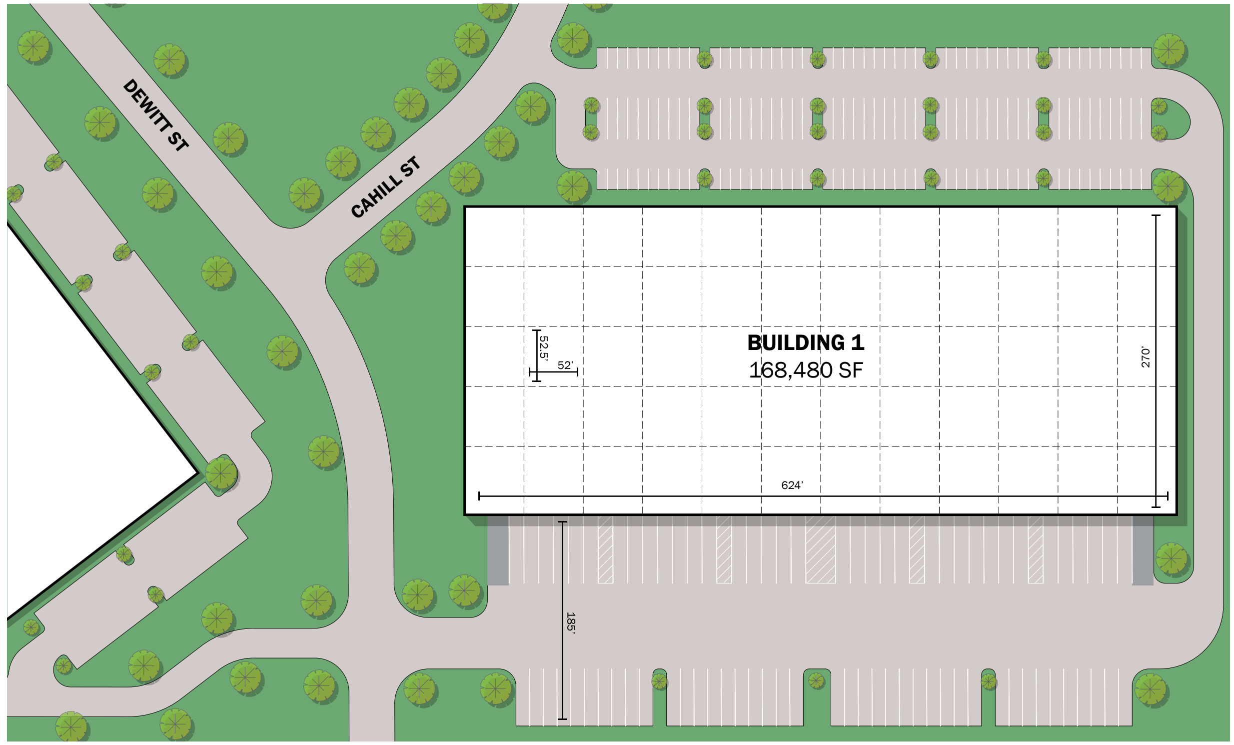
NEAR FM 2720 & US-130 • LOCKHART, TEXAS 78644

TITAN DEVELOPMENT

AQUILA™

BUILDING 1 SPECS

Total Size	168,480 SF
Divisible to	42,120 SF
Building Type	Rear Load
Column Spacing	52.5′ x 52′ Typical with 60′ Speed Bay
Clear Height	32′
Ramps	2
Docks	34
Building Depth	270′
Building Width	624′
Truck Court Depth	185′
Sprinklers	ESFR
Power	2000 Amps 3 Phase 480v
Exemption	Triple Freeport Tax Exempt
Auto Parking	200 spaces
Trailer Parking	42 spaces



ACCESSIBILITY
LOCKHART INDUSTRIAL PARK

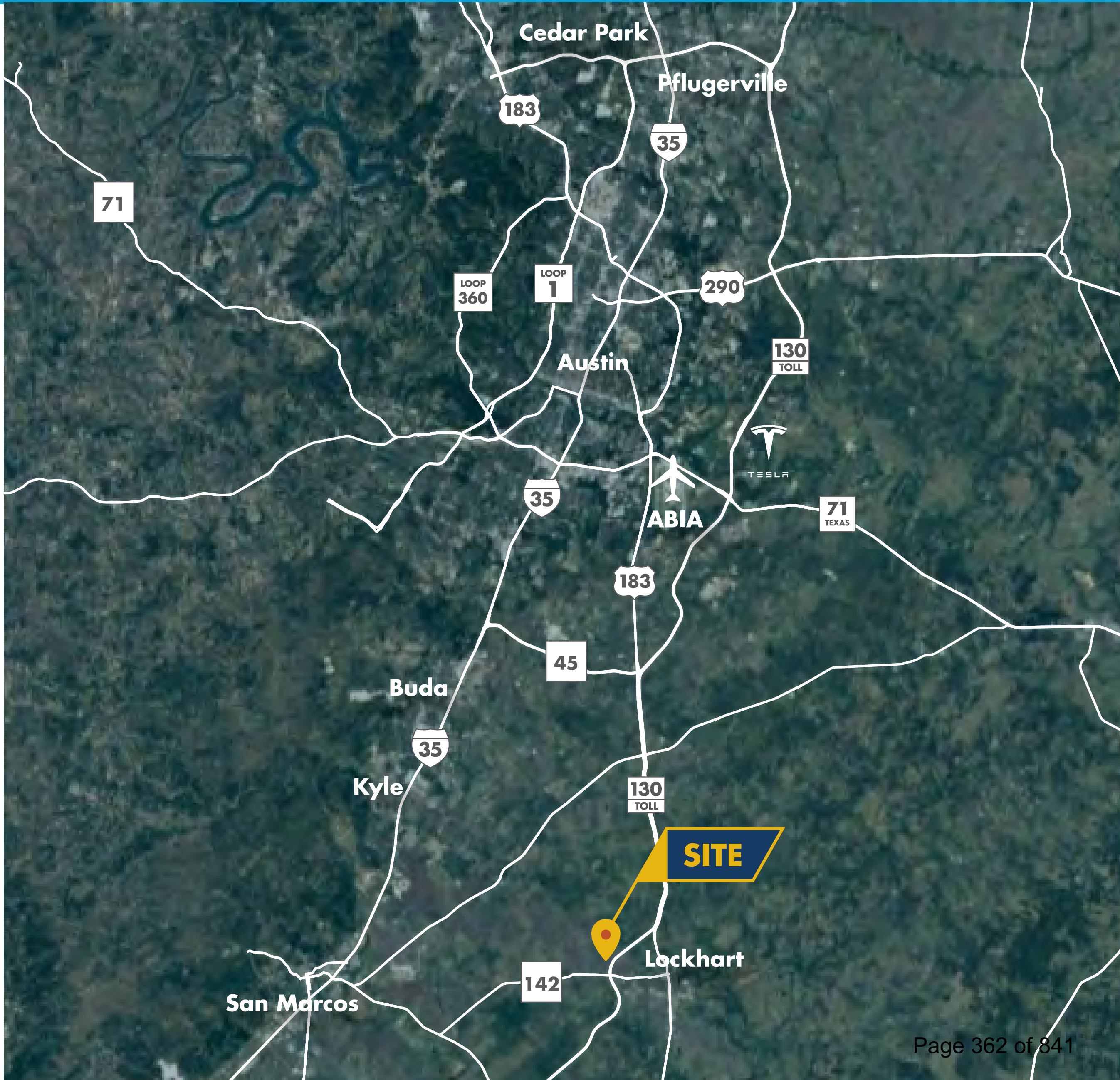
NEAR FM 2720 & US-130 • LOCKHART, TEXAS 78644

TITAN DEVELOPMENT

AQUILA™

Drive Times

Destination	Miles	Minutes
130 Toll Road	<1 mile	<1 min
San Marcos	15 miles	20 min
ABIA Airport	27 miles	30 min
Tesla Gigafactory	28 miles	30 min
Downtown Austin	34 miles	40 min
The Domain	40 miles	50 min
San Antonio	65 miles	1 hour
Houston	160 miles	2 hours
Dallas	225 miles	3.5 hours



EQUAL HOUSING OPPORTUNITY

Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

AQUILA Commercial LLC	567896	info@aquilacommercial.com	512-684-3800
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Christopher Perry	428511	perry@aquilacommercial.com	512-684-3803
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials ______ ______ Date ______

Regulated by the Texas Real Estate Commission **Information available at www.trec.texas.gov**

IABS 1-0

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Continue discussion regarding application ZC-22-06 by Curtis Thigpen of Paravel Capital for a **Zoning Change** from *RMD Residential Medium Density District* to *RHD Residential High Density District* for 19.906 acres in the Cornelius Crenshaw Survey, Abstract No. 68, located in the 1900 block of North Cesar Chavez Parkway - Northbound (SH 130). *TABLED at the February 15 meeting. Proposed to be TABLED again to the June 7th meeting due to not yet having a final recommendation from the Planning and Zoning Commission.*

ORIGINATING DEPARTMENT AND CONTACT: Development Services - Dan Gibson

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The subject property is part of a 50.77-acre tract that was rezoned from AO to RMD in October 2021 for the stated purpose of developing a duplex subdivision. However, the applicant for this zoning change proposes a multifamily development, which is allowed only in the RHD district. The proposed development is the upper portion of the attached concept plan labeled "*Medium Density Residential Development*", which also includes a proposed duplex subdivision in the lower portion. The proposed RHD zoning classification is ***not*** consistent with the *Medium Density Residential* future land use designation shown on the land use plan map. As explained in great detail in the attached staff report, there is currently a total lack of sanitary sewer service in the Silent Valley Road area, while we continue to receive applications for zoning changes and specific use permits that will potentially increase residential densities in that area above those anticipated by the comprehensive plan. The land use plan map was the basis for the sizing of proposed wastewater lines included in the wastewater impact fee CIP. The 12-inch line proposed to serve the area will not be large enough for the increased densities being requested, and an increase to a larger size would require not only an extension from Tank Street, but also replacement and upgrading of an existing 12-inch line. The city engineer has been asked to determine how many living-unit equivalents can be handled by the planned 12-inch extension, as well as by a larger line that would include the necessary upgrading to Larremore Street. The study will also include estimates of design and construction costs so that the developers of land north of Silent Valley Road will know approximately what their share of the expense will be to serve their developments. The city engineer now estimates that the study may take an additional two months. This item was tabled at the February 15th Council meeting with the understanding that the study would be completed by sometime in March, but because the scope of the project has changed to include more of the northwest part of the city and to do flow-testing of existing wastewater lines, it is necessary to table this zoning change for a longer period of time. So far, there has been no public opposition to this zoning change.

PROJECT SCHEDULE (if applicable): Not applicable.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

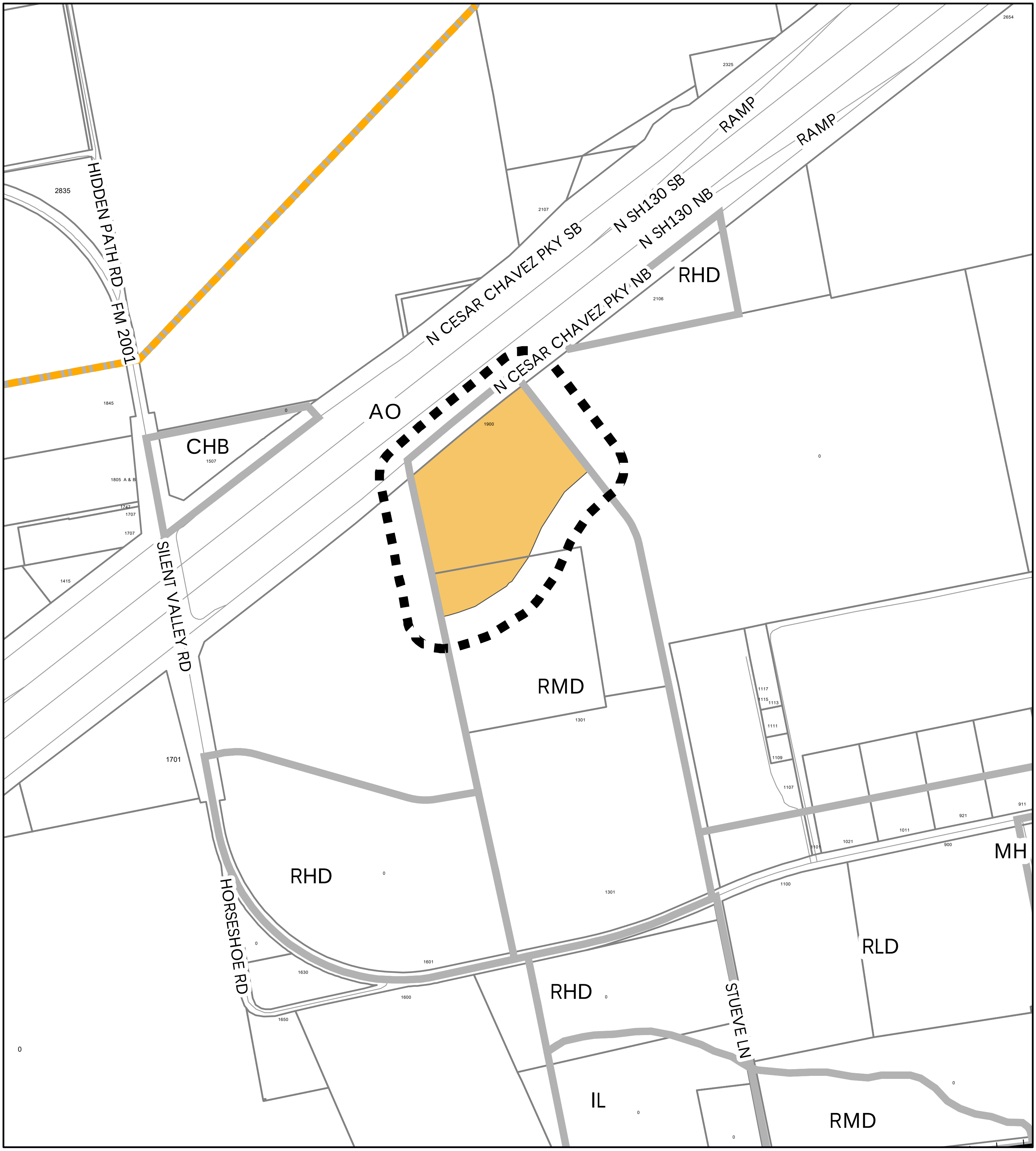
FISCAL NOTE (if applicable): Not applicable.

PREVIOUS COUNCIL ACTION: On February 15th, the Council tabled this zoning change because a final recommendation had not yet been received from the Planning and Zoning Commission.

COMMITTEE/BOARD/COMMISSION ACTION: At their February 9th meeting, the Planning and Zoning Commission voted unanimously to TABLE further consideration of Zoning Change ZC-22-06 until the Commission's March 9th meeting for the reasons stated in the staff report. The Commission then tabled it again to their May 25th meeting to allow for the longer period required for the wastewater capacity study.

STAFF RECOMMENDATION/REQUESTED MOTION: Staff believes that this zoning change request is premature until we have a better idea of the City's sanitary sewer capacity to serve land use densities that are higher than the future land use designations indicated on the City's land use plan map in the Silent Valley Road area. The suggested motion is to once again TABLE further consideration of Zoning Change ZC-22-06 from RMD to RHD on 19.906 acres in the 1900 block of North Cesar Chavez Parkway - Northbound until the June 7th Council meeting because Section 211.007 of the Texas Local Government Code prohibits the governing body (City Council) from holding a public hearing or taking action on a zoning map change until a final recommendation is received from the zoning commission (Planning and Zoning Commission). Therefore, this item is not listed on the agenda as a public hearing, and no ordinance is attached.

LIST OF SUPPORTING DOCUMENTS: ZC2206 case map, ZC2206 zoning, ZC2206 future landuse, ZC2206 aerial, zc2206 staff report, sup2203 & zc2206 concept plan, zc2206 updated application



ZC-22-06

RMD TO RHD

1900 N CESAR CHAVEZ PKWY NB

N

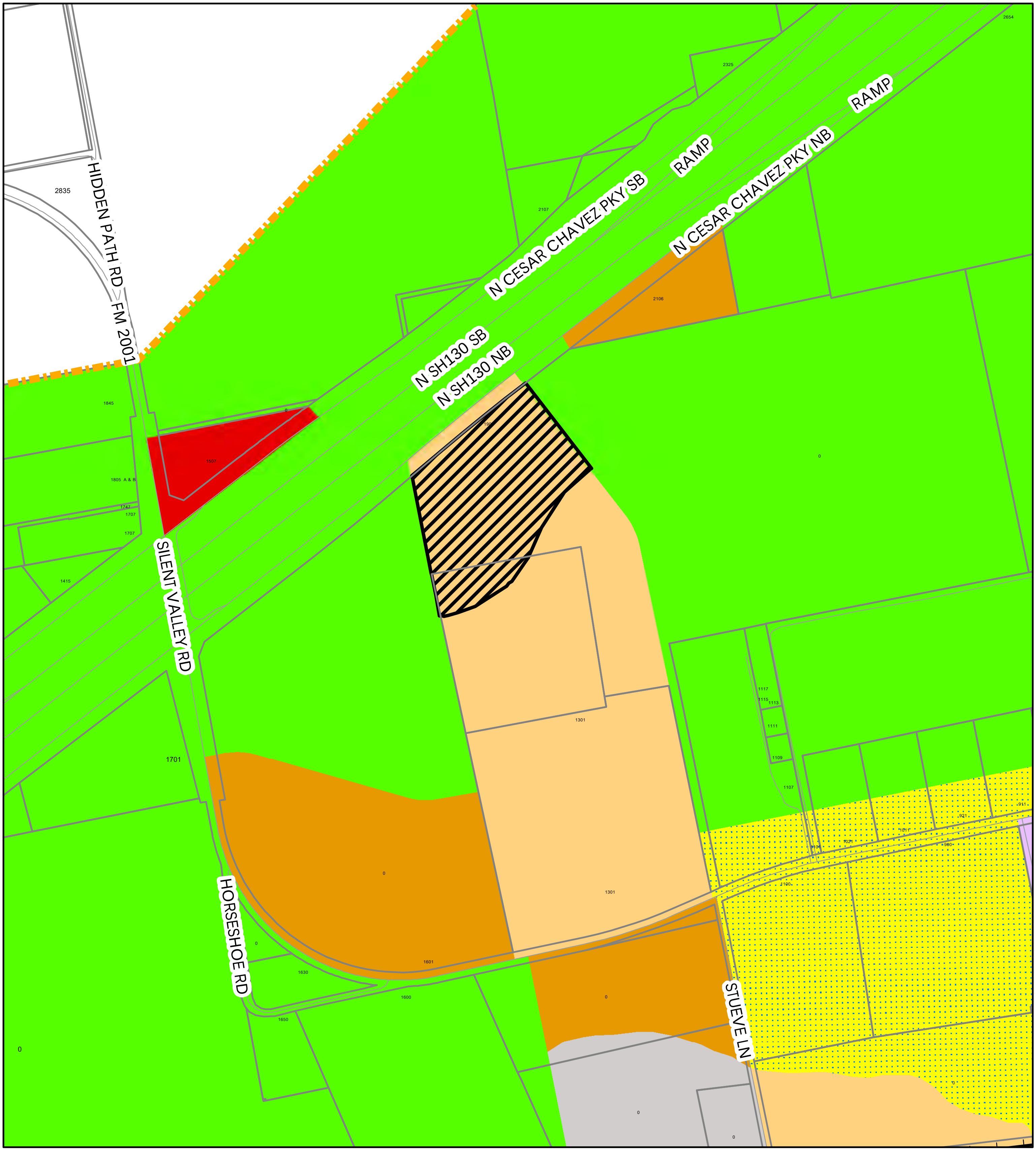
scale 1" = 800'

SUBJECT PROPERTY

ZONING BOUNDARY

CITY LIMITS

200 FT BUFFER



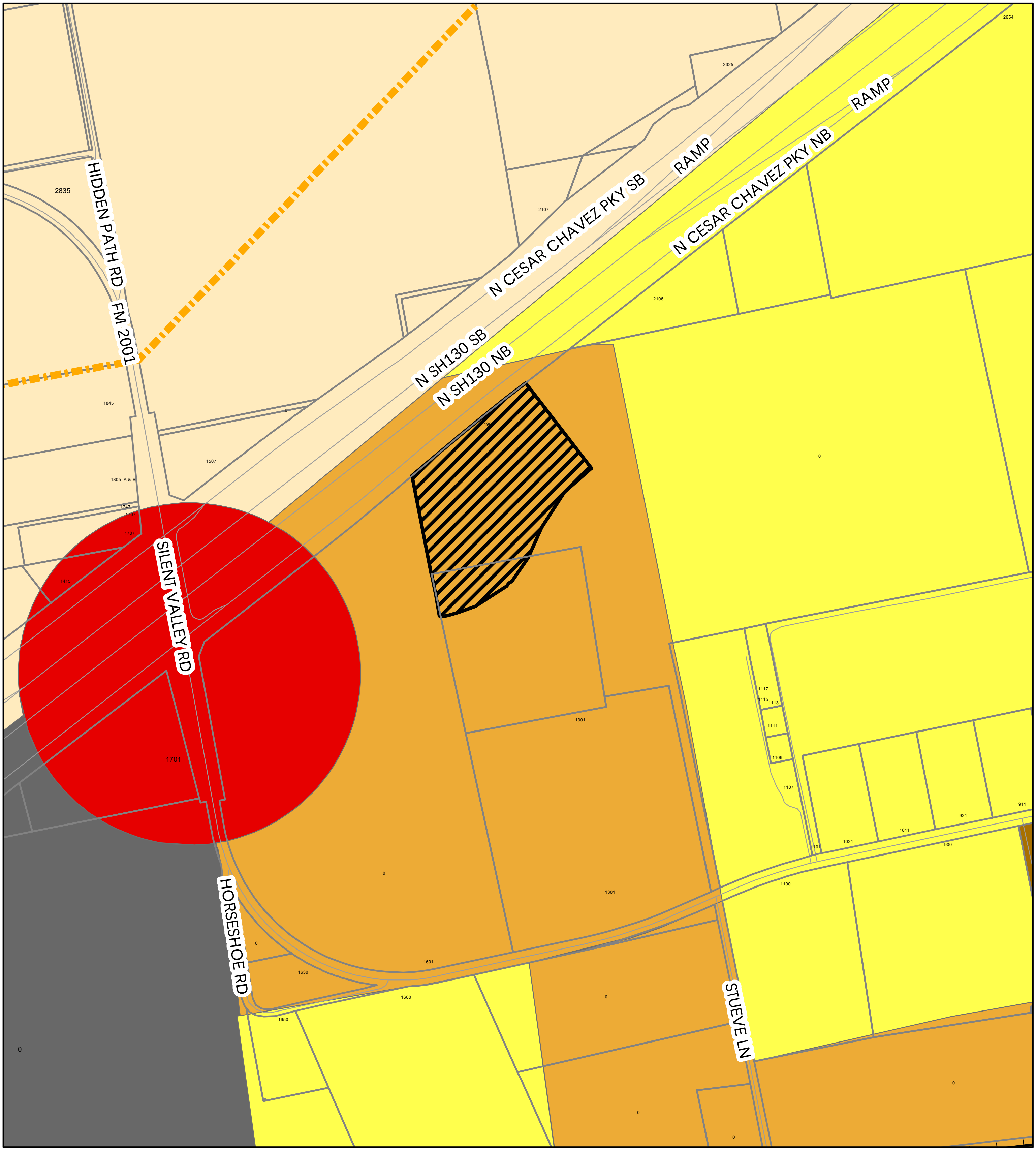
ZC-22-06

RMD TO RHD

1900 N CESAR CHAVEZ PKWY NB

scale 1" = 800'

ZONING DISTRICTS
- AGRICULTURAL-OPEN SPACE
- COMMERCIAL HEAVY BUSINESS
- INDUSTRIAL LIGHT
- MANUFACTURED HOME
- RESIDENTIAL HIGH DENSITY
- RESIDENTIAL LOW DENSITY
- RESIDENTIAL MEDIUM DENSITY



FUTURE LANDUSE

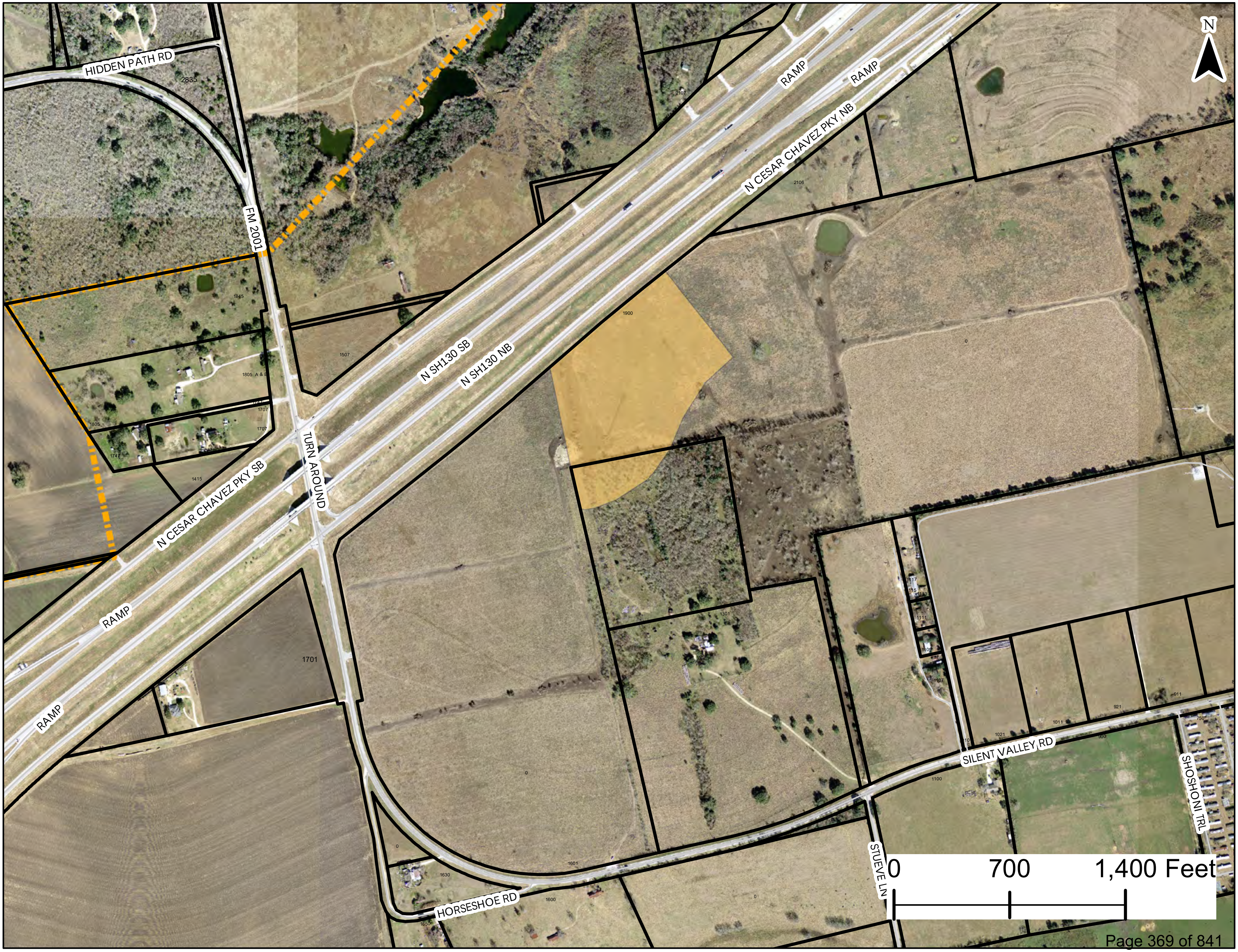
RMD TO RHD

1900 N CESAR CHAVEZ PKWY NB

N

scale 1" = 800'

AGRICULTURE/RURAL DEVELOPMENT
GENERAL-HEAVY COMMERCIAL
INDUSTRY
RESIDENTIAL, HIGH DENSITY
RESIDENTIAL, LOW DENSITY
RESIDENTIAL, MEDIUM DENSITY


HIDDEN PATH RD
FM 2001
RAMP
RAMP
N CESAR CHAVEZ PKY NB
N SH130 SB
N SH130 NB
TURN AROUND
N CESAR CHAVEZ PKY SB
RAMP
RAMP
SILENT VALLEY RD
SHOSHONI TRL
STUEVE LN
HORSESHOE RD
1701
0
700
1,400 Feet
N

PLANNING DEPARTMENT REPORT ZONING CHANGE

CASE SUMMARY

STAFF: Dan Gibson, City Planner CASE NUMBER: ZC-22-06
REPORT DATE: February 4, 2022 [Updated 2-10-22, 3-2-22, 3-10-22]
PLANNING AND ZONING COMMISSION HEARING DATE: March 9, 2022 [Tabled to 5-25-22]
CITY COUNCIL HEARING DATE: February 15, 2022 [Tabled]
REQUESTED CHANGE: RMD to RHD
STAFF RECOMMENDATION: ***Table to June 7th City Council meeting***
PLANNING AND ZONING COMMISSION RECOMMENDATION: No final recommendation yet.

BACKGROUND DATA

APPLICANT: Paravel Capital
OWNER: Curtis Thigpen
SITE LOCATION: 1900 North Cesar Chavez Parkway (SH 130). [Final address to be assigned later.]
LEGAL DESCRIPTION: Metes and Bounds
SIZE OF PROPERTY: 19.906 acres
EXISTING USE OF PROPERTY: Vacant land
LAND USE PLAN DESIGNATION: *Medium Density Residential*

ANALYSIS OF ISSUES

PREVIOUS ACTION: This item was tabled by the Planning and Zoning Commission at their February 9th meeting to their March 9th meeting due to concerns about the lack of wastewater service, and to allow time for the city engineer to conduct a study for determining the size and cost of necessary wastewater line extensions. On February 15th, the City Council also tabled this item. Since then, the city engineer has determined that it may take two more months to conduct a proper study of the needed wastewater infrastructure in the north and west areas of the city, so this zoning change should be tabled again. At their March 9th meeting, the Planning and Zoning Commission tabled this item once again, this time to their May 25th meeting. Fortunately, the City just received word that we have been approved for a large EDA grant that can be used for upgrading and extending the City's wastewater infrastructure. That grant will go a long way in funding whatever wastewater line extensions and improvements are needed to serve northwest Lockhart, including the area north of Silent Valley Road.

REASON FOR REQUESTED ZONING CHANGE: The subject property is part of a 50.77-acre tract that was rezoned from AO to RMD in October 2021 for the stated purpose of developing a duplex subdivision. However, the applicant for this zoning change proposes a multifamily development, which is allowed only in the RHD district. The proposed development is the upper portion of the attached concept plan labeled "*Medium Density Residential Development*", which also includes a proposed duplex subdivision in the lower portion.

AREA CHARACTERISTICS:

	Existing Use	Zoning	Future Land Use Plan
North	SH 130	AO	*Agricultural/Rural Development (north side of SH 130)*
East	Vacant land	AO	*Medium Density Residential, Low Density Residential*
South	Vacant land	RMD	*Residential Medium Density*
West	Vacant land	AO	*Medium Density Residential, General-Heavy Commercial*

TRANSITION OF ZONING DISTRICTS: The subject property does not abut any other RHD zoning, although there are two parcels nearby to the northeast and southwest that were recently rezoned from AO to RHD. RHD is one step up in land use intensity from the RMD classification, which abuts the south boundary of this property. Higher density land uses are sometimes used as a buffer or transition from lower density uses to a major highway.

ADEQUACY OF INFRASTRUCTURE: Vehicular access will be available from the Stueve Lane extension as well as another new east-west collector street that will follow the southern boundary of the subject property. The main issue with regard to infrastructure, though, is the total lack of sanitary sewer service to the entire area north of Silent Valley Road. The impact fee CIP includes a future 12-inch sewer main that would serve the area but, at the rate that zoning changes and specific use permits are being requested to increase the density, there is a concern that a larger line may be needed. This will require not only the previously discussed new extension from Tank Street along the railroad track to Stueve Lane, and along Stueve Lane to Silent Valley Road, but also upgrading the existing 12-inch line at Tank Street that it will connect to. The city engineer has been asked to determine how many living-unit equivalents can be handled by the planned 12-inch extension, as well as by a larger line up to 18 inches or more in diameter that would include upgrading all the way to Larremore Street, if necessary. The study will include estimates of design and construction costs so that the developers of land north of Silent Valley Road will know approximately what their share of the expense will be after the City's contribution from impact fees and the EDA grant.

POTENTIAL NEIGHBORHOOD IMPACT: The surrounding area is currently vacant, but there have been a couple of recent zoning changes to RHD for apartments, and there are other developments on the horizon that would add both commercial development and residential subdivisions. The same applicant who submitted this request also applied for a specific use permit (SUP) to allow the DF-2 residential development type on the remaining 30.864 acres of the original 50-77-acre tract, adjacent to the south of the subject property. The DF-2 development type allows duplexes on smaller lots, thereby resulting in a higher density. After voting to table the SUP at their February 9th meeting, the Planning and Zoning Commission approved it at their March 9th meeting subject to the residential density not exceeding ten dwelling units per acre, which is considered medium density and is consistent with the City's land use plan map. This zoning change, however, will automatically increase the potential for higher density development in the area above the medium density threshold.

CONSISTENCY WITH COMPREHENSIVE PLAN: The proposed RHD zoning classification is ***not*** consistent with the *Medium Density Residential* future land use designation of the land use plan map.

ALTERNATIVE CLASSIFICATIONS: The existing RMD zoning is already consistent with the Medium Density Residential designation shown on the land use plan map, so there is no better classification at this time.

RESPONSE TO NOTIFICATION: None as of the date of this report. The properties within the 200-foot public hearing notification area are currently vacant and are either owned by the applicant or are owned by others who are also proposing new developments.

STAFF RECOMMENDATION: Staff believes that this request is premature until we have a better idea of the City's sanitary sewer capacity to serve land use densities that are higher than the future land use designations indicated on the City's land use plan map. There have already been a couple of recent zoning changes to RHD in the area that will accommodate higher densities, but further high density development should be dependent upon the outcome of the wastewater study. The future land use designation of the subject property is Medium Density Residential, and the requested RHD zoning would allow up to 12 units per acre by-right, which is well into the high density range. However, the applicant has indicated that they plan on developing at an even higher density, which requires approval of an SUP for the MF-2 development type to allow up to 24 units per acre. ***Staff recommends that this zoning change be Tabled to the June 7th City Council meeting when the results of the city engineer's study should be known and a final recommendation from the Planning and Zoning Commission will be available.***

Medium Density Residential Development
Lockhart, TX

CITY OF Lockhart

ZONING CHANGE APPLICATION

(512) 398-3461 • FAX (512) 398-3833
P.O. Box 239 • Lockhart, Texas 78644
308 West San Antonio Street

APPLICANT/OWNER

APPLICANT NAME Paravel Capital

DAY-TIME TELEPHONE (512) 934-8923

E-MAIL cthigpen@paravelcap.com

ADDRESS 1509 Old W 38th St. Ste., 3
Austin, TX 78731

OWNER NAME Curtis Thigpen

DAY-TIME TELEPHONE (512) 934-8923

E-MAIL cthgipen@paravelcap.com

ADDRESS

PROPERTY

1900 N Cesar Chavez PKY NB

ADDRESS OR GENERAL LOCATION ~~Between 1301 Silent Valley Rd. & Toll Road 130, Lockhart, TX 78644~~

LEGAL DESCRIPTION (IF PLATTED) See metes & bounds description

SIZE 19.906 ACRE(S) LAND USE PLAN DESIGNATION Residential Medium Density

EXISTING USE OF LAND AND/OR BUILDING(S) Agriculture

PROPOSED NEW USE, IF ANY Residential High Density (MF-2)

REQUESTED CHANGE

FROM CURRENT ZONING CLASSIFICATION Residential Medium Density RMD

TO PROPOSED ZONING CLASSIFICATION Residential High Density (MF-2) RHD

REASON FOR REQUEST To allow for the development of two and three story apartments of up to 24 DU/AC in order to provide a wider variety of housing options at multiple price points for all residents in the area.

SUBMITTAL REQUIREMENTS

IF THE APPLICANT IS NOT THE OWNER, A LETTER SIGNED AND DATED BY THE OWNER CERTIFYING THEIR OWNERSHIP OF THE PROPERTY AND AUTHORIZING THE APPLICANT TO REPRESENT THE PERSON, ORGANIZATION, OR BUSINESS THAT OWNS THE PROPERTY.

NAME(S) AND ADDRESS(ES) OF PROPERTY LIEN-HOLDER(S), IF ANY.

IF NOT PLATTED, A METES AND BOUNDS LEGAL DESCRIPTION OF THE PROPERTY.

APPLICATION FEE OF $ 548.12 PAYABLE TO THE CITY OF LOCKHART AS FOLLOWS:

1/4 acre or less	$125
Between 1/4 and one acre	$150
One acre or greater	$170 plus $20.00 per each acre over one acre

TO THE BEST OF MY KNOWLEDGE, THIS APPLICATION AND ASSOCIATED DOCUMENTS ARE COMPLETE AND CORRECT, AND IT IS UNDERSTOOD THAT I OR ANOTHER REPRESENTATIVE SHOULD BE PRESENT AT ALL PUBLIC MEETINGS CONCERNING THIS APPLICATION.

SIGNATURE ______________ DATE 1/19/2022

OFFICE USE ONLY

ACCEPTED BY Dan Gibson RECEIPT NUMBER 01132778

DATE SUBMITTED 1-19-22 CASE NUMBER ZC - 22 - 06

DATE NOTICES MAILED 01-24-22 DATE NOTICE PUBLISHED 1-27-2022

PLANNING AND ZONING COMMISSION MEETING DATE 2-9-22

PLANNING AND ZONING COMMISSION RECOMMENDATION Table to 3-9-22 meeting.

CITY COUNCIL MEETING DATE 2-15-2022 Tabled to 5-25-22 meeting.

DECISION Tabled

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discuss Ordinance 2022-14 adopting a code of ethics and anti-discrimination policy for city council members, city board/commission members, and employees.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Steven Lewis, Monte Akers

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION:
Although state law addresses many ethical issues (e.g. Ch. 171 LGC for Conflicts of Interest, Ch. 573 GC for nepotism, etc.), cities often adopt a code of ethics that is more stringent than or which addresses issues not covered in detail by state law (e.g. social media, revolving door issues). A draft ethics policy has been prepared for the Council's consideration that is intended to do the latter. It differs from a draft that was previously distributed, particularly by addition of a section on social media and a section containing a graduating scale of penalties for violation.

Note that it applies to "officers" (mayor and council members), "officials" (board and commission members) and employees. Note also that it contains (highlighted) revolving door provisions (Sec. 3-325 d through g & Sec. 3-26) that restrict former officers, officials, and employees from working for persons or entities with whom the officer, official, or employee had dealings before leaving city service. The length of such restrictions should be carefully considered.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: Discussion only.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommendation is adoption, but the nature of this matter justifies additional study and delay until a future council meeting.

LIST OF SUPPORTING DOCUMENTS: Proposed Ordinance

ORDINANCE NO. 2022-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, ADOPTING A CODE OF ETHICS AND ANTI-DISCRIMINATION POLICY; AMENDING CHAPTER 2 OF THE LOCKHART CODE OF ORDINANCES TO ADOPT A NEW ARTICLE VII FOR THAT PURPOSE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR OPEN MEETINGS

WHEREAS, it is appropriate and necessary for good government and to promote personal integrity, honesty and ethical conduct in all activities undertaken by City Officials, that the City of Lockhart adopt a Code of Ethics and Anti-Discrimination Policy; and

WHEREAS, the adoption of the Code of Ethics and Anti-Discrimination Policy is in the best interest of the City of Lockhart and will promote personal integrity, honesty and ethical conduct in all activities undertaken by City Officers, Officials, and employees, as well as the health, safety, and welfare of the citizens of the City of Lockhart and the general public; and

WHEREAS, the City Council deems it advisable to adopt a Code of Ethics and Anti-Discrimination Policy to provide a code of ethics and standard of conduct for City Council members Officials, and employees;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, THAT: **Section 1**. **Adoption of Code of Ethics and Anti-Discrimination Policy**. The City Council hereby amends Chapter 2 of the City of Lockhart Code of Ordinances to add a new Article VIII to adopt a Code of Ethics and Anti-Discrimination Policy, as follows:

Sec. 1. – Statement of Purpose
Sec. 2. - Definitions.
Sec. 3. - Policy.
Sec. 4. - Standards of conduct.
Sec. 5. - Prohibition on conflict of interest.
Sec. 6. - Restrictions on former city officers and employees.
Sec. 7. - Accepting employment from an entity regulated by city prohibited.
Sec. 8.- Social Media
Sec. 9 - Violations

Sec. 2-320 – Statement of Purpose.

It is essential in a democratic system that the public have confidence in the integrity, independence, and impartiality of those who act on their behalf in government. Such confidence depends not only on the conduct of those who exercise official power, but also on the availability of aid or redress to all persons on equal terms. For the purpose of promoting confidence in the government of the City of Lockhart and thereby enhancing the city's ability to function effectively, this code of ethics and anti-discrimination policy is adopted. By prohibiting conduct incompatible with the city's best interests and minimizing the risk of any appearance of impropriety, this code of ethics and anti-discrimination furthers the legitimate interests of democracy.

Sec. 2-321. - Definitions.

The following words, terms and phrases when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Board means a board, commission or committee which is established by city ordinance, city Charter, interlocal contract or state law and any part of whose membership is appointed by the city council.

Bullying means behavior characterized by bullying a person due to a personal characteristic such as race, gender, age, sexual orientation, disability, religion, country of origin, or political affiliation. Bullying can take many forms, including jokes, teasing, nicknames, emails, pictures, text messages, social isolation or ignoring people. Behaviors that may constitute bullying include:

- Sarcasm and other forms of demeaning language;
- Threats, abuse or shouting;
- Coercion; Isolation;
- Inappropriate blaming; Ganging up;
- Constant unconstructive criticism;
- Deliberately withholding information or equipment that a person needs to do their job or access their entitlements;

Business entity or *entity* mean a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or any other entity recognized in law.

Confidential Information means any information that a City Council member is entitled to because of his official position but otherwise is not available to the public generally without an open records request pursuant to the provisions of the Texas Public Information Act (the “Act”), Government Code Chapter 552 and/or is not available to the public under the Act.

Discrimination means treating, or proposing to treat, someone unfavorably because of race, gender, age, sexual orientation, disability, religion, country of origin, or political affiliation and/or any personal characteristic protected by the law. Discrimination can occur:

- Directly, when a person or group is treated less favorably than another person or group in a similar situation because of a personal characteristic.

- Indirectly, when an unreasonable requirement, condition or practice is imposed that has, or is likely to have, the effect of disadvantaging people with a personal characteristic.

Examples of protected personal characteristics include:

- Race, color, descent, national origin, or ethnic background;
- Age, whether young or old, or because of age in general;
- Sex;
- Religion;
- Sexual orientation, intersex status or gender identity, including gay, lesbian, bisexual, transsexual, transgender, questionable, and heterosexual;
- Marital status, whether married, divorced, unmarried or in a de facto relationship or same sex relationship; Political opinion;
- Social origin;

Employee means a person employed or paid a salary by the city on a full-time basis excluding officers and officials.

Incidental interest means an interest in a person, entity or property which is not a substantial interest, and which has insignificant value, or which would be affected only in a de minimis fashion by a decision. This division does not establish dollar limits on the terms "insignificant value" and "de minimis," which shall have their usual meanings and be subject to interpretation on a case-by-case basis.

Interest or *benefit* means anything reasonably regarded as economic gain or economic advantage, other than incidental or remote interests. The term applies to the official and also to any person who is related to such official within the second degree by consanguinity or affinity.

Officer means the mayor and members of the city council.

Official means officers and members of any board which is established by city ordinances, city charter, interlocal contract, or state law, and any part of whose membership is appointed by the city council.

Official Capacity. A person acts in his or her “official capacity” in performing the duties and exercising the powers of the office or the person’s employment, as this term is defined under other applicable law.

Remote interest means an interest of a person or entity, including an officer, official, or employee who would be affected in the same way as the general public. The interest of such a person a in the property tax rate, general town fees, city utility charges or a comprehensive zoning ordinance, or similar decisions is incidental to the extent that person would be affected in common with the general public.

Sexual harassment means behavior characterized by the making of unwelcome and in appropriate sexual remarks or physical advances in a workplace or other professional situation.

Sec. 3-322. - Policy.

(a) It is hereby declared to be the policy of the city that the proper operation of democratic government requires that:

(1) Officers, Officials, and employees be impartial and responsible to the people of the city;

(2) Governmental decisions and policy be made using the proper procedures of the governmental structure;

(3) No officer, official, or employee has any interest, direct or indirect, or engage in any business transaction or professional activity or incur any obligation of any nature which is in conflict with the proper discharge of his or her duties in the public interest;

(4) Public offices not be used for personal gain;

(5) The city council at all times be maintained as a nonpartisan body;

(6) Officers, officials, and employees fully comply with state statutes, as amended, concerning conflicts of interest;

(7) Officers, officials, and employees be committed to providing a safe, flexible and respectful environment for fellow officers, officials, and employees, and Lockhart citizens, free from all forms of discrimination, bullying and sexual harassment.

(8) The city council, city boards and commissions, and city departments, at all times, be required to treat others with dignity, courtesy, and respect.

(b) To implement this policy, the city council has determined that it is advisable to enact this code of ethics and anti-discrimination policy for all officers, officials, and employees, whether elected or appointed, paid or unpaid, advisory or administrative, to serve not only as a guide for official conduct of the city's public servants, but also as a basis for discipline for those who refuse to abide by its terms.

Sec. 3-323. - Standards of conduct.

(a) No officer, official, or employee shall:

(1) Accept or solicit any money, property, service, or other thing of value by way of gift, favor, loan or otherwise which he knows or should know is being offered or given with the intent to unlawfully influence such person in the discharge of official duties, or in return for having exercised or performed official duties.

(2) Use his or her position to secure special privileges or exemptions for himself, herself, or others.

(3) Grant any special consideration, treatment or advantage to a person or organization beyond that which is available to every other person or organization. (This shall not prohibit the granting of fringe benefits to city employees as part of their contract of employment or as an added incentive to the securing or retaining of employees).

(4) Disclose information deemed confidential by law that could adversely affect the property or affairs of the city, or directly or indirectly use any information understood to be confidential which was gained by reason of his official position or employment for his or her own personal gain or benefit or for the private interest of others.

(5) Transact any business on behalf of the city in his or her official capacity with any entity with which he or she is an officer, agent, or member or in which he or she has an interest. In the event that such a circumstance should arise, no violation of this subsection occurs if he or she shall make known his or her interest, and:

A. In the case of an officer or board member, refrain from discussing the matter at any time with members of the body of which he is a member or any other body which will consider the matter and abstain from voting on the matter; or

B. In the case of an employee, turn the matter over to his superior for reassignment, state the reasons for doing so and have nothing further to do with the matter involved.

(6) Accept other employment or engage in outside activities incompatible with the full and proper discharge of his or her duties and responsibilities with the city, or which might impair his or her independent judgment in the performance of his or her public duty.

(7) Personally provide services for compensation, directly or indirectly, to a person, entity or organization who is requesting an approval, investigation, or determination from the body or department of which the officer or employee is a member. This restriction does not apply to outside employment of an officer, official, or employee if the employment is the person’s 's primary source of income.

(8) Receive any fee or compensation for his or her service as an officer, official, or employee of the city from any source other than the city, except as may be otherwise provided by law. This shall not prohibit his or her performing the same or other services for a public or private organization that he or she performs for the city if there is no conflict with his or her city duties and responsibilities.

(9) Personally represent, or appear in behalf of, the private interests of others:

A. Before the city council or any city board or department;

B. In any proceeding involving the city; or

C. In any litigation to which the city is a party.

(10) In the case of an official, personally represent, or appear in behalf of, the private interests of others:

A. Before the board of which he or she is a member;

B. Before the city council;

C. Before a board which has appellate jurisdiction over the board of which he or she is a member; or

D. In litigation to which the city is a party if the interests of the person being represented are adverse to the city and the subject of the litigation involves the board on which the board member is serving or the department providing support services to that board.

(b) Use his or her official position or city-owned facilities, personnel, equipment, supplies, vehicles, printing facilities, postage facilities, long-distance telephone services or any other resources for private purposes, personal advantage, pecuniary gain for such person or for others, or for any political campaign for himself, herself, or others. However, this shall not prohibit an officer, official, or employee from using his or her official position to promote or encourage economic development and businesses within the city, provided:

A. the officer, official, or employee, and any person related to that person within the second degree by consanguinity or affinity, does not receive a benefit from such promotion or encouragement, and

B. the promotion or encouragement of economic development and businesses is not for the purpose of promoting, and does not promote other than incidentally, the officer, official, employee, or any person related to that person within the second degree by consanguinity or affinity

(12) Use the prestige of his or her position with the city on behalf of any political party.

(13) Knowingly or willfully solicit or assist in soliciting any assessment, subscription or contribution for any political party or political purpose to be used in conjunction with any city election.

(14) Knowingly perform or refuse to perform any act in order to deliberately thwart the execution of valid city ordinances, rules or regulations or the achievement of official city programs.

(15) Engage in any dishonest or criminal act or any other conduct prejudicial to the government of the city or that reflects discredit upon the government of the city.

(16) Engage in sexual harassment, bullying, discrimination based on race, gender, age, sexual orientation, disability, religion, country of origin, or political affiliation and or any act deemed unlawful.

(17) Use his or her position to obtain confidential information about any person or

entity except in his or her official capacity;

B. Disclose any confidential information gained through the officer's, official's or employee's office or position concerning property, operations, policies, personnel, or affairs of the city;

C. Use such confidential information to advance any economic interest or personal interest of the officer, official, or employee or to confer any benefit to that person, or a family member related within the second degree of affinity or consanguinity.

D. If an officer, official, or employee requests to review, inspect or copy any confidential information not previously made available to that person in his or her position with the city, that request shall be made to the City Manager. If the City Manager determines that the request is not relevant to the requesting person's official capacity, the request shall be denied, but a, requesting officer or official may appeal that determination to the City Council, who, by a public majority vote of the City Council present, excluding an officer requesting the information, may authorize or deny disclosure of the confidential information.

Sec. 3-324. - Prohibition on conflict of interest.

An officer or official may not participate in a vote or decision on a matter affecting a person, entity, or property in which the officer or official has a substantial interest under Ch. 171, Local Gov't Code. In addition, an officer or official who serves as a corporate officer or member of the board of directors of a nonprofit entity which is not appointed by the city council may not participate in a vote or decision regarding funding by or through the city for the entity. Where the interest of an officer or official in the subject matter of a vote or decision is remote or incidental, such officer or official may participate in the vote or decision and need not disclose the interest.

Sec. 3-325. - Restrictions on former city officers and employees.

(a) When used in this section, the terms "before the city" shall mean before any officer or official of the city.

(b) When used in this section, the term "represent" shall include all communications with and appearances before the city in which the city is asked to make a decision, as that term is defined in this chapter. The term "represent" does not include communications and appearances involving only ministerial action on the part of the city.

(c) When used in this section, the term "case, project or matter" shall refer to specific cases, projects, or regulatory matters, rather than generic policies, procedures, or legislation of general application. For instance, the zoning process or site plan review process is not a "case, project or matter" within the meaning of this section; however, a specific zoning case or site plan would constitute a "case, project or matter" subject to the restrictions imposed in this section. It is not the intent of this section, and this section shall not be construed, to proscribe the practice of any profession or occupation by former city officers, officials, or employees other than before the city and as provided in Sec. 3-323.

(d) An officer or official, or an employee who is in a position which involves significant decision-making, advisory, or supervisory responsibility, shall not, within 12 months after leaving employment or service with the city, formally or informally represent another person or entity before the city if the officer, official, or employee has or will receive remuneration from the person or entity being represented:

(1) Before the city concerning a case, project, or matter over which the person exercised discretionary authority as an officer, official, or employee; or

(2) Before any other agency on a case, project, or matter over which the person exercised discretionary authority as an officer, official, or employee.

(e) A former officer, official, or employee who is subject to the requirements of subsection (d) of this section shall, during the 24 months after leaving the service or employment of the city, disclose his or her previous position and responsibilities with the city and the work performed, if any, as an officer, official, or employee regarding the matter for which he or she is appearing before the city whenever he or she represents any other person or entity in any formal or informal appearance before the city.

(f) In any formal or informal appearance before the city, a person representing a person or entity which employs a former officer, official, or employee who had discretionary authority over the project or matter for which the person or entity is appearing before the city shall disclose any former involvement of such former officer, official, or employee in the project or matter. This disclosure requirement shall be in effect for 24 months after the former officer, official or employee leaves city service or employment.

(g) No officer or official shall approve or vote to approve any oral or written contract for land services, supplies or materials between the city and either a former officer, official or employee or an entity which employs such former officer, official, or employee during the 12-month period following such former officer, official, or employee's departure from the city's employment or service. Notwithstanding the foregoing, upon a finding by the city council that the economic or other benefit to the former officer, official, or employee is minimal or insignificant, the city council may vote to waive the prohibition contained in this subsection.

Sec. 3-326. - Accepting employment from an entity regulated by city prohibited.

An officer, official, or employee in a position which involves significant reporting, decision-making, advisory, regulatory or supervisory responsibility who leaves the service or employment of the city shall not, within six months after leaving that service or employment, seek or accept employment from an entity that appeared for formal action or decision before the body of which such officer, official or employee was a member or which was subject to the officer’s, official’s or employee's regulation or inspection during such person’s position or 's employment with the city.

Sec. 3-327. – Social Media

(b) Officers shall include a disclaimer on their social media pages stating the account is for the officer's personal use and is not sponsored or otherwise managed by the city, nor does it reflect the views or beliefs of the city or city council as an institution. Officials should not utilize the City of Lockhart logos on their social media.

(c) Officers are prohibited from posting harassing, bullying, or defaming content on their social media. Officers are further prohibited from making any statements and/or comments that disparage any race, color, religion, sex, age, genetic information, veteran status, disability, national origin, or any other unlawful classification of anyone who works for the city or anyone with whom the officer interacts in his or her role as a councilmember. In addition, the city prohibits disparaging commentary about sexual orientation or gender identity.

Sec. 3-328 – Violations

(a) Violations of this policy by employees will be subject to review and appropriate action by the city manager, which may include dismissal from employment.

(b) Violations or alleged violations of this policy by officers or officials shall be subject to review and appropriate action by the city council. Upon determination that a violation has occurred, the city council may, by majority vote, impose any of the following actions, which are provided in a graduating scale of severity, as follows:

1. Verbal reprimand in executive session held pursuant to Sec. 551.074, Tex. Gov't Code
2. Verbal reprimand in public meeting
3. Written reprimand
4. Adoption of a resolution of censure
5. Adoption of a resolution of censure and its publication on the city website
6. Adoption of a resolution of censure and its publication in print media
7. Removal of the officer or official from council-appointed committees, commissions, or boards
8. Request for the officer or official's resignation

(c) Any individual who believes that an officer, official, or employee has acted in violation of this policy may promptly file a written complaint with the city manager, who shall, in consultation with the city attorney, determine the appropriate action or may submit the complaint to the city council for such determination.

Section 2. **Effective Date**. This ordinance shall take effect immediately from and after its passage.

Section 3. Open Meetings. It is hereby officially found and determined that this meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by the Open Meetings Act, Chapter 551, Texas Government Code.

PASSED AND ADOPTED on this the ___ day of _________, 2022.

CITY OF LOCKHART

____
Lew White, Mayor

ATTEST:

____
Connie Constancio, TRMC, City Secretary

APPROVED AS TO FORM:

____
Monte Akers, City Attorney

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discussion regarding the nomination of Daniel Koehler to the Airport Advisory Board by Councilmember Derrick David Bryant for a term to expire in November 2022.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Connie Constancio

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: Mr. Koehler submitted his application to be considered to serve on the Airport Advisory Board on December 17, 2021. He has all of the qualifications to serve on a Board, is a licensed student pilot, has an active medical certificate, flies planes, and does not have a financial interest in the Lockhart Municipal Airport. He also meets all of the qualifications to serve on the Airport Advisory Board.

The following is a synopsis of the tasks and qualifications of a member of the Airport Advisory Board:

Airport Advisory Board meets only when there are items pending the Board's review. At least five of the seven members must currently be or have been flight rated. No person having a financial interest in any commercial carrier by air, or in any concession, right or privilege to conduct any business or render any service for compensation upon the premises of the Lockhart Municipal Airport shall be eligible for membership on the Board. The Board shall not have authority to incur or create any debt in connection with airport operations; nor shall the board be empowered to enter into any contract, leases, or other legal obligations binding upon the City of Lockhart; nor shall the board have authority to hire airport personnel or direct airport personnel in the execution of their duties. Up to two members who are not city residents but are residents of Caldwell County may serve on the Board. Members serve a three-year term. The Public Works Director is the staff liaison.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

FISCAL NOTE (if applicable): N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

PREVIOUS COUNCIL ACTION: N/A

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: None. Discretion of the Council.

LIST OF SUPPORTING DOCUMENTS: Board qualification notes and Board application.

BOARD QUALIFICATION CHECKLIST:

DATE: 3-7-2022

APPLICANT'S NAME: Daniel Koehler

BOARD NAME: Airport Adv. Bd.

The qualifications for members of boards and commissions, except special qualifications for service on a particular board or commission, are as follows:

- Appointees must each be a resident of the State of Texas and a resident of the City of Lockhart for at least twelve (12) consecutive months preceding their appointment unless a particular board's or commission's composition or state law allows for membership by a non-resident of the City.
  Date of residency in Lockhart: Nov 2018
- Appointees shall be qualified voters in the City of Lockhart or, if not a resident of the City, of Caldwell County.
  Date qualified voter in Lockhart: March 2019
- Appointees shall not have been removed from another city board or commission because of failure to attend meetings or for cause within the last three years.
  Removed from another board? YES or NO
  If yes, date________ and board________
- No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission.
  Serves on another board? YES or NO
  If yes, board currently serving:________

BOARD SPECIFIC QUALIFICATIONS:
Airport Board

Y	or	N	Flight rated? as a student pilot
Y	or	N	City Resident?
Y	or	N	If no, Caldwell County resident?
Y	or	N	Has financial interest in any commercial carrier by air, or in any concession, right or privilege to conduct any business or render any service for compensation upon the premises of the Lockhart Municipal Airport?

NOTES: Five members must be flight rated.
Current # members flight rated? 4
Two county residents allowed to serve on the Board.
Current # members county residents? 2

CITY SECRETARY'S DETERMINATION OF APPLICANT'S QUALIFICATION:

Is Applicant Qualified? YES NO DISCRETION OF THE COUNCIL

NOTES: Applicant is a licensed student pilot. Has active medical certificate, is an active pilot and is solo endorsed.

Airport Advisory Board meets only when there are items pending the Board's review. At least five of the seven members must currently be or have been flight rated. No person having a financial interest in any commercial carrier by air, or in any concession, right or privilege to conduct any business or render any service for compensation upon the premises of the Lockhart Municipal Airport shall be eligible for membership on the Board. The Board shall not have authority to incur or create any debt in connection with airport operations; nor shall the board be empowered to enter into any contract, leases, or other legal obligations binding upon the City of Lockhart; nor shall the board have authority to hire airport personnel or direct airport personnel in the execution of their duties. Up to two members who are not city residents but are residents of Caldwell County may serve on the Board. Members serve a three-year term. The Public Works Director is the staff liaison.

DOB: [redacted]
Reg Voter - Yes
Res = Since 2019

CITY OF LOCKHART

ADVISORY BOARD/COMMISSION QUESTIONNAIRE/APPLICATION

NAME: Daniel Koehler E-mail: [redacted]

ADDRESS: 213 Sunshadow Dr. HOME#:

Lockhart TX, 78644 WORK#: 512-361-7028

OCCUPATION: Executive / Entrepreneur / Technology Engineer CELL# 916-792-7296

EDUCATION (optional): Business & Technology

How long have you been a resident of Lockhart? More than 3 years now

Are you a qualified voter of the City? Yes [X] No [ ] VOTER REG. #: Unknown

PROFESSIONAL AND/OR COMMUNITY ACTIVITIES: Operate multiple businesses in the community.
Have participated in community events, and volunteered with local charities.

ADDITIONAL PERTINENT INFORMATION/REFERENCES: I am a student pilot and formerly had a plane I owned out at 50R. Unfortunately the hail storm May 2020 totaled her. I am business and financial minded and am an aviation enthusiast. I am a young professional wanting to see the community and airport grow to its potential.

I AM INTERESTED IN SERVING ON THE FOLLOWING BOARDS, COMMISSIONS, OR COMMITTEES:
(Please limit your selection to no more than three. List in order of preference: 1,2,3)

- x Airport Advisory Board
- __ Board of Adjustments & Appeals
- __ Construction Board of Appeals
- __ Economic Development Revolving Loan
- __ Economic Development Corp (1/2 Cent Sales Tax)
- __ Electric Board
- __ Historic Preservation Commission
- __ Library Board Advisory Bd.
- __ Parks and Recreation Advisory Bd.
- __ Planning & Zoning Commission

Do you serve on any other board/commission/committee at this time? If so, please list:
no

Do you have any relative working for the City of Lockhart? Yes [ ] No [x]

Do you receive any direct compensation or gain from the City of Lockhart? Yes [ ] No [x]

Do you receive any direct compensation or gain from any other governmental body?
Yes [ ] No [x] If yes, what type?

(Signature of Applicant) (Date) 12-16-2021

Return application to:
City of Lockhart
City Secretary's Office
PO Box 239
Lockhart, TX 78644
cconstancio@lockhart-tx.org

RECEIVED
DEC 17 2021
CITY OF LOCKHART
CITY SECRETARY'S OFFICE

If you have any questions, please contact the City Secretary's Office at 512/398-3461.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discussion regarding matters related to COVID-19.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Steven Lewis, Monte Akers

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: On May 18, 2021, Governor Abbot issued GA-36 that prohibited governmental entities from mandating face coverings or restricting activities in response to the COVID-19 disaster. As a result, the Lockhart City Council rescinded the Mayor's Declaration to require face coverings and encouraged citizens to continue to follow the CDC guidelines in regard to COVID-19.

Also, as a result of the Governor opening Texas on March 2, 2021 (GA-34), community events are back on schedule such as the Chisholm Trail Roundup, Fireworks show, and City venues such as the city splash pad are open to the public. Face coverings are not required during the events or at city facilities.

An update of COVID-19 orders and Council actions is attached.

Open Meetings Act Suspensions Terminate effective September 1, 2021
In March 2020, Governor Abbott's office granted the Attorney General's request to suspend certain open meetings statutes. The temporary suspension allows for telephonic or videoconference meetings of governmental bodies that are accessible to the public in an effort to reduce in-person meetings, thereby allowing governmental bodies and/or board commissions to hold a meeting virtually without a quorum being present at the meeting location.

On June 30, 2021, the Governor's office approved a request by the Attorney General to lift the open meetings suspensions effective at 12:01 a.m. on September 1, 2021. All Texas governmental bodies subject to the OMA must thereafter conduct their meetings in full compliance with the OMA as written in state law.

The following are provisions in the OMA suspension that will no longer be allowed effective September 1, 2021:
1) Video conferencing capability will change in that a member of the governing body or board can meet virtually but there must be a quorum physically present at the meeting location.
2) Telephone conference meetings will not be allowed to continue and are only allowed in an emergency.

On August 29, 2021, Governor Abbott issued a Declaration renewing the declaration of disaster stating that COVID-19 poses an imminent threat of disaster for all counties in Texas.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

On October 11, 2021, Governor Abbott issued GA-40 prohibiting vaccine mandates, subject to legislative action.

On February 25, 2022, the CDC updated its framework on monitoring the level of COVID-19 in communities. The new framework moves beyond just looking at cases and testing positivity to evaluation factors that also include hospitalizations and hospital capacity. These factors combined are used to determine whether COVID-19 and severe disease are low, medium or high in a community. The CDC also updated its recommendations for wearing face coverings and respirators. Recommendations are now connected to the community's current level of COVID-19 and severe disease.

This item is returned to the Council for consideration, if necessary.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

FISCAL NOTE (if applicable): None.

PREVIOUS COUNCIL ACTION: N/A

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: None.

LIST OF SUPPORTING DOCUMENTS: Update of COVID-19 orders and Council actions, GA-39, GA-38, Governor Abbott proclamation renewing the Declaration of Disaster, GA 40

HISTORY OF COVID-19 ORDERS/COUNCIL ACTIONS

On **September 1, 2020**, the City Council adopted Resolution 2020-20 renewing and adopting a requirement that commercial establishments in the City post a notice that facial coverings are a requirement of employees and persons entering such establishments. The requirement that such notice be posted shall remain in effect until terminated or amended by the City Council.

On **October 7, 2020**, Governor Greg Abbott issued Executive Order GA-32 to allow certain bars and similar establishments to operate at 50% capacity with permission from the County Judge. GA-32 increased the occupancy levels for all business establishments other than bars to 75%. GA-32 also provides that outdoor gatherings in excess of 10 people is prohibited unless the Mayor of the City in which the gathering is held, approves of the gathering, and such approval can be made subject to certain conditions or restrictions not inconsistent with GA-32.

Mayor's statement on reduced business capacity in Caldwell County**.** At 12:01 a.m. on Wednesday, January 13, 2021 the provisions of Governor Greg Abbott's Executive Order GA-32 that suspend elective surgeries, close bars and reduce business capacity to 50 percent went into effect in Lockhart and Caldwell County. This was occurring because under GA-32, these specific provisions took effect when a Trauma Service Area had seven consecutive days in which the number of COVID-19 hospitalized patients as a percentage of total capacity exceeded 15 percent. This was the case in Trauma Service Area O, which included Caldwell County.

COVID Relief Fund update**.** On January 19, 2021, the Council voted to offer a six-month forbearance to businesses that received a COVID-19 Recovery Loan in 2020. Council re-opened the COVID Relief Grants to small businesses for $5,000 per business that qualifies. Restaurants and bars that were affected by the Governor's order earned higher points on the application process.

During the February 23, 2021 meeting, Chief Jenkins provided an update of COVID compliance for local businesses.

On **March 2, 2021**, Governor Abbot issued GA-34 that was effective March 10, 2021. It provides that the State no longer requires face covering and it does not allow local jurisdictions to require face coverings. GA-34 supercedes all orders issued by local officials that conflict with regard to services or local orders and provides that businesses and other establishments may require customers and employees to wear face coverings. The consensus of the Council was to leave the Mayor's Declaration in effect and to encourage citizens to continue to wear face coverings and to maintain a six foot distance.

On **May 13, 2021**, the CDC announced that fully vaccinated individuals no longer need to mask up or social distance indoors and outdoors, including crowds. Attached is information from the CDC about how to stay safe around individuals that are or are not fully vaccinated.

On **June 15, 2021**, the consensus of the Council was to continue virtual attendance at meetings.

On **June 30, 2021**, the Governor's office approved a request by the Attorney General to lift the temporary Open Meetings Act suspensions, effective at 12:01 a.m. on September 1, 2021. The change in virtual meetings is that a member of the governing body or board member may attend a meeting virtually but there must be a quorum physically present at the meeting location.

On **July 29, 2021**, Governor Abbott issued Executive Order 38, that combined several existing COVID-19 executive orders to promote statewide uniformity and certainty in the state's COVID-19 response. Governor Abbott stated that "The new Executive Order emphasizes that the path forward relies on personal responsibility rather than government mandates".

On **August 13, 2021**, TML provided the following information regarding actions taken by governmental entities and the Attorney General in regards to face coverings:

- **Mask Mandate Update:** Tuesday afternoon, two state district court judges in Dallas and Bexar counties granted local authorities in those jurisdictions temporary restraining orders blocking Governor Abbott's ban on mask mandates. In response to the rulings, the City of San Antonio issued a requirement for face coverings inside city facilities, and the Dallas County Judge issued an emergency order on Wednesday related to face coverings. Temporary restraining orders are by definition temporary and require further court proceedings to become permanent. TML will continue to monitor these developments. In related news, Houston's Mayor Sylvester Turner is requiring masks in city facilities when physical distancing is not doable.

Additionally, a number of large school districts ("ISDs") across the state, including Dallas ISD, Houston ISD, Austin ISD, Fort Worth ISD, and San Antonio ISD, are requiring masks on school property.

- **Attorney General Issues Two COVID-related opinions:** On August 11, the Attorney General released two opinions related to mask mandates and vaccines.
    1. In Opinion KP-0379, the Attorney General was asked whether COVID-19 vaccines could be required as a condition to enter a government building. Citing the Governor's Executive Order No. 38 as well as the recently passed S.B. 968, the Attorney General opined that government entities may not require COVID-19 vaccines as a condition to enter a government facility.
    2. In Opinion No. KP-0380, the Attorney General was asked to opine on the effect of the Governor's executive orders on federal requirements related to face coverings on public transit. The AG ultimately opined that he is unconvinced that CDC and TSA rules as well as federal law preempt the Governor's orders prohibiting mask mandates.

Please remember that Attorney General opinion are just that: opinions. They are legal guidance but do not carry the force of law or court order.

- **Counties Across Texas Seeing Rise in COVID-19 Threat Levels:** Over the last few weeks, we have reported on the rise in COVID-19 threat levels in counties and cities across the state. That rise continues, with Travis, Harris, Dallas, and Williamson counties, among others, back at the highest threat levels as the Delta variant spreads across the state and ICU bed availability drops.

On **August 29, 2021**, Governor Abbott issued a proclamation renewing the declaration stating that COVID-19 poses an imminent threat of disease for all counties in Texas.

On **August 25, 2021,** Governor Abbott issued GA-39 (attached), prohibiting governmental entities from compelling an individual to receive a COVID-19 vaccine regardless of full FDA approval, among other things.

The Governor also issued the following call to the Special Session of the Legislature:

> *Legislation regarding whether any State or Local Governmental entities in Texas can mandate that an individual receive a COVID-19 vaccine and, if so, what exemption should apply to such mandate.*

On **October 11, 2021,** Governor Abbott issued GA-40 relating to prohibiting all entities of compelling receipt of a COVID-19 vaccine until the issue has been considered through legislation.

On **February 25, 2022**, the CDC updated its framework on monitoring the level of COVID-19 in communities. The new framework moves beyond just looking at cases and testing positivity to evaluation factors that also include hospitalizations and hospital capacity. These factors combined are used to determine whether COVID-19 and severe disease are low, medium or high in a community. The CDC also updated its recommendations for wearing face coverings and respirators. Recommendations are now connected to the community's current level of COVID-19 and severe disease.

GOVERNOR GREG ABBOTT

August 25, 2021

FILED IN THE OFFICE OF THE SECRETARY OF STATE
2 PM O'CLOCK
AUG 25 2021
Secretary of State

Mr. Joe A. Esparza
Deputy Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

Dear Deputy Secretary Esparza:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

> Executive Order No. GA-39 relating to prohibiting vaccine mandates and vaccine passports subject to legislative action.

The original executive order is attached to this letter of transmittal.

Respectfully submitted,

Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

POST OFFICE BOX 12428 AUSTIN, TEXAS 78711 512-463-2000 (VOICE) DIAL 7-1-1 FOR RELAY SERVICES

Executive Order

BY THE
GOVERNOR OF THE STATE OF TEXAS

Executive Department
Austin, Texas
August 25, 2021

EXECUTIVE ORDER
GA 39

Relating to prohibiting vaccine mandates and vaccine passports subject to legislative action.

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all Texas counties; and

WHEREAS, in each subsequent month effective through today, I have renewed the COVID-19 disaster declaration for all Texas counties; and

WHEREAS, I have issued a series of executive orders aimed at protecting the health and safety of Texans, ensuring uniformity throughout Texas, and achieving the least restrictive means of combatting the evolving threat to public health; and

WHEREAS, COVID-19 vaccines are strongly encouraged for those eligible to receive one, but have always been voluntary for Texans; and

WHEREAS, I issued Executive Orders GA-35 and GA-38, addressing COVID-19 vaccines administered under an "emergency use authorization" by prohibiting vaccine mandates from governmental entities and by prohibiting "vaccine passports" from governmental entities and certain others; and

WHEREAS, subsequently, on August 23, 2021, while the legislature was already convened in a special session, the U.S. Food and Drug Administration (FDA) approved one of the COVID-19 vaccines for certain age groups, such that this vaccine is no longer administered under an emergency use authorization for those age groups; and

WHEREAS, while this COVID-19 vaccine is now FDA-approved for certain age groups, others are not yet approved and still are administered under an emergency use authorization; and

WHEREAS, through Chapter 161 of the Texas Health and Safety Code, as well as other laws including Chapters 38 and 51 of the Texas Education Code, the legislature has established its primary role over immunizations, and all immunization laws and regulations in Texas stem from the laws established by the legislature; and

WHEREAS, in other contexts where the legislature has imposed immunization requirements, it has also taken care to provide exemptions that allow people to opt out of being forced to take a vaccine; and

WHEREAS, given the legislature's primacy and the need to avoid a patchwork of regulations with respect to vaccinations, it is appropriate to maintain the status quo of

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2PM O'CLOCK

AUG 2 5 2021

prohibiting vaccine mandates through executive order while allowing the legislature to consider this issue while in session; and

WHEREAS, in this instance, given the legislature's prior actions, maintaining the status quo of prohibiting vaccine mandates and ensuring uniformity pending the legislature's consideration means extending the voluntariness of COVID-19 vaccinations to all COVID-19 vaccinations, regardless of regulatory status; and

WHEREAS, I am also adding this issue to the agenda for the Second Called Session of the legislature that is currently convened so that the legislature has the opportunity to consider this issue through legislation; and

WHEREAS, I will rescind this executive order upon the effective date of such legislation;

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, do hereby order the following on a statewide basis effective immediately:

1. No governmental entity can compel any individual to receive a COVID-19 vaccine. I hereby suspend Section 81.082(f)(1) of the Texas Health and Safety Code, and any other relevant statutes, to the extent necessary to ensure that no governmental entity can compel any individual to receive a COVID-19 vaccine.

2. State agencies and political subdivisions shall not adopt or enforce any order, ordinance, policy, regulation, rule, or similar measure that requires an individual to provide, as a condition of receiving any service or entering any place, documentation regarding the individual's vaccination status for any COVID-19 vaccine. I hereby suspend Section 81.085(i) of the Texas Health and Safety Code, and any other relevant statutes, to the extent necessary to enforce this prohibition. This paragraph does not apply to any documentation requirements necessary for the administration of a COVID-19 vaccine.

3. Any public or private entity that is receiving or will receive public funds through any means, including grants, contracts, loans, or other disbursements of taxpayer money, shall not require a consumer to provide, as a condition of receiving any service or entering any place, documentation regarding the consumer's vaccination status for any COVID-19 vaccine. No consumer may be denied entry to a facility financed in whole or in part by public funds for failure to provide documentation regarding the consumer's vaccination status for any COVID-19 vaccine.

4. Nothing in this executive order shall be construed to limit the ability of a nursing home, state supported living center, assisted living facility, or long-term care facility to require documentation of a resident's vaccination status for any COVID-19 vaccine.

5. This executive order shall supersede any conflicting order issued by local officials in response to the COVID-19 disaster. Pursuant to Section 418.016(a) of the Texas Government Code, I hereby suspend Sections 418.1015(b) and 418.108 of the Texas Government Code, Chapter 81, Subchapter E of the Texas Health and Safety Code, and any

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2PM O'CLOCK

AUG 2 5 2021

other relevant statutes, to the extent necessary to ensure that local officials do not impose restrictions in response to the COVID-19 disaster that are inconsistent with this executive order.

This executive order supersedes only paragraph No. 2 of Executive Order GA-38, and does not supersede or otherwise affect the remaining paragraphs of Executive Order GA-38. This executive order shall remain in effect and in full force unless it is modified, amended, rescinded, or superseded by the governor. This executive order may also be amended by proclamation of the governor.

Given under my hand this the 25th day of August, 2021.

Greg Abbott

GREG ABBOTT
Governor

ATTESTED BY:

JOE A. ESPARZA
Deputy Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2PM O'CLOCK

AUG 2 5 2021

GOVERNOR GREG ABBOTT

July 29, 2021

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:15pm O'CLOCK

JUL 29 2021

Secretary of State

Mr. Joe A. Esparza
Deputy Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

Dear Deputy Secretary Esparza:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

> Executive Order No. GA-38 relating to the continued response to the COVID-19 disaster.

The original executive order is attached to this letter of transmittal.

Respectfully submitted,

Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

POST OFFICE BOX 12428 AUSTIN, TEXAS 78711 512-463-2000 (VOICE) DIAL 7-1-1 FOR RELAY SERVICES

Executive Order

BY THE
GOVERNOR OF THE STATE OF TEXAS

Executive Department
Austin, Texas
July 29, 2021

EXECUTIVE ORDER
GA 38

Relating to the continued response to the COVID-19 disaster.

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all Texas counties; and

WHEREAS, in each subsequent month effective through today, I have renewed the COVID-19 disaster declaration for all Texas counties; and

WHEREAS, from March 2020 through May 2021, I issued a series of executive orders aimed at protecting the health and safety of Texans, ensuring uniformity throughout Texas, and achieving the least restrictive means of combatting the evolving threat to public health by adjusting social-distancing and other mitigation strategies; and

WHEREAS, combining into one executive order the requirements of several existing COVID-19 executive orders will further promote statewide uniformity and certainty; and

WHEREAS, as the COVID-19 pandemic continues, Texans are strongly encouraged as a matter of personal responsibility to consistently follow good hygiene, social-distancing, and other mitigation practices; and

WHEREAS, receiving a COVID-19 vaccine under an emergency use authorization is always voluntary in Texas and will never be mandated by the government, but it is strongly encouraged for those eligible to receive one; and

WHEREAS, state and local officials should continue to use every reasonable means to make the COVID-19 vaccine available for any eligible person who chooses to receive one; and

WHEREAS, in the Texas Disaster Act of 1975, the legislature charged the governor with the responsibility "for meeting … the dangers to the state and people presented by disasters" under Section 418.011 of the Texas Government Code, and expressly granted the governor broad authority to fulfill that responsibility; and

WHEREAS, under Section 418.012, the "governor may issue executive orders … hav[ing] the force and effect of law;" and

WHEREAS, under Section 418.016(a), the "governor may suspend the provisions of any regulatory statute prescribing the procedures for conduct of state business … if strict compliance with the provisions … would in any way prevent, hinder, or delay necessary action in coping with a disaster;" and

WHEREAS, under Section 418.018(c), the "governor may control ingress and egress to

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:15pm O'CLOCK

JUL 2 9 2021

and from a disaster area and the movement of persons and the occupancy of premises in the area;" and

WHEREAS, under Section 418.173, the legislature authorized as "an offense," punishable by a fine up to $1,000, any "failure to comply with the [state emergency management plan] or with a rule, order, or ordinance adopted under the plan;"

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, do hereby order the following on a statewide basis effective immediately:

1. To ensure the continued availability of timely information about COVID-19 testing and hospital bed capacity that is crucial to efforts to cope with the COVID-19 disaster, the following requirements apply:

    a. All hospitals licensed under Chapter 241 of the Texas Health and Safety Code, and all Texas state-run hospitals, except for psychiatric hospitals, shall submit to the Texas Department of State Health Services (DSHS) daily reports of hospital bed capacity, in the manner prescribed by DSHS. DSHS shall promptly share this information with the Centers for Disease Control and Prevention (CDC).
    b. Every public or private entity that is utilizing an FDA-approved test, including an emergency use authorization test, for human diagnostic purposes of COVID-19, shall submit to DSHS, as well as to the local health department, daily reports of all test results, both positive and negative. DSHS shall promptly share this information with the CDC.

2. To ensure that vaccines continue to be voluntary for all Texans and that Texans' private COVID-19-related health information continues to enjoy protection against compelled disclosure, in addition to new laws enacted by the legislature against so-called "vaccine passports," the following requirements apply:

    a. No governmental entity can compel any individual to receive a COVID-19 vaccine administered under an emergency use authorization. I hereby suspend Section 81.082(f)(1) of the Texas Health and Safety Code to the extent necessary to ensure that no governmental entity can compel any individual to receive a COVID-19 vaccine administered under an emergency use authorization.
    b. State agencies and political subdivisions shall not adopt or enforce any order, ordinance, policy, regulation, rule, or similar measure that requires an individual to provide, as a condition of receiving any service or entering any place, documentation regarding the individual's vaccination status for any COVID-19 vaccine administered under an emergency use authorization. I hereby suspend Section 81.085(i) of the Texas Health and Safety Code to the extent necessary to enforce this prohibition. This paragraph does not apply to any documentation requirements necessary for the administration of a COVID-19 vaccine.
    c. Any public or private entity that is receiving or will receive public funds through any means, including grants, contracts, loans, or other disbursements of taxpayer money, shall not require a consumer to provide, as a condition of receiving any service or entering any place, documentation regarding the consumer's vaccination status for any COVID-19 vaccine administered under an emergency use authorization. No consumer may be denied entry to a facility financed

FILED IN THE OFFICE OF THE SECRETARY OF STATE
3:15pm O'CLOCK

JUL 29 2021

in whole or in part by public funds for failure to provide documentation regarding the consumer's vaccination status for any COVID-19 vaccine administered under an emergency use authorization.

d. Nothing in this executive order shall be construed to limit the ability of a nursing home, state supported living center, assisted living facility, or long-term care facility to require documentation of a resident's vaccination status for any COVID-19 vaccine.
e. This paragraph number 2 shall supersede any conflicting order issued by local officials in response to the COVID-19 disaster. I hereby suspend Sections 418.1015(b) and 418.108 of the Texas Government Code, Chapter 81, Subchapter E of the Texas Health and Safety Code, and any other relevant statutes, to the extent necessary to ensure that local officials do not impose restrictions in response to the COVID-19 disaster that are inconsistent with this executive order.

3. To ensure the ability of Texans to preserve livelihoods while protecting lives, the following requirements apply:

   a. There are no COVID-19-related operating limits for any business or other establishment.
   b. In areas where the COVID-19 transmission rate is high, individuals are encouraged to follow the safe practices they have already mastered, such as wearing face coverings over the nose and mouth wherever it is not feasible to maintain six feet of social distancing from another person not in the same household, but no person may be required by any jurisdiction to wear or to mandate the wearing of a face covering.
   c. In providing or obtaining services, every person (including individuals, businesses, and other legal entities) is strongly encouraged to use good-faith efforts and available resources to follow the Texas Department of State Health Services (DSHS) health recommendations, found at www.dshs.texas.gov/coronavirus.
   d. Nursing homes, state supported living centers, assisted living facilities, and long-term care facilities should follow guidance from the Texas Health and Human Services Commission (HHSC) regarding visitations, and should follow infection control policies and practices set forth by HHSC, including minimizing the movement of staff between facilities whenever possible.
   e. Public schools may operate as provided by, and under the minimum standard health protocols found in, guidance issued by the Texas Education Agency. Private schools and institutions of higher education are encouraged to establish similar standards.
   f. County and municipal jails should follow guidance from the Texas Commission on Jail Standards regarding visitations.
   g. As stated above, business activities and legal proceedings are free to proceed without COVID-19-related limitations imposed by local governmental entities or officials. This paragraph number 3 supersedes any conflicting local order in response to the COVID-19 disaster, and all relevant laws are suspended to the extent necessary to preclude any such inconsistent local orders. Pursuant to the legislature's command in Section 418.173 of the Texas Government Code and the State's emergency management plan, the imposition of any conflicting or inconsistent limitation by a local governmental entity or official constitutes a "failure to comply with" this executive order that is subject to a fine up to $1,000.

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:15pm O'CLOCK

JUL 29 2021

4. To further ensure that no governmental entity can mandate masks, the following requirements shall continue to apply:

   a. No governmental entity, including a county, city, school district, and public health authority, and no governmental official may require any person to wear a face covering or to mandate that another person wear a face covering; *provided, however, that*:
      i. state supported living centers, government-owned hospitals, and government-operated hospitals may continue to use appropriate policies regarding the wearing of face coverings; and
      ii. the Texas Department of Criminal Justice, the Texas Juvenile Justice Department, and any county and municipal jails acting consistent with guidance by the Texas Commission on Jail Standards may continue to use appropriate policies regarding the wearing of face coverings.

   b. This paragraph number 4 shall supersede any face-covering requirement imposed by any local governmental entity or official, except as explicitly provided in subparagraph number 4.a. To the extent necessary to ensure that local governmental entities or officials do not impose any such face-covering requirements, I hereby suspend the following:

      i. Sections 418.1015(b) and 418.108 of the Texas Government Code;

      ii. Chapter 81, Subchapter E of the Texas Health and Safety Code;

      iii. Chapters 121, 122, and 341 of the Texas Health and Safety Code;

      iv. Chapter 54 of the Texas Local Government Code; and

      v. Any other statute invoked by any local governmental entity or official in support of a face-covering requirement.

   Pursuant to the legislature's command in Section 418.173 of the Texas Government Code and the State's emergency management plan, the imposition of any such face-covering requirement by a local governmental entity or official constitutes a "failure to comply with" this executive order that is subject to a fine up to $1,000.

   c. Even though face coverings cannot be mandated by any governmental entity, that does not prevent individuals from wearing one if they choose.

5. To further ensure uniformity statewide:

   a. This executive order shall supersede any conflicting order issued by local officials in response to the COVID-19 disaster, but only to the extent that such a local order restricts services allowed by this executive order or allows gatherings restricted by this executive order. Pursuant to Section 418.016(a) of the Texas Government Code, I hereby suspend Sections 418.1015(b) and 418.108 of the Texas Government Code, Chapter 81, Subchapter E of the Texas Health and Safety Code, and any other relevant statutes, to the extent necessary to ensure that local officials do not impose restrictions in response to the

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:15pm O'CLOCK

JUL 29 2021

COVID-19 disaster that are inconsistent with this executive order, provided that local officials may enforce this executive order as well as local restrictions that are consistent with this executive order.

b. Confinement in jail is not an available penalty for violating this executive order. To the extent any order issued by local officials in response to the COVID-19 disaster would allow confinement in jail as an available penalty for violating a COVID-19-related order, that order allowing confinement in jail is superseded, and I hereby suspend all relevant laws to the extent necessary to ensure that local officials do not confine people in jail for violating any executive order or local order issued in response to the COVID-19 disaster.

This executive order supersedes all pre-existing COVID-19-related executive orders and rescinds them in their entirety, except that it does not supersede or rescind Executive Orders GA-13 or GA-37. This executive order shall remain in effect and in full force unless it is modified, amended, rescinded, or superseded by the governor. This executive order may also be amended by proclamation of the governor.

THE STATE OF TEXAS

Given under my hand this the 29th day of July, 2021.

GREG ABBOTT
Governor

ATTESTED BY:

JOE A. ESPARZA
Deputy Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:15pm O'CLOCK

JUL 29 2021

GOVERNOR GREG ABBOTT

August 29, 2021

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:30pm O'CLOCK

AUG 29 2021

Secretary of State

Mr. Joe A. Esparza
Deputy Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

Dear Mr. Deputy Secretary:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

> A proclamation renewing the declaration stating the novel coronavirus (COVID-19) poses an imminent threat of disaster for all counties in Texas.

The original proclamation is attached to this letter of transmittal.

Respectfully submitted,

Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

POST OFFICE BOX 12428 AUSTIN, TEXAS 78711 512-463-2000 (VOICE) DIAL 7-1-1 FOR RELAY SERVICES

PROCLAMATION
BY THE
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all counties in the State of Texas; and

WHEREAS, in each subsequent month effective through today, I have issued proclamations renewing the disaster declaration for all Texas counties; and

WHEREAS, I have issued executive orders and suspensions of Texas laws in response to COVID-19, aimed at protecting the health and safety of Texans and ensuring an effective response to this disaster; and

WHEREAS, a state of disaster continues to exist in all counties due to COVID-19;

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby renew the disaster proclamation for all counties in Texas.

Pursuant to Section 418.017, I authorize the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.

Pursuant to Section 418.016, any regulatory statute prescribing the procedures for conduct of state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster shall be suspended upon written approval of the Office of the Governor. However, to the extent that the enforcement of any state statute or administrative rule regarding contracting or procurement would impede any state agency's emergency response that is necessary to cope with this declared disaster, I hereby suspend such statutes and rules for the duration of this declared disaster for that limited purpose.

In accordance with the statutory requirements, copies of this proclamation shall be filed with the applicable authorities.

IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 29th day of August, 2021.

Greg Abbott

GREG ABBOTT
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:30pm O'CLOCK

AUG 29 2021

ATTESTED BY:

JOE ESPARZA
Deputy Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:30pm O'CLOCK

AUG 29 2021

GOVERNOR GREG ABBOTT

October 11, 2021

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:30pm O'CLOCK
OCT 11 2021
Secretary of State

Mr. Joe A. Esparza
Deputy Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

Dear Deputy Secretary Esparza:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

> Executive Order No. GA-40 relating to prohibiting vaccine mandates, subject to legislative action.

The original executive order is attached to this letter of transmittal.

Respectfully submitted,

Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

POST OFFICE BOX 12428 AUSTIN, TEXAS 78711 512-463-2000 (VOICE) DIAL 7-1-1 FOR RELAY SERVICES

Executive Order

BY THE
GOVERNOR OF THE STATE OF TEXAS

Executive Department
Austin, Texas
October 11, 2021

EXECUTIVE ORDER
GA 40

Relating to prohibiting vaccine mandates, subject to legislative action.

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all Texas counties; and

WHEREAS, in each subsequent month effective through today, I have renewed the COVID-19 disaster declaration for all Texas counties; and

WHEREAS, I have issued a series of executive orders aimed at protecting the health and safety of Texans, ensuring uniformity throughout Texas, and achieving the least restrictive means of combatting the evolving threat to public health; and

WHEREAS, COVID-19 vaccines are strongly encouraged for those eligible to receive one, but must always be voluntary for Texans; and

WHEREAS, I issued Executive Orders GA-35, GA-38, and GA-39 to prohibit governmental entities and certain others from imposing COVID-19 vaccine mandates or requiring vaccine passports; and

WHEREAS, in yet another instance of federal overreach, the Biden Administration is now bullying many private entities into imposing COVID-19 vaccine mandates, causing workforce disruptions that threaten Texas's continued recovery from the COVID-19 disaster; and

WHEREAS, countless Texans fear losing their livelihoods because they object to receiving a COVID-19 vaccination for reasons of personal conscience, based on a religious belief, or for medical reasons, including prior recovery from COVID-19; and

WHEREAS, through Chapter 161 of the Texas Health and Safety Code, as well as other laws including Chapters 38 and 51 of the Texas Education Code, the legislature has established its primary role over immunizations, and all immunization laws and regulations in Texas stem from the laws established by the legislature; and

WHEREAS, the legislature has taken care to provide exemptions that allow people to opt out of being forced to take a vaccine for reasons of conscience or medical reasons; and

WHEREAS, I am adding this issue to the agenda for the Third Called Session of the legislature that is currently convened so that the legislature has the opportunity to consider this issue through legislation; and

WHEREAS, I will rescind this executive order upon the effective date of such legislation;

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:30pm O'CLOCK

OCT 1 1 2021

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, do hereby order the following on a statewide basis effective immediately:

1. No entity in Texas can compel receipt of a COVID-19 vaccine by any individual, including an employee or a consumer, who objects to such vaccination for any reason of personal conscience, based on a religious belief, or for medical reasons, including prior recovery from COVID-19. I hereby suspend all relevant statutes to the extent necessary to enforce this prohibition.

2. The maximum fine allowed under Section 418.173 of the Texas Government Code and the State's emergency management plan shall apply to any "failure to comply with" this executive order. Confinement in jail is not an available penalty for violating this executive order.

3. This executive order shall supersede any conflicting order issued by local officials in response to the COVID-19 disaster. Pursuant to Section 418.016(a) of the Texas Government Code, I hereby suspend Sections 418.1015(b) and 418.108 of the Texas Government Code, Chapter 81, Subchapter E of the Texas Health and Safety Code, and any other relevant statutes, to the extent necessary to ensure that local officials do not impose restrictions in response to the COVID-19 disaster that are inconsistent with this executive order.

This executive order does not supersede Executive Orders GA-13, GA-37, GA-38, or GA-39. This executive order shall remain in effect and in full force unless it is modified, amended, rescinded, or superseded by the governor. This executive order may also be amended by proclamation of the governor.

Given under my hand this the 11th
day of October, 2021.

Greg Abbott

GREG ABBOTT
Governor

ATTESTED BY:

JOE A. ESPARZA
Deputy Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:30pm O'CLOCK

OCT 1 1 2021

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Hold public hearing to receive comments on the proposed Illustrative Plan for redistricting the City Council districts.

The City Council may go into executive session pursuant to Texas Government Code, Section 551.071 to receive advice from legal counsel regarding the City's redistricting obligations.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Connie Constancio

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION:

During the February 8 Special Council Meeting, the Council held the first map drawing session. After discussion, it was the consensus of the Council to accept Bickerstaff, Heath, Delgado and Acosta, LLP's proposed redistricting plan, which only affects District 2, the most populated district in Lockhart, and District 3, the least populated district. The plan expands District 3 to include residents living in the area bordered by Monte Vista Dr., Stueve Ln. and N. Medina Ln., reducing the population deviation to 8.9%, under the maximum 10% between the most populated and least populated city districts as required by the U.S. Constitution and court decisions.

Adoption of the new single-member council member districts is scheduled on April 5, 2022.

PROJECT SCHEDULE (if applicable): Adoption of the new Redistricting plan on April 5, 2022.

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: February 8, 2022 - First drawing session.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

STAFF RECOMMENDATION/REQUESTED MOTION: None.

LIST OF SUPPORTING DOCUMENTS: Current Voting District Map, Plan A Map - All Districts, Plan A Detailed Report Total Population, Plan A Detailed Report Voting Age Population, Plan A Zoom of District Maps, Plan A Summary Report Total Population, Plan A Summary Report Voting Age Population

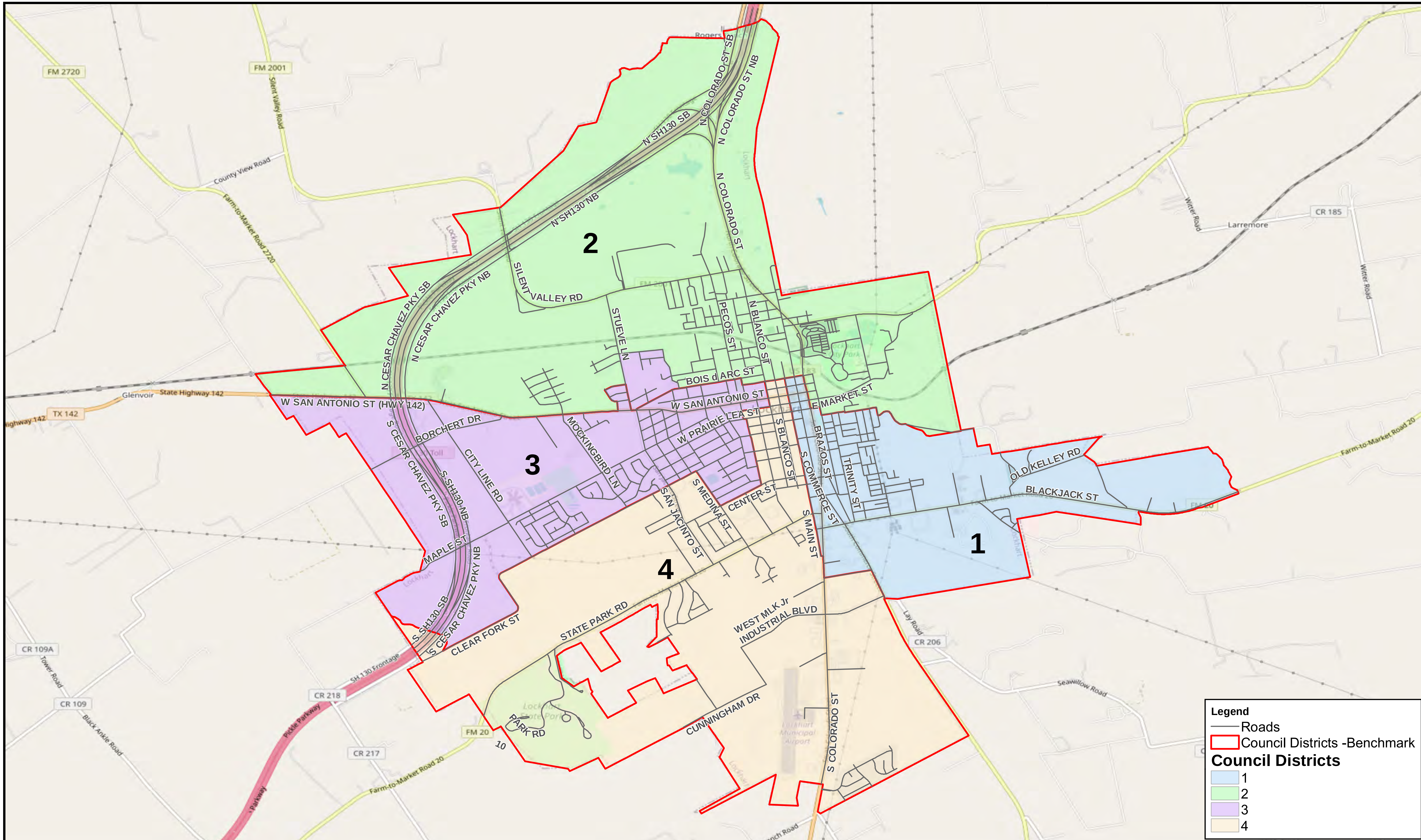
CITY OF Lockhart

CURRENT VOTING DISTRICTS

VOTING DISTRICTS WITHIN CITY LIMITS

SOURCE: CALDWELL COUNTY APPRAISAL DISTRICT AND THE CITY OF LOCKHART

Updated February 3, 2015



0 0.5 1 2 Miles

Created 02/01/22

City of Lockhart 2022 Council Districts
Plan A

Data Source: Roads, Water and other features obtained from the 2020 Tiger/line files, U.S. Census Bureau

Plan Name: City of Lockhart Council Districts 2022 Plan A

Demographics Report - Detailed 2020 Census Total Population

District	Persons	Ideal Size	Deviation	Hispanic	Hispanic % of Total Population	ANGLO	Non-Hispanic Anglo % of Total Population	Black	Black % of Total Population	Asian	Asian % of Total Population	AM Indian Native	IND / NAT % TOT Pop.	Haw Pac. Isl.	HAW/ PAC % of Total Pop.	Other	Other % of Total Pop.	Two or More Races	Two or More Races % Tot Pop
1	3,417	3,593	-4.89%	1,906	55.78%	1,049	30.70%	371	10.86%	8	0.23%	7	0.20%	1	0.03%	18	0.53%	57	1.67%
2	3,633	3,593	1.12%	2,402	66.12%	918	25.27%	212	5.84%	23	0.63%	13	0.36%	0	0.00%	9	0.25%	56	1.54%
3	3,586	3,593	-0.19%	1,434	39.99%	1,860	51.87%	112	3.12%	34	0.95%	20	0.56%	0	0.00%	14	0.39%	112	3.12%
4	3,735	3,593	3.96%	1,855	49.67%	1,482	39.68%	235	6.29%	31	0.83%	1	0.03%	1	0.03%	13	0.35%	115	3.08%
TOTAL:	14,371			7,597	52.86%	5,309	36.94%	930	6.47%	96	0.67%	41	0.29%	2	0.01%	54	0.38%	340	2.37%

Ideal Size: 14371 / 4 = 3593

Total Population: 14,371

Overall Deviation: 8.85%

Some percentages may be subject to rounding errors.

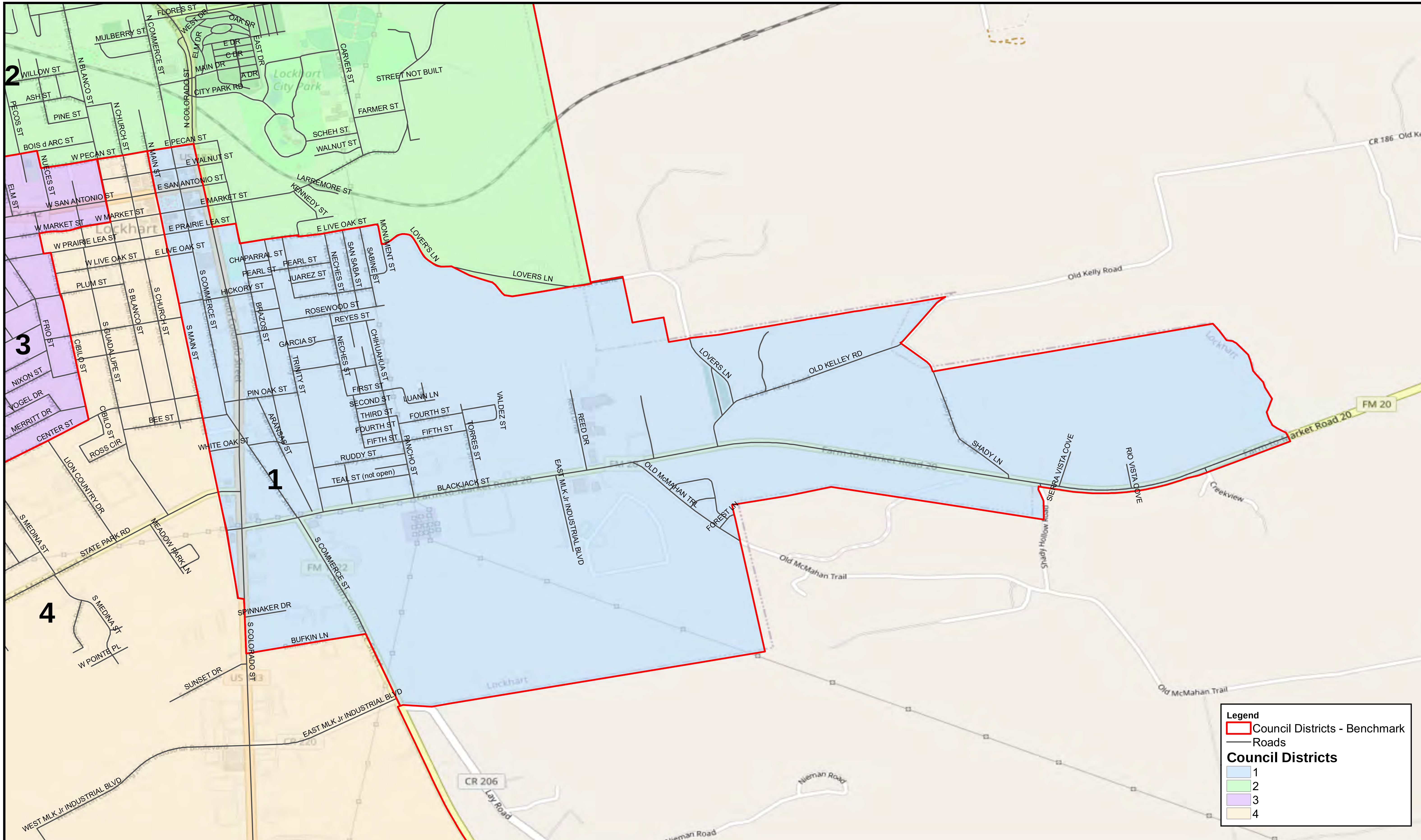
Plan Name: City of Lockhart Council Districts 2022 Plan A

Demographics Report - Detailed 2020 Census Voting Age Population

District	Total VAP	Hispanic VAP	% Hispanic VAP	Anglo VAP	% Anglo VAP	Black VAP	% Black VAP	Asian VAP	% Asian VAP	AM IND NATIVE VAP	% AM IND NATIVE VAP	HAW/PAC VAP	% HAW/PAC VAP	Other VAP	% Other VAP	Two or More Races VAP	% Two or more VAP
1	2,813	1,445	51.37%	964	34.27%	337	11.98%	7	0.25%	7	0.25%	1	0.04%	9	0.32%	43	1.53%
2	2,631	1,636	62.18%	747	28.39%	177	6.73%	20	0.76%	11	0.42%	0	0.00%	1	0.04%	39	1.48%
3	2,797	1,014	36.25%	1,569	56.10%	88	3.15%	27	0.97%	20	0.72%	0	0.00%	3	0.11%	76	2.72%
4	2,854	1,312	45.97%	1,257	44.04%	189	6.62%	23	0.81%	1	0.04%	1	0.04%	8	0.28%	62	2.17%
TOTALS:	11,095	5,407	48.73%	4,537	40.89%	791	7.13%	77	0.69%	39	0.35%	2	0.02%	21	0.19%	220	1.98%

* VAP - Voting Age Population

Some percentages may be subject to rounding errors.

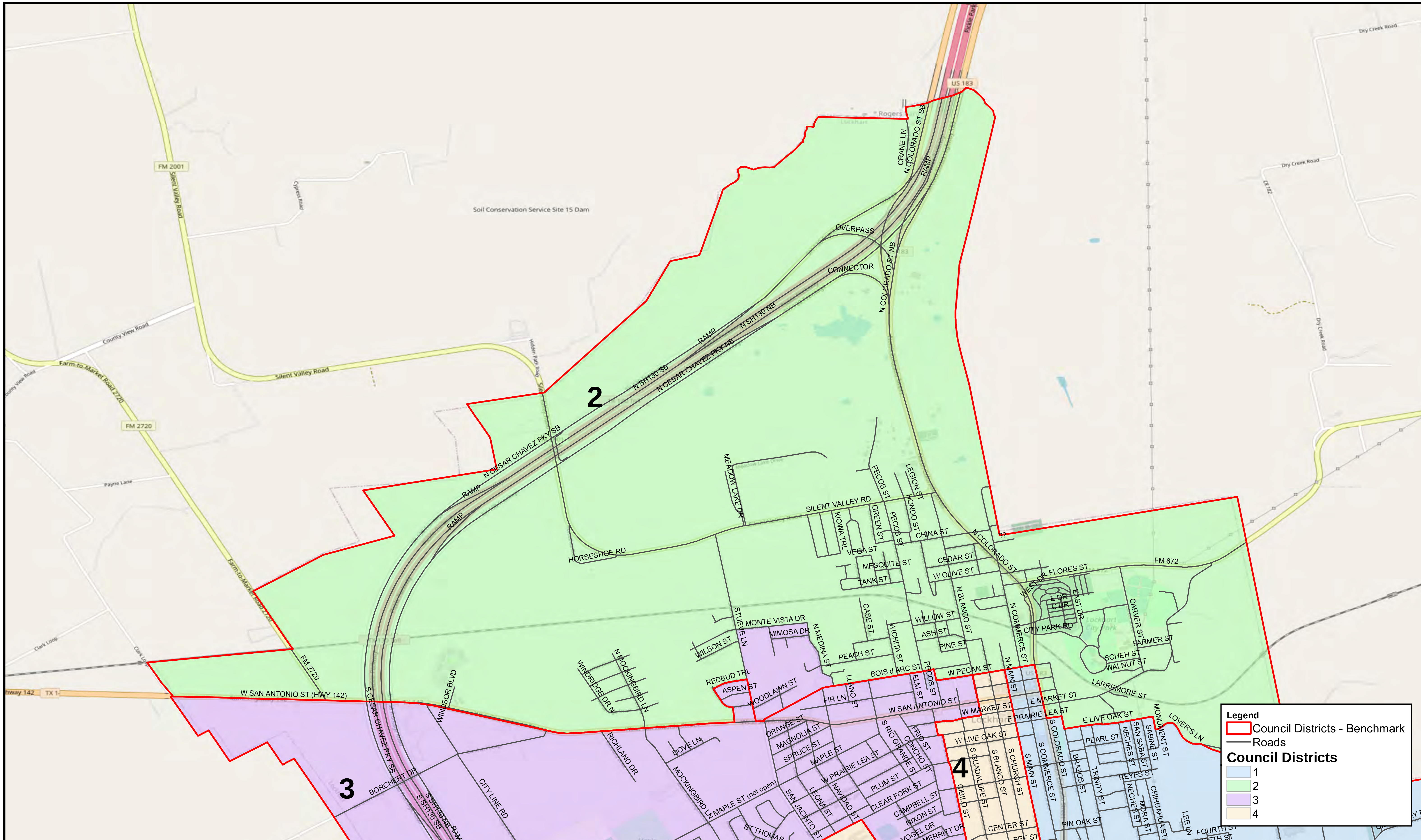


0 0.1 0.2 0.4 0.6 0.8 Miles

Created 02/01/22

City of Lockhart 2022 Council District 1
Plan A

Data Source: Roads, Water and other features obtained from the 2020 Tiger/line files, U.S. Census Bureau

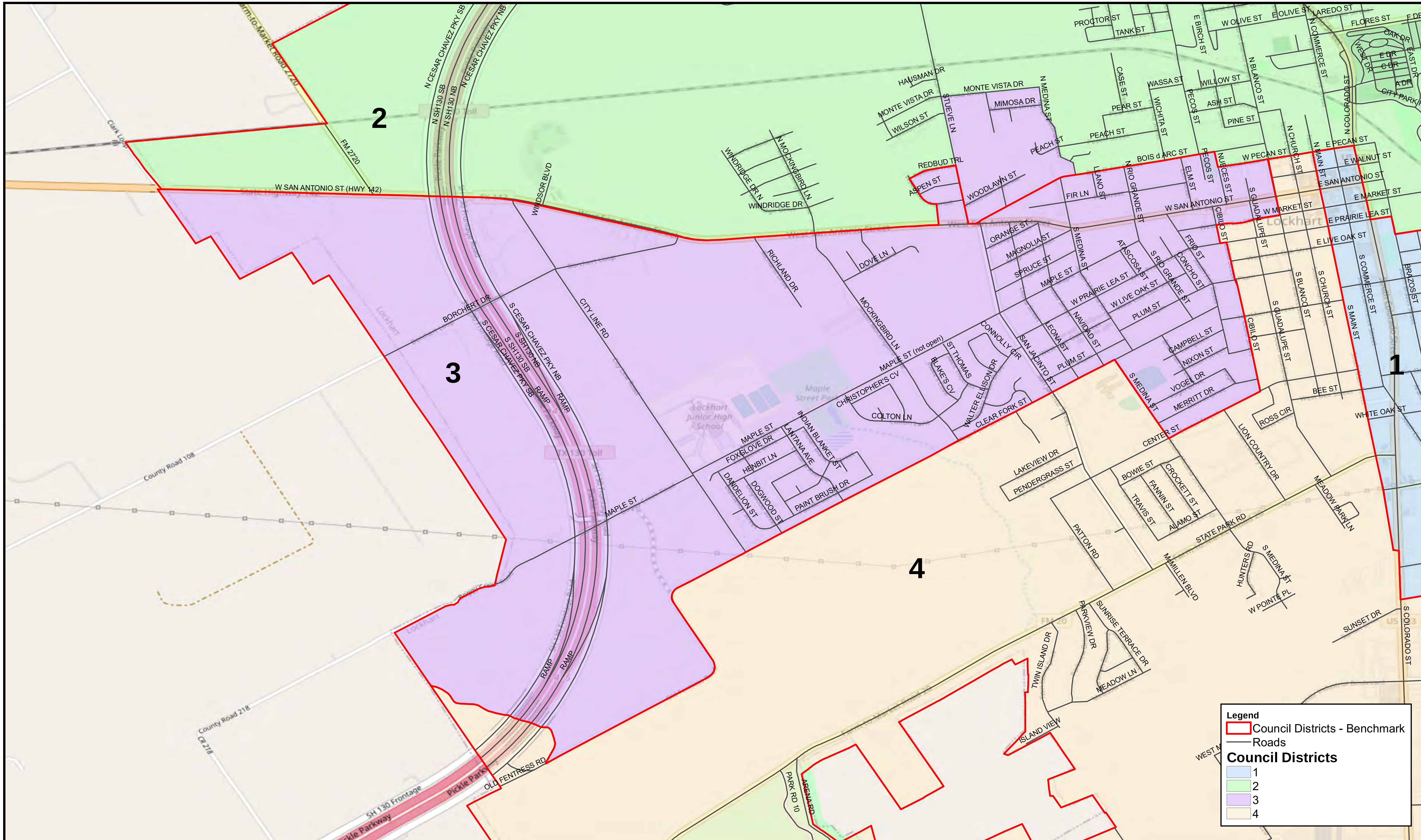


0 0.15 0.3 0.6 0.9 1.2 Miles

Created 02/01/22

City of Lockhart 2022 Council District 2
Plan A

Data Source: Roads, Water and other features obtained from the 2020 Tiger/line files, U.S. Census Bureau

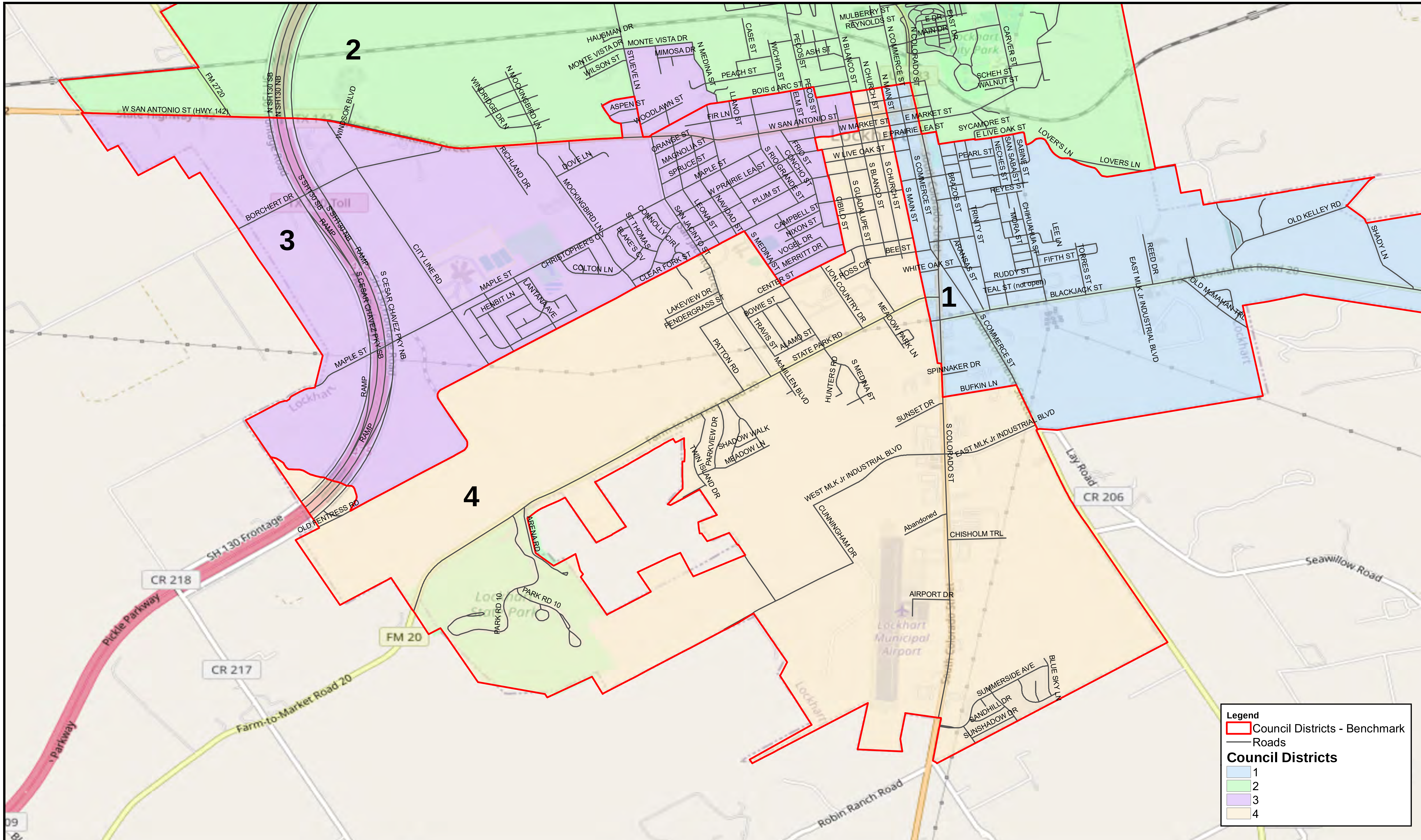


0 0.1 0.2 0.4 0.6 0.8 Miles

Created 02/01/22

City of Lockhart 2022 Council District 3
Plan A

Data Source: Roads, Water and other features obtained from the 2020 Tiger/line files, U.S. Census Bureau



0 0.15 0.3 0.6 0.9 1.2 Miles

Created 02/01/22

City of Lockhart 2022 Council District 4
Plan A

Data Source: Roads, Water and other features obtained from the 2020 Tiger/line files, U.S. Census Bureau

Plan Name: City of Lockhart Council Districts 2022 Plan A

Demographics Report - Summary 2020 Census Total Population

District	Persons	Ideal Size	Deviation	Hispanic % of Total Population	Non-Hispanic White % of Total Population	Non-Hispanic Black % of Total Population	Non-Hispanic Asian % of Total Population	Non-Hispanic Other % of Total Population
1	3,417	3,593	-4.89%	55.78%	30.70%	10.86%	0.23%	2.43%
2	3,633	3,593	1.12%	66.12%	25.27%	5.84%	0.63%	2.15%
3	3,586	3,593	-0.19%	39.99%	51.87%	3.12%	0.95%	4.07%
4	3,735	3,593	3.96%	49.67%	39.68%	6.29%	0.83%	3.48%
TOTAL:	14,371			52.86%	36.94%	6.47%	0.67%	3.04%

Ideal Size: 14371 / 4 = 3593

Total Population: 14,371

Overall Deviation: 8.85%

Some percentages may be subject to rounding errors.

Plan Name: City of Lockhart Council Districts 2022 Plan A

Demographics Report - Summary 2020 Census Voting Age Population

District	Total VAP*		Hispanic % of Total VAP	Non-Hispanic Anglo % of Total VAP	Non-Hispanic Black % of Total VAP	Non-Hispanic Asian % of Total VAP	Non-Hispanic Other % of Total VAP
1	2,813		51.37%	34.27%	11.98%	0.25%	2.13%
2	2,631		62.18%	28.39%	6.73%	0.76%	1.94%
3	2,797		36.25%	56.10%	3.15%	0.97%	3.54%
4	2,854		45.97%	44.04%	6.62%	0.81%	2.52%
	11,095		48.73%	40.89%	7.13%	0.69%	2.54%

* VAP - Voting Age Population

Some percentages may be subject to rounding errors.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Hold a PUBLIC HEARING on application ZC-22-07 by Hector and Maria Rangel, and discussion and/or action to consider Ordinance 2022-13 for a **Zoning Change** from *RMD Residential Medium Densitiy District* to *CMB Commercial Medium Business District* on Part of Lots 3 and 4, Block 4, Original Town of Lockhart, consisting of 0.5460 acre located at 604 East Market Street.

ORIGINATING DEPARTMENT AND CONTACT: Development Services - Dan Gibson

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: The convenience store on the subject property has been in existence for many years and was previously used for a variety of commercial uses. However, it's currently zoned RMD, which doesn't allow commercial uses. Commercial use of the building has been nonconforming, but considered grandfathered. However, nonconforming uses that are discontinued for a period of six months cannot resume. The owner has stated that the store has been closed since the beginning of the pandemic, but he plans to make improvements and reopen it. Because it has been closed for over six months, it can't be reopened unless the property is rezoned to a commercial classification. The proposed rezoning will eliminate the nonconforming status and allow retail commercial uses by-right. The subject property is at the edge of a primarily single-family residential area. However, there are several other businesses along East Market Street with commercial zoning and, in one case, industrial zoning. The mixed-use nature of development in the vicinity of the subject property seems to work well, despite the fact that there are businesses next door to single-family homes. Because the convenience store use is already a relatively intense retail commercial use, approval of the zoning change would not necessarily result in any additional impact on the neighborhood. However, the proposed CMB zoning classification is ***not*** consistent with the *Medium Density Residential* future land use designation of the land use plan map. So far, there has been no public opposition to this zoning change.

PROJECT SCHEDULE (if applicable): Not applicable.

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

FISCAL NOTE (if applicable): Not applicable.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

PREVIOUS COUNCIL ACTION: None.

COMMITTEE/BOARD/COMMISSION ACTION: At their March 9th meeting, the Planning and Zoning Commission voted unanimously to recommend APPROVAL.

STAFF RECOMMENDATION/REQUESTED MOTION: APPROVE Ordinance 2022-13 rezoning 604 East Market Street from RMD to CMB.

LIST OF SUPPORTING DOCUMENTS: zc2207 ordinance, zc2207 exhibit A, ZC2207 case map, ZC2207 zoning, ZC2207 future landuse, ZC2207 aerial, zc2207 staff report, zc2207 application

ORDINANCE 2022-13

AN ORDINANCE OF THE CITY OF LOCKHART, TEXAS, AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF LOCKHART, TEXAS, TO RECLASSIFY THE PROPERTY KNOWN AS PART OF LOTS 3 AND 4, BLOCK 4, OF THE ORIGINAL TOWN OF LOCKHART, CONSISTING OF 0.546-ACRE LOCATED AT 604 EAST MARKET STREET, FROM RMD RESIDENTIAL MEDIUM DENSITY DISTRICT TO CMB COMMERCIAL MEDIUM BUSINESS DISTRICT.

WHEREAS, on March 9, 2022, the Planning and Zoning Commission held a public hearing and voted to recommend approval of said change; and,

WHEREAS, the City Council desires to amend the zoning map as provided in Section 64-128 of the Code of Ordinances; and,

WHEREAS, a public hearing was held in conformance with applicable law;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, THAT:

I. The foregoing recitals are approved and adopted herein for all purposes.

II. The above-referenced property described in Zoning Change request ZC-22-07 as Part of Lots 3 and 4, Block 4, Original Town of Lockhart, consisting of 0.546-acre more particularly described in Exhibit A and located at 604 East Market Street, will be reclassified from RMD Residential Medium Density District to CMB Commercial Medium Business District.

III. Severability: If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or unenforced, the validity of the remainder of this ordinance or its application shall not be affected, it being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by way of reasons of any unconstitutionality or invalidity of any other portion, provision or regulation.

IV. Repealer: That all other ordinances, sections, or parts of ordinances heretofore adopted by the City of Lockhart in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

V. Publication: That the City Secretary is directed to cause this ordinance caption to be published in a newspaper of general circulation according to law.

VI. Effective Date: That this ordinance shall become effective and be in full force immediately upon and from the date of its passage.

PASSED, APPROVED, AND ADOPTED AT A REGULAR MEETING OF THE LOCKHART CITY COUNCIL ON THIS THE 15th DAY OF MARCH, 2022.

CITY OF LOCKHART

____

Lew White, Mayor

ATTEST:

____

Connie Constancio, TRMC, City Secretary

APPROVED AS TO FORM:

____

Monte Akers, City Attorney

EXHIBIT "A"

Claude Hinkle Surveyors

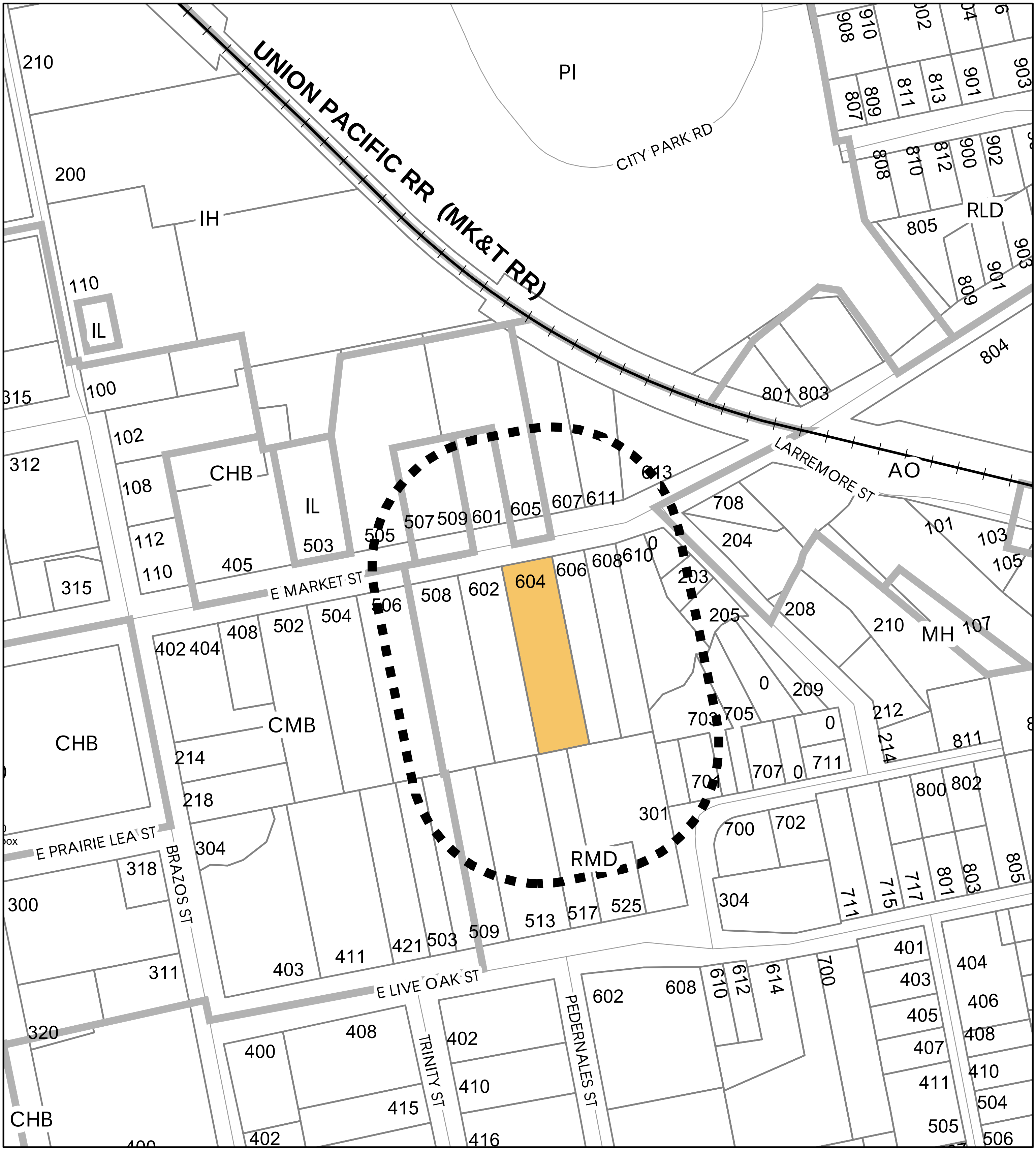
All of a certain tract or parcel of land situated in the City of Lockhart, Caldwell County, Texas and being a part of Lots 3 and 4 in Block 4 of the Original Town of Lockhart as recorded in Volume Q Page 507 of the Deed Records of Caldwell County, Texas and being a part of a tract of land described in a Deed of Trust with Erasmo Rangel as a named party and recorded in Volume 87 Page 459 of the Deed of Trust Records of Caldwell County, Texas and being more particularly described as follows:

> **BEGINNING** *at a ½" iron pin found used for basis of bearing and in the North line of the above mentioned Lot 4 and in the NE corner of the above mentioned Volume 87 Page 459 and in the apparent NW corner of a tract of land conveyed to Mary Alice Moya by deed recorded in Volume 335 Page 924 of the Official Records of Caldwell County, Texas and in the South line of E. Market Street for the NE corner this tract.*
>
> **THENCE S 10 degrees 00 minutes 00 seconds E** *with the East line of the said Volume 87 Page 459 and the apparent West line of the above mentioned Moya tract at 187.80 feet pass a capped ½" iron pin set for reference and continue for a total distance of* **297.10 feet** *to a point in the South line of the said Lot 4 and in the SE corner of the said Volume 87 Page 459 for the SE corner this tract.*
>
> **THENCE S 80 degrees 00 minutes 00 seconds W** *with the South line of the said Lots 3 and 4 and the South line of the said Volume 87 Page 459* **80.00 feet** *to a point in the SE corner of a tract of land described in Volume 112 Page 76 of the said Deed of Trust Records for the SW corner this tract.*
>
> **THENCE N 10 degrees 00 minutes 00 seconds W** *with the East line of the above mentioned Volume 112 Page 76 and over and across the said Volume 87 Page 459 at 109.30 feet pass a capped ½" iron pin set for reference and continue for a total distance of* **297.10 feet** *to a capped ½" iron pin set in the NE corner of the said Volume 112 Page 76 and the North line of the said Volume 87 Page 459 and the South line of E. Market Street for the NW corner this tract.*
>
> **THENCE N 80 degrees 00 minutes 00 seconds E** *with the North line of the said Volume 87 Page 459 and the South line of E. Market Street at 5.49 feet pass the NE corner of an access easement described this date and continue for a total distance of* **80.00 feet** *to the place of beginning containing* **0.546 acres** *of land more or less.*

I hereby certify that the foregoing field notes are a true and correct description of a survey made under my direct supervision on April 17, 2008. ***THESE FIELD NOTES ARE CERTIFIED AND ITS CONTENTS GUARANTEED FOR USE WITH THIS ONE TRANSACTION ONLY DATED THIS DATE.*** Only those prints containing the raised Surveyor's seal and an original "LIVE" signature should be considered official and relied upon by the user.

Jerry C. Hinkle, R.P.L.S. #5459

P.O. Box 1027 – Lockhart, Texas 78644 – Phone (512) 398-2000 – Fax (512) 398-7683



ZC-22-07

RMD TO CMB

604 E MARKET ST

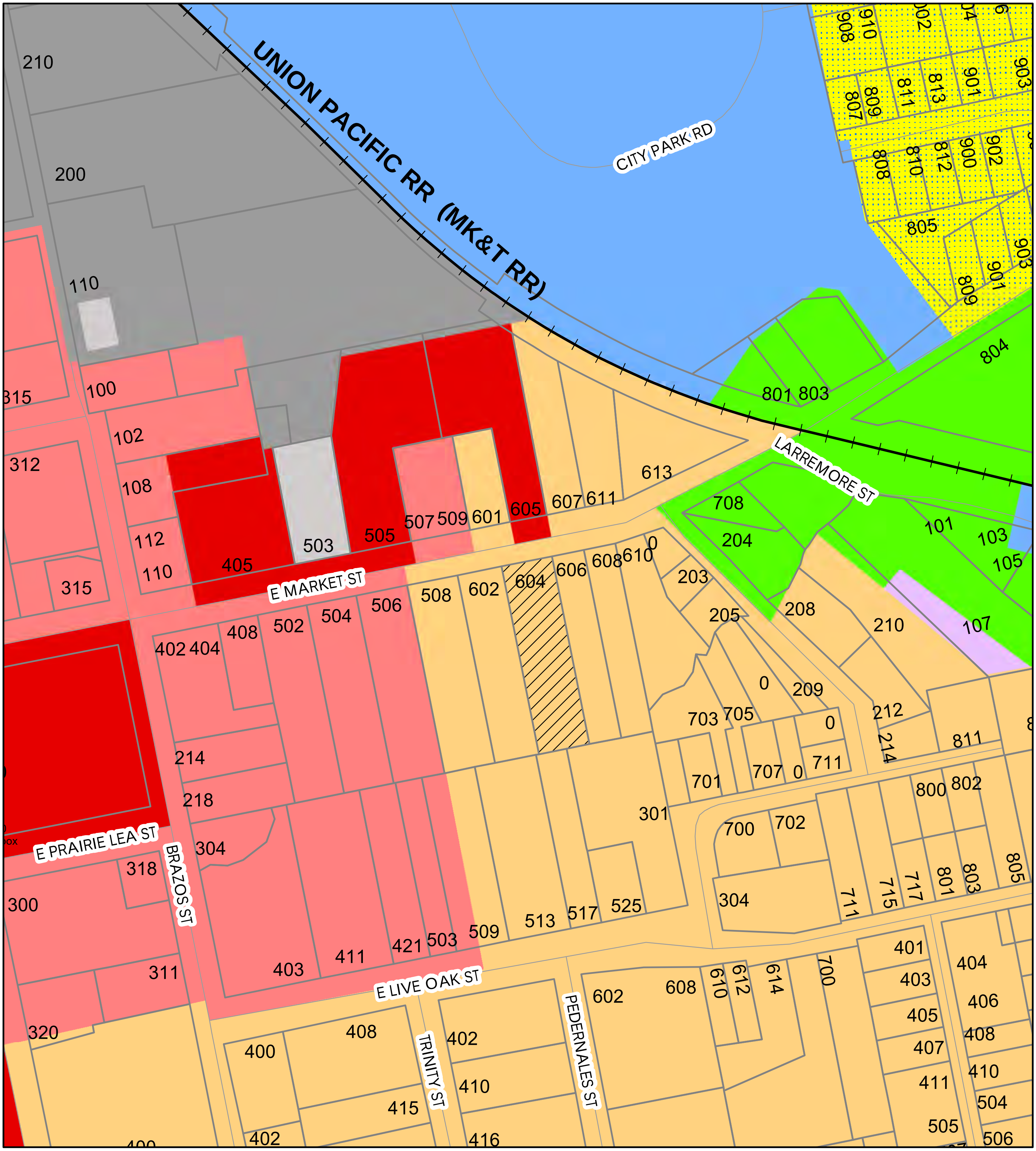
N

scale 1" = 200'

SUBJECT PROPERTY

ZONING BOUNDARY

200 FT BUFFER



ZC-22-07

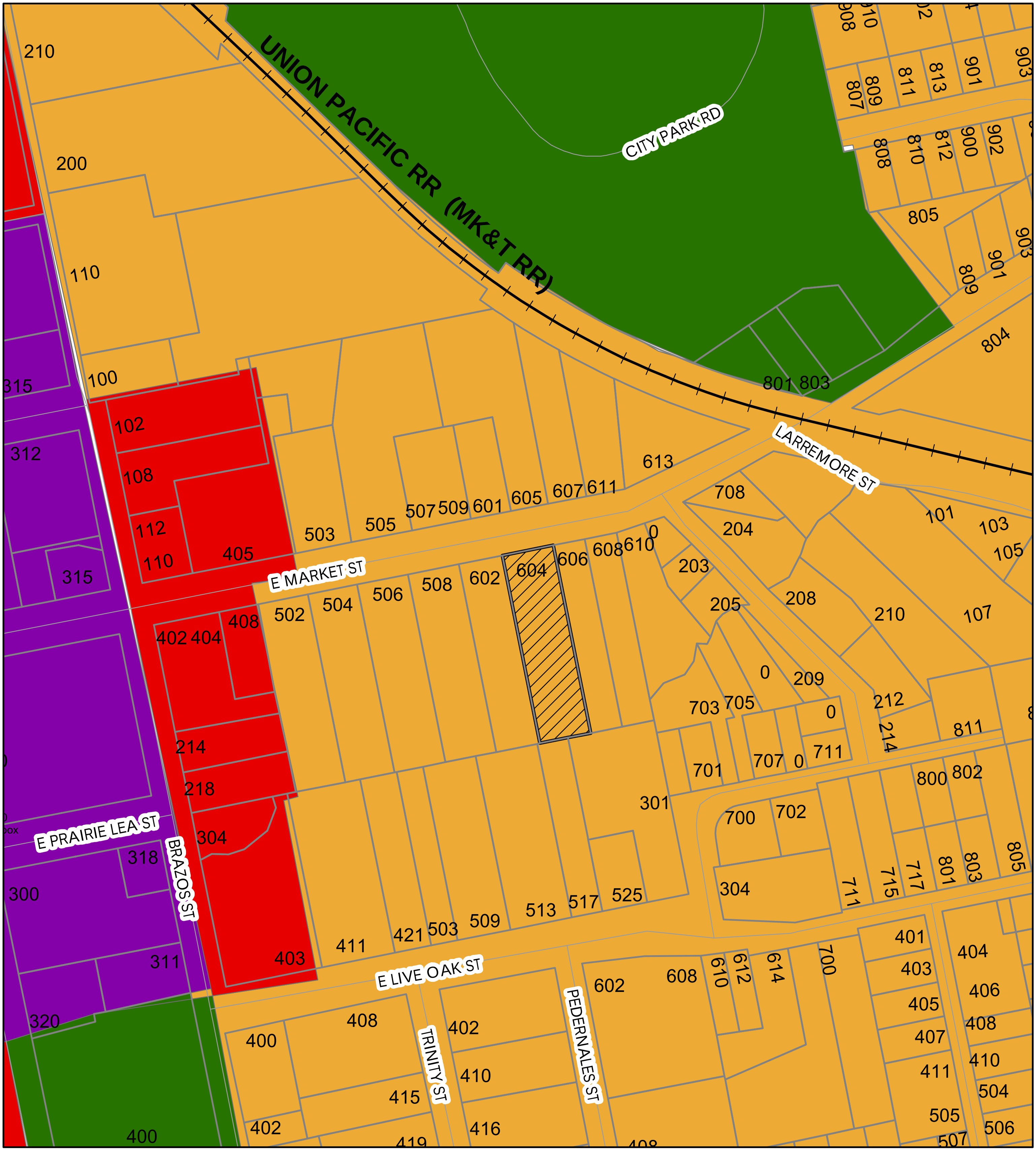
RMD TO CMB

604 E MARKET ST

scale 1" = 200'

ZONING DISTRICTS

- AGRICULTURAL-OPEN SPACE
- COMMERCIAL HEAVY BUSINESS
- COMMERCIAL MEDIUM BUSINESS
- INDUSTRIAL HEAVY
- INDUSTRIAL LIGHT
- MANUFACTURED HOME
- PUBLIC AND INSTITUTIONAL
- RESIDENTIAL LOW DENSITY
- RESIDENTIAL MEDIUM DENSITY



FUTURE LANDUSE

RMD TO CMB

604 E MARKET ST

scale 1" = 200'


N
CITY PARK RD
E WALNUT ST
N COLORADO ST
E SAN ANTONIO ST
E MARKET ST
S COLORADO ST
E PRAIRIE LEA ST
BRAZOS ST
E LIVE OAK ST
TRINITY ST
PEDERNALES ST
BELLINGER ST
KENNEDY ST
LARREMORE ST
UNION PACIFIC RR (MK&T RR)
604
0
200
400 Feet

CASE SUMMARY

STAFF: Dan Gibson, City Planner CASE NUMBER: ZC-22-07
REPORT DATE: March 3, 2022 [Updated 3-10-22]
PLANNING AND ZONING COMMISSION HEARING DATE: March 9, 2022
CITY COUNCIL HEARING DATE: March 15
REQUESTED CHANGE: RMD to CMB
STAFF RECOMMENDATION: ***Approval***
PLANNING AND ZONING COMMISSION RECOMMENDATION: ***Approval***

BACKGROUND DATA

APPLICANT: Hector Rangel
OWNER: Hector and Maria Rangel
SITE LOCATION: 604 East Market Street
LEGAL DESCRIPTION: Metes and Bounds (Part of Lots 3 and 4, Block 4, Original Town of Lockhart)
SIZE OF PROPERTY: 0.546 acres
EXISTING USE OF PROPERTY: Convenience store
LAND USE PLAN DESIGNATION: *Medium Density Residential*

ANALYSIS OF ISSUES

REASON FOR REQUESTED ZONING CHANGE: The convenience store on the subject property has been in existence for many years and was previously used for a variety of commercial uses. However, it's currently zoned RMD, which doesn't allow commercial uses. Commercial use of the building has been nonconforming, but considered grandfathered. However, nonconforming uses that are discontinued for a period of six months cannot resume. The owner has stated that the store has been closed since the beginning of the pandemic, but he plans to make improvements and reopen it. Because it has been closed for over six months, it can't be reopened unless the property is rezoned to a commercial classification. The proposed rezoning will eliminate the nonconforming status and allow retail commercial uses by-right.

AREA CHARACTERISTICS:

	Existing Use	Zoning	Future Land Use Plan
North	Cabinet shop, single-family dwellings	CHB, CMB, RMD	*Medium Density Residential*
East	Single-family dwellings	RMD	*Medium Density Residential*
South	Vacant land, single-family dwellings	RMD	*Medium Density Residential*
West	Single-family dwellings	RMD, CMB	*Medium Density Residential*

TRANSITION OF ZONING DISTRICTS: The subject property does not abut any other commercial zoning, although the cabinet shop directly across the street is zoned CHB. Technically, approval of this application would not be spot zoning because, once mapped, the zoning districts extend to the center of the street and the two commercial districts would connect.

ADEQUACY OF INFRASTRUCTURE: Existing vehicular access and utility services are adequate for uses allowed in the proposed CMB district.

POTENTIAL NEIGHBORHOOD IMPACT: The subject property is at edge of a primarily single-family residential area. However, there are several other businesses along East Market Street with commercial zoning and, in one case, industrial zoning. The mixed-use nature of development in the vicinity of the subject property seems to work well, despite the fact that there are businesses next door to single-family homes. Because the convenience store use is already a relatively intense retail commercial use, approval of the zoning change would not necessarily result in any additional impact on the neighborhood.

CONSISTENCY WITH COMPREHENSIVE PLAN: The proposed CMB zoning classification is ***not*** consistent with the *Medium Density Residential* future land use designation of the land use plan map.

ALTERNATIVE CLASSIFICATIONS: The existing RMD zoning is already consistent with the *Medium Density Residential* designation shown on the land use plan map, but the zoning required for the resumption of any commercial use would have to be a commercial classification such CMB.

RESPONSE TO NOTIFICATION: None as of the date of this report.

STAFF RECOMMENDATION: Under normal circumstances, rezoning a property from a residential classification to a commercial classification when the neighborhood is primarily single-family residential would not be considered appropriate, especially when the existing zoning is already consistent with the land use plan map. However, in this case a commercial businesses have already occupied the subject property, and there are other businesses with nonresidential zoning scattered along the same street. Additional considerations are that the current land use and zoning of the property directly across the street are commercial, and that denial of the zoning change would prevent resumption of a long-standing neighborhood service. Therefore, staff recommends ***Approval***.

CITY OF
Lockhart
TEXAS

ZONING CHANGE APPLICATION

(512) 398-3461 • FAX (512) 398-3833
P.O. Box 239 • Lockhart, Texas 78644
308 West San Antonio Street

APPLICANT/OWNER

APPLICANT NAME Hector Rangel ADDRESS 1407 N Pecos
DAY-TIME TELEPHONE 512 698-3335 Lockhart TX 78644
E-MAIL rangelhector@yahoo.com

512 665-3946
OWNER NAME Hector G + Maria Rangel ADDRESS 1407 N Pecos
DAY-TIME TELEPHONE 512 698-3335 Lockhart TX 78644
E-MAIL rangelhector@yahoo.com

PROPERTY

ADDRESS OR GENERAL LOCATION 604 E Market Lockhart TX 78644
LEGAL DESCRIPTION (IF PLATTED) O.T. Lockhart, Block 42, Lot PT4, store + storage
SIZE .546 ACRE(S) LAND USE PLAN DESIGNATION Medium Density Res.
EXISTING USE OF LAND AND/OR BUILDING(S) Commercial - (store)
PROPOSED NEW USE, IF ANY Commercial

REQUESTED CHANGE

FROM CURRENT ZONING CLASSIFICATION Residential Medium Density - RMD
TO PROPOSED ZONING CLASSIFICATION Commercial - CMB
REASON FOR REQUEST This property has been in our family since 1965 as commercial property (see attached Limited Sales Tax Permit) Since we are taxed as Commercial ~~Pro~~ Property, we want to be zoned commercial. We are grandfather as commercial but if our property is destroyed, ~~#~~ the grandfather will be gone.

SUBMITTAL REQUIREMENTS

IF THE APPLICANT IS NOT THE OWNER, A LETTER SIGNED AND DATED BY THE OWNER CERTIFYING THEIR OWNERSHIP OF THE PROPERTY AND AUTHORIZING THE APPLICANT TO REPRESENT THE PERSON, ORGANIZATION, OR BUSINESS THAT OWNS THE PROPERTY.

NAME(S) AND ADDRESS(ES) OF PROPERTY LIEN-HOLDER(S), IF ANY.

IF NOT PLATTED, A METES AND BOUNDS LEGAL DESCRIPTION OF THE PROPERTY.

APPLICATION FEE OF $ 150 PAYABLE TO THE CITY OF LOCKHART AS FOLLOWS:

1/4 acre or less	$125
Between 1/4 and one acre	$150
One acre or greater	$170 plus $20.00 per each acre over one acre

TO THE BEST OF MY KNOWLEDGE, THIS APPLICATION AND ASSOCIATED DOCUMENTS ARE COMPLETE AND CORRECT, AND IT IS UNDERSTOOD THAT I OR ANOTHER REPRESENTATIVE SHOULD BE PRESENT AT ALL PUBLIC MEETINGS CONCERNING THIS APPLICATION.

SIGNATURE Hector L Rangel DATE Feb 9, 2022

OFFICE USE ONLY

ACCEPTED BY Kevin Waller RECEIPT NUMBER 01137476

DATE SUBMITTED 2/15/22 CASE NUMBER ZC - 22 - 07

DATE NOTICES MAILED 2-22-22 DATE NOTICE PUBLISHED 2-24-22

PLANNING AND ZONING COMMISSION MEETING DATE 3/9/22

PLANNING AND ZONING COMMISSION RECOMMENDATION Approval

CITY COUNCIL MEETING DATE 3-15-22

DECISION ______

REGULAR MEETING
LOCKHART CITY COUNCIL MARCH 1, 2022 6:30 P.M.

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

Council present:
Mayor Lew White
Mayor Pro-Tem Angie Gonzales-Sanchez
Councilmember Derrick David Bryant
Councilmember Juan Mendoza
Councilmember Kara McGregor
Councilmember Jeffry Michelson
Councilmember Brad Westmoreland

Staff present:
Steven Lewis, City Manager
Connie Constancio, City Secretary
Monte Akers, City Attorney
Victoria Maranan, Public Information Officer
Pam Larison, Finance Director
Dan Gibson, City Planner
Ernest Pedraza, Police Chief
Randy Jenkins, Fire Chief

Citizens/Visitors Addressing the Council: Citizens: Len Gabbay, Donna Daniels, Alexandra Worthington, Jason Jones, Suzanne Fulton, Samuel Meneses; and Brad Schwab of Cornerstone Housing Group.

Work Session 6:30 p.m.
Mayor White opened the work session and advised the Council, staff and the audience that staff would provide information and explanations about the following items:

DISCUSSION ONLY
A. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, 551.071, CONSULTATION WITH THE CITY ATTORNEY REGARDING MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE, AND 551.074, REGARDING THE DUTIES OF COUNCIL MEMBERS.
Mayor White announced that the Council would enter Executive Session at 6:35 p.m.

Mayor White announced that the Council would enter Open Session at 7:50 p.m.

RECESS: Mayor White announced that the Council would recess for a break at 7:50 p.m.

REGULAR MEETING

ITEM 1. CALL TO ORDER.
Mayor Lew White called the meeting to order at 8:05 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.
Mayor White gave the Invocation and led the Pledge of Allegiance to the United States and Texas flags.

ITEM 3. PUBLIC COMMENT.

Mayor White requested citizens to address the Council.

Len Gabbay, 420 W. Prairie Lea Street, spoke in opposition of Councilmember David Bryant's sermon on January 23, 2022, and expressed disappointment that Mr. Bryant refuses to retract the comments against the Jewish religion.

Donna Daniels, 420 W. Prairie Lea Street, spoke in opposition of Councilmember David Bryant's sermon on January 23, 2022, and requested that Councilmember Bryant resign his position as Lockhart City Councilmember.

Alexandra Worthington, 701 Campbell, spoke in opposition of Councilmember David Bryant's sermon on January 23, 2022. She stated that his comments about the Jewish religion were harmful and possibly dangerous.

Jason Jones, 608 Bois D'arc, President of the Gaslight Baker Theatre, thanked the Lockhart City Council for their support of allocating Hotel Occupancy Tax funds to the Theatre.

Suzanne Fulton, 316 Cibilo, spoke in opposition of Councilmember David Bryant's sermon on January 23, 2022. She stated that the antisemitic beliefs that Mr. Bryant expressed in his sermon were uncalled for.

Sam Meneses, 1606 Shenandoah Trail, stated that he commends Councilmember Bryant for making a public apology and stated that Mr. Bryant should remain on the Lockhart City Council.

ITEM 4. DISCUSSION AND/OR ACTION REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSION.

Mayor White stated that members of the Lockhart City Council expressed concern about the comments made by Councilmember Bryant during a recent sermon of which the City Council is in strong disagreement. The City Charter does not allow the City Council to remove a Councilmember. The City Charter only allows a Councilmember to be removed by a recall election after a certified recall petition that was distributed by voters in the Councilmembers' district.

Mayor White read Resolution 2022-11 in its entirety expressing the Council's opposition to Councilmember David Bryant's position.

Mayor White stated that each Councilmember will sign the Resolution, except Councilmember Bryant.

Mr. Akers stated that the number assigned to the Resolution (2022-11) is incorrect. The correct number of the Resolution is 2022-15.

Mayor Pro-Tem Sanchez made a motion to approve Resolution 2022-15, as presented. Councilmember McGregor seconded.

Mayor Pro-Tem Sanchez assured the community that an elected official will be held accountable for their actions and that being a Councilmember is a responsibility to encourage the community to be respectful to each another.

VOTE: The motion passed by vote of 6-1, with Councilmember Bryant opposing.

ITEM 5-A. HOLD PUBLIC HEARING AND DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2022-14 OF NO OBJECTION FOR ATTAINABLE SENIOR HOUSING FOR CORNERSTONE HOUSING GROUP, LLC FOR APARTMENTS NORTH OF SAN ANTONIO STREET, BETWEEN STANTON APARTMENTS AND HIGHWAY 130.
Mayor White opened the public hearing at 8:34 p.m.

Mr. Gibson stated that Cornerstone Housing Group, LLC requests a Resolution of No Objection for their submission of an application to the Texas Department of Housing and Community Affairs (TDHCA). A public hearing is being held about the Resolution of No Objection to abide by TDHCA's requirements of the Governing Body holding a public hearing regarding the development. He requested Brad Schwab to address the Council.

Brad Schwab of Cornerstone Housing Group stated that they propose to develop 160 units of attainable senior housing on 7.5 acres located north of San Antonio St between Stanton Apartments and Hwy 130. All 160 units will be in a single, elevator-served building. Indoor amenities include a community room with a serving kitchen, a game and craft room, a theater, library, and a fitness center. Outdoor amenities include an inground pool, an outdoor kitchen, and two dog parks. An interior courtyard will be landscaped and include a shade structure. The development will be funded using 4% bond tax credits provided by the Texas Department of Housing and Community Affairs (TDHCA). Cornerstone Housing's funding application to TDHCA must include a "Resolution of No Objection" approved by City Council.

Mayor White requested citizens to address the Council. There were none. He closed the public hearing at 8:45 p.m.

Councilmember Michelson made a motion to approve Resolution 2022-14, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-H. DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2022-13 SUPPORTING A DEVELOPMENT FOR AFFORDABLE RENTAL HOUSING THAT WILL BE LOCATED NORTH OF SAN ANTONIO STREET BETWEEN STANTON APARTMENTS AND HIGHWAY 130 IN LOCKHART, CALDWELL COUNTY, TEXAS FOR SUBMITTAL OF AN APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR 2022 HOUSING TAX CREDITS FOR CORNERSTONE HOUSING GROUP, LLC.
Mr. Gibson stated that the Resolution is the same project. The Resolution is a requirement of the TDHCA's application process. There was discussion.

Mayor Pro-Tem Sanchez made a motion to approve Resolution 2022-13, as presented. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 6-A. DISCUSSION AND/OR ACTION TO CONSIDER CONTRACT FOR ELECTION SERVICES WITH THE CALDWELL COUNTY ELECTIONS ADMINISTRATOR TO CONDUCT THE CITY OF LOCKHART'S GENERAL ELECTION ON NOVEMBER 8, 2022.
Ms. Constancio stated that the Caldwell County Elections Administrator (County EA) is conducting Elections on November 8, 2022. The City of Lockhart will hold a General election on November 8, 2022 for the positions of Councilmember District 1, Councilmember District 2 and Two Councilmembers At-Large. Since 2010, in the interest of a public purpose, the City of Lockhart has contracted with the County EA to conduct City elections to enable all propositions and public official positions to be on one ballot for voters within the City of Lockhart and Caldwell County. The City of Lockhart shall pay an administrative fee of 10% of the total cost of the election and any runoff election or $500, whichever is greater. In the

event the services are provided for a joint election, the cost shall be equally prorated between the participating entities. A runoff Election shall be treated as a separate election. The City of Lockhart will order the November 8, 2022 General Election in June 2022. The candidate filing period is July 23, 2022 through August 22, 2022. City staff will have candidate packets available for distribution to potential candidates in late May 2022. There was discussion.

Councilmember McGregor made a motion to approve the contract for election services with the Caldwell County Elections Administrator to conduct the City of Lockhart's General election on November 8, 2022. Councilmember Michelson seconded. The motion passed by a vote of 7-0.

ITEM 6-B. DISCUSSION AND/OR ACTION TO CONSIDER THE 2021 RACIAL PROFILING REPORT OF THE LOCKHART POLICE DEPARTMENT.

Chief Pedraza stated that State law requires collection of information relating to motor vehicle stops in which a ticket, citation, or warning is issued and to arrests made because of those stops. In addition, State law requires the following:

1. A comparative analysis of the information compiled;
2. Evaluate and compare the number of motor vehicle stops, within the applicable jurisdiction, of persons who are recognized as racial or ethnic minorities and persons who are not recognized as racial or ethnic minorities;
3. Examine the disposition of motor vehicle stops made by officers employed by the agency, categorized according to the race or ethnicity of the affected persons, as appropriate, including any searches resulting from stops within the applicable jurisdiction;
4. Evaluate and compare the number of searches resulting from motor vehicle stops within the applicable jurisdiction and whether contraband or other evidence was discovered during those searches and whether the individual detained consented to the search;
5. Information relating to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling;
6. Whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual;
7. Whether the peace officer used physical force that resulted in bodily injury, as that term is defined by Section 1.07, Penal Code, during the stop;
8. Location of the stops; and
9. The reason for the stops.

Chief Pedraza provided a comparison of stops and searches between 2019, 2022 and 2021. There was discussion.

Mayor Pro-Tem Sanchez made a motion to accept the 2021 Racial Profiling Report of the Lockhart Police Department. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 6-C. DISCUSSION AND/OR ACTION TO CONDUCT AN ANNUAL REVIEW OF THE CITY OF LOCKHART EMERGENCY WARNING SYSTEM POLICIES WHICH INCLUDES THE OUTDOOR WARNING SIRENS (OWS) AND THE REGIONAL NOTIFICATION SYSTEM (RNS) IN PARTNERSHIP WITH THE CAPITAL AREA COUNCIL OF GOVERNMENTS (CAPCOG).

Chief Jenkins stated that severe weather is common in Central Texas from March through November. This includes the typical, peak severe thunderstorm and tornado months from March to June, and it includes the Atlantic hurricane season from June 1 to November 30. The purpose of this agenda item is to complete a routine annual review of the policy and to make any necessary amendments before the upcoming severe weather season. The current emergency warning system includes both outdoor and indoor warning methods. Outdoor Warning Sirens (OWS) consisting of five (5) electro-mechanical rotating sirens strategically located throughout the city. The sirens are tested the 1st Monday of each month at 1 p.m. and are maintained through an annual maintenance contract. Indoor warnings are managed through the CAPCOG Regional Notification System (WarnCentralTexas.org) which has been implemented for citizens to receive warnings and important information on a phone (call or text), and computers (Email), to include automated weather warnings from the National Weather Service (NWS). The current warning system was adopted by Resolution No. 2019-14 on July 2, 2019. Key points of the emergency warning system include the outdoor sirens are tested the first Monday of each month; dispatch staff conducts monthly tests in the event of a manual activation; and activation criteria for the sirens was adopted. On August 6, 2019, City Council approved the purchase of an automated Tornado Warning siren activation software that will be automatically activated if the National Weather Service (NWS) issues a tornado warning for the City of Lockhart. Outdoor Warning Sirens were activated once by staff in 2021 for severe weather. The City of Lockhart currently has 11,300 contacts in *WarnCentralTexas.org*.

There was discussion regarding the difference between an outdoor and indoor warning system and about educating the public about the difference.

Councilmember Michelson made a motion to accept and to continue the City of Lockhart Emergency Warning System Policies which includes the Outdoor Warning Sirens (OWS) and the Regional Notification System (RNA) in partnership with the Capital Area Council of Governments (CAPCOG). Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 6-D. DISCUSSION AND/OR ACTION TO CONSIDER HOTEL OCCUPANCY TAX (HOT) ALLOCATIONS AS RECOMMENDED BY THE HOT ADVISORY BOARD FOR THE 2022 FUNDING YEAR.

Ms. Larison stated that on February 17, 2022, the HOT Advisory Board met to discuss allocations for the 2022 funding year. Organizations were allowed to make presentations to the Board. There were seven organizations that requested funding; which included the Lockhart Chamber of Commerce, the Greater Caldwell County Hispanic Chamber of Commerce, the Gaslight-Baker Theatre, the Lockhart Downtown Business Association, Caldwell County Jail Museum, Feria De Culturas, and representatives of KOKE FM. The total amount requested was $264,200, which included the option for marketing from Texas Monthly for the World Series BBQ Festival. After much consideration and discussion, the Board recommended that the historical recipients receive their total requested amounts, a small allocation to Feria De Culturas since this is their first request and to see if their event has any significant impact on the hotel industry. The request by KOKE FM was to hold the first annual Mockingbird Music Festival in Lockhart was not recommended due to the unavailability of funds requested and the magnitude of the event. The Texas Monthly World Series BBQ Festival request was also not recommended, yet the Board understood that this item could reappear to request funding in the future since the event date is later in the year. There was discussion.

Mayor Pro-Sanchez made a motion to approve the HOT allocations as recommended by the HOT Advisory Board for the 2022 funding year. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

The following are the HOT allocations:

Lockhart Chamber of Commerce Visitor's Center	$50,000
Lockhart Chamber of Commerce Chisholm Trail Roundup	$40,000
Hispanic Chamber of Commerce Cinco de Mayo	$6,500
Hispanic Chamber of Commerce Diez y Seis	$6,500
Gaslight-Baker Theatre	$15,000
Lockhart Downtown Association Texas Swing	$12,500
Caldwell County Jail Museum	$5,000
Feria de Culturas	$1,000
Texas Monthly – World Series BBQ	0
KOKEFEST	0
TOTAL	$136,500
CURRENT FUNDS AVAILABLE	$141,750

ITEM 6-E. DISCUSSION AND/OR ACTION TO CONSIDER ORDINANCE 2022-12 ESTABLISHING A SHORT TERM RENTAL (STR) REGISTRATION PROCESS; ISSUING AN ANNUAL PERMIT AND ANNUAL REGISTRATION FEE; AND RESTRICTIONS AND SAFETY REQUIREMENTS FOR OWNER/OPERATORS.

Ms. Larison stated that due to the increase in short-term rental (STR) properties in the City of Lockhart, research was conducted by staff and a third-party consultant in 2019 to locate owner/operators and have them remit the local HOT tax required by law. Over the past two years, there have been a total of eight properties remitting payments either monthly or quarterly, but it has been determined that there could be as many as a dozen more that are still not reporting revenues. The primary reason for the registration process is: (1) establish a minimal level of regulation for the protection of the health and safety of occupants and to protect the integrity of the neighborhoods in which STR's operate; (2) allow for the management and tracking of units within the City of Lockhart, and (3) offer a primary tool for city enforcement of non-compliant STR units. Ordinance 2022-12 will establish a registration process for STR units, allow the City to enforce the remittance of the HOT taxes, enforce restrictions on owners by way of penalties, and provide safety features for renters.

Ms. Larison stated that the application will require the following information to be eligible for approval:

1. Registration Fee - $50.00
2. Property owner contact information.
3. Local emergency contact information.
4. Working smoke alarms.
5. Working carbon monoxide alarm.
6. Working fire extinguishers.
7. Maximum occupancy and parking are approved by the Planning and Zoning Department.

Once an application has been approved and the registration fee has been paid, a permit will be issued for one year. The Finance Department will work with the Planning and Zoning Department and the Building Official to ensure owners/operators are following the guidelines set by the ordinance. The Finance department will be responsible for applications, fees, and remittance of tax. The Planning and Zoning will monitor residential dwelling locations to prepare for any future changes in this ordinance. The Building Official will be responsible for initial inspections and any inspections initiated by complaint. It is expected that the registration process will help monitor existing STR's as well as assist new owners/operators to register with the City through a formal process and provide guidelines to operate in a safe and neighborhood-friendly manner.

There was discussion regarding the possibility of Councilmember Kara McGregor having a conflict of interest.

Mayor Pro-Tem Sanchez made a motion to approve Ordinance 2022-12, as presented. Councilmember Michelson seconded. The motion passed by a vote of 6-0-1, with Councilmember McGregor abstaining.

ITEM 6-F. DISCUSSION CONCERNING TEXAS SENATE BILL 3 - LOAD SHEDDING NOTIFICATION TO MUNICIPALLY OWNED UTILITY CUSTOMERS.

Ms. Larison stated that Winter Storm Uri exposed critical weaknesses in the state's power grid and regulatory framework. These outages confirmed the lack of coordinated communications among all stakeholders including municipally owned utilities and their customers. Because of this lack of communication, the Texas State Legislature addressed the problem by passing Senate Bill 3, which relates to preparing for, preventing, and responding to weather emergencies and power outages. It calls for more clarity in a municipally owned utility's procedures for the following: (1) implementing involuntary load shedding; (2) identifying critical care residential customers, critical load industrial customers, and chronic-condition residential customers; (3) the procedure as to how to apply to be considered as "critical care" or "chronic-condition" customers; and (4) providing information about reducing electricity use at times when involuntary load shed events may be implemented. The City's utility department will implement the provisions of S.B. 3 starting with the first City newsletter in March 2022. A second notice to customers will be sent in the last quarter of 2022. Load shed notifications will also be available on the City's website under the Utility Billing department, and also on social media. There was discussion.

ITEM 6-G. DISCUSSION AND/OR ACTION TO CONSIDER RESOLUTION 2022-11 IN SUPPORT OF THE CAPITAL AREA COUNCIL OF GOVERNMENTS' APPLICATION FOR ENHANCED FINE PARTICULATE MATTER MONITORING IN CENTRAL TEXAS.

Mr. Lewis stated that the Clean Air Coalition recommended at their last Advisory meeting that CAPCOG apply for an Environmental Protection Agency (EPA) grant to enhance fine particulate matter ($PM_{2.5}$) monitoring in the region. Part of the application includes a letter or resolution of partnership from member cities that indicates the organization’s level of support for the application. The Resolution expresses the City of Lockhart's support of CAPCOG's application for enhanced $PM_{2.5}$ monitoring in Central Texas

Mayor Pro-Tem Sanchez made a motion to approve Resolution 2022-11, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 6-I. CONSIDER THE NOMINATION OF BENNY HILBURN TO THE AIRPORT ADVISORY BOARD BY MAYOR LEW WHITE FOR A TERM TO EXPIRE IN NOVEMBER 2023.
Mayor White stated that Mr. Hilburn is flight rated, resides within the city limits of Lockhart, and meets all of the requirements to serve on the Board.

Councilmember Michelson made a motion to appoint Benny Hilburn to the Airport Advisory Board. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 7-0.

ITEM 6-J. DISCUSSION REGARDING MATTERS RELATED TO COVID-19.
Mayor White stated that the COVID-19 cases are decreasing. He provided details about testing and vaccination sites in Caldwell County. He encouraged everyone to stay safe.

Mr. Lewis provided information regarding the Center for Disease Control and Prevention's (CDC) updated framework on monitoring the level of COVID-19 in communities. Caldwell County is currented rated at "high". There was discussion.

ITEM 6-K. DISCUSSION AND/OR ACTION TO CONSIDER CITY COUNCIL MINUTES OF THE FEBRUARY 8, 2022 AND FEBRUARY 15, 2022 MEETINGS.
Mayor White requested corrections to the minutes. There were none.

Mayor Pro-Tem Sanchez made a motion to approve the minutes. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 7. CITY MANAGER'S REPORT, PRESENTATION AND POSSIBLE ACTION.
- Downtown Revitalization Project's Second Open House, March 3.
- Redistricting Public Hearing, March 15.
- Household Hazardous Waste Collection Event will be held Saturday, March 26, 2022 (rain or shine) for Lockhart residents.
- KidFish at City Park on March 12 at 9:00 a.m.
- Library Updates.
- Civil Service Examinations for Public Safety positions.

ITEM 8. COUNCIL AND STAFF COMMENTS - ITEMS OF COMMUNITY INTEREST.
Mayor Pro-Tem Sanchez expressed condolences to the families of Abraham Mata, Jose Silva, Martin Alfaro, Dorris Jackson, Gary Cochran, Jacob Maciel, and Marie Miles for their loss. She congratulated Joyce Buckner on her retirement from Bluebonnet Electric Coop after 30+ years and for her involvement in the community. She welcomed Joanna Gillin as Bluebonnet Electric's new Community Coordinator.

Councilmember McGregor encouraged unity in the community.

Councilmember Bryant expressed his appreciation for kindness in the community and he thanked citizens for expressing their concerns.

Mayor White thanked Council for their dedication to the community.

ITEM 9. 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 9:55 p.m.

PASSED and APPROVED this the 15th day of March 2022.

CITY OF LOCKHART

____
Lew White, Mayor

ATTEST:

____
Connie Constancio, TRMC
City Secretary

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Approve a short term use agreement extension with the Lockhart Youth Soccer Association (LYSA) for the use of the Cpl. Jason K. LaFleur Soccer Complex and defining maintenance responsibilities of LYSA and the City of Lockhart and appointing the Mayor to sign the agreement if approved by Council.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: Lockhart Soccer Youth Association's Complex Use Agreement for the Cpl. Jason K. LaFleur Sports Complex is set to expire March 24, 2022. LYSA requested changes to their contract which were presented to the Parks and Recreation Advisory Board and the board recommended approval of an extension of the agreement with LYSA. The most notable changes that LYSA requested in this contract renewal are:

- Reducing the renewal term from 5 years to 1 year
- Authorizing LYSA to rent the fields to LYSA authorized organizations instead of non-profit organizations only
- Clarifying lease fees to allow for fees based on scope of use
- City to provide insect treatment quarterly instead of annually
- Reducing the number of days that City staff has to resolve maintenance requests from 14 days to 10 days
- Change LYSA's responsibility for field dirt work to a shared responsibility of LYSA and the City to include dirt work, fertilization, weed control, irrigation and seeding the fields to provide neat and safe fields

Many of these items that have been requested would require the budgeting of funds and the further clarification of duties. Staff is requesting the current agreement be extended, so that these items can be evaluated, probable costs determined, and allow time for LYSA to meet directly with staff prior to bringing forward a revised agreement to Council..

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: N/A

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approving extension of the Cpl.Jason K. LaFleur Complex Use Agreement with LYSA.

LIST OF SUPPORTING DOCUMENTS: Extension of LYSA Agreement, Attachment A, 2017 LYSA Use Agreement

EXTENSION OF JASON K. LAFLEUR COMPLEX USE AGREEMENT

This Extension of Complex Use Agreement ("Extension") is made by and between the City of Lockhart, Texas, as Owner, and Lockhart Youth Soccer Association (LYSA).

Recitals

1. The City is the owner of the Complex, located at 1507 Maple Street, Lockhart, Texas and consisting of approximately 28 acres with concession facilities, restroom facilities, and other improvements. The Complex is used as multi-purpose fields and soccer fields for team games, practicing, and tournaments. Any reference to the Complex in this agreement includes any one or all fields, structures, and related areas and improvements thereon.

2. The LYSA is experienced in the maintenance and repairs of the Complex and has regular use of the Complex. The LYSA primarily serves youths in the City of Lockhart, Texas.

3. The City desires to enter into an agreement with the LYSA for the exclusive operation and general maintenance of the Complex, and the LYSA desires to have such exclusive operation and general maintenance on the terms and conditions set forth in this agreement, dated March 24, 2017.

Agreement

For and in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, Owner and LYSA agree that the term of the Lease shall be extended until June 30, 2022.

This Extension binds and inures to the benefit of the parties, their heirs, executors, administrators, successors in interest, and assigns.

Approved and adopted effective the 15th day of March 2022.

Owner: City of Lockhart

Lockhart Youth Soccer Association: LYSA

____
Lew White, Mayor

____
Amy Limas, President

Attest:

____
Connie Constancio, City Secretary


Attachment A
Common Areas- City Maintained
Fields- LYSA Maintained
Maple Street Park
Maple St
Maple St
Maple St
Maple St
Lockhart Soccer Complex
Maple Street Park
Christopher's Cov
Cotton Ln
Cotton Ln
Google Earth
N
300 ft

STATE OF TEXAS	)	
	)	**CITY OF LOCKHART**
COUNTY OF CALDWELL	)	

JASON K. LAFLEUR FIELD COMPLEX USE AGREEMENT

This Agreement is made between the City of Lockhart, Texas, a municipal corporation organized under the laws of the State of Texas, having its principal office at 308 W. San Antonio Street, Lockhart, Texas 78644, referred to as "the City," and the Lockhart Youth Soccer Association, a non-profit entity having its principal office at 925 W Live Oak Street, Lockhart, Texas 78644, referred to as "LYSA."

The City recognizes that the LYSA Youth Field Programs (the "Programs"), consisting of supervised, competitive athletic and recreational events for children, adolescents, and teenagers, non-adult, serve a public purpose by providing for the recreational needs of Youth in the City.

The LYSA, a 38 year old volunteer organization dedicated to youth soccer recreation, and the City have worked together to provide these programs since 2005 at the Jason K. Lafleur Field Complex ("the Complex"), and have helped more than 350 youths each year since that time. The LYSA has made significant improvements to the Complex including field irrigation, storage facility, goals, and other amenities, and the LYSA continues to use its funds to improve the Complex.

Based on the relationship of the parties and the public purpose served thereby, the City and the LYSA enter into this Use Agreement under the following conditions:

I. Recitals

1. The City is the owner of the Complex, located at 1507 Maple Street, Lockhart, Texas and consisting of approximately 28 acres with concession facilities, restroom facilities, and other improvements. The Complex is used as multi-purpose fields and soccer fields for team games, practicing, and tournaments. Any reference to the Complex in this agreement includes any one or all fields, structures, and related areas and improvements thereon.

2. The LYSA is experienced in the maintenance and repairs of the Complex and has regular use of the Complex. The LYSA primarily serves youths in the City of Lockhart, Texas.

3. The City desires to enter into an agreement with the LYSA for the exclusive operation and general maintenance of the Complex, and the LYSA desires to have such exclusive operation and general maintenance on the terms and conditions set forth in this agreement.

Therefore, in consideration of the mutual covenants set out herein, the City and the LYSA agree as follows:

II. Term

The term of this agreement is five (5) years from the date of its execution by the parties. This agreement may be extended for another five (5) year term upon written request by the LYSA, and approval of the Lockhart City Council. Any renewal request by LYSA must be in writing and be received by the City at least 30 days prior to the end of the initial term. This agreement applies to the full twelve months of each year of the term, rather than for the soccer season only, except as otherwise provided herein.

III. Use

The Complex will be used for conducting Youth Field Programs by the LYSA, and will be used by other organizations and individuals as described herein.

Youth Field Programs and other organized uses conducted at the Complex shall be sponsored by *non-profit organizations only*, and shall be open to all persons, regardless of race, color, religion, national origin, or ability and any other federally protected groups.

IV. Improvements and Alterations to the Field Complex

Upon assuming the operation and maintenance of the Complex, the LYSA shall submit in writing to the City any recommended improvements and alterations to the Complex, and any other matters that will enhance its efficient use or management. All plans and specifications for improvements and alterations must be approved in writing by the City. Improvements and alterations must conform to the current standards as specified by the Texas Parks and Wildlife Department and other state, local and federal law, including City ordinances. After conferring with the City and obtaining approval to make improvements and alterations, the LYSA will undertake completion of the improvements and alterations at the sole expense of the LYSA, unless otherwise agreed upon by the City and the LYSA in writing. Utilities, including electrical wiring, must be placed by qualified/licensed individuals underground as required by the Texas Parks and Wildlife Department. Any improvements or alterations to the Complex, including the fields, cannot be done without written permission of the City Parks Manager and/or Public Works Director. Such improvements or alterations must be completed by LYSA in a timely manner.

Advertising signs at the Field Complex must be approved in writing by the LYSA and the City, and are permitted only on fences or as temporary attachments to the concession stand, causing no damage, and only during the seasonal soccer play.

V. Use of the Field Complex by Other Organizations or Individuals

Other certified non-profit organizations/groups (the "Organization(s)") may request the use of the Complex and will be given *reasonable access to the fields* where no conflicts exist with use of the Complex by the LYSA or other scheduled events. Such requests are to be made in writing to the LYSA Board for approval, and will be provided by the LYSA to the City's Parks Manager and/or Public Works Director. Organizations shall provide to the LYSA adequate general liability insurance coverage naming LYSA and the City of Lockhart as additional insureds, and provide assurances of safe use of the Complex to LYSA and the City.

Each certified non-profit Organization shall agree to return the Complex to the condition that it was in prior to the Organization's use of it, and to repair any damage done to the Complex before or immediately upon completion of the games/tournaments.

Organizations shall pay to the LYSA the following fees for the use of the Complex:

-- $100.00 per month per field, single team practice;

-- $30.00 per team per tournament;

-- $100.00 per field for a cleaning and repair deposit, to be applied against any costs incurred by the LYSA or the City for cleaning and repairing the Complex after use by the certified non-profit Organization, including but not limited to replacing field markers, field paint, and dirt. LYSA may choose to refund the deposit if the Organization performs such tasks to LYSA's satisfaction; and

-- $60.00 per month, per field, to the City as a lighting fee for the use of the lights at the Complex, where such use shall occur at or after sundown. Proof of payment must be provided to LYSA by the certified non-profit Organization.

LYSA and the City recognize that the complex is public property that can be used by families, individuals and groups for general recreation when there is no conflict with the City, LYSA, or other scheduled events or uses as provided herein.

The City's Parks and Recreation Department may use the Complex at no charge when the Complex is not scheduled for league play or maintenance, and after receiving clearance from the LYSA. Use of the Complex by a school district shall require an Interlocal Agreement among the City, the LYSA, and the school district.

The Complex fields will not be used as practice fields except as approved in writing by the LYSA Board or designated President or Vice-President during the LYSA soccer season. LYSA will not unreasonably deny use of the fields.

VI. City Maintenance, Repair, and Services at the Complex

The City shall provide the following maintenance, repairs and services at the Complex:
1. Maintain Complex and parking area lighting. Requests for light bulb replacement or maintenance of lighting equipment must be made via email to the City Parks and Recreation Department. A total of two light bulbs must be burned out prior to any request. Please allow time for this process to take place..

2. Mow and weed-eat common areas (areas outside playing surfaces) identified in Attachment A, and treat the fields and common areas for fire ants, bees, and other insects once at the beginning of each seasonal play. Subsequent treatments during the season shall be the responsibility of the LYSA and in compliance with pest control laws.

3. Provide water, electricity and wastewater utilities, subject to reimbursement as provided in this agreement. Any excessive use will be addressed with LYSA. It is the responsibility of LYSA to ensure that utilities are used in a responsible manner.

4. Where the City must make repairs for damages to the Complex as a result of negligence or misuse by the LYSA or Organizations, the LYSA shall reimburse the City for the costs of such repairs within a reasonable period of time.

5. Respond within 14 days to requests for maintenance and repairs to the Complex as provided herein. If the City cannot make repairs or perform maintenance within this time frame, City will notify LYSA. If a health or safety problem arises at the Complex, LYSA will protect the public from the problem as best it can, shall halt all or a part of the use of the Complex as deemed necessary by LYSA, and must immediately report it to the City. Requests for maintenance and repairs must be made by email to the Parks Manager of the Lockhart Parks and Recreation Department.

VII. LYSA Maintenance, Repairs, and Services at the Complex

LYSA shall provide all maintenance, repairs and other services for the Complex not provided by the City in this agreement, including but not limited to:

1. Marking and lining the fields as needed.

2. Keeping the fields and common areas, including parking lots, free of litter during use by the LYSA, Organizations and/or individuals, and shall empty trash receptacles.

3. Clean the Complex restrooms, concession stand, and other facilities during use by the LYSA, certified non-profit Organizations, and/or individuals.

4. Control lights and other utility usage at the Complex. Where such utilities are misused, the City may immediately stop providing such utilities and/or require the misusing organization or individuals to pay for additional usage;

5. Abide by the City's Parks and Recreation Department Water Conservation Plan;

6. Conduct background checks on all LYSA coaches and volunteers and keep such records for at least 3 years.

7. Pay to the City $50.00 per field per year as a general use fee.

8. Perform normal maintenance and provide materials (cleaning, painting, tightening, straightening, alignments, plumbing stoppages, interior light bulbs, toilet paper, paper towels, etc.) for the Complex concession building, bleachers, posts, restrooms, scoreboards, and concession appliances.

9. Perform all mowing, weed-eating, and dirt work on the fields to provide neat and safe fields. The City will provide sand and/or loam for the fields as needed, upon request of LYSA and approval of the City.

10. Announce before each game that alcohol is not allowed at the Complex and that violators will be reported to the Lockhart Police Department.

11. Ensure that coaches, players, spectators and others conduct themselves in an appropriate manner for a family recreational setting, and if necessary call the Lockhart Police Department to stop unruly behavior.

12. Use its best efforts to insure that the Complex is maintained in an attractive condition and in a good state of repair, including off-season.

13. In addition to the foregoing, perform all services that are reasonable and necessary for the operation and maintenance of the Complex during the term of this agreement, unless otherwise directed by the City.

VIII. Sales of Goods at the Complex

Only LYSA and Organizations may sell goods at the Complex, and only during games or tournaments. Goods shall consist of food, non-alcoholic beverages, and items related to sport being played by LYSA or the Organization. The income from such sales shall be the property of the LYSA or Organization. The LYSA retains the right to approve or disapprove all concession stand usage at the Complex. All certified non-profit Organizations that wish to use a concession stand or sell goods at the Complex must receive written approval by the LYSA and the City, and must conform to all city, county, and state food, health, and other applicable regulations, ordinances and statutes.

IX. Annual Reporting Requirements

The LYSA shall provide the following information to the City on an annual basis:

1. On December 1 of each year, a completed set of forms promulgated by the City's Parks and Recreation Department which provide information regarding the use of the Complex by LYLSA and Organizations.

2. A report providing the following information:

a) A list of at least five (5) officers and board members of the LYSA, with addresses and phone numbers, who shall be responsible for the LYSA financing of the Youth Field Programs;

b) Programs information as determined by the City;

c) Complex information as determined by the City;

d) A financial statement of the LYSA;

e) Other information regarding LYSA and/or the Complex and its use as determined by the City;

f) A copy of the LYSA's current insurance policy, naming the City of Lockhart, Texas as additional insured; and

g) A copy of the official documents proving the LYSA's current non-profit status.

X. Insurance

During the use of the Complex by the LYSA and Organizations, beginning with registration of players and through the entire season of play, the LYSA must carry liability and property damage insurance, naming the City of Lockhart, Texas as an additional insured. The insurance coverage must insure against any and all injuries (including death) and damages arising in any way from the use or operations of the Complex. The amounts of coverage must be $25,000 in property damage, and $100,000 per person/$300,000 per occurrence for personal injury and public liability. The primary insured shall be the LYSA, and an insurance policy naming as primary insured any other person or organization will not meet the requirements of this section. The LYSA shall bear the cost of such insurance coverage. The City will cooperate with the LYSA and any insurer in the making and delivery of all reports, notices, and other items required in connection with the insurance policy.

XI. Termination

Either party may terminate this agreement with 90 days' written notice to the other party.

If the LYSA materially breaches any of the terms of this agreement, including but not limited to the failure to maintain the Complex or provide needed repairs as described herein, or the failure to submit the yearly set of completed forms to the Parks and Recreation Department on December 1 of each year, then the City will give the LYSA written notice of the breach. If the LYSA fails to remedy the breach within thirty (30) days after receiving such notice in writing, the City may terminate this agreement.

LSYA's failure to obtain and maintain insurance as provided in this agreement shall be a material breach of this agreement, and is ground for immediate termination of this agreement by the City.

The cessation of Youth Field Programs by the LYSA, or the termination of the LYSA as an active non-profit organization, will result in the immediate termination of this Agreement.

Upon the termination of this agreement or any extension of it, LYSA will leave the Complex in good condition and properly maintained. Within 3 working days of the termination, LYSA will remove all items belonging to LYSA and/or any Organization unless otherwise agreed to by the City.

XII. No Property Interest Created

Nothing contained in this agreement is to be deemed to create or is to be construed as creating in the LYSA or any other person or entity any property interest in or to the Complex.

XII. Licensing of the LYSA

The LYSA must at all times during the term of this agreement maintain such licenses and permits as are required for any of the various services to be performed by the LYSA on behalf of the City.

XIV. Independent Contractor

In following their respective obligations under this Agreement, the parties are and shall act at all times as independent contractors and at no time shall either party make any commitments or incur any charges or expenses for or in the name of the other party.

XV. Notice

Except as otherwise provided herein, all notices, requests, demands, or other communications under this agreement must be in writing, and will be deemed to have been duly given if delivered in person, or within three (3) days after deposited in the United States mail, postage prepaid, to the City at 308 W. San Antonio Street, Lockhart, Texas 78644, or to the LYSA at 925 W Live Oak Street, Lockhart, Texas 78644. Either party to this agreement may change the address at which it receives written notices by so notifying the other party in writing.

XVI. Assignment

This agreement is personal to the LYSA and is not assignable. Any attempt to assign the Agreement by the LYSA will immediately terminate the Agreement.

XVIII. Effect of Partial Invalidity

If any section or any part of any section of this agreement is rendered void, invalid, or unenforceable by a court of law, for any reason, such determination will not render void, invalid, or unenforceable any other section or part of any section in this agreement.

XIX. Integration

The drafting, execution, and delivery of this agreement by the parties have been induced by no representations, statements, warranties, or agreements, other than those expressed in this agreement. This agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to its subject matter, unless expressly referred to in this agreement

XX. Attorney Fees

Should either party bring suit to enforce any of the terms of this agreement, the prevailing party will be entitled to recover court costs and reasonable attorney fees.

XXI. Modification

This agreement may not be modified unless the modification is in writing and signed by both parties to this agreement

XXII. Authority

Each party acknowledges that the person signing this agreement has full and legal authority to sign this agreement for the party.

City of Lockhart, Texas,
A Municipal Corporation

By: Vance Rodgers
Vance Rodgers, City Manager
Date: 3-21-2017

NOTARY:
Signed before me on this the 21st day of March, 2017

CONNIE CONSTANCIO
Notary ID # 5271582
My Commission Expires
May 25, 2017

Connie Constancio
Notary Signature

Lockhart Youth Soccer Association,
A Texas Non-Profit Entity

By: ____________________
Amy Limas, President
Date: 3/24/17

NOTARY:
Signed before me on this the 24th day of March, 2017

Connie Constancio
Notary Signature

CONNIE CONSTANCIO
Notary ID # 5271582
My Commission Expires
May 25, 2017

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Approve bid proposal by The Interlocal Purchasing System (TIPS) cooperative purchasing with PMR Contractors in the amount of $64,633.25 for the replacement of the Senior Center roof located at 901 Bois D' Arc Street and appointing the City Manager to sign the proposal, if approved by Council.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Approval of Bid

BACKGROUND/SUMMARY/DISCUSSION:
The City filed a claim with TMLIRP for damage to the roof at 901 Bois D' Arc Street (Senior Center) after an inspection by a local roofer revealed that the roof had suffered hail damage. TIPS cooperative purchasing agency has gone through the bidding process for the roof replacement. During the bidding process, PMR contractors were found to be the best and most qualified vetted contractor. The cost for the replacement of the roof at the Senior Center is $64,633.25,

The project includes the following:

- Hosting a preconstruction meeting
- Weekly inspections
- Full-time onsite non-working project manager
- Removal of old roof and disposal
- Prepping and treating surfaces
- New 60mil membrane roof and all components
- Replace 20 damaged ceiling tiles in the Senior Center
- 20 year warranty on materials
- 5 year warranty on workmanship

PROJECT SCHEDULE (if applicable): May 2022- Completion of roof replacement at the Senior Center

AMOUNT & SOURCE OF FUNDING:
Funds Required: $64,633.25
Account Number: 100-5211-911-00
Funds Available: 0
Account Name: Construction/Project Improvement

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

FISCAL NOTE (if applicable): Funds available will come from the General Fund Balance through the use of excess reserves in the form of a one-time expenditure that is allowable for maintenance that cannot be funded by current revenues.

PREVIOUS COUNCIL ACTION: February 1, 2022- Authorized Membership with TIPS purchasing cooperative

COMMITTEE/BOARD/COMMISSION ACTION: N/A

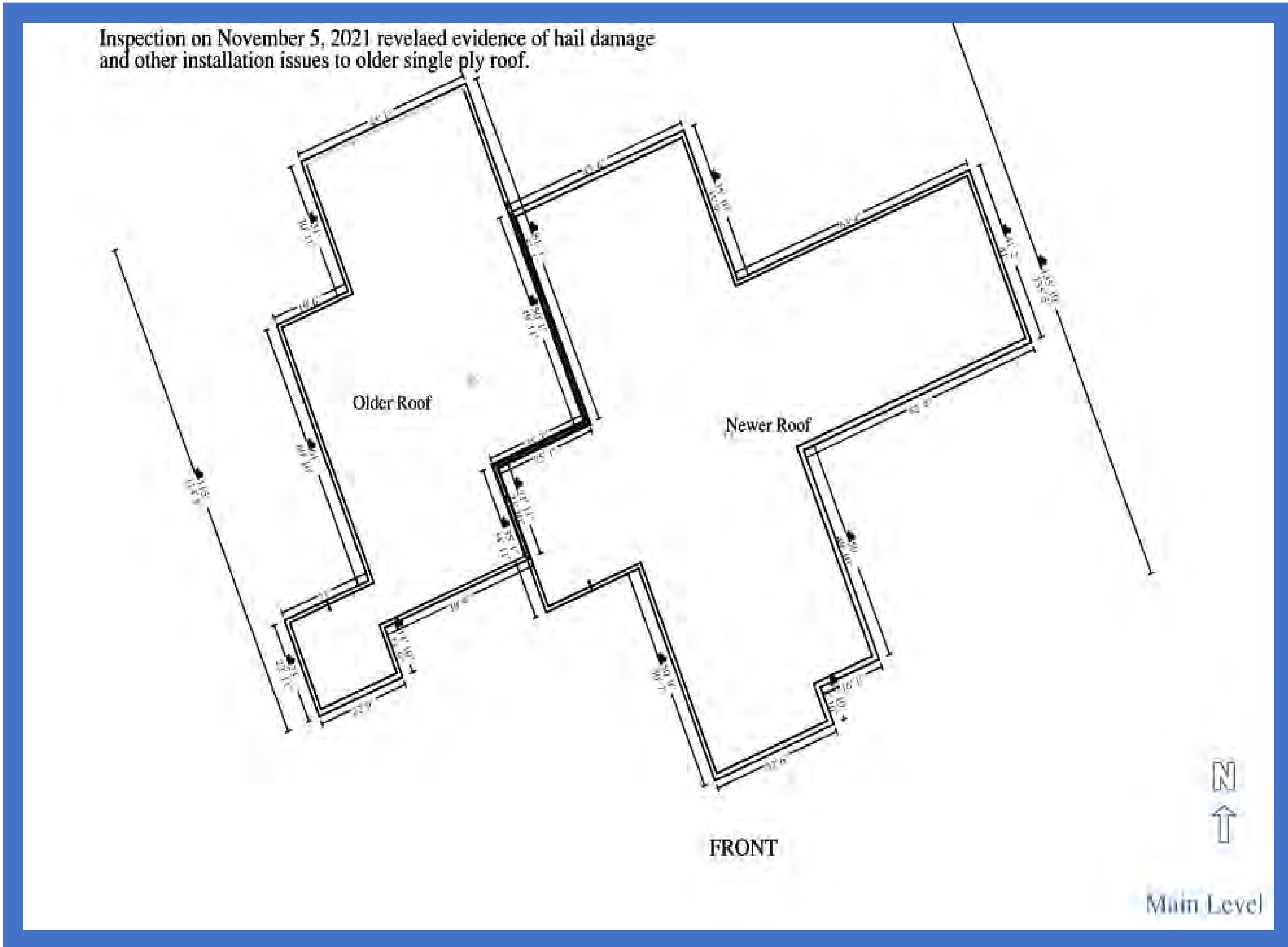
STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of bid.

LIST OF SUPPORTING DOCUMENTS: Senior Center - City of Lockhart Executive Summary, Roof diagram

TMLIRP	BOLGER							
	CITY OF LOCKHART						Feb-22	
	CLAIM #PR1551741							
	TMLIRP	EXECUTIVE SUMMARY				PMR		PMR
BUILDING	BLDG/UNIT #	PHYSICAL ADDRESS	UNITS S.F./L.F./EACH	UNIT QTY TOTAL	Adjuster's Statement Of Loss	TIPS #01 VETTED PROPOSAL	Delta Difference (Adjustment - Tips)	TIPS #01 Alternate PROPOSAL
#11	SENIOR CITIZEN TECH CENTER					02.22.22	02.22.22	02.22.22
	LOW_SLOPE-LOWER ROOF							
		PROJECT MANAGER	SF	6034.49				
		DEMO / REMOVE ALL DEMO	SF	6,034				
	SUB-TOTAL					Include		
	ROOF-UPPER							
		NO DAMAGE/NO WORK	SF	0				
	SUB-TOTAL					No Damage		
	ROOF-LOWER LOW-SLOPE							
		REMOVE EXISTING 40 mill PVC MEMBRANE + ALL SREWS & PLATES	SF	6335.7				
		REMOVE UNDERLYING COVER BOARD + SCREWS AND PLATES	SF	6335.7				
		CLEAN SURFACE OF UNDERLYING ROOF / REPAIR ANY BLISTERS	SF	6335.7				
		REMOVE ANY WET OR DAMAGED UNDERLYING MEMBRANE	SF	6335.7				
		INSTALL 1/4" DENS DECK OVER UNDERLYING MEMBRANE	SF	6335.7				
		Install 60 mill bareback mechanically attach	SF	6335.7				
		INSTALL 50 mill FB adhered and CURB CORNERS at CURB FLASHINGS	LF	42				
		INSTALL TWO-PIECE COMPRESION AT PERIMETER	LF	405.16				
		INSTALL 1/4" Primed with 50 mill BB at all WALL to Deck	LF	106				
		INSTALL NEW TWO PIECE SAW CUT COUNTER FLASHING	LF	106				
		INSTALL NEW OPEN CANALE AT PERIMETER	EA	24				
		R&R PLUMBING STACKS / USING PVC SPLIT BOOTS	EA	10				
		R&R EXHAUSE CAPS + DIVERTERS	EA	2				
	LOW AREAS	CRICKETING / BUILDUP OF LOW SPOTS	SF	6335.7				
		NOTE: INTERIOR PARAPET LIMITING WATER FLOW						
		THRU WALL SCUPPER	EA	4				
		PYRAMID SUPPORTS- DUCT LEGS	EA	12				
		PYRIMID SUPPORT-WIRES	EA	3				
		4x4 INSTALL NEW 4x4 and encapsulate with roof / Reset AC Unit	EA	1				
		COUNTER FLASHING-ADD AT ALL 3 MECHANICAL UNITS	EA	3				
		ADD LUMBER-FRAME PROPER CURB TO HOUSE CURBED EXHAUST VENT	EA	3				
		MANUFACTURE 20-YEAR NDL	SF	6,335.70				
		CONTRACTOR 5-YEAR WARRANTY						
	SUB-TOTAL				$ 61,265.55	$ 61,500.00	$ (234.45)	
	ALTERNATE	LOW ROOF ONLY						COST ADD-ALTERNATE
ALT #01	ALTENRATE-GREY MEMBRANE	INSTALL DENS DECK 1/4" And ADHERE 50 mill FB on top and sides of exposed Duct work	LF	*verify*				$ 3,500.00
ALT #02	ALTERNATE - 60 MILL MEMBRANE	PROVIDE ALTERNATE COST TO USE 60 mill FB in Lue of 50 MILL FB	SF	6335.7				$ 14,500.00
ALT#03	ALTERNATE-DRAIN	ALTERNATE - INSTALL DRAIN (INTERNAL)	EA	1				$ 4,500.00
	SUB-TOTAL							
	INTERIOR-CEILING TILES							
		R&R CEILING TILES 2'x4"	SF	160				
		DEMO/DEBRIS	EA	1				
	SUB-TOTAL				$ 522.75	$ 350.00	$ 172.75	
	TOTAL	TOTAL FOR ALL WORK REQUIRED			$ 61,788.30	$ 61,850.00	$ (61.70)	$ 22,500.00
					Total Adjustment Stement Of Loss	**Total TIPS Proposal #01**	**Delta / Difference ADJUSTMENT - TIPS #01**	**TIPS #01 ALTERNATE + BASE TOTAL**
	EXECUTIVE SUMMARY:							
	BASE PROPOSAL			**TOTAL**	**$ 61,788.30**	**$ 61,850.00**	**$ (61.70)**	**$ 84,350.00**
	TIPS FEE			*TIPS FEE*	*EXCLUDED*	*$ 1,237.00*	N/A	$ 1,687.00
	BOND FEE			BOND FEE	EXCLUDED	$ 1,546.25	N/A	$ 2,108.75
	TAX			TAX	EXCLUDED	Excluded	EXCLUDED	EXCLUDE
	PERMIT FEE			PERMIT FEE	EXCLUDED	Excluded	EXCLUDE	EXCLUDE
	TOTAL PROPOSAL+BOND+TIPS			TOTAL PROPOSAL+BOND+TI	$ 61,788.30	$ 64,633.25	$ (61.70)	$ 88,145.75

						TIPS	TIPS ALTERNATE
WARRANTY / GUARANTY:							
Manufacture Warranty	LWO_SLOPE	NDL WARRANTY	EXCLUDED			INCLUDE	INCLUDE
Contractor Warranty		CONTRACTOR	EXCLUDED			INCLUDE	INCLUDE
UNIT PRICES:							
R&R PLYWOOD		S.F.			$ 4.00		
R&R FASCIA		L.F.			$ 9.00		
CEILING TILE		EA			$ 25.00		
CRICKETING		SF			$ 5.00		

CONTRACTOR NOTES:	
Cost to include all material, lobor,bond,warranties to perform work	
Proposal to be good for 90 days	DATE SUBMITTED:
EXCLUSIONS / COMMENTS:	**SIGNATURE**
	NAME:
	TITLE:
	EMAIL:
	PHONE:


Inspection on November 5, 2021 revelaed evidence of hail damage
and other installation issues to older single ply roof.
Older Roof
Newer Roof
FRONT
N
Main Level

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Approve Resolution 2022-19 of the City Council of the City of Lockhart, Texas amending its schedule of permit fees in order to include specific fees applied when a project is outsourced by the City to a third-party company; keeping other fees in the schedule the same; and providing for an effective date.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Julie Bowermon

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: In 2017, the City Council authorized an agreement with Bureau Vertias North America, Inc. (BV) to provide building plan review and inspection; fire plan review and inspection; and food establishment inspection for the City as needed. With the recent retirement of Lockhart's Building Official and the loss of our Registered Sanitarian, combined with the current and anticipated development within the community, it has become necessary to outsource construction plan review and inspection services to BV on a regular basis.

Each time the City outsources a construction project to BV for construction plan review and inspection, BV bills the City based on the rates set by the 2017 agreement. These rates were established in 2017 and have not been increased since that time. The fees that the City charges builders for non-residential construction plan review and inspections are less than the fees BV charges the City. Proposed Resolution 2022-19 increases the City's non-residential construction plan review and inspection fees to equal BV fees plus a 5% administrative services fee. When outsourcing non-residential projects to BV, the City has been absorbing the difference between what BV charges the City and what the City charges the builder. The proposed increase reduces the extra expense absorbed by the City.

At this time, the City does not charge for fire plan review and inspections or food establishment inspection services. When BV is utilized for these services, the City absorbs the entire expense. Proposed Resolution 2022-19 only addresses non-residential construction plan review and inspections. City Staff will be returning to the Council in the near future to consider fee increases for residential construction, fire review and inspections, and food establishment inspections.

PROJECT SCHEDULE (if applicable): N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: N/A

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Staff respectfully requests approval of Proposed Resolution 2022-19.

LIST OF SUPPORTING DOCUMENTS: Proposed Resolution 2022-19

RESOLUTION NO. 2022-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS AMENDING ITS SCHEDULE OF PERMIT FEES IN ORDER TO INCLUDE SPECIFIC FEES APPLIED WHEN A PROJECT IS OUTSOURCED BY THE CITY TO A THIRD-PARTY COMPANY; KEEPING OTHER FEES IN THE SCHEDULE THE SAME; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, by Resolution No. 2019-13, the City Council of Lockhart established a schedule of permit fees, increased and expanded certain fees, and retained other listed fees in the schedule the same as previously adopted by resolution; and

WHEREAS, on December 19, 2017, the City Council authorized an agreement with Bureau Veritas North America, Inc., to provide building plan review and inspection; fire plan review and inspection; and food establishment inspection for the City as needed; and

WHEREAS, due to recent staffing levels and an increase of development within the City, Bureau Veritas North America, Inc services are being utilized on a regular basis, as determined by City Administration; and

WHEREAS, it is the opinion of the City Council that it is appropriate to apply specific fees when a project is outsourced by the City to a third-party company for non-residential building plan review and inspection;.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.

2. The City of Lockhart Schedule of Permit Fees is hereby amended by the adoption of the revised schedule of fees that is attached hereto as Exhibit "A."

3. All other fees heretofore adopted and not amended herein shall remain the same.

Adopted and Approved, effective on this the _____ day of _______________, 2022.

CITY OF LOCKHART

____
Lew White, Mayor

ATTEST:

____
Connie Constancio, City Secretary

APPROVED AS TO FORM:

____
Monte Akers, City Attorney

EXHIBIT “A”

CITY OF LOCKHART
SCHEDULE OF PERMIT FEES
Resolution No. 2022-19

All fees listed in the tables below shall be applied to all commercial and multi-family construction plan review and commercial and multi-family construction inspection, that the City outsources to a third-party company. All fees calculated using the following tables will have a 5% added fee of the total cost for administrative services.

Fee Table 1 - Commercial and Multi-Family construction plan review

Valuation	Fee
$1.00 to $10,000.00	$50.00
$10,001.00 to $25,000.00	$70.69 for the first $10,000.00 plus $5.46 for each additional $1000.00
$25,001.00 to $50,000.00	$152.59 for the first $25,000.00 plus $3.94 for each additional $1000.00
$50,001.00 to $100,000.00	$251.09 for the first $50,000.00 plus $2.73 for each additional $1000.00
$100,001.00 to $500,000.00	$387.59 for the first $100,000.00 plus $2.19 for each additional $1000.00
$500,001.00 to $1,000,000.00	$1,263.59 for the first $500,000.00 plus $1.85 for each additional $1000.00
$1,000,001.00 and up	$2,188.59 for the first $1,000,000.00 plus $1.23 for each additional $1000.00

Fee Table 2 - Commercial and Multi-Family construction inspection

Valuation	Fee
$1.00 to $10,000.00	$76.92
$10,001.00 to $25,000.00	$108.75 for the first $10,000.00 plus $8.40 for each additional $1000.00
$25,001.00 to $50,000.00	$234.75 for the first $25,000.00 plus $6.06 for each additional $1000.00
$50,001.00 to $100,000.00	$386.25 for the first $50,000.00 plus $4.20 for each additional $1000.00
$100,001.00 to $500,000.00	$596.25 for the first $100,000.00 plus $3.36 for each additional $1000.00
$500,001.00 to $1,000,000.00	$1,940.25 for the first $500,000.00 plus $2.85 for each additional $1000.00
$1,000,001.00 and up	$3,365.25 for the first $1,000,000.00 plus $1.89 for each additional $1000.00

Non-Residential Re-Inspection Fees

$0 (zero dollars) for each non-residential re-inspection. Re-inspection includes Construction, Plumbing & Gas, Mechanical, and Electrical Inspections or any other require inspections.

Penalties

Where work for which a permit is required by this Code is started or proceeded prior to obtaining said permit, the fees herein specified shall be doubled, but the payment of such double fee shall not relieve any persons from fully complying with the requirements of this Code in the execution of the work nor from any other penalties prescribed herein.

The construction valuation is determined by the greater of the declared valuation of the project or the valuation calculated using the International Code Council Building Valuation Data table, first update of each calendar year.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Approve Resolution 2022-17 for an economic development performance agreement with Caldwell County Farm Bureau for a BIG Grant.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Michael Kamerlander

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Attached is the resolution and performance agreement offering a BIG Grant to the Caldwell County Farm Bureau at 108 E. Market Street.

The Farm Bureau has invested in the updating of the façade of the building including, paint, new awning, new sign, and soon to be new doors.

The attached economic development performance agreement outlines the work to be done on the building, and the rebate the owners would be entitled to should the work be completed as stated and paid as required. The work is not complete, which is why there is no amount filled in the agreement. The BIG Grant's policy is to gain board approval as early in the process as possible and then collect the correct documents for reimbursement. The maximum rebate for any applicant is $20,000.

LEDC staff will work with the Farm Bureau to obtain all documentation to provide the correct 50% rebate of whatever the final expenditure becomes.

PROJECT SCHEDULE (if applicable): Business has already commenced improvements.

AMOUNT & SOURCE OF FUNDING:
Funds Required: $20,000
Account Number: 800-5199-702.-00
Funds Available: $17,086
Account Name: Business Improvement Grants

FISCAL NOTE (if applicable): This will require a budget amendment to the Lockhart Economic Development budget for FY 2021-2022.

PREVIOUS COUNCIL ACTION: None

COMMITTEE/BOARD/COMMISSION ACTION: LEDC Board unanimously passed this BIG Grant for Caldwell County Farm Bureau at its February 14, 2022 Board meeting.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

STAFF RECOMMENDATION/REQUESTED MOTION: Move to adopt Resolution 2022-17 for an economic development performance agreement with Caldwell County Farm Bureau for a BIG Grant.

LIST OF SUPPORTING DOCUMENTS: City Resolution 2022-17, Caldwell County Farm Bureau Grant Performance Agreement Final, LEDC Resolution-Caldwell County Farm Bureau BIG grant, LEDC Minutes, Caldwell County Farm Bureau BIG Application

RESOLUTION NO. 2022-17

A RESOLUTION OF THE CITY COUNCIL OF LOCKHART, TEXAS APPROVING AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT WITH CALDWELL COUNTY FARM BUREAU FOR A BUSINESS IMPROVEMENT & GROWTH PROGRAM GRANT AS AN AUTHORIZED PROJECT PURSUANT TO CHAPTERS 501 AND 505, TEXAS LOCAL GOVERNMENT CODE

WHEREAS, the City of Lockhart ("City") is a Type B corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, Caldwell County Farm Bureau ("CCFB") has applied to LEDC for a grant pursuant to the LEDC's Business Improvement & Growth Program in order to make improvements and repairs to its facility; and

WHEREAS, the City finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the City is of the opinion that approving an Economic Development Performance Agreement ("EDPA") for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LOCKHART, TEXAS, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The EDPA by and between the LEDC and CCFB is attached hereto as Exhibit "A" and incorporated herein, the same and the Project described therein being hereby approved and authorized.
3. The Executive Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

Approved and adopted on this, the 15th day of March, 2022.

City of Lockhart

____

Lew White, Mayor

Attest:

____

Connie Constancio, City Secretary

Approved as to form:

____

Monte Akers, City Attorney

EXHIBIT A

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT

This Economic Development Performance Agreement ("EDPA" or "Agreement") is made and entered into by and between THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION OF LOCKHART, TEXAS ("LEDC"), a Type B Economic Development Corporation, and CALDWELL COUNTY FARM BUREAU ("CCFB")

RECITALS

WHEREAS, CCFB is an existing business in the City of Lockhart located at 108 E. Market Street, the owner of which desires to make repairs and improvements, expand its operations to the City of Lockhart, Texas ("City"), and retain primary jobs ("the Improvements"); and

WHEREAS, the LEDC is a Texas Type B economic development corporation located in a city with a population of less than 20,000, operating pursuant to the applicable provisions of the Texas Local Government Code, as amended, and the Texas Non-Profit Corporation Act, as amended; and

WHEREAS, the LEDC desires to assist CCFB and offer financial incentives as part of LEDC's Business Improvement & Growth ("BIG") Economic Development Program in the City; and

WHEREAS, the LEDC Board finds that the Project as herein described and carried out will promote new or expanded business development and is an "Authorized Project" as that term is defined in Chapter 505 of the Texas Local Government Code, as amended; and

WHEREAS, the LEDC Board will hold at least one public hearing on the Project prior to spending funds in accordance with Sections 505.159(a) of the Texas Local Government Code, as amended; and

WHEREAS, the LEDC Board finds that this EDPA is conditional in the event the City of Lockhart, Texas (City) receives a petition no later than the 60th day after the date notice of the Project was published, which is duly certified and accepted by the City Council, from more than 10% of the registered voters of the City of Lockhart, Texas, requesting that an election be held before the Project is undertaken in accordance with Section 505.160 of the Texas Local Government Code, as amended; and,

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and

valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LEDC and CCFB agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein by reference as if fully set forth in their entirety.

Section 2: Term

The term of this Agreement shall be two (2) years from the effective date of this EDPA.

Section 3. CCFB Performance Requirements

In consideration of LEDC agreeing to provide the Grant described below in Section 4, CCFB agrees to perform the following:

(a) To make the improvements and repairs described in the BIG Program Application filed by the owners of CCFB, which is attached hereto as Exhibit "A" and incorporated herein for all purposes ("the Improvements).

(b) Commence construction of the Improvements within one hundred twenty (120) days after the City's approval of the construction plans and issuance of a building permit for the same.

(c) Complete construction of the Improvements within eighteen (18) months after the issuance of the aforesaid building permit.

(d) CCFB shall provide LEDC with proof of making the Improvements by submitting copies of receipts for expenditures satisfactory to LEDC, which shall be provided within thirty (30) days of completion of the Improvements.

(e) Keep current in the payment of taxes owed for the facility to any taxing jurisdiction in which the Property is located unless such taxes are being legally contested by CCFB.

Section 4. LEDC Requirements

In consideration of CCFB's agreement to locate its business within the City and to perform the other acts hereinafter described, LEDC agrees it will:

(a) Provide a Grant to CCFB of not more than twenty-thousand dollars ($20,000.00) of the cost of making the Improvements.

(b) Provide the Grant to CCFB within fourteen (14) days of receiving satisfactory proof of CCFB's completion of construction of the Improvements and payment of CCFB's payment to its architect, contractor, and vendors in full.

Section 5. Termination and Recapture

(a) In the event that CCFB discontinues operations for a period of more than one hundred eighty (180) days during the duration of this Agreement, then in such event CCFB shall be required to repay to LEDC any monies expended by LEDC under Section 4 of this Agreement within thirty (30) days of written demand from LEDC therefore following the expiration of such period; provided however that CCFB shall not be required to repay such monies if such discontinuation of operations is caused by force majeure.

For the purposes of this Agreement, "force majeure" shall be defined as fire, explosion, natural disaster or other act of God, war, pandemic, or civil unrest, taking under eminent domain, regulatory restrictions or action of any applicable governmental entity, or other event or action that makes the conduct of the CCFB illegal or economically unsustainable is beyond the reasonable control of CCFB. CCFB shall not be required to repay such amounts so long as it is, in the opinion of the LEDC, diligently taking action(s) to renew or continue operations.

(b) In the event, that CCFB shall fail to repay LEDC within thirty (30) days of the date such repayment is due according to the written demand from LEDC, CCFB hereby agrees that LEDC may enforce all of its rights and remedies available at law and in equity against CCFB.

Section 6. Entire Agreement

This Agreement, when executed, contains the entire agreement between LEDC and CCFB with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by LEDC and CCFB.

Section 7. Successors and Assigns

Neither party shall assign its rights, obligations, or interest in this Agreement without the prior written consent of the other party. In the event of consent to such assignment or in the event of legal succession of CCFB's interest in this Agreement by operation of law, this Agreement shall be binding on and inure to the benefit of such assign or successor.

Section 8. Notices

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

CCFB: CCFB

Attn: Elaine Kimbrough
108 E. Market Street
Lockhart, TX 78644

Lockhart Economic Development Corporation:

Lockhart Economic Development Corporation
Attn: Executive Director
308 W. San Antonio
P.O. Box 239
Lockhart, TX 78644

Section 9. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for nor against either party.

Section 10. Severability

In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Section 11. Mutual Assistance

LEDC and CCFB agree to do all things reasonably necessary and appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

Section 12. Representations and Warranties of LEDC.

LEDC hereby represents, warrants, and covenants that:

(a) It is a Type B Economic Development Corporation, duly organized and validly existing under the laws of the State, particularly Sections 501 and 505 of the Texas Local Government Code.

(b) The facility constitutes a "project" as defined in Sections 501.101 and 505.155 of the Texas Local Government Code.

(c) All requirements related to public notice of the project, particularly those included in Section 505.160 of the Texas Local Government Code, have been satisfied.

(d) The person executing this Agreement on behalf of the LEDC is fully authorized to do so.

Section 13. Representations and Warranties of CCFB.

(a) It is a duly incorporated business entity with full authority to enter into this Agreement.

(b) The person executing this Agreement on behalf of CCFB is fully authorized to do so.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the __________ day of _______________, 2022.

LOCKHART ECONOMIC DEVELOPMENT CORPORATION:

____
Steven Lewis, LEDC President

ATTEST:

____
Michael Kamerlander, LEDC Secretary

CALDWELL COUNTY FARM BUREAU

____
Elaine Kimbrough

RESOLUTION NO. 2022-04

A RESOLUTION OF THE BOARD OF DIRECTORS FOR THE LOCKHART ECONOMIC DEVELOPMENT COPORATION APPROVING AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT WITH CALDWELL COUNTY FARM BUREAU FOR A BUSINESS IMPROVEMENT & GROWTH PROGRAM GRANT AS AN AUTHORIZED PROJECT PURSUANT TO CHAPTERS 501 AND 505, TEXAS LOCAL GOVERNMENT CODE

WHEREAS, the City of Lockhart ("City") is a Type B corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, Caldwell County Farm Bureau ("CCFB") has applied to LEDC for a grant pursuant to the LEDC's Business Improvement & Growth Program in order to make improvements and repairs to its facility; and

WHEREAS, the City finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the City is of the opinion that approving an Economic Development Performance Agreement ("EDPA") for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The EDPA by and between the LEDC and CCFB is attached hereto as Exhibit "A" and incorporated herein, the same and the Project described therein being hereby approved and authorized.
3. The Executive Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

Approved and adopted on this, the 14th day of February, 2022.

Lockhart Economic Development Corporation

Alan Fielder, Board Chairman

Attest:

Michael Kamerlander, Board Secretary

Approved as to form:

Monte Akers, Board Attorney

DRAFT MINUTES

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

MONDAY, FEBRUARY 14, 2022
6:00 P.M.

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

Board Members Present: Alan Fielder, Chairman; Alfredo Muñoz; Sally Daniel; Doug Foster; Frank Estrada (6:03 pm); Juan Alvarez (6:03 pm); David Bryant (6:29 pm)

Board Members Absent: None

Staff Present: Mike Kamerlander; Pam Larison, Treasurer; Armando Morales; Monte Akers

1. CALL TO ORDER
   The meeting was called to order by Alan Fielder, Chairman at 6:00 pm

2. PUBLIC HEARING – 6:00 PM

   2.1 Hold a public hearing regarding a performance agreement with Caldwell County Farm Bureau for a Big Grant pursuant to Sec. 505.159, Local Government Code.
   Public Hearing Opened at 6:00 PM and Closed at 6:01 PM

3. PUBLIC COMMENTS
   No public comments

4. DISCUSSION AND/OR ACTION
   4.1 Discussion and/or action regarding minutes from the January 10, 2022 meeting.

   No Discussion.

   Motion to approve the minutes from the January 10, 2022 meeting.

   Motion: Alfredo Muñoz Second: Sally Daniel Vote: 4 of 4

   4.2 Discussion and/or action regarding sales tax and financial statements for January 2022.

   Ms. Larison provided an overview of the financials from the past two months with no significant issues to report. Revenues continue to trend higher than budget and expenses are on track.

   Motion to approve the January 2022 financial statements.

   Motion: Alfredo Muñoz Second: Doug Foster Vote: 6 of 6

4.3 Discussion and/or action regarding LEDC Resolution 2022-04 for an economic development performance agreement with Caldwell County Farm Bureau for a BIG Grant.

Directors discussed whether to amend the budget prior to passing the BIG Grant for CCFB. Ms. Larison went through the budget amendment process with the board and stated that it is not unusual for the amendments to happen after the fact.

Motion to approve LEDC Resolution 2022-04 for an economic development performance agreement with Caldwell County Farm Bureau for a BIG Grant.

Motion: Doug Foster Second: Sally Daniel Vote: 6 of 6

4.4 Discussion and/or action regarding assignment of an economic development performance agreement for Sabre Commercial to Warelock Partners, LLC for the purchase of LEDC-owned 5-acres in Industrial Park II.

Motion to approve the assignment of an economic development performance agreement for Sabre Commercial to Warelock Partners, LLC for the purchase of LEDC-owned 5-acres in Industrial Park II.

Motion: Alfredo Muñoz Second: Sally Daniel Vote: 6 of 6

4.5 Discussion and/or action regarding the cancellation of the performance agreement with Silicon Vegas, LLC, dba Promogo, and unencumbering funds associated with the project.

Mr. Kamerlander discussed circumstances that have led to the business failure of Promogo which LEDC incentivized to move to Lockhart in 2019. The pandemic caused a complete collapse of Promogo's customer marketing operations and the company was not able to survive the loss. The board discussed what to do with the $200,000 remaining balance of encumbered funds and ultimately decided to have staff report back on the outstanding loan balance before deciding whether or not to pay off the loan.

Motion to cancel the economic development performance agreement with Silicon Vegas, LLC and unencumber any funds associated with the agreement.

Motion: Doug Foster Second: Alfredo Muñoz Vote: 5 of 7

Directors Frank Estrada and Juan Alvarez voted against canceling the performance agreement and unencumbering the funds.

5. Executive Session – In: 6:46 PM Out: 7:05 PM
5.1 Close Open Session and Convene Executive Session pursuant to Secs. 551.071 (consultation with attorney), 551.072 (real estate) and 551.087 (Economic Development) of the Texas Open Meetings Act. Gov't Code Ch. 551, to discuss the following:

- BBQ
- Harrison
- Revive

6. Board Action from Executive Session

6.1 Motion to extend an offer of incentives to Project BBQ as discussed in executive session:

Motion: Doug Foster Second: Alfredo Muñoz Vote: 7 of 7

6.2 Motion to accept the LOI terms for Project Harrison and direct staff to negotiate a purchase sale agreement as discussed in executive session.

Motion: Doug Foster Second: Alfredo Muñoz Vote: 7 of 7

7. DISCUSSION ONLY

7.1 Activity Updates

Mr. Kamerlander gave an update on the LEDC Staff activities for January 2022.

ADJOURN

Motion to Adjourn.

Motion: Sally Daniel Second: Alfredo Muñoz Vote: 6 of 6

LEDC Board of Directors Adjourned at 7:12 PM.

Minutes approved this the _______ day of _________________, 2022.

____
Alan Fielder, Chairman LEDC

____
Michael Kamerlander, Secretary LEDC

BIG Grant Application

Return Completed Application to:

Lockhart EDC
308 W. San Antonio
Lockhart, TX 78644
EcoDev@lockhart-tx.org

Applicant's Name Caldwell Co. Farm Bureau

Mailing Address 108 East Market St. Lockhart, Texas 78644

Phone 512-398-2427 Email ccarrillo@txfb-ins.com

Business Organization of Applicant:

☑ Corporation (dba) ☐ Partnership ☐ Sole Proprietorship

Business Name Caldwell Co. Farm Bureau

Relationship of Applicant to the property to be renovated:

☑ Owner — Attach copy of latest tax bill and proof of payment

☐ Tenant — Attach copy of CoL Certificate of Occupancy and written permission from building owner to participate in BIG Grant Program including expiration date of present lease.

Address of property to be improved:

108 East Market Street, Lockhart, Texas 78644

Describe the scope of work:

New sign, new awning, painting and door replacement.

Design professional responsible for your drawings, plans, and permits:

____

Mailing Address ____________________

Phone __________ E-mail __________

The undersigned hereby represents and certifies to the best of his/her knowledge and belief that the information contained on this statement and any exhibits or attachments hereto are true and complete and accurately describe the proposed project, and the undersigned agrees to promptly inform the City of Lockhart Economic Development Director of any changes in the proposed project which may occur.

Elaine M. Kimbrough — Signature of Property Owner

January 14, 2022 — Date

ELAINE M. KIMBROUGH — Print Name

__________ Signature of Commercial Tenant (if applicable) __________ Date

__________ Print Name

The Lockhart EDC reserves the right to terminate any agreement under the BIG Program if a participant is found to be in violation of any conditions set forth in these guidelines or if the project has been started prior to an executed agreement with the Lockhart EDC.

INFORMATION FOR PERMITS

CITY OF
Lockhart
TEXAS

Today's Date: July 23, 2021

Permit type: Building

Property Address: 108 E Market St

Contractor Name: Austin Awning

Property Owner Name: Caldwell County Farm Bure:

Phone Number & Email:

emkimbrough@mac.com 512-376-8152

Job Description:

Replace awning

Commercial Project Valuation: $7500-$8000

Residential Sq. Ft.:

Elaine Kimbrough

Signature: Elaine Kimbrough **Date:** 7/23/21

NOTE: RECEIPTS WILL BE EMAILED WITHIN 5 BUSINESS DAYS OR AS SCHEDULE ALLOWS IT. WE THANK YOU FOR YOUR TIME AND CONSIDERATION.

Caldwell County Appraisal District
211 Bufkin Ln.
P.O. Box 900
Lockhart, TX 78644

Receipt Number	
1114576	
Date Posted	01/15/2021
Payment Type	P
Payment Code	Full
Total Paid	$4,141.52

PAID BY:

CALDWELL CO FARM BUREAU
PO BOX 688
LOCKHART, TX 78644-0688

Property ID	Geo	Legal Acres	Owner Name and Address
16884	0300000-013-002-40	0.0000	CALDWELL CO FARM BUREAU PO BOX 688 LOCKHART, TX 78644-0688

Legal Description
O.T. LOCKHART, BLOCK 13, LOT PT 2

Situs / **DBA Name**
108 MARKET ST LOCKHART, TX 78648

Entity	Year	Rate	Taxable Value	Stmt #	Void	Original Tax	Discnts	P&I	Att Fees	Overage	Amount Pd
Lockhart ISD	2020	1.16710	155,930	6185	N	1,819.86	0.00	0.00	0.00	0.00	1,819.86
Plum Creek Underground Water	2020	0.02160	155,930	6185	N	33.68	0.00	0.00	0.00	0.00	33.68
Plum Creek Conservation District	2020	0.02180	155,930	6185	N	33.99	0.00	0.00	0.00	0.00	33.99
Farm to Market Road	2020	0.00010	155,930	6185	N	0.16	0.00	0.00	0.00	0.00	0.16
City of Lockhart	2020	0.63540	155,930	6185	N	990.78	0.00	0.00	0.00	0.00	990.78
Caldwell County	2020	0.70530	155,930	6185	N	1,099.77	0.00	0.00	0.00	0.00	1,099.77
											3,978.24

Balance Due As Of 01/15/2021: .00

Property ID	Geo	Legal Acres	Owner Name and Address
21326	0300900-450-000066	0.0000	CALDWELL CO FARM BUREAU PO BOX 688 LOCKHART, TX 78644-0688

Legal Description
FURNITURE, FIXTURES, EQUIPMENT

Situs / **DBA Name**
108 E MARKET ST

Entity	Year	Rate	Taxable Value	Stmt #	Void	Original Tax	Discnts	P&I	Att Fees	Overage	Amount Pd
Caldwell County	2020	0.70530	6,400	6186	N	45.14	0.00	0.00	0.00	0.00	45.14
City of Lockhart	2020	0.63540	6,400	6186	N	40.66	0.00	0.00	0.00	0.00	40.66
Lockhart ISD	2020	1.16710	6,400	6186	N	74.69	0.00	0.00	0.00	0.00	74.69
Plum Creek Underground Water	2020	0.02160	6,400	6186	N	1.38	0.00	0.00	0.00	0.00	1.38
Plum Creek Conservation District	2020	0.02180	6,400	6186	N	1.40	0.00	0.00	0.00	0.00	1.40
Farm to Market Road	2020	0.00010	6,400	6186	N	0.01	0.00	0.00	0.00	0.00	0.01
											163.28

Balance Due As Of 01/15/2021: .00

Tender	Details	Description	Amount
Check	014939		4141.52
			4141.52

Operator	Batch	Total Paid
BRITTANIM	8658 (01142021B)	4,141.52

From: **Rebecca Dean** rebecca.tfl1@gmail.com
Subject: Invoice from CT Electric
Date: October 20, 2021 at 10:27 AM
To: Elaine Kimbrough emkimbrough@mac.com, johnny.homann24@gmail.com

RD

Ms. Kimbrough,

Attached is CT Electric's Invoice for the work done at the Sign.

--
Thank You,
Rebecca Dean
TFL, Inc.
830-822-1822

Johnny Homann

DBA CT. ELECTRIC
PO BOX 1185
LOCKHART, TX 78644

Invoice

Date	Invoice #
10/20/2021	1643

Bill To
Mrs. Kimbrough Dale, Texas

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
6	We went to new sign and checked the power the sign company connected the sign to We then added a switch and a photocell to the sign	55.00	330.00
1	Materials	15.22	15.22

		Total	$345.22

From: **Billy Ray Buckner** brbuckner@yahoo.com
Subject: Hemme Estimate
Date: July 22, 2021 at 2:56 PM
To: Elaine emkimbrough@mac.com

BB

HEMME CONTRACTING
Jonathan Hemme
435 County Line Road
Dale, Texas 78616
512-971-4521

Estimate

Billy Ray Buckner
brbuckner@yahoo.com

Dec. 7, 2020

Painting the front of the Farm Bureau building in Lockhart, labor and materials	$1,700.00
Painting the awning, labor and materials	800.00
Total Estimate	$2,500.00

Thanks for your business!

QUOTE

Caldwell County Farm Bureau
Lockhart
TX 78644
Attention: Elain Kimbrough
512-376-8152
emkimbrough@mac.com

Quote Number: Q210408
Quote Date: May 17, 2021
Valid To: June 16, 2021
Account Manager: Linda Robinson
Payment Terms: 50% Materials Draw with order
Balance Due on Completion

Austin American Awnings
600 East Saint Elmo Rd.
Austin Texas 78745
512-326-1670

Job Location: Caldwell County Farm Bureau - 108 E Market, Lockhart, TX 78644

==

Description:

Fabrication and Installation of one (1) custom shed style standing seam awning with enclosed ends and 6" valance

Approx. Size: 24'-5" wide x 7'-9" projection x 4'-0 drop with 6" valance

Frame: 1" x 1" and 1" x 2" aluminum tubing
Color: Mill Finish

Pan: Standing Seam 16" wide panels
Color: Standard from Chart
NOTE: Panels are white on bottom

Install: New roofing panels to new aluminum frame, then mount flush and seal in place with new edge trim.

Permitting if applicable not included in price.

Estimated time of completion 6-8 weeks after receiving the materials draw.

Subtotal	6,595.00
Tax	544.10
Total	**7,139.10**

==

Terms & Conditions:

1. Because this Contract calls for made to order goods, it is not subject to cancellation after the 3-day period has expired on the notice of opportunity to rescind. Damages recoverable by seller for failure of the buyer to accept delivery and installation shall be the full purchase price.
2. All goods shall remain the property of the seller until paid for in full.
3. All canvas awnings, patio covers and related items are solely for use as a sun shade. Seller does not warrant fitness for use of any such item for any purpose other than use as a sun shade, and assumes no liability or responsibility for destruction, damage or injury to persons or property caused by wind, hail or accumulation of snow, ice or water. Purchaser shall assume responsibility for reasonable care and maintenance.
4. In the event this Contract is referred to an attorney, buyer agrees to pay in addition to all other sums hereunder, a reasonable attorney's fee and court costs.
5. Any part of this Contract declared invalid under any law shall be severable and the Contract shall then be construed as though such part were not included.
6. Seller shall not be held liable on damages for delay in the performance of the Contract due to causes beyond his reasonable control.
7. Buyer agrees to pay unpaid principal balance of the cash price, in full, to the installer immediately upon substantial completion of installation.
8. In the event this payment is not made when due, buyer agrees to pay to the seller interest at a rate of 21% per annum on the unpaid balance.
9. Buyer acknowledges that seller shall not be responsible or liable for any pre-existing code violation, leaks, or defects in the structure on which the above products are installed.
10. No warranties, expressed or implied, can be given on concrete work.
11. Seller does no painting or staining unless specified above.
12. Our workers are fully covered by Workman's Compensation insurance.

Supply chain issues have become an increasing difficulty in both the fabric and metal commodity markets. Should a supply problem arise that is out of our hands impacting your order, we will notify you as quickly as possible and offer a workable solution based on available materials.

ACCEPTANCE OF CONTRACT OWNER: X______________________________ Date: ____________________

From: cindy@austinawning.com
Subject: Invoice 21-0872 from Austin American Awning Co.
Date: July 26, 2021 at 8:47 AM
To: emkimbrough@mac.com

Austin American Awning Co.

Invoice *Due:07/23/2021*
21-0872

Amount Due: **$3,569.54**

Dear Customer :

Your Materials Draw invoice appears below. Please remit payment at your earliest convenience.

Thank you for your business - we appreciate it very much.

Sincerely,

Austin American Awning Co.

Please note: We will never ask you to wire money directly to a temporary account or ask you to pay with any method other than by clicking the payment box below. You may, at any time call our office and pay by phone with a credit card, or simply mail us a check. If you are suspicious of any emails you receive from us, please call our office at 512-326-1670 and verify the legitimacy of the email.

View & Pay Invoice

Austin American Awning
600 E. Saint Elmo Rd.
Austin, TX 78745-1226
Phone # 5123261670
www.austinawning.com

Materials Draw Invoice

Date	Invoice #
7/23/2021	21-0872

Bill To	Ship To
Caldwell County Farm Bureau 108 E. Market Lockhart, TX 78644	

	Contact Name & #	

NOTES		Project
P. O.		Terms	50% deposit, 50% COD ...	21200-Metal Awning

Description	Estimate Amt	Total %	Amount
Manufacture and install one (1) custom shed style standing seam awning approx. 24' 5" wide x 7' 9" projection x 4' drop with enclosed ends and 6" valance. Frame: 1" x 1" and 1" x 2" aluminum tubing Frame Color: Mill finish Pan: Standing seam 16" wide panels Pan Color: Standard from chart. Note: Panels are white on bottom. Installation: Install new roofing panels to new aluminum frame, then mount flush and seal in place with new edge trim.	6,595.00	50.00%	3,297.50T

PLEASE NOTE: THIS INVOICE IS FOR 50% OF THE TOTAL CONTRACT ONLY. THE BALANCE OF THE CONTRACT WILL BE DUE UPON COMPLETION.

Subtotal	$3,297.50
Sales Tax (8.25%)	$272.04
Total	$3,569.54
Payments/Credits	$0.00
Balance Due	**$3,569.54**

Seguin Canvas & Awning, LLC

4945 N State Hwy 123
Seguin, TX 78155

Estimate

Date	Estimate #
4/20/2021	04001m

E-mail **seguincanvasllc@seguincanvas.com**
Phone # **830-379-6795**
Web Site www.seguincanvas.com

Customer Phone
512-398-2427

Customer Contact

Name / Address

Caldwell County Farm Bureau
Elaine Kimbrough
108 E. Market St.
Lockhart, Texas 78644

Customer E-mail
ccarrillo@txfb-ins.com

Project/Location

Lockhart Farm Bureau

Terms
50% down remaini...

Description	Qty	Rate	Total
Labor and materials to manufacture and install one awning. Frame to be all welded aluminum. Fabric to be Sunbrella fabric in customers choice of solid colors. All seams sewn with Solarfix UV lifetime thread. Fabric to be Approved farm Bureau blue. Size is 294" wide x 41" high x 6" sign band x 94" projection (This is the current measurements of the metal old awning.)	1	5524.00	5,524.00T
Labor and materials to remove and dispose of all old metal awning parts. This will have to be done after hours so there is a fee for night work.	1	1500.00	1,500.00T
TERMS: 50% down and remaining upon completion. Quote is valid for 5 days. New construction involving metals such as steel and aluminum are valid for 24 hours. Quotes where site evaluations and our field measurements have not been completed can change upon evaluating project.		0.00	0.00
A permit will be required. If you decide to move forward we will contact the City of Lockhart permits and apply for the permits. This quote does not include the cost of applying and obtaining the permit. We will provide all necessary drawings required by Lockhart.		0.00	0.00T

Payment Terms and Late Fees: Our terms are 50% down and due on receipt. We will Use your Purchase Orders to assit your Accounting with tracking; however your PO does not change our terms. Final payments made late could have a fee assocsiated with collecting that payment after 10 days and every 30 days after that. CHANGE ORDERS: Any change to this estimate whether a verbal agreement or a change in scope on the job could result in additional charges.

Estimate is valid from five days. For New Construction quotes are valid for 24 hours due to constant changes in market pricing.

All Materials guranteed as specified. All work to be completed in a professional manner according to standard practices. Any alternations, additions, or modifications to this bid will only be executed upon written and verbal orders and will become a change order from the above price. Material warranties are based upon Manufacture. Performance warranty varies on type of job.

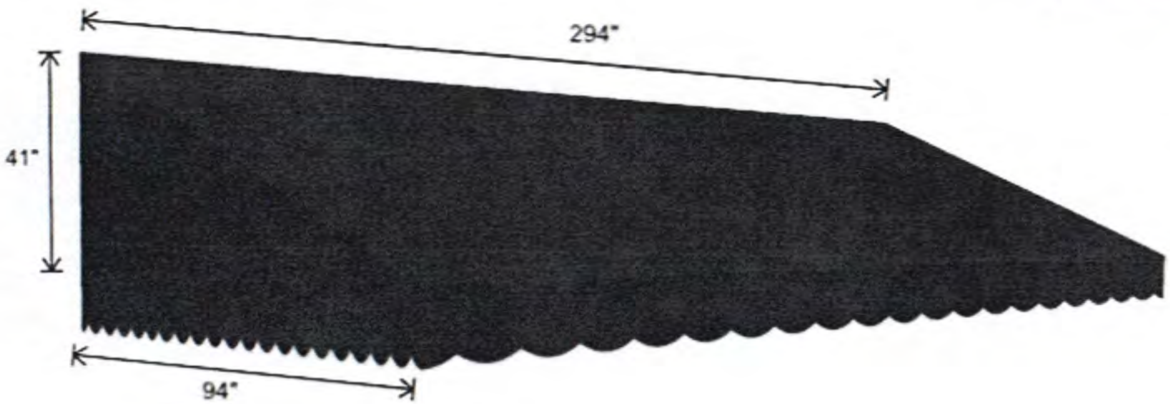
Subtotal	$7,024.00
Sales Tax ..	$579.48
Total	$7,603.48

Late Fee Notice: Our terms are setup as Due Upon Receipt with 50% down; unless a customer is setup with a NET. Failure to pay payments on time will result in a 15% of total balance due late charge after 10 day grace period. For customers setup with a NET, a late fee will be assessed 10 days after due date.

Caldwell County Farm Bureau
PO Box 688
108 E. Market St.
Lockhart, Texas 78644
512-398-2427

Labor and materials to remove existing metal framing and dispose of parts.

Price: $1500.00 (this includes doing disposal during the night.)



Labor and materials to manufacture and install new awning. Fabric to be Sunbrella fabric in approved Farm Bureau Colors. All seams sewn with Soalrfix UV lifetime thread. We will put a notch in the awning @ 139" wide x16" down for the electrical.

Price $5524.00 plus tax installed price
NOTE: This does not include anv loao work.

Seguin Canvas & Awning, LLC
4945 N State Hwy 123
Seguin, TX 78155

Estimate

Date	Estimate #
5/18/2021	04059m

E-mail **seguincanvasllc@seguincanvas.com**
Phone # **830-379-6795**
Web Site www.seguincanvas.com

Customer Phone
512-398-2427

Customer Contact

Name / Address
Caldwell County Farm Bureau
Elaine Kimbrough
108 E. Market St.
Lockhart, Texas 78644

Customer E-mail
ccarrillo@txfb-ins.com

Project/Location
Lockhart Farm Bureau

Terms
50% down remaini...

Description	Qty	Rate	Total
OPTION 1: Labor and materials to manufacture and install one awning. Frame to be all welded aluminum. Fabric to be Sunbrella fabric in customers choice of solid colors. All seams sewn with Solarfix UV lifetime thread. Fabric to be Approved farm Bureau blue. Size is 294" wide x 41" high x 6" sign band x 94" projection (This is the current measurements of the metal old awning.)	1	5524.00	5,524.00T
Labor and materials to remove and dispose of all old metal awning parts. This will have to be done after hours so there is a fee for night work.	1	1500.00	1,500.00T
TERMS: 50% down and remaining upon completion. Quote is valid for 5 days. New construction involving metals such as steel and aluminum are valid for 24 hours. Quotes where site evaluations and our field measurements have not been completed can change upon evaluating project.		0.00	0.00
A permit will be required. If you decide to move forward we will contact the City of Lockhart permits and apply for the permits. This quote does not include the cost of applying and obtaining the permit. We will provide all necessary drawings required by Lockhart.		0.00	0.00T

Payment Terms and Late Fees: Our terms are 50% down and due on receipt. We will Use your Purchase Orders to assit your Accounting with tracking; however your PO does not change our terms. Final payments made late could have a fee assocsiated with collecting that payment after 10 days and every 30 days after that. CHANGE ORDERS: Any change to this estimate whether a verbal agreement or a change in scope on the job could result in additional charges.

Estimate is valid from five days. For New Construction quotes are valid for 24 hours due to constant changes in market pricing.

All Materials guranteed as specified. All work to be completed in a professional manner according to standard practices. Any alternations, additions, or modifications to this bid will only be executed upon written and verbal orders and will become a change order from the above price. Material warranties are based upon Manufacture. Performance warranty varies on type of job.

Subtotal

Sales Tax ..

Total

Late Fee Notice: Our terms are setup as Due Upon Receipt with 50% down, unless a customer is setup with a NET. Failure to pay payments on time will result in a 15% of total balance due late charge after 10 day grace period. For customers setup with a NET, a late fee will be assessed 10 days after due date.

Seguin Canvas & Awning, LLC
4945 N State Hwy 123
Seguin, TX 78155

Estimate

Date	Estimate #
5/18/2021	04059m

E-mail **seguincanvasllc@seguincanvas.com**
Phone # **830-379-6795**
Web Site www.seguincanvas.com

Customer Phone
512-398-2427

Customer Contact

Customer E-mail
ccarrillo@txfb-ins.com

Name / Address

Caldwell County Farm Bureau
Elaine Kimbrough
108 E. Market St.
Lockhart, Texas 78644

Terms
50% down remaini...

Project/Location

Lockhart Farm Bureau

Description	Qty	Rate	Total
OPTION 2: In the event that a change to the project is done requested by the customer, the customer will be responsible for those additional cost. Those cost will be billed separate.CHANGE ORDER: Labor and materials to manufacture and install one awning. Frame to be all welded aluminum. Fabric to be Firsist FRfabric in customers choice of solid colors. All seams sewn with Solarfix UV lifetime thread. Fabric to be Approved farm Bureau blue. Size is 294" wide x 41" high x 6" sign band x 94" projection (This is the current measurements of the metal old awning.)	1	6274.00	6,274.00T

Payment Terms and Late Fees: Our terms are 50% down and due on receipt. We will Use your Purchase Orders to assit your Accounting with tracking; however your PO does not change our terms. Final payments made late could have a fee assocsiated with collecting that payment after 10 days and every 30 days after that. CHANGE ORDERS: Any change to this estimate whether a verbal agreement or a change in scope on the job could result in additional charges.

Estimate is valid from five days. For New Construction quotes are valid for 24 hours due to constant changes in market pricing.

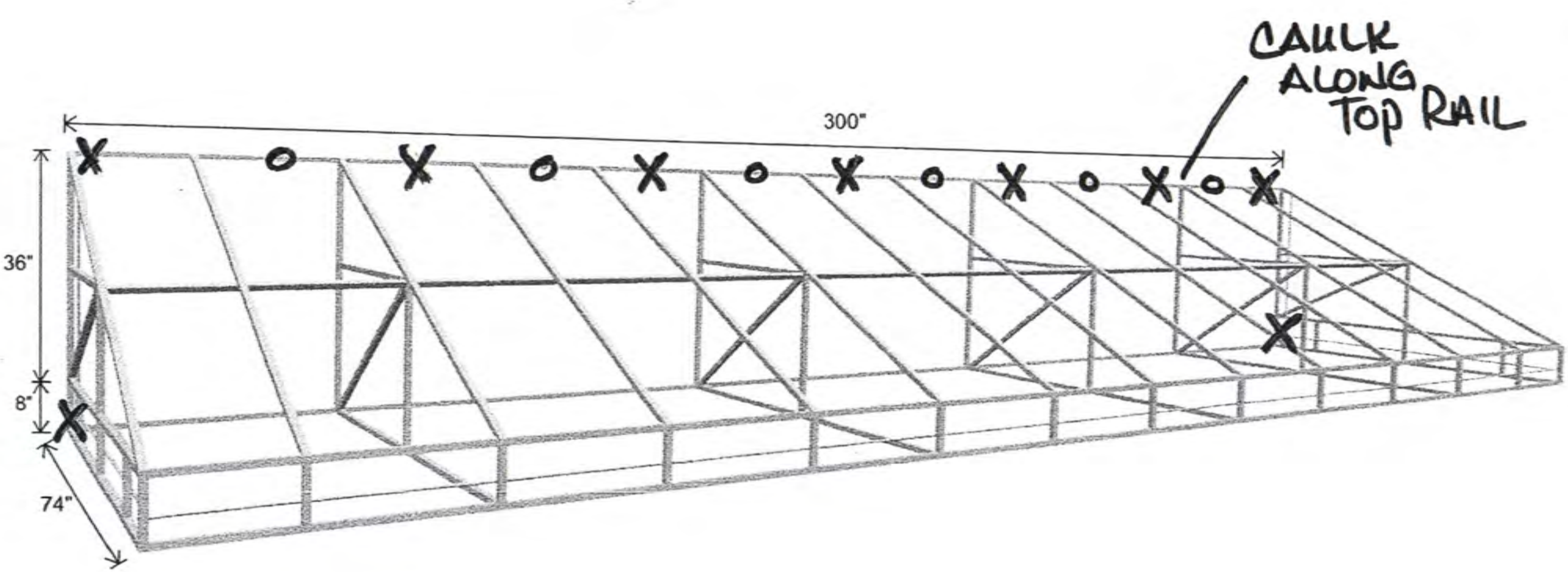
All Materials guranteed as specified. All work to be completed in a professional manner according to standard practices. Any alternations, additions, or modifications to this bid will only be executed upon written and verbal orders and will become a change order from the above price. Material warranties are based upon Manufacture. Performance warranty varies on type of job.

Subtotal	$13,298.00
Sales Tax ..	$1,097.09
Total	$14,395.09

Late Fee Notice: Our terms are setup as Due Upon Receipt with 50% down; unless a customer is setup with a NET. Failure to pay payments on time will result in a 15% of total balance due late charge after 10 day grace period. For customers setup with a NET, a late fee will be assessed 10 days after due date.

QUOTE MOCK UP

Seguin Canvas & Awning, LLC

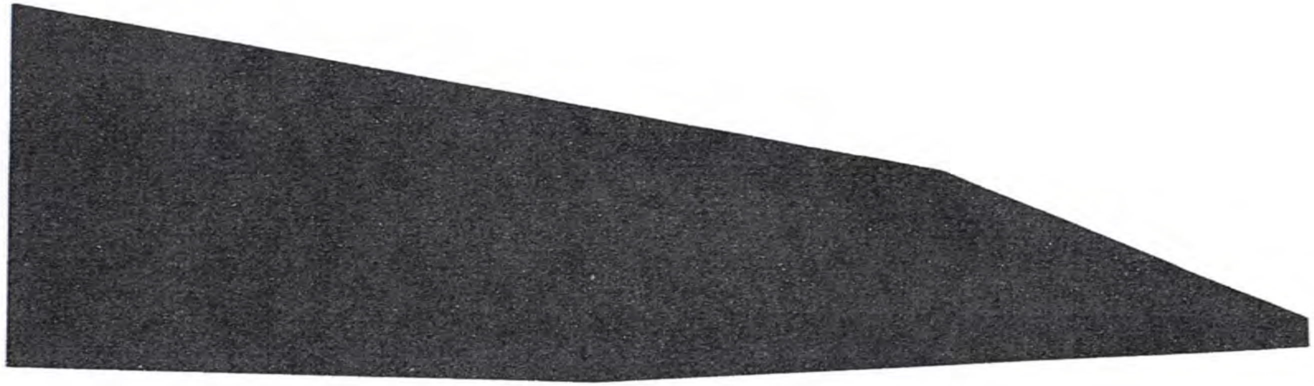


X's... Poxypro with 3/8" ALL THREAD APPROX 6" IN WALL
O's... 1/4" x 3" TAP CONS

Seguin Canvas & Awning, LLC
4945 North State Highway 123
Seguin, Texas 78155
830-379-6795
seguincanvasllc@seguincanvas.com

QUOTE

Caldwell County Farm Bureau
Elaine Kimbrough
108 E. Market St.
Lockhart, Texas 78644



Labor and materials to manufacture one awning out of Fire Retardant Fabric called Firesist. Color to be Regatta Blue #888500.

Size is approximate 294" wide x 41" high x 6" sign band x 94" projection (Same as current Metal Awning). We can also go less if it is required. Usually we only go out 76".

$6274.00 Plus Tax
Price To Remove Old and dispose $1500.00.

NOTE: This will have to be done after hours.

Keeping Texas Covered...
Since 1985

Awnings|Tarps|Canopies|Covers|Upholstery|Pool|Marine|Sail Shades

308 W. San Antonio
P.O. Box 239
Lockhart, Texas 78644
512-398-3461 FAX 512-398-3833

COMMERCIAL SIGN PERMIT

PERMIT #:	210728001	DATE ISSUED:	7/28/2021
		DATE EXPIRED:	1/24/2022
JOB ADDRESS:	108 E MARKET-COMB#0280	LOT #:	
PARCEL ID:		BLK #:	
SUBDIVISION:		ZONING:	
ISSUED TO:	CALDWELL COUNTY FARM BUREAU	CONTRACTOR:	CALDWELL COUNTY FARM BUREAU
ADDRESS	108 E MARKET ST	ADDRESS:	108 E MARKET ST
CITY, STATE ZIP:	LOCKHART TX 78644	CITY, STATE ZIP:	LOCKHART TX 78644
PHONE:		PHONE:	
PROP.USE		SETBACKS:	
VALUATION:	$ 0.00	FRONT:	
SQ FT	23.00	LEFT SIDE:	
OCCP TYPE:		RIGHT SIDE:	
CNST TYPE:		REAR:	

FEE CODE	DESCRIPTION	AMOUNT
SIGN	SIGN PERMIT	$ 10.00
	TOTAL	$ 10.00

NOTES: ON-PREMISE NEW WALL SIGN TOTAL SIGN FACE AREAA 23.83 SQ FT INTERNAL ILLUMINATION APPROVED BY LHPC 7-21-21

NOTICE

THIS PERMIT BECOMES NULL AND VOID IF WORK OR CONSTRUCTION AUTHORIZED IS NOT COMMENCED WITHIN 90 DAYS, OR IF CONSTRUCTION OR WORK IS SUSPENDED OR ABANDONED FOR A PERIOD OF 6 MONTHS AT ANY TIME AFTER WORK IS STARTED. PERMIT EXPIRES SIX MONTHS FROM ISSUE DATE.

TO THE BEST OF MY KNOWLEDGE, THIS APPLICATION AND ASSOCIATED DOCUMENTS CONFORM TO ALL REQUIREMENTS OF THE CITY OF LOCKHART BUILDING REGULATIONS. BY SIGNING BELOW I AGREE THAT IF ANY PART OF THIS PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS IS FOUND TO BE INCORRECT, INCOMPLETE, OR OTHERWISE DEFICIENT WITH REGARD TO APPLICABLE CITY STANDARDS, THE DEADLINE IMPOSED BY THE TEXAS LOCAL GOVERNMENT CODE, SECTION 212.009 FOR APPROVAL OR DENIAL OF THE PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS BY THE CITY WITHIN 30 DAYS OF THE DATE OF THIS APPLICATION IS AUTOMATICALLY EXTENDED FOR AN ADDITIONAL 30 DAYS. I FURTHER AGREE THAT IF ANY PART OF THIS PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS REMAINS DEFICIENT AT SUCH TIME THAT THE PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS CANNOT BE APPROVED PRIOR TO THE EXPIRATION OF THE SECOND 30 DAYS, THE PLAT OR CONSTRUCTION PLANS WILL BE SUBJECT TO DENIAL BY THE APPROVAL AUTHORITY. IT IS UNDERSTOOD THAT I OR ANOTHER REPRESENTATIVE SHOULD BE PRESENT AT ALL PUBLIC MEETINGS CONCERNING THIS APPLICATION. ____________ INITIALS

IF HOME WAS BUILT PRIOR TO 1978, YOU ARE REQUIRED BY LAW TO BE A U.S. EPA CERTIFIED RRP RENOVATOR. CALL 214-655-7577 FOR QUESTIONS RE: THE RRP RULE.

ON FILE
(SIGNATURE OF CONTRACTOR OR AUTHORIZED AGENT) — __/__/__ DATE

ON FILE
(BUILDING DEPT. APPROVAL) — 7/22/21 DATE

ON FILE
~~(PLANNING DEPT.~~ APPROVAL) — 7/22/21 DATE
LHPC OFFICER

City of Lockhart
(512) 398-3461

REC#: 01020370   7/29/2021   4:31 PM
OPER: EO   TERM: 020
REF#: 015130

TRAN: 500.0000   BUILDING PERMIT
210728001   10.00CR
CALDWELL COUNTY FARM BUREAU
108 E MARKET-COMB#0280
COMM-SIGN   10.00CR

TENDERED: 10.00 CHECK
APPLIED: 10.00-

CHANGE: 0.00

AVOID THE WAIT
GO ONLINE TO MAKE PAYMENTS
WWW.LOCKHART-TX.ORG

308 W. San Antonio
P.O. Box 239
Lockhart, Texas 78644
512-398-3461 FAX 512-398-3833

COMMERCIAL ADDITION PERMIT

PERMIT #:	210804009	DATE ISSUED:	8/04/2021
		DATE EXPIRED:	1/31/2022
JOB ADDRESS:	108 E MARKET-COMB#0280	LOT #:	
PARCEL ID:		BLK #:	
SUBDIVISION:		ZONING:	
ISSUED TO:	AUSTIN AWNING	CONTRACTOR:	AUSTIN AWNING
ADDRESS	600 E SAINT ELMO RD	ADDRESS:	600 E SAINT ELMO RD
CITY, STATE ZIP:	AUSTIN TX 78745	CITY, STATE ZIP:	AUSTIN TX 78745
PHONE:		PHONE:	
PROP.USE		SETBACKS:	
VALUATION:	$ 8,000.00	FRONT:	
SQ FT	0.00	LEFT SIDE:	
OCCP TYPE:		RIGHT SIDE:	
CNST TYPE:		REAR:	

FEE CODE	DESCRIPTION		AMOUNT
B-COM BLD	COMMERCIAL BUILDING		$ 50.00
		TOTAL	$ 50.00

NOTES: REMOVE AND REPLACE AWNING 24FT 5INCH WIDE X 7FT 9INCH PROJECTION X 4FT DROP WITH 6INCH VALANCE

NOTICE

THIS PERMIT BECOMES NULL AND VOID IF WORK OR CONSTRUCTION AUTHORIZED IS NOT COMMENCED WITHIN 90 DAYS, OR IF CONSTRUCTION OR WORK IS SUSPENDED OR ABANDONED FOR A PERIOD OF 6 MONTHS AT ANY TIME AFTER WORK IS STARTED. PERMIT EXPIRES SIX MONTHS FROM ISSUE DATE.

TO THE BEST OF MY KNOWLEDGE, THIS APPLICATION AND ASSOCIATED DOCUMENTS CONFORM TO ALL REQUIREMENTS OF THE CITY OF LOCKHART BUILDING REGULATIONS. BY SIGNING BELOW I AGREE THAT IF ANY PART OF THIS PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS IS FOUND TO BE INCORRECT, INCOMPLETE, OR OTHERWISE DEFICIENT WITH REGARD TO APPLICABLE CITY STANDARDS, THE DEADLINE IMPOSED BY THE TEXAS LOCAL GOVERNMENT CODE, SECTION 212.009 FOR APPROVAL OR DENIAL OF THE PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS BY THE CITY WITHIN 30 DAYS OF THE DATE OF THIS APPLICATION IS AUTOMATICALLY EXTENDED FOR AN ADDITIONAL 30 DAYS. I FURTHER AGREE THAT IF ANY PART OF THIS PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS REMAINS DEFICIENT AT SUCH TIME THAT THE PLAT AND/OR ASSOCIATED CONSTRUCTION PLANS CANNOT BE APPROVED PRIOR TO THE EXPIRATION OF THE SECOND 30 DAYS, THE PLAT OR CONSTRUCTION PLANS WILL BE SUBJECT TO DENIAL BY THE APPROVAL AUTHORITY. IT IS UNDERSTOOD THAT I OR ANOTHER REPRESENTATIVE SHOULD BE PRESENT AT ALL PUBLIC MEETINGS CONCERNING THIS APPLICATION. ________________ INITIALS

IF HOME WAS BUILT PRIOR TO 1978, YOU ARE REQUIRED BY LAW TO BE A U.S. EPA CERTIFIED RRP RENOVATOR. CALL 214-655-7577 FOR QUESTIONS RE: THE RRP RULE.

(SIGNATURE OF CONTRACTOR OR AUTHORIZED AGENT) ___/___/___ DATE

Shane Mondo

(BUILDING DEPT. APPROVAL) 8 24 21 DATE

(PLANNING DEPT. APPROVAL) ___/___/___ DATE

City of Lockhart
(512) 398-3461

REC#: 01020370 7/29/2021 4:31 PM
OPER: EO TERM: 020
REF#: 015130

TRAN: 500.0000 BUILDING PERMIT
210728001 10.00CR
CALDWELL COUNTY FARM BUREAU
108 E MARKET-COMB#0280
COMM-SIGN 10.00CR

TENDERED: 10.00 CHECK
APPLIED: 10.00-

CHANGE: 0.00

AVOID THE WAIT
GO ONLINE TO MAKE PAYMENTS
WWW.LOCKHART-TX.ORG

City of Lockhart
(512) 398-3461

REC#: 01029824 9/15/2021 10:20 AM
OPER: EO TERM: 020
REF#: 015172

TRAN: 500.0000 BUILDING PERMIT
210804009 50.00CR
AUSTIN AWNING
108 E MARKET-COMB#0280
COMM-ADD 50.00CR

TENDERED: 50.00 CHECK
APPLIED: 50.00-

CHANGE: 0.00

AVOID THE WAIT
GO ONLINE TO MAKE PAYMENTS
WWW.LOCKHART-TX.ORG

Carrillo, Cherie M. 028-Caldwell

From:	Kevin Waller <kwaller@lockhart-tx.org>
Sent:	Thursday, July 22, 2021 11:55 AM
To:	Elaine Kimbrough
Cc:	Carrillo, Cherie M. 028-Caldwell; Dan Gibson; Shane Mondin
Subject:	Lockhart Historical Preservation Commission Approval
Attachments:	7-22-2021 LHPC Decision Letter (TX Farm Bureau).pdf

Elaine:

At yesterday's Historical Preservation Commission meeting, the Commission **approved**, by unanimous vote, the new wall sign and new awning for Texas Farm Bureau Insurance at 108 E. Market Street. Attached is the decision letter. The original document can be mailed to you upon request.

Please review the attached letter for the next steps in the process. If you have any questions regarding the letter, please let me know. Thank you.

Sincerely,

Kevin Waller

Assistant City Planner
City of Lockhart Development Services
308 W. San Antonio St.
Lockhart, TX 78644
512.398.3461 x2400
kwaller@lockhart-tx.org

CITY OF Lockhart

(512) 398-3461 • FAX (512) 398-5103
P. O. Box 239 • Lockhart, Texas 78644
308 West San Antonio Street

July 22, 2021

Elaine Kimbrough
Texas Farm Bureau Insurance
P.O. Box 688
Lockhart, TX 78644
emkimbrough@me.com

Dear Ms. Kimbrough:

On July 21, 2021, the Lockhart Historical Preservation Commission unanimously **approved** your request for a Certificate for Alteration (CFA-21-16) for a new wall sign and new awning for Texas Farm Bureau, located at 108 East Market Street. A Building Permit application for the awning, and an Electrical Permit application for the sign (if required by the Building Official) may now be submitted for the proposed work. In addition, you will be contacted when the Sign Permit (application already submitted) is ready to be issued and picked up, at which time the $10.00 permit review fee must be paid.

If you have any questions, please contact me by phone at (512) 398-3461, Ext. 2400, or by email at kwaller@lockhart-tx.org.

Sincerely,

Kevin Waller
Historical Preservation Officer
Assistant City Planner

Cc: Dan Gibson, City Planner
Shane Mondin, Building Official
Cherie Carrillo, Texas Farm Bureau Insurance (ccarrillo@txfb-ins.com)

Johnny Homann

DBA CT. ELECTRIC
PO BOX 1185
LOCKHART, TX 78644

Invoice

Date	Invoice #
10/20/2021	1643

Bill To
Mrs. Kimbrough Dale, Texas

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
6	We went to new sign and checked the power the sign company connected the sign to We then added a switch and a photocell to the sign	55.00	330.00
1	Materials	15.22	15.22

Code 4402

Total $345.22

- # Estimate Paint $ 2,200
- power Wash

including paint

- Dtm For metal
-

Willebaldo Carmona
CW Painte 512 810 1007

HEMME CONTRACTING
Jonathan Hemme
435 County Line Road
Dale, Texas 78616
512-971-4521

Invoice

Farm Bureau
P.O. Box 1200
Lockhart, TX 78644

Oct. 9, 2021

Labor and materials for painting the front of the building on the square	$1,080.00
Code 4402	
Balance Due	$1,080.00

Thanks for your business!

NELSON DOOR REPAIR SERVICE
PROPOSAL

5488 TAYLORSVILLE RD.
DALE, TEXAS 78616
nelsondoors3@yahoo.com
512 995-9795

DATE 11/23/21

CUSTOMER: CALDWELL COUNTY FARM BUREAU

108 E. MARKET PL LOCKHART TEXAS

JOB DESCRIPTION: REMOVE EXISTING DOORS AND INSTALL NEW FRAME AND DOORS MADE OF FIVER GLASS WITH FULL VIEW INSULATED GLASS LOW-E GLASS 64" WIDE BY 96 "TALL, WITH THRESHOLD AND HINGES

ONE SET OF DEAD BOLT AND LEVEL HANDLE LOCK "C" HANDEL ON THE OUTSIDE, TWO KICK PLATES AND DOOR CLOSER

WE DO NOT PAINT IT HAS TO BE DONE BY OTHER.

TOTAL PRICE DOORS AND HARDWARE $2,880.00 TAX $244.80 INSTALLATION $750.00 TOTAL $3,874.80

50 % DEPOSIT AND BALANCE WHEN JOB IS DONE.

IF YOU ACCEPT THE PRICE AND CONDITION PLEASE SIGN AND PRINT YOUR NAME AND E-MAIL IT BACK TO ME.

THANK YOU.

CUSTOMER NAME AND SIGNATURE:

In the event it shall become necessary for Nelson Door Repair Service to enforce the payment terms of this invoice, Purchaser agrees to pay all cost associated with such enforcement without limitation, the fees of collection agency and (or) attorney. The signer is acknowledging the service describe above to go ahead with the job and agrees to the payment terms.

THANK YOU.

Done by: *Nelson Hernandez*

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Approve Resolution 2022-18 for an economic development performance agreement with Good Things Lockhart, LLC for a BIG Grant.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Michael Kamerlander

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Attached is the resolution and performance agreement offering incentives BIG Grant to Good Things Lockhart at 110 S. Commerce Street.

Good Things will be investing into the updating of the façade of the building including paint, cleaning, letters added to the awning, sign painted on the exterior, and new lighting.

The attached economic development performance agreement outlines the work to be done on the building, and the rebate the owners would be entitled to should the work be completed as stated and paid as required. The work has not begun which is why there is no amount filled in the agreement. The BIG Grant's policy is to gain board approval as early in the process as possible and then collect the correct documents for reimbursement. The maximum rebate to any one applicant is $20,000.

LEDC staff will work with Good Things to obtain all documentation to provide the correct 50% rebate of whatever the final expenditure becomes.

PROJECT SCHEDULE (if applicable): The company is required to start improvements within 6 months and finish within 12 months after project start date.

AMOUNT & SOURCE OF FUNDING:
Funds Required: $20,000
Account Number: 800-5199-702-00
Funds Available: $17,086
Account Name: Business Improvement Grants

FISCAL NOTE (if applicable): This will require a budget amendment to the Lockhart Economic Development budget for FY 2021-2022.

PREVIOUS COUNCIL ACTION: N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COMMITTEE/BOARD/COMMISSION ACTION: The LEDC Board of Directors will consider this at its March 14, 2022 Regular Board Meeting

STAFF RECOMMENDATION/REQUESTED MOTION: Adopt Resolution 2022-18 for an economic development performance agreement with Good Things Lockhart, LLC for a BIG Grant.

LIST OF SUPPORTING DOCUMENTS: City Resolution 2022-18, Good Things Grant Performance Agreement Final, LEDC Resolution 2022-06 Good Things, Application

RESOLUTION NO. 2022-18

A RESOLUTION OF THE CITY COUNCIL OF LOCKHART, TEXAS APPROVING AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT WITH GOOD THINGS LOCKHART, LLC FOR A BUSINESS IMPROVEMENT & GROWTH PROGRAM GRANT AS AN AUTHORIZED PROJECT PURSUANT TO CHAPTERS 501 AND 505, TEXAS LOCAL GOVERNMENT CODE

WHEREAS, the City of Lockhart ("City") is a Type B corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, Good Things Lockhart, LLC ("Good Things") has applied to LEDC for a grant pursuant to the LEDC's Business Improvement & Growth Program to make improvements and repairs to its facility; and

WHEREAS, the City finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the City is of the opinion that approving an Economic Development Performance Agreement ("EDPA") for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF LOCKHART, TEXAS, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The EDPA by and between the LEDC and Good Things is attached hereto as Exhibit "A" and incorporated herein, the same and the Project described therein being hereby approved and authorized.
3. The Executive Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

Approved and adopted on this, the 15th day of March, 2022.

City of Lockhart

____
Lew White, Mayor

Attest:

____
Connie Constancio, City Secretary

Approved as to form:

____
Monte Akers, City Attorney

EXHIBIT A

ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT

This Economic Development Performance Agreement ("EDPA" or "Agreement") is made and entered into by and between THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION OF LOCKHART, TEXAS ("LEDC"), a Type B Economic Development Corporation, and GOOD THINGS LOCKHART, LLC ("GOOD THINGS")

RECITALS

WHEREAS, GOOD THINGS is an existing business in the City of Lockhart located at 110 S. Commerce Street, the owner of which desires to make repairs and improvements, expand its operations to the City of Lockhart, Texas ("City"), and retain primary jobs ("the Improvements"); and

WHEREAS, the LEDC is a Texas Type B economic development corporation located in a city with a population of less than 20,000, operating pursuant to the applicable provisions of the Texas Local Government Code, as amended, and the Texas Non-Profit Corporation Act, as amended; and

WHEREAS, the LEDC desires to assist GOOD THINGS and offer financial incentives as part of LEDC's Business Improvement & Growth ("BIG") Economic Development Program in the City; and

WHEREAS, the LEDC Board finds that the Project as herein described and carried out will promote new or expanded business development and is an "Authorized Project" as that term is defined in Chapter 505 of the Texas Local Government Code, as amended; and

WHEREAS, the LEDC Board will hold at least one public hearing on the Project prior to spending funds in accordance with Sections 505.159(a) of the Texas Local Government Code, as amended; and

WHEREAS, the LEDC Board finds that this EDPA is conditional in the event the City of Lockhart, Texas (City) receives a petition no later than the 60th day after the date notice of the Project was published, which is duly certified and accepted by the City Council, from more than 10% of the registered voters of the City of Lockhart, Texas, requesting that an election be held before the Project is undertaken in accordance with Section 505.160 of the Texas Local Government Code, as amended; and,

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and

valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LEDC and GOOD THINGS agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein by reference as if fully set forth in their entirety.

Section 2: Term

The term of this Agreement shall be two (2) years from the effective date of this EDPA.

Section 3. GOOD THINGS Performance Requirements

In consideration of LEDC agreeing to provide the Grant described below in Section 4, GOOD THINGS agrees to perform the following:

(a) To make the improvements and repairs described in the BIG Program Application filed by the owners of GOOD THINGS, which is attached hereto as Exhibit "A" and incorporated herein for all purposes ("the Improvements).

(b) Commence construction of the Improvements within one hundred twenty (120) days after the City's approval of the construction plans and issuance of a building permit for the same.

(c) Complete construction of the Improvements within eighteen (18) months after the issuance of the aforesaid building permit.

(d) GOOD THINGS shall provide LEDC with proof of making the Improvements by submitting copies of receipts for expenditures satisfactory to LEDC, which shall be provided within thirty (30) days of completion of the Improvements.

(e) Keep current in the payment of taxes owed for the facility to any taxing jurisdiction in which the Property is located unless such taxes are being legally contested by GOOD THINGS.

Section 4. LEDC Requirements

In consideration of GOOD THINGS's agreement to locate its business within the City and to perform the other acts hereinafter described, LEDC agrees it will:

(a) Provide a Grant to GOOD THINGS of not more than twenty-thousand dollars ($20,000.00) of the cost of making the Improvements.

(b) Provide the Grant to GOOD THINGS within fourteen (14) days of receiving satisfactory proof of GOOD THINGS's completion of construction of the Improvements and payment of GOOD THINGS's payment to its architect, contractor, and vendors in full.

Section 5. Termination and Recapture

(a) In the event that GOOD THINGS discontinues operations for a period of more than one hundred eighty (180) days during the duration of this Agreement, then in such event GOOD THINGS shall be required to repay to LEDC any monies expended by LEDC under Section 4 of this Agreement within thirty (30) days of written demand from LEDC therefore following the expiration of such period; provided however that GOOD THINGS shall not be required to repay such monies if such discontinuation of operations is caused by force majeure.

For the purposes of this Agreement, "force majeure" shall be defined as fire, explosion, natural disaster or other act of God, war, pandemic, or civil unrest, taking under eminent domain, regulatory restrictions or action of any applicable governmental entity, or other event or action that makes the conduct of the GOOD THINGS illegal or economically unsustainable is beyond the reasonable control of GOOD THINGS. GOOD THINGS shall not be required to repay such amounts so long as it is, in the opinion of the LEDC, diligently taking action(s) to renew or continue operations.

(b) In the event, that GOOD THINGS shall fail to repay LEDC within thirty (30) days of the date such repayment is due according to the written demand from LEDC, GOOD THINGS hereby agrees that LEDC may enforce all of its rights and remedies available at law and in equity against GOOD THINGS.

Section 6. Entire Agreement

This Agreement, when executed, contains the entire agreement between LEDC and GOOD THINGS with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by LEDC and GOOD THINGS.

Section 7. Successors and Assigns

Neither party shall assign its rights, obligations, or interest in this Agreement without the prior written consent of the other party. In the event of consent to such assignment or in the event of legal succession of GOOD THINGS's interest in this Agreement by operation of law, this Agreement shall be binding on and inure to the benefit of such assign or successor.

Section 8. Notices

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

GOOD THINGS:	Good Things Lockhart, LLC Attn: Taylor Burge 406 S. Church Street Lockhart, TX 78644

Lockhart Economic Development Corporation:

Lockhart Economic Development Corporation
Attn: Executive Director
308 W. San Antonio
P.O. Box 239
Lockhart, TX 78644

Section 9. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for nor against either party.

Section 10. Severability

In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Section 11. Mutual Assistance

LEDC and GOOD THINGS agree to do all things reasonably necessary and appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

Section 12. Representations and Warranties of LEDC.

LEDC hereby represents, warrants, and covenants that:

(a) It is a Type B Economic Development Corporation, duly organized and validly existing under the laws of the State, particularly Sections 501 and 505 of the Texas Local Government Code.

(b) The facility constitutes a "project" as defined in Sections 501.101 and 505.155 of the Texas Local Government Code.

(c) All requirements related to public notice of the project, particularly those included in Section 505.160 of the Texas Local Government Code, have been satisfied.

(d) The person executing this Agreement on behalf of the LEDC is fully authorized to do so.

Section 13. Representations and Warranties of GOOD THINGS.

(a) It is a duly incorporated business entity with full authority to enter into this Agreement.

(b) The person executing this Agreement on behalf of GOOD THINGS is fully authorized to do so.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the __________ day of _______________, 2022.

LOCKHART ECONOMIC DEVELOPMENT CORPORATION:

____
Steven Lewis, LEDC President

ATTEST:

____
Michael Kamerlander, LEDC Secretary

GOOD THINGS LOCKHART, LLC

____
Taylor Burge

RESOLUTION NO. 2022-06

A RESOLUTION OF THE BOARD OF DIRECTORS FOR THE LOCKHART ECONOMIC DEVELOPMENT COPORATION APPROVING AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT WITH GOOD THINGS LOCKHART, LLC FOR A BUSINESS IMPROVEMENT & GROWTH PROGRAM GRANT AS AN AUTHORIZED PROJECT PURSUANT TO CHAPTERS 501 AND 505, TEXAS LOCAL GOVERNMENT CODE

WHEREAS, the City of Lockhart ("City") is a Type B corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, Good Things Lockhart, LLC ("Good Things") has applied to LEDC for a grant pursuant to the LEDC's Business Improvement & Growth Program to make improvements and repairs to its facility; and

WHEREAS, the City finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the City is of the opinion that approving an Economic Development Performance Agreement ("EDPA") for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The EDPA by and between the LEDC and Good Things is attached hereto as Exhibit "A" and incorporated herein, the same and the Project described therein being hereby approved and authorized.
3. The Executive Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

Approved and adopted on this, the 14th day of March, 2022.

Lockhart Economic Development Corporation

____

Alan Fielder, Board Chairman

Attest:

____

Michael Kamerlander, Board Secretary

Approved as to form:

____

Monte Akers, Board Attorney

BIG Grant Application

Return Completed Application to:

Lockhart EDC
308 W. San Antonio
Lockhart, TX 78644
EcoDev@lockhart-tx.org

Applicant's Name Taylor Burge

Mailing Address 406 S. Church St. Lockhart, TX 78644

Phone 512-230-2366 Email goodthingsgrocery@gmail.com

Business Organization of Applicant:

☐ Corporation (dba) ☒ Partnership ☐ Sole Proprietorship

Business Name Good Things Lockhart, LLC

Relationship of Applicant to the property to be renovated:

☐ Owner — Attach copy of latest tax bill and proof of payment

☒ Tenant — Attach copy of CoL Certificate of Occupancy and written permission from building owner to participate in BIG Grant Program including expiration date of present lease.

Address of property to be improved:

110 S. Commerce St.

Describe the scope of work:

exterior painting, cleaning, letters added to awning, sign painted on exterior, window vinyl decals, lighting

Design professional responsible for your drawings, plans, and permits:

Alec Esh

Mailing Address

Phone 917-627-9536 E-mail esh@masscrush.com

The undersigned hereby represents and certifies to the best of his/her knowledge and belief that the information contained on this statement and any exhibits or attachments hereto are true and complete and accurately describe the proposed project, and the undersigned agrees to promptly inform the City of Lockhart Economic Development Director of any changes in the proposed project which may occur.

[signature], as agent — Signature of Property Owner

2/15/2022 — Date

Michael R. Shaw, as agent — Print Name

[signature] — Signature of Commercial Tenant (if applicable)

2/15/22 — Date

Taylor Burge — Print Name

The Lockhart EDC reserves the right to terminate any agreement under the BIG Program if a participant is found to be in violation of any conditions set forth in these guidelines or if the project has been started prior to an executed agreement with the Lockhart EDC.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Approve City Council to consider the preliminary Budget and Tax Calendar for Fiscal Year 2022--2023.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Pam Larison

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: This document is the preliminary budget and tax calendar for the fiscal year 2022-2023. Tentative dates are subject to Council acceptance of the Council workshop. This year's budget workshops will have two dedicated days (as has been recent practice) for management to present and discuss the City Manager's proposed budget for fiscal year 2022-2023.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff respectfully request acceptance of the 2022-2023 Budget and Tax Calendar for Fiscal Year 2022-2023.

LIST OF SUPPORTING DOCUMENTS: Budget and Tax Calendar FY 22-23

CITY OF LOCKHART

BUDGET CALENDAR (TENTATIVE) FY 2022-23

March 25	Budget kick-off - Departmental operating budget requests; justifications with written quotes due to the Finance department and City Manager.
April 11-15	Meetings with Department Heads to discuss budget expenses & needs.
April 29	Chief appraiser prepares and certifies estimate of taxable values.
April 29	Revised Budgets due to Finance Director from departments.
May 9	LEDC meeting and Budget workshop
June 7	Distribution of City Manager's Proposed Budget – no action Non-Profits Presentation to Council
June 14 & 15	Budget Workshops to discuss budget with Council.
June 21	Budget Workshop to discuss budget with Council. Presentation of GBRA & CCAD Budget
July 1	File City Manager's Proposed Budget with City Secretary
July 5	Appointment of Caldwell County Tax Assessor/Collector to calculate and prepare the 2020 Effective and Rollback Tax rates
July 23	Budget Workshop to discuss budget with Council (if necessary)
July 25	Chief Appraiser certifies the appraised roll to taxing units.
August 2	City Manager presents Proposed Budget to Council; LEDC presents budget to Council; set two public hearings on proposed budget.
August 3	Publish notice of Effective and Rollback Tax Rates
August 16	Public hearing on Budget #1; **City Council sets proposed tax rate; record vote; schedule Public hearing.**
August 31	*Notice of Public Hearing* on Tax Rate (at least 5 days before public hearing).
September 6	Public hearing #2 on budget; Public hearing #1 on tax rate. City Council to adopt Budget, approve LEDC Budget; and adopt tax rate.
September 20	Public hearing #2 on tax rate if rate exceeds the No New Revenue tax rate.
October 1	New Fiscal Year
November 30	Deadline for Budget distribution to City Council, Caldwell County Clerk, City Hall, Municipal Library, and post to City's website.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discussion and/or action to consider in-kind support and approval of Courthouse Nights Event to be held Downtown every 3rd Friday from April to October 2022.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION:

Rach and Rhodes Presents seek City Council's approval for "Courthouse Nights" events to be held from April through October of 2022 and in-kind support for their event.

Historically, for events to be held downtown, they need to meet all the following criteria:

- A Special Activity Permit must be obtained from the Police Department.
- The event must be a "city-wide community event."
- If the event costs the City cash for anything, it must be pre-approved by the Council.
- In-kind services can include, but not limited to, trash cans, barricades, dumpsters, reasonable electrical services (110v), and reasonable water services.
- If alcohol is involved, security officers must be provided at the expense of the event holder and TABC laws and the local alcohol related ordinances must be observed.
- All fire and food handling regulations are applicable.
- Approval of affected businesses must be obtained.
- All cleanup must be by the event holder.

Last year's in-kind services for this event included barricading street closures and extra trash cans for the event. Due to the popularity of this series, staff recommends closing two interior streets of the square, both Market Street (Commerce to Main) and Commerce Street (San Antonio to Market). There is also a scheduling conflict on September 16th with the Diez y Seis de Septiembre celebration that will have to be coordinated with the Greater Caldwell County Hispanic Chamber of Commerce.

Courthouse Nights indicates that they will not serve or sell alcohol or food.

PROJECT SCHEDULE (if applicable): N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: May 4, 2021- Council approved event for 2021 season.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: None. Discretion of the Council.

LIST OF SUPPORTING DOCUMENTS: Courthouse Nights Letter to City Council, Courthouse Nights Road Closure map, Special Activity Permit

March 15, 2022

Dear Steve Lewis and members of Lockhart City Council,

Thank you for allowing Will & I to speak with you at the council meeting tonight about the 2nd season of Courthouse Nights.

As you may know, Courthouse Nights is a monthly music series from April to October. It is going to be on the 3rd Friday of each month from 7pm-10pm. This event will once again be free and open to the entire community. We are currently working with musicians and their agents in creating another stellar season. We will not have alcohol or food sales on the lawn. But we will advertise the event as BYOB & BYOF in hopes that attendees will use the resources found in and around the square.

We think last season was a total hit and cannot wait to get it up and running again this year!

The following page will hopefully shed light on what we need from the city in order to make this event successful, safe and fun for all.

Thank you for your time & attention,

Rachel Lingvai

Rachel Lingvai
Rach & Rhodes Presents
(512) 689-2726
rachel@rachandrhodespresents.com
www.rachandrhodespresents.com

RACH & RHODES PRESENTS

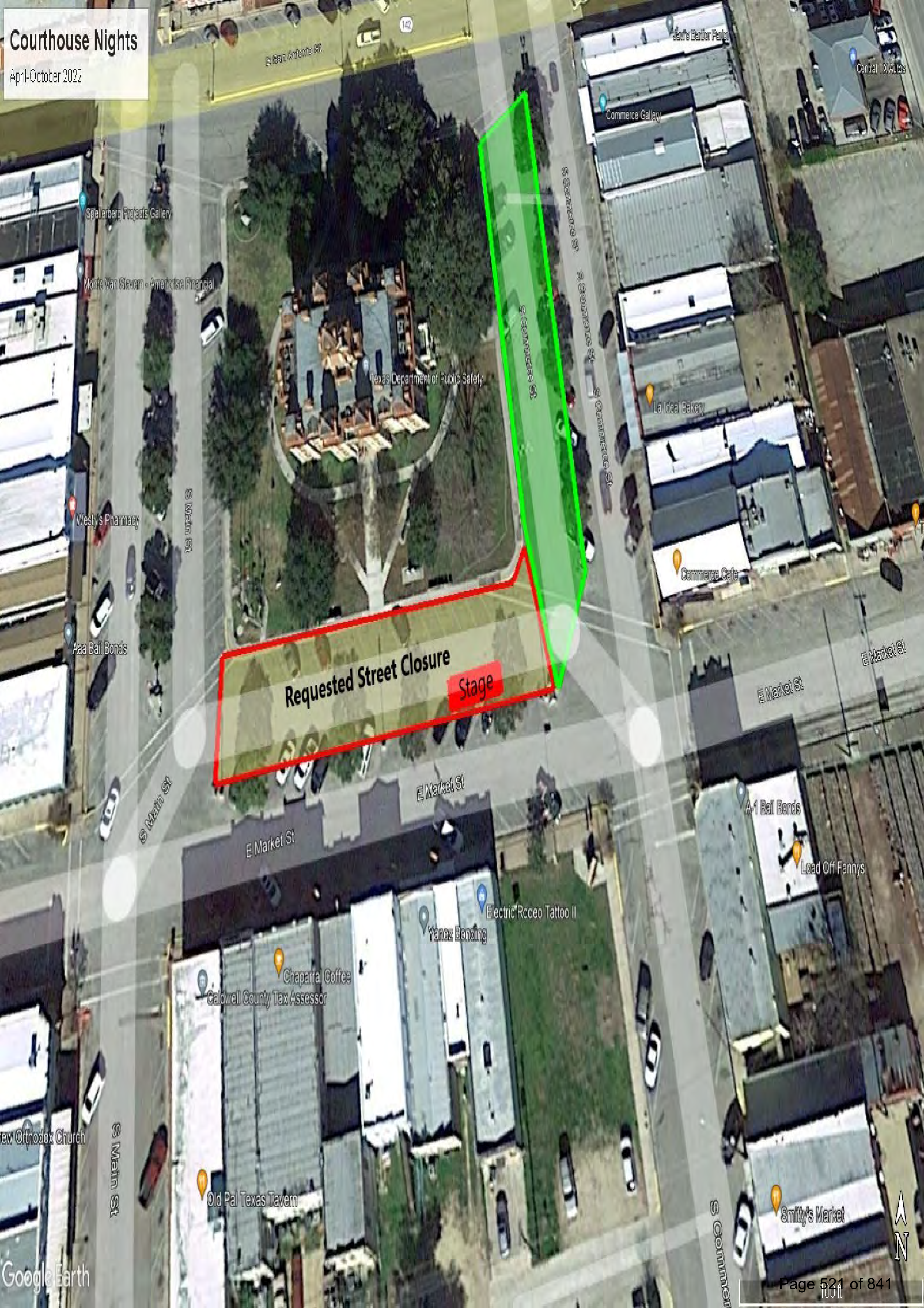
Courthouse Nights

What we have:

- Headlining Band contracts for April through October
- Information and levels of involvement sent out to potential Sponsors
- Over 10k in sponsorship money thus far
- Application in to Judge Haden for use of courthouse lawn; waiting on approval
- Application in to Police department for our Special Event Permit; waiting on approval
- Application in to Police department for Market St. closure; waiting on approval

What we need:

- Trash Receptacles -We had 4-6(?) large trash cans on the southwest side of courthouse plus the smaller trash cans on the lawn. We think that worked perfectly.
- A Stage! We used the chamber's stage risers last year. Pegasus dropped off and picked up.
- Barricades for Market St. We are unsure of how many. Whatever we had last year worked perfectly.
- Electric - We need to turn in an application with Bobby Leos regarding power for the bands.


Courthouse Nights
April-October 2022
Requested Street Closure
Stage
S Commerce St
S Main St
E Market St
Central TX Autos
Commerce Gallery
Texas Department of Public Safety
La Ideal Bakery
Westy's Pharmacy
Commerce Cafe
Aaa Bail Bonds
A-1 Bail Bonds
Load Off Fannys
Electric Rodeo Tattoo II
Yanez Bonding
Chaparral Coffee
Caldwell County Tax Assessor
Old Pal Texas Tavern
Smitty's Market
Google Earth
N

CITY OF
Lockhart
TEXAS

CITY OF LOCKHART

SPECIAL ACTIVITY PERMIT APPLICATION

THIS APPLICATION MUST BE SUBMITTED TO THE LOCKHART POLICE DEPARTMENT AT 214 BUFKIN LANE, LOCKHART, TEXAS. THE APPROVAL PROCESS MAY TAKE UP TO 3 BUSINESS DAYS TO COMPLETE.

NOTES: FAILURE TO FILE THE APPLICATION WITH THE LOCKHART POLICE DEPT. IN SUFFICIENT TIME MAY RESULT IN DENIAL OF THE PERMIT FOR THIS ACTIVITY.
IN THE EVENT THERE IS A SITUATION/CONFLICT WITH THE PERMIT, YOU WILL BE CONTACTED BY A MEMBER OF LOCKHART CITY STAFF.

DATE RECEIVED: 3/8 *BY:* M-M

TYPE OF ACTIVITY: CourthouseNights-ConcertSeries

DATE(S) OF ACTIVITY: 4/15/22, 5/20, 6/17, 7/15, 8/19, 9/16, 10/21

TIMES OF ACTIVITY: 7pm-10pm

ACTIVITY SPONSOR (NAME OF GROUP, ORGANIZATION, OR INDIVIDUAL SPONSORING THE ACTIVITY)

NAME: Rach&RhodesPresents

PHYSICAL ADDRESS: 104E.MarketSt.Apt.A,Lockhart,TX78644
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

MAILING ADDRESS: 104E.MarketSt.Apt.A,Lockhart,TX78644
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

TELEPHONE NUMBER: (512) 689 - 2726

APPLICANT (NAME OF THE PERSON WHO WILL BE IN CHARGE OF THIS ACTIVITY)

NAME: RachelLingvai

PHYSICAL ADDRESS: 104E.MarketSt.Apt.A,Lockhart,TX78644
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

MAILING ADDRESS: 104E.MarketSt.Apt.A,Lockhart,TX78644

TELEPHONE NUMBER: (512) 689 - 2726

D.L. # / ID CARD # [redacted]

Updated: February 2016

LOCATION OF ACTIVITY (FACILITY TO BE USED, PARK, ETC.)

PHYSICAL ADDRESS: CourthouseLawn

NAME OF PROPERTY OWNER: CaldwellCounty-JudgeHaden'soffice

OWNERS ADDRESS: CountyCourthouse
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

MAILING ADDRESS: ____________________
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

TELEPHONE NUMBER: (512) 398 - 1808 ext. 4651

FACILITY DESRIPTION

WILL YOU BE USING A TENT OR AN AIR SUPPORTED STRUCTURE? ☐ YES ■ NO

IF YES, WHAT IS THE SIZE OF THE TENT OR AIR SUPPORTED STRUCTURE? ________

IF YES, IS IT FIRE RETARDENT OR FLAME RESISITANT? ☐ YES ☐ NO

IF YES, DO YOU HAVE THE CERTIFICATE FOR IT? ☐ YES ☐ NO

DO YOU HAVE THE REQUIRED NUMBER OF THE FOLLOWING:

FIRE EXISTS? ■ YES ☐ NO

FIRE EXTINGUSHERS? ☐ YES ☐ NO

RESTROOM FACILITITES? ■ YES ☐ NO

SANITATION FACILITIES? ☒ YES ☐ NO

WHAT AREA WILL BE USED FOR VEHICLE PARKING? parkingin/aroundsquare

ADMISSION

IS THE ACTIVITY OPEN TO THE PUBLIC? ■ YES ☐ NO

IF NOT, WHO WILL MONITOR ADMITTANCE? _____

WILL AN ENTRANCE FEE BE CHARGED? ☐ YES ■ NO

IF YES, HOW MUCH? ____________________

ESTIMATED NUMBER OF PEOPLE TO ATTEND? 200+

ALCOHOLIC BEVERAGES

WILL ALCOHOLIC BEVERAGES BE ALLOWED ON PREMISES? ■ YES ☐ NO

IF SO, WHAT TYPE? beer,wine,liquor

WILL ALCOHOLIC BEVERAGES BE FOR SALE? ☐ YES ■ NO

IF YES, DO YOU HAVE A TEMPORARY ALCOHOLIC BEVERAGE PERMIT ISSUED BY THE TEXAS ALCOHOLIC BEVERAGE COMMISSION? ☐ YES ☐ NO

IF YES, WHAT IS THE PERMIT NUMBER? ______

WHO HOLDS THE PERMIT LICENSE? ______

FOOD

WILL FOOD BE SOLD? ☐ YES ■ NO

IF YES, WHAT TYPE OF FOODS? ______

WILL FOOD BE PREPARED AT THIS LOCATION? ☐ YES ■ NO

WILL YOU BE USING HEATING OR COOKING EQUIPMENT? ☐ YES ■ NO

IF YES, WHAT TYPE OF EQUIPMENT? ______

IS THE EQUIPMENT INSTALLED AND SECURED PROPERLY? ☐ YES ☐ ON

DO YOU HAVE A FOOD HANDLERS PERMIT? ☐ YES ☐ NO

IF YES, DATE OF ISSUE: ______ DATE OF EXPIRATION: ______

WILL FOOD BE CATERED? ☐ YES ☐ NO

CATERER'S PHONE NUMBER: (____) ______ - ______

AMUSEMENTS

WILL YOU HAVE ANY AMUSEMENTS? ■ YES ☐ NO

IF YES, WHAT TYPE: astagw/livemusic

AMPLIFIED SOUND

WILL AMPLIFIED SOUND BE USED (i.e., band, disc jockey, loud speakers, etc.)?

■ YES ☐ NO

IF YES, WHAT TYPE? livebandwithaprofessionalsoundteam

DURING WHAT HOURS? 7-10pm

NO OPERATORS OR ACTIVITY SHALL AT ANY TIME ALONG ANY FACILITY PROPERTY LINE CAUSE A SOUND PRESSURE LEVEL WHICH EXCEEDS THE FOLLOWING DECIBLE LIMITS:

Frequency (Hz)	Maximum db level
0 – 600	58
600 – 2400	50
Above 2400	42

VIOLATION OF THESE SOUND LEVELS IS A CRIME PUNISHIBLE BY A FINE NOT TO EXCEED $1,000.00.

SECURITY

DO YOU HAVE SECURITY OFFICERS? ☐ YES ■ NO HOW MANY? _____

AGENCY PROVIDING SECURITY? ____________________

ADDRESS: ____________________
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

TELEPHONE NUMBER: (____) _______ - _________

SECURITY INFORMATION MUST BE PROVIDED TO THE LOCKHART POLICE DEPARTMENT BEFORE THIS ACTIVITY BEGINS

POLICE DEPARTMENT City Use Only/Cost: __________

NUMBER OF OFFICERS REQUIRED (IF PD IS TO PROVIDE SECURITY): N/A

HOURS TO BE USED: ____________________

PARKS City Use Only/Cost: __________

NUMBER OF PARKS PERSONNEL NEEDED FOR EVENT: 0

TRASH CANS NEEDED: 4-5

NUMBER OF BARRICADES REQUIRED: ?

LOCATION WHERE BARRICADES ARE TO BE USED: Marketst.betweencommerce andmainst.Onlythelaneclosesttocourthouselawn(thenorthernlanewheretrafficktravelswest.

STREETS City Use Only/Cost: __________

NUMBER OF STREETS PERSONNEL NEEDED FOR EVENT: 0

NUMBER OF BARRICADES REQUIRED: ?

STREETS TO BE CLOSED: 1) MarketSt.betweenCommerceandMainSt.

2) ____________________

3) ____________________

4) ____________________

5) ____________________

PLEASE USE A SEPARATE SHEET OF PAPER TO CONTINUE STREET CLOSURES.

I, the undersigned applicant, hereby affirm that I am the person who is responsible for this activity. I understand that any false or misleading statement in this application is grounds for denial of a permit, or if one has already been issued, grounds for its revocation. I also understand that I am responsible for compliance with all applicable laws and any other requirements set forth for the issuance of this permit.

RachelLingvai
Applicant Printed Name

3/8/22
Date

Rachel Lingvai
Signature

APPROVED

☐ POLICE OFFICIAL: ______________________________ DATE: ______________

☐ FIRE OFFICIAL: ______________________________ DATE: ______________

☐ BUILDING OFFICIAL: ______________________________ DATE: ______________

☐ PARKS OFFICIAL: ______________________________ DATE: ______________

☐ HEALTH OFFICIAL: ______________________________ DATE: ______________

☐ ELECTRICAL OFFICIAL: ______________________________ DATE: ______________

☐ PUBLIC WORKS OFFICIAL: ______________________________ DATE: ______________

DISSAPROVED

☐ POLICE OFFICIAL: ______________________________ DATE: ______________

☐ FIRE OFFICIAL: ______________________________ DATE: ______________

☐ BUILDING OFFICIAL: ______________________________ DATE: ______________

☐ PARKS OFFICIAL: ______________________________ DATE: ______________

☐ HEALTH OFFICIAL: ______________________________ DATE: ______________

☐ ELECTRICAL OFFICIAL: ______________________________ DATE: ______________

☐ PUBLIC WORKS OFFICIAL: ______________________________ DATE: ______________

COMMENTS / ADDITIONAL REQUIREMENTS:

MUST BE SIGNED AND RETURNED WITH VENDORS APPLICATION
FOOD SERVICE AT SPECIAL EVENTS

BY HEALTH DEPARTMENT
CITY OF LOCKHART

FOOD BOOTH

This Guideline for Food Service at Special Events is compiled to give patrons of those events assurance of Vendors Commitment to Food Safety.

- Food Booths – all food must be covered or all sides of booth must be screened.
- Top to repel water.
- Floors that can be cleaned.
- All food prepared, stored, or displayed must be in booth. **All food must be prepared on site!**
- Hand wash facility shall have adequate amounts of water, soap dispenser and towels (disposable).
- If cooking utensils are used the booth must have two containers large enough to wash the utensils: one for detergent and one for Clorox and water (one tablespoon per gallon of water). **These are not to be used for hand washing!**
- All eating utensils to be disposable (cups, knives, forks spoons and plates).
- Food preparation to be done on nonporous surface (cutting boards of hard plastic).
- There shall be a container to hold all waste from beverages, ice, etc. and disposed of in proper manner (not on ground).
- There must be a food thermometer in each food booth.
- **Cold food must be kept at 41 degrees F or below** (potentially hazardous food [food that will spoil]).
- **Hot food must be kept at 165 degrees F or over** (potentially hazardous food [food that will spoil]).
- Condiments shall be in pumps, squeeze containers, self-closing lids or individual wrapped packages.
- Ice for drinks to be kept separate from ice for cooling.
- Ice used for refrigeration can not be used for consumption.
- **Refrigeration large enough to hold food to 41 degrees or lower day and night** (can not take home).
- Food must be covered at all times.
- If cooking – all grease to be recovered and disposed of properly **(not on the ground)**!
- Store everything at least 6" off the ground.
- All garbage to be in plastic lined container with lid.

FOOD HANDLERS

- **Must wear clean outer garments/aprons.**
- **Restrain hair (hats, scarves or hair nets).**
- **Do not work if ill.**
- **Wash hands each time you enter food area from eating, smoking, using restroom, etc.**
- **If you are handling food, you must use disposable, chemically treated towelette.**
- **Persons using tongs or individual tissue need not use gloves.**
- **No smoking or eating in the booth.**
- **No visitors, children or pets are allowed in the booth.**

COMPLIANCE IS MANDATORY

You must sign this document and return it with your application or the application will be denied.

____
Printed Name

________________________________ __________________
Signature Date

PARK USE APPLICATION (PAVILION)

NAME OF PERSON, GROUP OR: ____

ADDRESS: ____
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

TELEPHONE NUMBER: (____) _______ - _________

DATE & TIME OF ACTIVITY: ____

FACILITY TO BE USED: ____

PURPOSE OF ACTIVITY: ____

WHO WILL BE RESPONSIBLE FOR THE ACTIVITY? ______________________________

ADDRESS: ____
(NUMBER) (STREET) (CITY) (STATE) (ZIP CODE)

TELEPHONE NUMBER: (____) _______ - _________

______________________________ ______________
SIGNATURE DATE

Sec. 19-35 Revocation of Permit

A park use permit may be revoked at any time by the City Manager or his designate for reasons which may include, but are not limited to misrepresentation of information given at the time of permit application, failure to comply with conditions the permit, or assignment of the permit to another party without the prior written consent of the City Manager or his designate.

****<u>SPECIAL NOTE</u>: IT IS THE USER/APPLICANT'S RESPONSIBILITY TO BAG AND PLACE ALL GARBAGE IN THE NEAREST DUMPSTER TO THE PAVILION BEING USED. FAILURE TO COMPLY WITH THIS REQUIREMENT WILL FORFEIT ALL DEPOSITS AND FUTURE USE OF ANY CITY FACILITY!** ______________
APPLICANT'S INITIALS

FOR OFFICIAL USE ONLY

APPROVED ☐
DISAPPROVED ☐ ______________________________ ______________
(SIGNATURE OF OFFICIAL) DATE

FEES PAID: ______________ DEPOSIT PAID: ______________

DATE PAID: ______________ DATE PAID: ______________

RECEIPT # ______________ RECEIPT # ______________

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Continue discussion and/or action on application ZC-22-06 by Curtis Thigpen of Paravel Capital for a **Zoning Change** from *RMD Residential Medium Density District* to *RHD Residential High Density District* for 19.906 acres in the Cornelius Crenshaw Survey, Abstract No. 68, located in the 1900 block of North Cesar Chavez Parkway - Northbound (SH 130). *TABLED at the February 15 meeting. Proposed to be TABLED again to the June 7th meeting due to not yet having a final recommendation from the Planning and Zoning Commission.*

ORIGINATING DEPARTMENT AND CONTACT: Development Services - Dan Gibson

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The subject property is part of a 50.77-acre tract that was rezoned from AO to RMD in October 2021 for the stated purpose of developing a duplex subdivision. However, the applicant for this zoning change proposes a multifamily development, which is allowed only in the RHD district. The proposed development is the upper portion of the attached concept plan labeled "*Medium Density Residential Development*", which also includes a proposed duplex subdivision in the lower portion. The proposed RHD zoning classification is ***not*** consistent with the *Medium Density Residential* future land use designation shown on the land use plan map. As explained in great detail in the attached staff report, there is currently a total lack of sanitary sewer service in the Silent Valley Road area, while we continue to receive applications for zoning changes and specific use permits that will potentially increase residential densities in that area above those anticipated by the comprehensive plan. The land use plan map was the basis for the sizing of proposed wastewater lines included in the wastewater impact fee CIP. The 12-inch line proposed to serve the area will not be large enough for the increased densities being requested, and an increase to a larger size would require not only an extension from Tank Street, but also replacement and upgrading of an existing 12-inch line. The city engineer has been asked to determine how many living-unit equivalents can be handled by the planned 12-inch extension, as well as by a larger line that would include the necessary upgrading to Larremore Street. The study will also include estimates of design and construction costs so that the developers of land north of Silent Valley Road will know approximately what their share of the expense will be to serve their developments. The city engineer now estimates that the study may take an additional two months. This item was tabled at the February 15th Council meeting with the understanding that the study would be completed by sometime in March, but because the scope of the project has changed to include more of the northwest part of the city and to do flow-testing of existing wastewater lines, it is necessary to table this zoning change for a longer period of time. So far, there has been no public opposition to this zoning change.

PROJECT SCHEDULE (if applicable): Not applicable.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

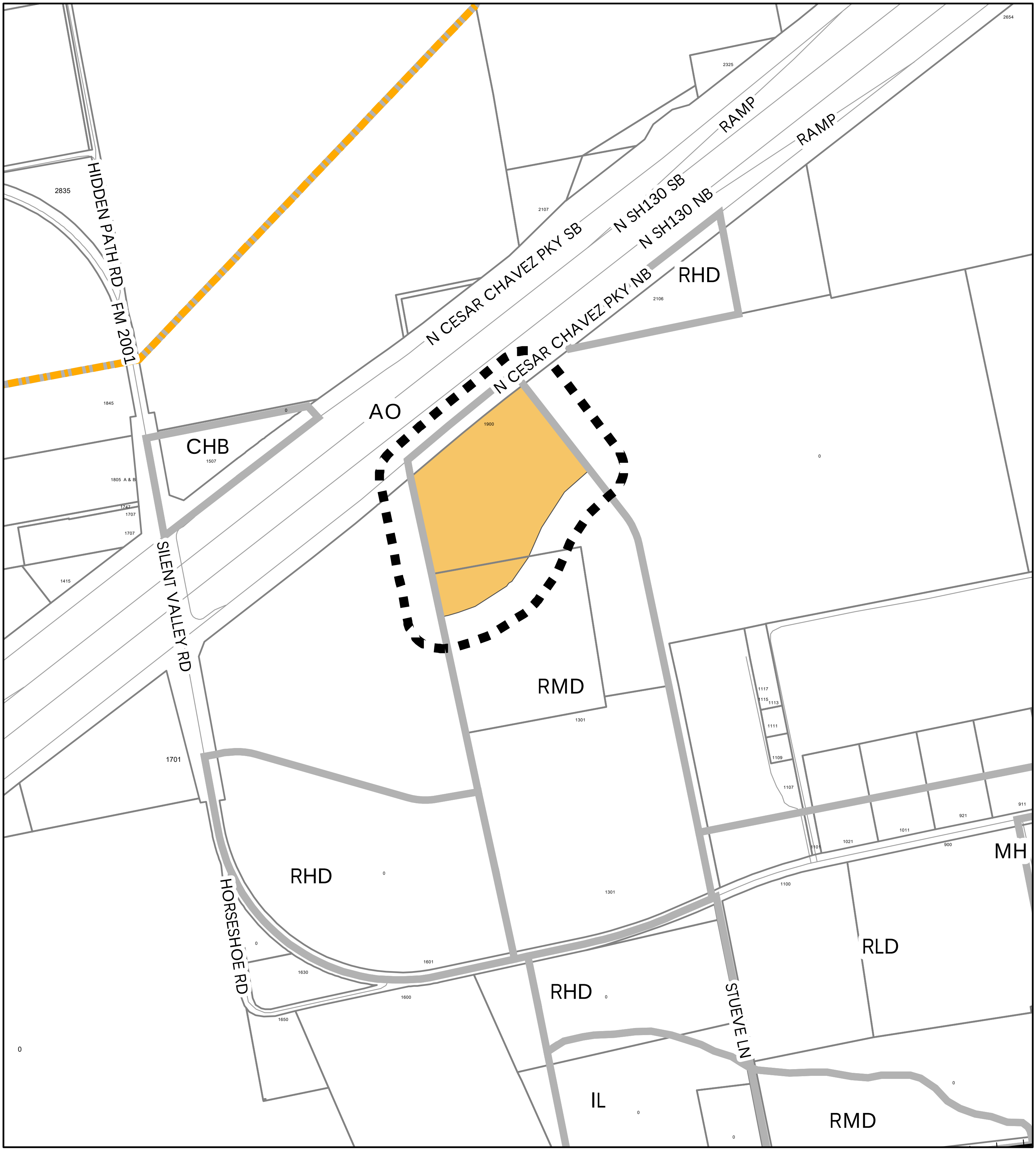
FISCAL NOTE (if applicable): Not applicable.

PREVIOUS COUNCIL ACTION: On February 15th, the Council tabled this zoning change because a final recommendation had not yet been received from the Planning and Zoning Commission.

COMMITTEE/BOARD/COMMISSION ACTION: At their February 9th meeting, the Planning and Zoning Commission voted unanimously to TABLE further consideration of Zoning Change ZC-22-06 until the Commission's March 9th meeting for the reasons stated in the staff report. The Commission then tabled it again to their May 25th meeting to allow for the longer period required for the wastewater capacity study.

STAFF RECOMMENDATION/REQUESTED MOTION: Staff believes that this zoning change request is premature until we have a better idea of the City's sanitary sewer capacity to serve land use densities that are higher than the future land use designations indicated on the City's land use plan map in the Silent Valley Road area. The suggested motion is to once again TABLE further consideration of Zoning Change ZC-22-06 from RMD to RHD on 19.906 acres in the 1900 block of North Cesar Chavez Parkway - Northbound until the June 7th Council meeting because Section 211.007 of the Texas Local Government Code prohibits the governing body (City Council) from holding a public hearing or taking action on a zoning map change until a final recommendation is received from the zoning commission (Planning and Zoning Commission). Therefore, this item is not listed on the agenda as a public hearing, and no ordinance is attached.

LIST OF SUPPORTING DOCUMENTS: ZC2206 case map, ZC2206 zoning, ZC2206 future landuse, ZC2206 aerial, zc2206 staff report, sup2203 & zc2206 concept plan, zc2206 updated application



ZC-22-06

RMD TO RHD

1900 N CESAR CHAVEZ PKWY NB

N

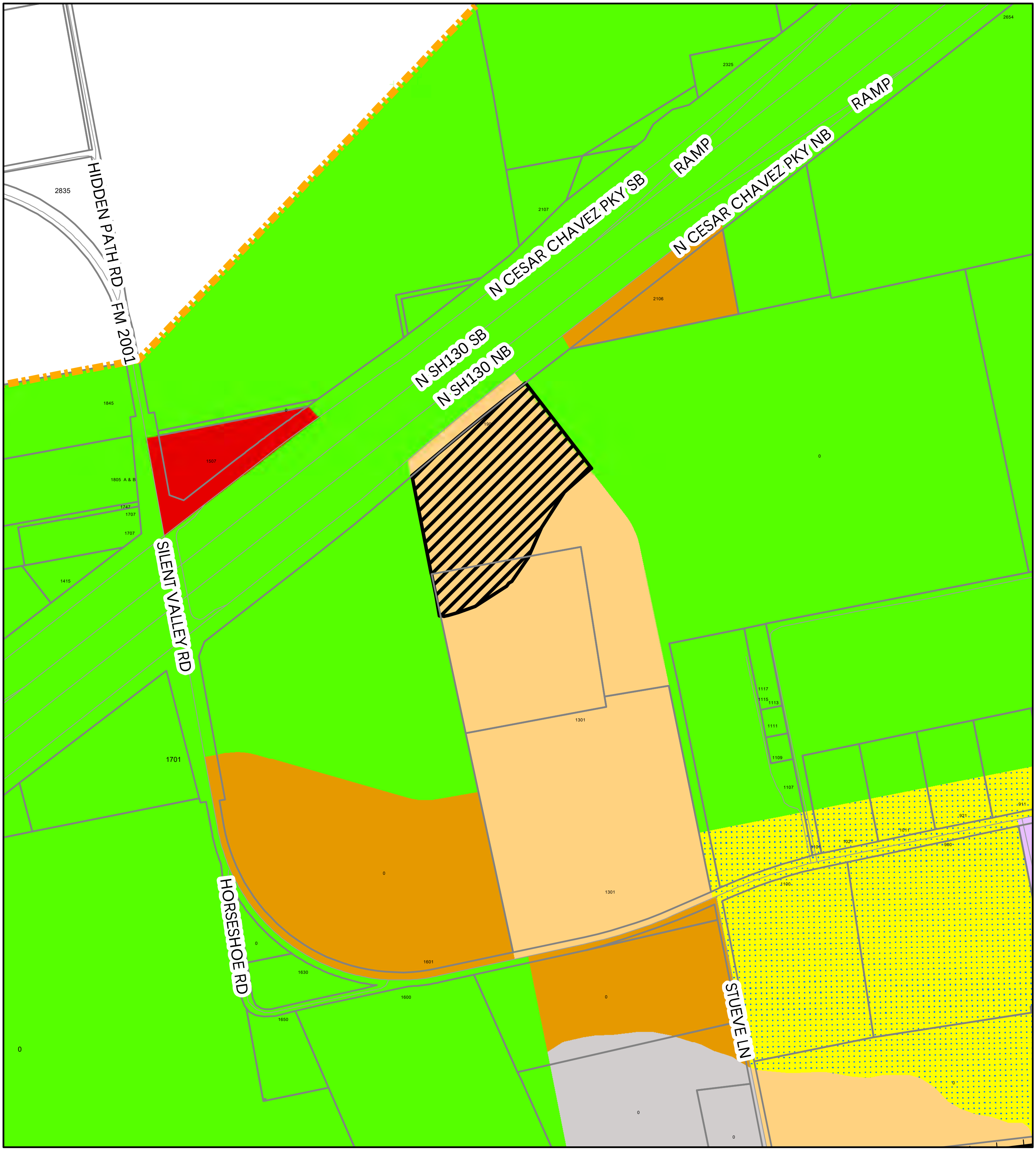
scale 1" = 800'

SUBJECT PROPERTY

ZONING BOUNDARY

CITY LIMITS

200 FT BUFFER



ZC-22-06

RMD TO RHD

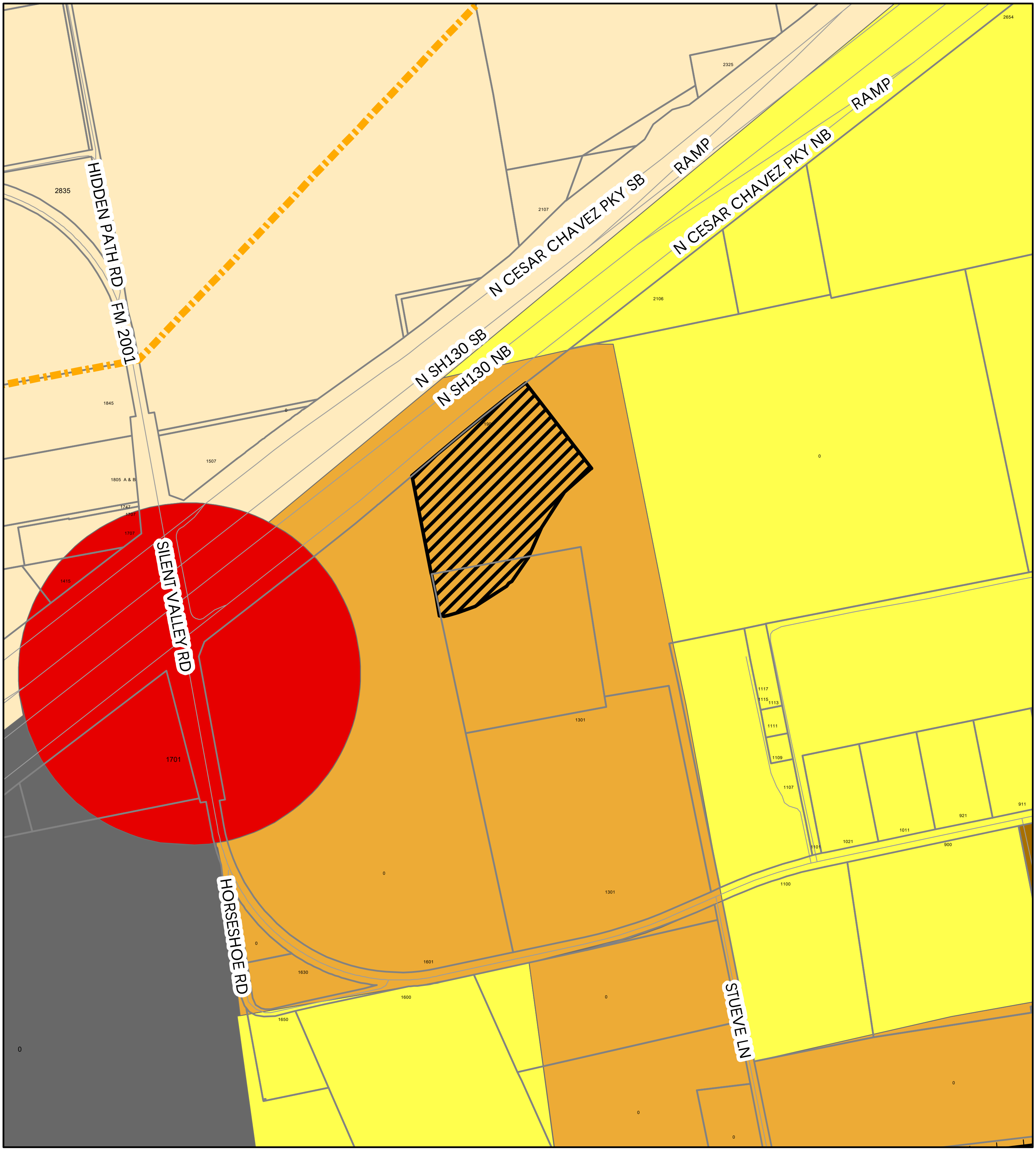
1900 N CESAR CHAVEZ PKWY NB

N

scale 1" = 800'

ZONING DISTRICTS

- AGRICULTURAL-OPEN SPACE
- COMMERCIAL HEAVY BUSINESS
- INDUSTRIAL LIGHT
- MANUFACTURED HOME
- RESIDENTIAL HIGH DENSITY
- RESIDENTIAL LOW DENSITY
- RESIDENTIAL MEDIUM DENSITY



FUTURE LANDUSE

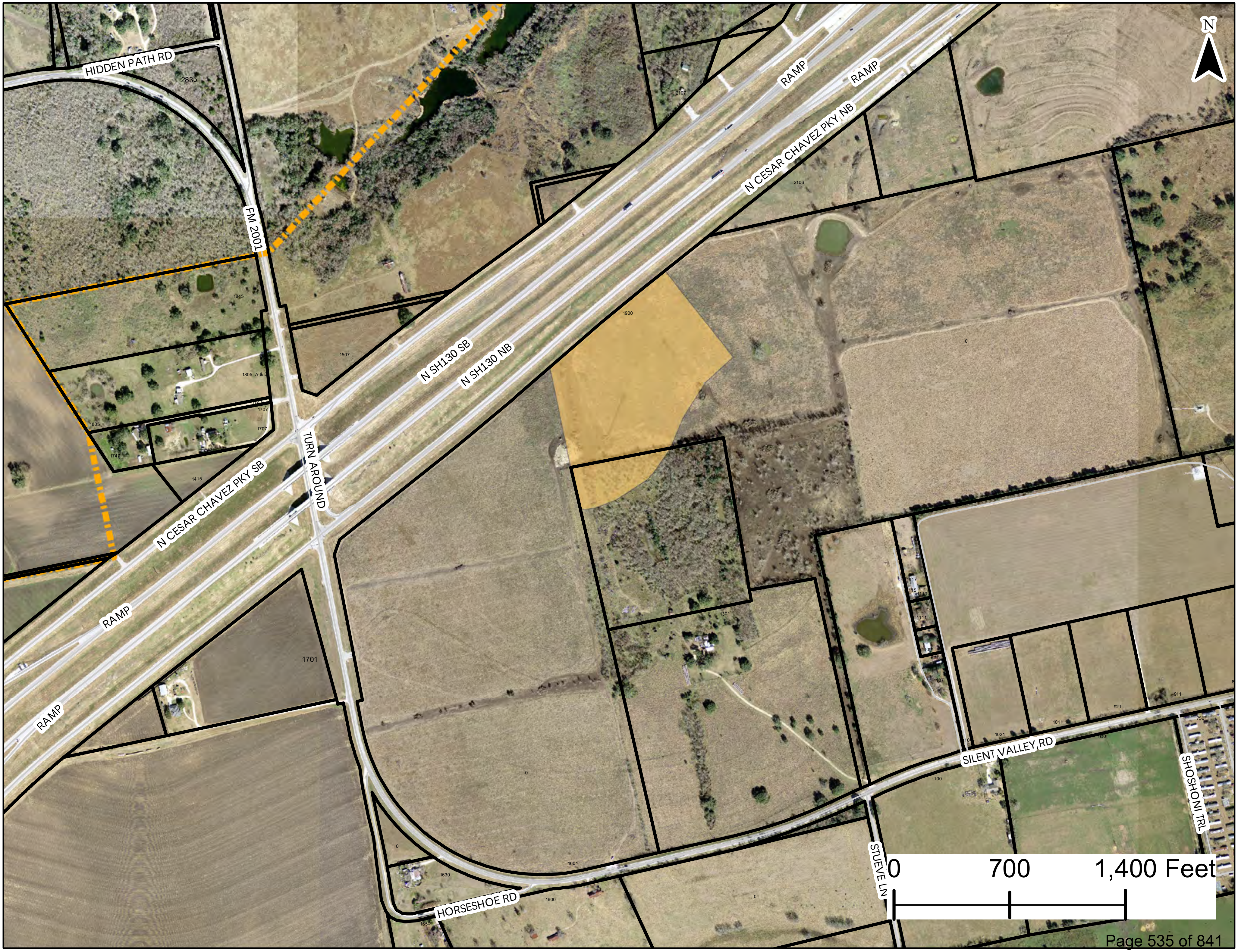
RMD TO RHD

1900 N CESAR CHAVEZ PKWY NB

N

scale 1" = 800'

AGRICULTURE/RURAL DEVELOPMENT
GENERAL-HEAVY COMMERCIAL
INDUSTRY
RESIDENTIAL, HIGH DENSITY
RESIDENTIAL, LOW DENSITY
RESIDENTIAL, MEDIUM DENSITY


HIDDEN PATH RD
FM 2001
RAMP
RAMP
N CESAR CHAVEZ PKY NB
N SH130 SB
N SH130 NB
TURN AROUND
N CESAR CHAVEZ PKY SB
RAMP
RAMP
SILENT VALLEY RD
SHOSHONI TRL
STUEVE LN
HORSESHOE RD
1900
1701
0
700
1,400 Feet
N

PLANNING DEPARTMENT REPORT ZONING CHANGE

CASE SUMMARY

STAFF: Dan Gibson, City Planner CASE NUMBER: ZC-22-06
REPORT DATE: February 4, 2022 [Updated 2-10-22, 3-2-22, 3-10-22]
PLANNING AND ZONING COMMISSION HEARING DATE: March 9, 2022 [Tabled to 5-25-22]
CITY COUNCIL HEARING DATE: February 15, 2022 [Tabled]
REQUESTED CHANGE: RMD to RHD
STAFF RECOMMENDATION: ***Table to June 7th City Council meeting***
PLANNING AND ZONING COMMISSION RECOMMENDATION: No final recommendation yet.

BACKGROUND DATA

APPLICANT: Paravel Capital
OWNER: Curtis Thigpen
SITE LOCATION: 1900 North Cesar Chavez Parkway (SH 130). [Final address to be assigned later.]
LEGAL DESCRIPTION: Metes and Bounds
SIZE OF PROPERTY: 19.906 acres
EXISTING USE OF PROPERTY: Vacant land
LAND USE PLAN DESIGNATION: *Medium Density Residential*

ANALYSIS OF ISSUES

PREVIOUS ACTION: This item was tabled by the Planning and Zoning Commission at their February 9th meeting to their March 9th meeting due to concerns about the lack of wastewater service, and to allow time for the city engineer to conduct a study for determining the size and cost of necessary wastewater line extensions. On February 15th, the City Council also tabled this item. Since then, the city engineer has determined that it may take two more months to conduct a proper study of the needed wastewater infrastructure in the north and west areas of the city, so this zoning change should be tabled again. At their March 9th meeting, the Planning and Zoning Commission tabled this item once again, this time to their May 25th meeting. Fortunately, the City just received word that we have been approved for a large EDA grant that can be used for upgrading and extending the City's wastewater infrastructure. That grant will go a long way in funding whatever wastewater line extensions and improvements are needed to serve northwest Lockhart, including the area north of Silent Valley Road.

REASON FOR REQUESTED ZONING CHANGE: The subject property is part of a 50.77-acre tract that was rezoned from AO to RMD in October 2021 for the stated purpose of developing a duplex subdivision. However, the applicant for this zoning change proposes a multifamily development, which is allowed only in the RHD district. The proposed development is the upper portion of the attached concept plan labeled "*Medium Density Residential Development*", which also includes a proposed duplex subdivision in the lower portion.

AREA CHARACTERISTICS:

	Existing Use	Zoning	Future Land Use Plan
North	SH 130	AO	*Agricultural/Rural Development (north side of SH 130)*
East	Vacant land	AO	*Medium Density Residential, Low Density Residential*
South	Vacant land	RMD	*Residential Medium Density*
West	Vacant land	AO	*Medium Density Residential, General-Heavy Commercial*

TRANSITION OF ZONING DISTRICTS: The subject property does not abut any other RHD zoning, although there are two parcels nearby to the northeast and southwest that were recently rezoned from AO to RHD. RHD is one step up in land use intensity from the RMD classification, which abuts the south boundary of this property. Higher density land uses are sometimes used as a buffer or transition from lower density uses to a major highway.

ADEQUACY OF INFRASTRUCTURE: Vehicular access will be available from the Stueve Lane extension as well as another new east-west collector street that will follow the southern boundary of the subject property. The main issue with regard to infrastructure, though, is the total lack of sanitary sewer service to the entire area north of Silent Valley Road. The impact fee CIP includes a future 12-inch sewer main that would serve the area but, at the rate that zoning changes and specific use permits are being requested to increase the density, there is a concern that a larger line may be needed. This will require not only the previously discussed new extension from Tank Street along the railroad track to Stueve Lane, and along Stueve Lane to Silent Valley Road, but also upgrading the existing 12-inch line at Tank Street that it will connect to. The city engineer has been asked to determine how many living-unit equivalents can be handled by the planned 12-inch extension, as well as by a larger line up to 18 inches or more in diameter that would include upgrading all the way to Larremore Street, if necessary. The study will include estimates of design and construction costs so that the developers of land north of Silent Valley Road will know approximately what their share of the expense will be after the City's contribution from impact fees and the EDA grant.

POTENTIAL NEIGHBORHOOD IMPACT: The surrounding area is currently vacant, but there have been a couple of recent zoning changes to RHD for apartments, and there are other developments on the horizon that would add both commercial development and residential subdivisions. The same applicant who submitted this request also applied for a specific use permit (SUP) to allow the DF-2 residential development type on the remaining 30.864 acres of the original 50-77-acre tract, adjacent to the south of the subject property. The DF-2 development type allows duplexes on smaller lots, thereby resulting in a higher density. After voting to table the SUP at their February 9th meeting, the Planning and Zoning Commission approved it at their March 9th meeting subject to the residential density not exceeding ten dwelling units per acre, which is considered medium density and is consistent with the City's land use plan map. This zoning change, however, will automatically increase the potential for higher density development in the area above the medium density threshold.

CONSISTENCY WITH COMPREHENSIVE PLAN: The proposed RHD zoning classification is ***not*** consistent with the *Medium Density Residential* future land use designation of the land use plan map.

ALTERNATIVE CLASSIFICATIONS: The existing RMD zoning is already consistent with the Medium Density Residential designation shown on the land use plan map, so there is no better classification at this time.

RESPONSE TO NOTIFICATION: None as of the date of this report. The properties within the 200-foot public hearing notification area are currently vacant and are either owned by the applicant or are owned by others who are also proposing new developments.

STAFF RECOMMENDATION: Staff believes that this request is premature until we have a better idea of the City's sanitary sewer capacity to serve land use densities that are higher than the future land use designations indicated on the City's land use plan map. There have already been a couple of recent zoning changes to RHD in the area that will accommodate higher densities, but further high density development should be dependent upon the outcome of the wastewater study. The future land use designation of the subject property is Medium Density Residential, and the requested RHD zoning would allow up to 12 units per acre by-right, which is well into the high density range. However, the applicant has indicated that they plan on developing at an even higher density, which requires approval of an SUP for the MF-2 development type to allow up to 24 units per acre. ***Staff recommends that this zoning change be Tabled to the June 7th City Council meeting when the results of the city engineer's study should be known and a final recommendation from the Planning and Zoning Commission will be available.***

Medium Density Residential Development
Lockhart, TX

Land Use Summary

MF Total Acreage (~18.0 Acres)

- MF Building Coverage (~3.8 Acres)
- MF Open Space (~7.0 Acres)
- Parking/Drive (~7.2 Acres)
- 60' Collector ROW (~1.9 Acres)

DF-2 Total Acreage (~31 Acres)

- DF-2 Lots (~17.9 Acres) 50'x105' (Typ.) - 119 Lots / 238 Units
- DF-2 Open Space (~3.5 Acres)
- 50' Residential ROW (~5.7 Acres)
- 25' Alley ROW (~3.9 Acres)

CITY OF Lockhart

ZONING CHANGE APPLICATION

(512) 398-3461 • FAX (512) 398-3833
P.O. Box 239 • Lockhart, Texas 78644
308 West San Antonio Street

APPLICANT/OWNER

APPLICANT NAME Paravel Capital

ADDRESS 1509 Old W 38th St. Ste., 3
Austin, TX 78731

DAY-TIME TELEPHONE (512) 934-8923

E-MAIL cthigpen@paravelcap.com

OWNER NAME Curtis Thigpen

ADDRESS

DAY-TIME TELEPHONE (512) 934-8923

E-MAIL cthgipen@paravelcap.com

PROPERTY

1900 N Cesar Chavez PKY NB

ADDRESS OR GENERAL LOCATION ~~Between 1301 Silent Valley Rd. & Toll Road 130, Lockhart, TX 78644~~

LEGAL DESCRIPTION (IF PLATTED) See metes & bounds description

SIZE 19.906 ACRE(S)

LAND USE PLAN DESIGNATION Residential Medium Density

EXISTING USE OF LAND AND/OR BUILDING(S) Agriculture

PROPOSED NEW USE, IF ANY Residential High Density (MF-2)

REQUESTED CHANGE

FROM CURRENT ZONING CLASSIFICATION Residential Medium Density RMD

TO PROPOSED ZONING CLASSIFICATION Residential High Density (MF-2) RHD

REASON FOR REQUEST To allow for the development of two and three story apartments of up to 24 DU/AC in order to provide a wider variety of housing options at multiple price points for all residents in the area.

SUBMITTAL REQUIREMENTS

IF THE APPLICANT IS NOT THE OWNER, A LETTER SIGNED AND DATED BY THE OWNER CERTIFYING THEIR OWNERSHIP OF THE PROPERTY AND AUTHORIZING THE APPLICANT TO REPRESENT THE PERSON, ORGANIZATION, OR BUSINESS THAT OWNS THE PROPERTY.

NAME(S) AND ADDRESS(ES) OF PROPERTY LIEN-HOLDER(S), IF ANY.

IF NOT PLATTED, A METES AND BOUNDS LEGAL DESCRIPTION OF THE PROPERTY.

APPLICATION FEE OF $ 548.12 PAYABLE TO THE CITY OF LOCKHART AS FOLLOWS:

1/4 acre or less	$125
Between 1/4 and one acre	$150
One acre or greater	$170 plus $20.00 per each acre over one acre

TO THE BEST OF MY KNOWLEDGE, THIS APPLICATION AND ASSOCIATED DOCUMENTS ARE COMPLETE AND CORRECT, AND IT IS UNDERSTOOD THAT I OR ANOTHER REPRESENTATIVE SHOULD BE PRESENT AT ALL PUBLIC MEETINGS CONCERNING THIS APPLICATION.

SIGNATURE ________________ DATE 1/19/2022

OFFICE USE ONLY

ACCEPTED BY Dan Gibson RECEIPT NUMBER 01132778

DATE SUBMITTED 1-19-22 CASE NUMBER ZC - 22 - 06

DATE NOTICES MAILED 01-24-22 DATE NOTICE PUBLISHED 1-27-2022

PLANNING AND ZONING COMMISSION MEETING DATE 2-9-22

PLANNING AND ZONING COMMISSION RECOMMENDATION Table to 3-9-22 meeting.

CITY COUNCIL MEETING DATE 2-15-2022 Tabled to 5-25-22 meeting.

DECISION Tabled

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Presentation, discussion and/or action for the City Council to consider acceptance of the City of Lockhart and the Lockhart Economic Development Corporation's Fiscal Year 2020-2021 Annual Comprehensive Financial Report (annual financial audit) by BrooksWatson & Company, PLLC., an independent public accounting firm.

ORIGINATING DEPARTMENT AND CONTACT: Finance - Pam Larison

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: According to City of Lockhart's Home Rule Charter, Article 3, Section 3.14 - Audit of City books and accounts, the City shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. In addition, Section 3.14 states that the accountant shall not maintain or keep any of the city's accounts or records and shall not perform the city's annual audit for more than five years in succession. This is the first year for BrooksWatson & Company, PLLC to perform the City's annual audit.

BrooksWatson & Company, PLLC has issued an unqualified (clean) opinion. An unqualified opinion is presumed to be free from material misstatements and fairly represents its financial results, financial position, and cash flows.

The Annual Comprehensive Financial Report for FYE 2021 includes three sections: Introduction, Financial, and Statistical. The transmittal letter is one of the legal requirements for the annual report that typically includes the local government's profile, provides an economic update on the local economy, lists any major initiatives undertaken by the local government and states that the financial reports are management's responsibility. The financial section includes all necessary financial information, narratives explaining financials, and an auditor's report. The third section is the statistical section. It outlines financial trends, revenue capacity, debt capacity, demographic information and other operating indicators about the local government.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

FISCAL NOTE (if applicable): N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

PREVIOUS COUNCIL ACTION: N/A

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends acceptance of the audited FY 2020-2021 Annual Comprehensive Financial Report.

LIST OF SUPPORTING DOCUMENTS: Annual Comprehensive Financial Report FYE2021

Annual Comprehensive Financial Report

City of Lockhart, Texas

Fiscal Year Ended September 30, 2021

Lockhart
The BBQ Capital of Texas

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

of the

City of Lockhart, Texas

For the Year Ended
September 30, 2021

Prepared by

Pam Larison
Finance Director

Robert Eggimann
Controller

Lockhart
TEXAS

City of Lockhart, Texas

TABLE OF CONTENTS

September 30, 2021

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1
GFOA Certificate of Achievement	7
Organizational Chart	8
List of Elected and Principal Officials	9
FINANCIAL SECTION	
Independent Auditor's Report	11
Management's Discussion and Analysis	15
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	28
Statement of Activities	32
Fund Financial Statements:	
Balance Sheet - Governmental Funds	34
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	35
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds to the Statement of Activities	37
Statement of Net Position - Proprietary Funds	38
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	42
Statement of Cash Flows - Proprietary Funds	44
Fiduciary Funds Financial Statements	
Statement of Fiduciary Net Position	48
Statement of Changes in Fiduciary Net Position	50
Notes to the Financial Statements	53
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General Fund	101
Schedule of Changes in Net Pension Liability and Related Ratios	102
Schedule of Employer Contributions to Pension Plan	104
Schedule of Changes in OPEB Liability and Related Ratios-SDBF	106
Schedule of Changes in OPEB Liability and Related Ratios-Retiree Healthcare	107
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	111

Combining Balance Sheet - Nonmajor Special Revenue Funds 112
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds 116
Combining Balance Sheet - Nonmajor Capital Projects Funds 120
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Capital Projects Funds 122
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Radio Tower Equipment Replacement 125
Forfeited Property 126
Hotel/Motel Tax Fund 127
Road Impact Fees #1 128
Road Impact Fees #2 129
Court Technology 130
Radio System Maintenance 131
Court Security 132
Child Safety 133
Court Efficiency 134
Juvenile Case Manager 135
Truancy Court 136
Cable Education 137
Transportation 138
Drainage 139
LEOSE 140
Clearfork Section 1 Sidewalk 141
Maple 2201 Trail Project 142
2009 Certificates of Obligation 143
2015 Certificates of Obligation 144
Combining and Nonmajor Enterprise Funds
Combining Schedule of Net Position - Nonmajor Enterprise Funds 146
Combining Schedule of Revenues, Expenses, and Changes in Net Position - Nonmajor Enterprise Funds 150
Combining Schedule of Cash Flows - Nonmajor Enterprise Funds 152

STATISTICAL SECTION

Financial Trends:
Net Position by Component 158
Changes in Net Position 160
Fund Balances of Governmental Funds 164
Changes in Fund Balances of Governmental Funds 166
Revenue Capacity:
Tax Revenues by Source - Governmental Funds 169
Assessed Value and Estimated Actual Value of Taxable Property 170
Direct and Overlapping Property Tax Rates 172
Principal Property Taxpayers 173
Property Tax Levies and Collections 174
Electricity Purchased and Consumed 177
Electric Rates 178
Largest Electric Customers 181
Water Produced and Consumed and Wastewater Treated 182
Largest Water Customers 185
Water and Sewer Rates 186
Debt Capacity:
Ratios of Outstanding Debt by Type 188
Ratios of General Bonded Debt Outstanding 190
Direct and Overlapping Governmental Activities Debt 192
Demographic and Economic Information:
Demographic and Economic Statistics 193
Principal Employers 195
Operating Information:
Full-Time Equivalent City Government Employees by Function 196
Operating Indicators by Function 198
Capital Asset Statistics by Function 200

Lockhart
TEXAS

INTRODUCTORY SECTION

Lockhart

March 15, 2022

Citizens of the City of Lockhart, Texas
Honorable Mayor and City Council

The Texas Local Government Code states that a municipality shall have its records and accounts audited annually and shall have annual financial statements prepared based on the audit. The Code also states that the annual financial statements, including the auditor's opinion on the statements, shall be filed in the office of the municipal city secretary or clerk within 180 days after the last day of the municipality's fiscal year. The Annual Comprehensive Financial Report of the City of Lockhart, Texas (the City) for the year ended September 30, 2021, is hereby submitted to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed the anticipated benefits of providing the control, the objective is to provide sufficient, rather than absolute, assurance that the financial statements are free of any material misstatements.

BrooksWatson & Company, PLLC has issued an unmodified ("clean") opinion on the City of Lockhart financial statements for the year ended September 30, 2021. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this Letter of Transmittal and should be read in conjunction with it. We are pleased to report that the financial position of the City of Lockhart and its component units is strong.

Profile of the Government

The City of Lockhart was founded in 1826 and officially incorporated as a city in 1852. Located in central Texas, Lockhart is 30 miles south of downtown Austin on U.S. Highway 183. It is 70 miles northeast of San Antonio and 156 miles west of Houston. According to the 2020 U.S. Census Bureau, the estimated population of the City of Lockhart is 14,379, and serves as the county seat of Caldwell County, Texas. Lockhart is a Home Rule Charter City and operates under the Council-Manager form of government. Lockhart is served by a seven-person city council. The elected body is made up of the mayor and two council members that are elected at large. The remaining four council members are elected from single-member districts. The length of office for all Council members and the Mayor are three-year terms. The City Council appoints the City Manager, the City Attorney, and the Municipal Court Judge. All other staff members work either directly or indirectly under the direction of the City Manager.

The Combined Financial Statements of the City include all governmental and business-type activities, organizations, and functions, for which the City exercises significant oversight responsibility. The criteria considered in determining governmental activities to be reported within the City's combined financial statements are based upon and consistent with those set forth in GASB Statement No. 61, "The Financial Reporting Entity." Based on this criterion, the Lockhart Economic Development Corporation is included in this report.

The City provides a full range of municipal government services to more than 14,379 residents and numerous visitors annually. Municipal services provided include: police and fire protection; crime prevention, enforcement, and adjudication; electric services; water production and distribution; wastewater collection and treatment; solid waste collection, curbside recycling and disposal; city code enforcement and building inspection; maintenance of streets; maintenance of park land and recreational facilities; library services; cemetery; airport; and economic development.

The annual budget of the City of Lockhart serves as the foundation for its financial plan and control. The budget is proposed by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, ordinances, and state law. The budget process begins each year with the development of priority issues established by Council during a Strategic Goals Workshop. Departments submit their annual departmental budget requests to the City Manager for review. A proposed budget is prepared for presentation to the City Council. The City Council reviews the budget in subsequent work sessions and a formal budget is prepared and made available to the public for review. Prior to official adoption of the budget by Council, any required public hearings on the proposed budget are held to allow for public input and any required notices are published in the City's newspaper of record.

The Council is required to adopt a final budget by no later than ten days before the close of the fiscal year. This annual budget serves as a foundation for the City's financial planning and control. The budget is prepared by fund, department, and category (e.g., salary and benefits). Department managers may transfer resources within their department as they see fit. Transfers between departments, however, need special approval from the City Manager and the Finance department. City Council approval is needed for transfers between funds or between capital projects.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The City of Lockhart is the county seat for Caldwell County. With this designation comes commercial growth not typically seen for population of approximately 14,379 residents. Major industries located within the government's boundaries, or close proximately, include small and advanced manufacturing industries, information technology industries, retail and service industries, and agriculture. The school district has significant economic presence, employing in total more than 731 teachers, professionals, and support staff.

The onset of the COVID-19 pandemic created an unprecedented situation for the City of Lockhart and for every municipality in the United States. While the pandemic presented challenges for local residents and businesses, it also brought with it the passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021. Through these federal programs, states received money to distribute to local governments.

The City of Lockhart received an allotment of $763,895. Using this funding, Lockhart apportioned $235,000 for COVID relief grants and loans for businesses and utilized $25,000 for COVID relief for utilities customers. Major capital purchases paid for using the allotment included a generator for the fire station (which doubles as the city's office of emergency management), air conditioning units for the police department, utilities payment kiosks at City Hall and the Municipal Court, and IT hardware and software for teleworking across all departments. The allotment also helped pay for public safety personnel costs.

After the last allotment in 2021 from the CARES Relief Program, the City of Lockhart was awarded federal grant money from the American Rescue Plan Act (ARPA). The total award was for $3,501,959.00 to be used for further economic relief from the COVID-19 pandemic. The broad eligible uses for ARPA funds include COVID-related expenses (directly or indirectly), premium pay for essential workers, government service programs under certain circumstances, and necessary improvements in water, sewer, or broadband infrastructure (whether related or not to COVID-19).

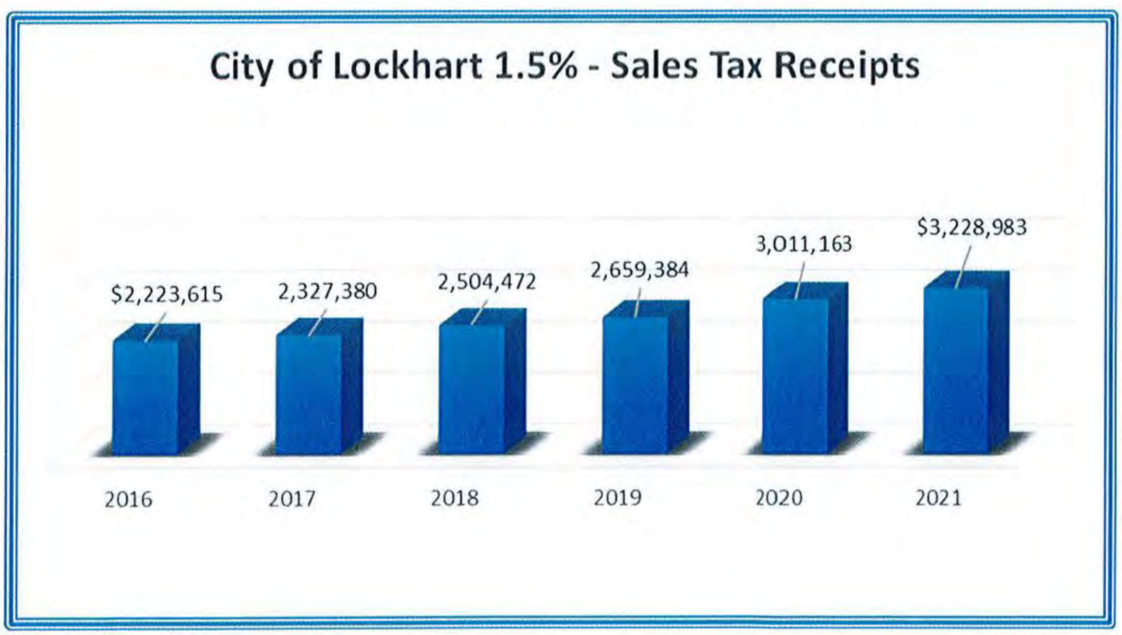
While the national unemployment rate fell to 5.3% compared to 8.5% in 2020, the City of Lockhart witnessed an increase of 2.2% raising the unemployment rate to 6.0% and the State of Texas saw a 1.1% increase to 5.3% like the national average. The impact to the City of Lockhart's unemployment rate increase was seen in the sales and related occupations and the food preparation industry.

Due to the healthy economy, the City of Lockhart has a credit rating of AA- from Standard and Poor's as of March 2016. Over the past 10 years, the City has experienced significant economic growth and investment. Commercial development in 2010 saw an influx of medical facilities such as Jacob Family Eye Care, Pinnacle Health, and additional Seton Health clinics and physician offices. In 2011 and 2012, the City of Lockhart began to see an increase in housing opportunities with Springfield Villas and an assisted care living facility with Golden Age Home. Lockhart had two new banking options by way of Randolph-Brooks Credit Union and Austin Telco Credit Union. Plum Creek Plaza Shopping Center saw a boost in retail stores such as Factory Connection and Hibbett's in 2013-2015. The City of Lockhart's major manufacturing industry witnessed new companies, Fashion Glass and Mirror, Pure Castings, and Hill Country Foodworks: all incentive projects of the Lockhart Economic Development Corporation. AT&T and Verizon vied for locations within the City between 2015-2017. Chain restaurants such as Taco Bell, Kentucky Fried Chicken, Little Caesar's, and Domino's Pizza filled up State Highway 183 and the Woodland Properties and Lockhart Retail Center. The downtown did not go unnoticed; small retail shops and specialty restaurants filled up the courthouse square. In 2020, the Lockhart Economic Development Corporation completed a Strategic Plan to assist in attracting businesses; helped Iron Ox, a robotic farming company to expand operations in Lockhart; established a new economic development office downtown; created the BIG Grant Program to improve downtown businesses and buildings and purchased property for a new 75-acre industrial/distribution park near SH 130. The SH 130 Industrial Park III began construction in 2021 and the Lockhart Economic Development Corporation sold its first ten acres to McElroy Metals.

The City of Lockhart's sound financial position is apparent because of its conservative budgeting practices, as evident from its healthy fund balances. The City experienced growth in assessed valuation of property taxes and collection of 1.5% sales taxes from Fiscal Year 2015 through 2021 and continues to grow. (see charts below). Valuation of property continues to increase at a steady rate. This increase is attributable to construction of multiple sub-divisions due to population growth and the increase in assessed values of current properties including new commercial growth.

During fiscal year 2021 approved development and construction permits were issued to Centerpoint Meadows Subdivision, Maple Park Planned Development District, Summerside Subdivision, Vintage Springs Subdivision, Hansford Subdivision, Golden Eagle Subdivision, Lockhart Farms, Alta One Subdivision, Kelley Villas, and Clearfork Reserve.

The last five years the City of Lockhart has seen a significant increase in sales tax revenues due to new businesses and a healthy area economy. Sales tax revenues for 2021 have recorded all-time highs according to the City's revenue history.



Long-term Financial Planning

The City Council approved a budget that maintained fund balance at 33% for Fiscal Year 2021. This is above the 25% minimum reserve required by the Fund Balance – Stabilization and Excess of Reserves Policy.

The overriding goal of the Fund Balance – Stabilization and Excess of Reserves Policy is to enable the City to achieve a long-term stable and positive financial condition. In order to accomplish this, procedures such as accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, expenditure control, and debt management are practiced.

The City recognizes that debt is usually a more expensive financing method. Alternative financing resources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives that equal or exceed the average life of the debt issue. Debt payments are structured to provide that capital assets funded by debt have a longer life than the debt associated with those assets. Regarding general obligation debt, the City has followed a policy of structuring new debt issue payment schedules to maintain declining debt payment structures to keep tax increases at a minimum and maintain a constant interest & sinking tax rate.

Relevant Financial Policies

The City of Lockhart practices a comprehensive set of financial policies and procedures. Annually or as needed, the City Council approves its financial policies, and an extensive review and revisions are provided to the City Council and the City Manager from the Finance Department. Each year the City Council approves the Investment Policy, which is intended to protect City assets by identifying investment objectives, addressing the issues of investment risks versus rewards, and providing the framework for the establishment of controls, limitations, and responsibilities of City employees in the performance of their fiduciary responsibilities. In Fiscal Year 2021, a revised purchasing policy was approved to maintain a cost-effective purchasing system conforming to good management practice. The establishment and maintenance of an effective purchasing policy is possible only through a cooperative effort. This policy will reaffirm the City of Lockhart's commitment to strengthen purchasing and property controls to reasonably assure that assets are received and retained in the custody of the City of Lockhart.

Major Initiatives

There was no issuance of debt by the City of Lockhart for the Fiscal Year 2021.

The City of Lockhart's Council placed a Strategic Goals Plan in action for Fiscal Year 2020-21, which focuses on COVID-19 management; community clean-up and appearance; customer service; downtown improvements including public facilities; review comprehensive set of capital improvements and financing options; continue with park improvements and associated grant opportunities; workforce diversity (especially racial diversity); traffic signal/safety improvements at South 183 at Summerside; 2040 Comprehensive Plan; and a creation of a summer recreation program in conjunction with the Lockhart Independent School District.

Financial Procedures and Internal Controls

The City's accounting records for all governmental funds are maintained on the modified accrual basis of accounting. This method recognizes revenue when it is measurable and available and expenditures when goods and services are received. All proprietary funds are accounted for using the accrual basis of accounting; revenue is recognized when it is earned, and expenses are recognized when they are incurred. Management of the City is responsible for establishing and maintaining an internal control structure. This structure is designed to provide reasonable, but not absolute, assurance that: (1) City assets are protected from loss, theft or misuse; and (2) City financial records and data are accurate and reliable. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it, and that the evaluation of cost and benefits requires estimates and judgements by management.

Budgetary Controls

Each year, on or before September 30th, the City Council adopts an annual operating budget for the ensuing fiscal year. The operating budget includes anticipated revenues and expenditures for the General Fund, Proprietary Funds, Special Revenue Funds, Debt Service Fund, Airport Fund, EMS Fund, and Lockhart Economic Development. The budget is a planning device that defines the type, quality, and quantity of City goods and services that will be provided to our citizens. The budget is also a control device that serves as a system of "checks" and "balances" between levels of City government. The budgetary system is designed to ensure that individual departments contain their expenditures within limitations set by the City management, and that City management contains expenditures for the entire City within limitations set by the City Council. After adoption, change to a department budget may be made using a line-item transfer, initiated by a department manager, and approved by the City Manager and Finance Director. Any changes to the budget outside of an individual department can only be made by City Council.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lockhart for its annual comprehensive financial report for the fiscal year ended September 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our sincere appreciation to the City's employees for their dedication and commitment to the City. The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. Appreciation is expressed to the City employees throughout the organization, especially those responsible for the maintenance of records upon which this report is based. Acknowledgement is given to representatives of Brooks Watson & Company, PLLC for their assistance in producing the final product.

Other Acknowledgements

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance and Administration Department.

We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the mayor and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Lockhart's finances.

Respectfully Submitted,

Steve Lewis, City Manager

Pam M. Larison, Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lockhart
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

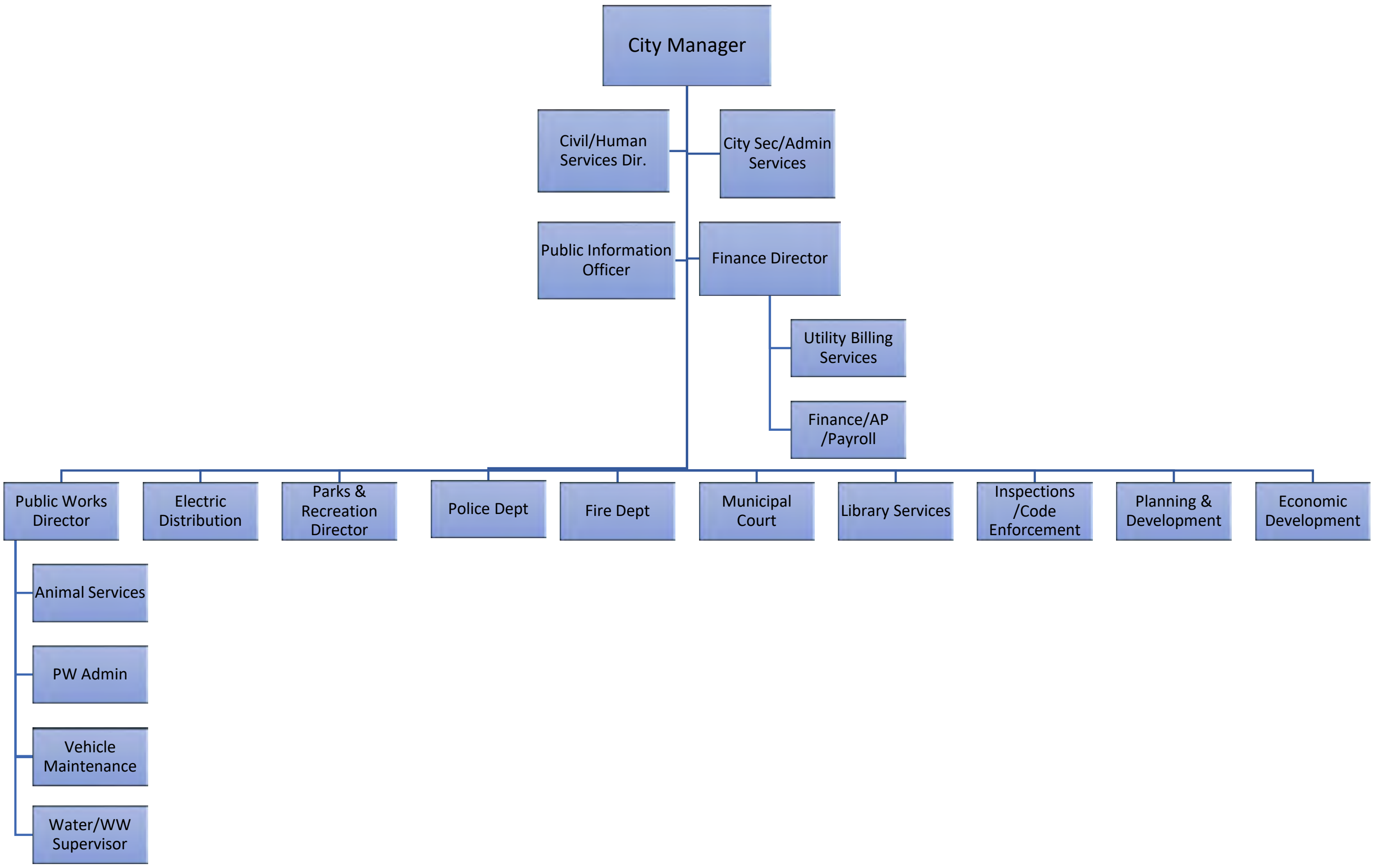
September 30, 2020

Christopher P. Morrill

Executive Director/CEO

City of Lockhart

Organizational Chart



City of Lockhart, Texas

ELECTED AND PRINCIPAL OFFICIALS

September 30, 2021

City Council

Lew White	Mayor
Angie Gonzales-Sanchez	At-Large
Juan Mendoza	District 1
David Bryant	District 2
Kara McGregor	District 3
Jeffry Michelson	District 4
Brad Westmoreland	At-Large

Principal Officials

Steve Lewis	City Manager
Pam Larison	Finance Director
Connie Constancio	City Secretary
Ernesto Pedraza	Police Chief
Randy Jenkins	Fire Chief
Sean Kelley	Director of Public Works

Lockhart
TEXAS

FINANCIAL SECTION

Lockhart

TEXAS

BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Lockhart, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lockhart, Texas (the "City") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

14950 Heathrow Forest Pkwy | Suite 530 | Houston, TX 77032 | Tel: 281.907.8788 | Fax: 888.875.0587 | www.BrooksWatsonCPA.com

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note V.G. to the financial statements, the City restated the beginning net position/fund balance of the governmental activities, business type activities, governmental funds and enterprise funds due to accounting errors occurring in prior years. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedules of changes in other postemployment benefits liability and related ratios, and budgetary comparison information for the general fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BrooksWatson & Co.

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
March 15, 2022

Lockhart
TEXAS

City of Lockhart, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

As management of the City of Lockhart, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2021 by $43,946,537. Of this amount, $10,801,639 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net position decreased by $439,481. The majority of the City's net position is invested in capital assets and restricted for specific purposes.

- The City's governmental funds reported combined ending fund balances of $13,747,348 at September 30, 2021, an increase of $2,823,894 from the prior fiscal year; this includes an increase of $785,176 in the general fund, and increase of $1,842,428 in the CARES Relief Act fund and an increase of $196,290 in the nonmajor governmental funds.

- At the end of the fiscal year, unassigned fund balance for the general fund was $6,506,302 or 56% of total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, culture and recreation, community development, public safety, and public works. The business-type activities of the City include electric, water, wastewater, sanitation, airport, and EMS operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate component unit, the Lockhart Economic Development Corporation, which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 28-33 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains twenty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and CARES relief act fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, debt service, capital projects, and special revenue funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 34-37 of this report.

Proprietary Funds

The City's proprietary funds are all enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its utility, golf course, and storm water utility operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, and wastewater funds, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 38-47 of this report.

Component Units

The City maintains the accounting and financial statements for one component unit. The Lockhart Economic Development Corporation is a discretely presented component unit, which is displayed on the government-wide financial statements.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 53-98 of this report.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund, schedule of changes in the net pension liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System and schedule of changes in the OPEB liabilities. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Lockhart, Texas, assets exceed liabilities by $43,946,537 as of September 30, 2021, in the primary government.

The largest portion of the City's net position, $27,537,710 reflects its investments in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, construction in progress), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Lockhart, Texas's net position of $5,607,188 represents resources that are subject to external restrictions on how they may be used. The remaining balance of $10,801,639 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Lockhart, Texas is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 15,249,321	$ 16,497,800	$ 31,747,121	$ 12,822,504	$ 18,302,138	$ 31,124,642
Long-term assets	20,636,233	54,425,350	75,061,583	21,528,293	47,576,916	69,105,209
Total Assets	35,885,554	70,923,150	106,808,704	34,350,797	65,879,054	100,229,851
Deferred Outflows of Resources	923,299	338,339	1,261,638	852,823	363,167	1,215,990
Current liabilities	2,573,267	3,519,408	6,092,675	1,765,501	2,845,247	4,610,748
Long-term liabilities	14,169,384	42,920,839	57,090,223	15,337,841	35,993,414	51,331,255
Total Liabilities	16,742,651	46,440,247	63,182,898	17,103,342	38,838,661	55,942,003
Deferred Inflows of Resources	735,928	204,979	940,907	835,570	282,250	1,117,820
Net Position:						
Net investment in capital assets	11,816,033	15,721,677	27,537,710	12,104,249	16,579,735	28,683,984
Restricted	3,598,451	2,008,737	5,607,188	1,603,237	2,034,582	3,637,819
Unrestricted	3,915,790	6,885,849	10,801,639	3,557,222	8,506,993	12,064,215
Total Net Position	$ 19,330,274	$ 24,616,263	$ 43,946,537	$ 17,264,708	$ 27,121,310	$ 44,386,018

Current liabilities of government activities increased $807,766 or 46% primarily as a result of an increase in current portion of compensated absences as well as bonds payable. Long-term liabilities for governmental activities decreased by $1,168,457 or 8% primarily as a result of debt payments and a decrease in the City's net pension liability due to a stronger stock market and increase in investment earnings. Long-term liabilities for business-type activities increased by $6,927,425 or 19% due the issuance of contract revenue bonds with the Guadalupe-Blanco River Authority that occurred in the current year. Long-term assets in business-type activities increased by $6,848,434, due to capital additions during the year as well as the capitalization of the Carrizo water supply project associated with the Guadalupe-Blanco River Authority.

Statement of Activities:

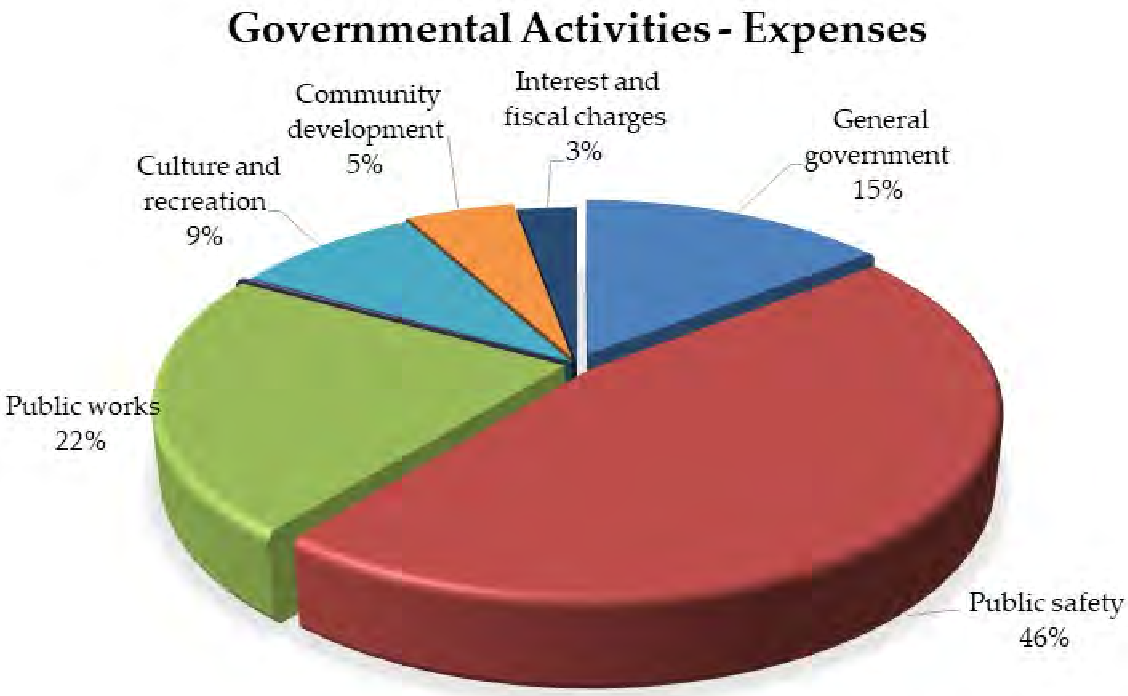
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2021			For the Year Ended September 30, 2020		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 1,756,277	$ 21,059,834	$ 22,816,111	$ 1,453,937	$ 20,304,586	$ 21,758,523
Operating grants	2,485,671	-	2,485,671	1,037,366	44,680	1,082,046
Capital contributions	177,865	432,657	610,522	257,055	23,750	280,805
General revenues:						
Property tax	5,250,047	-	5,250,047	4,991,171	-	4,991,171
Sales tax	2,143,239	-	2,143,239	1,992,939	-	1,992,939
Franchise and local taxes	511,709	-	511,709	451,912	-	451,912
Investment income	20,739	21,947	42,686	119,746	164,183	283,929
Other revenues	102,830	199,136	301,966	233,320	8,552	241,872
Total Revenues	12,448,377	21,713,574	34,161,951	10,537,446	20,545,751	31,083,197
Expenses						
General government	1,931,497	-	1,931,497	1,841,810	-	1,841,810
Public safety	6,202,140	-	6,202,140	5,703,143	-	5,703,143
Public works	2,970,230	-	2,970,230	3,153,763	-	3,153,763
Health and welfare	26,352	-	26,352	144,615	-	144,615
Culture and recreation	1,189,072	-	1,189,072	1,052,444	-	1,052,444
Community development	683,483	-	683,483	613,770	-	613,770
Interest and fiscal charges	371,174	1,235,626	1,606,800	391,300	408,364	799,664
Electric	-	11,329,072	11,329,072	-	8,544,417	8,544,417
Water	-	3,853,355	3,853,355	-	4,170,715	4,170,715
Wastewater	-	1,634,563	1,634,563	-	1,391,411	1,391,411
Nonmajor enterprise	-	3,174,868	3,174,868	-	3,080,568	3,080,568
Total Expenses	13,373,948	21,227,484	34,601,432	12,900,845	17,595,475	30,496,320
Change in Net Position Before Transfers	(925,571)	486,090	(439,481)	(2,363,399)	2,950,276	586,877
Transfers	2,991,137	(2,991,137)	-	3,145,528	(3,145,528)	-
Total	2,991,137	(2,991,137)	-	3,145,528	(3,145,528)	-
Change in Net Position	2,065,566	(2,505,047)	(439,481)	782,129	(195,252)	586,877
Beginning Net Position	17,264,708	27,121,310	44,386,018	16,482,579	27,316,562	43,799,141
Ending Net Position	$ 19,330,274	$ 24,616,263	$ 43,946,537	$ 17,264,708	$ 27,121,310	$ 44,386,018

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

For the year ended September 30, 2021, revenues from governmental activities totaled $12,448,377. Property tax, charges for services, and sales tax are the City's largest general revenue sources. Overall revenue increased $1,910,931 or 18% from the prior year. Sales taxes increased by $150,300 or 8% and property tax increased by $258,876 or 5%. Charges for services also increased by $302,340 or 21%. These increases are primarily due growth within the City and an increase in apprised taxable property values. Capital grants increased by $1,448,305 primarily due to the American Rescue Plan Act and COVID relief grants in the current year. These funds were and will be used directly in responding to the COVID-19 pandemic. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:



For the year ended September 30, 2021, expenses for governmental activities totaled $13,373,948. This represents an increase of $473,103 or 4%% from the prior year. The City's largest functional expense is public safety totaling $6,202,140, which increased by $498,997 or 9%. This increase is primarily a result of increasing personnel and vehicle expenses. Public works expenses decreased by $183,533 or 6% due to nonrecurring grant related expenses in the in the prior year. All other governmental activities expenses remained relatively consistent with the prior year.

Business-type activities are shown comparing operating costs to revenues generated by related services.

For the year ended September 30, 2021, charges for services by business-type activities totaled $21,059,834. This represents an increase of $755,248 or 4% from the previous year, which is a direct result of a growing City and customer base. Capital contributions increased by $408,907 as a result of nonrecurring developer contributions and impact fees received in the current year.

Total business-type activity expenses increased $3,632,009 or 21% to a total of $21,227,484. Electric expenses totaled $11,350,044, while water and wastewater operations totaled $5,066,674 and $1,635,537, respectively. Electric expenses increased by $2,784,655 which is the primary driver of the overall increase. This increase is directly related to the winter storm and the resulting increase in cost of electricity.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

At September 30, 2021, the City's governmental funds reported combined fund balances of $13,747,348, an increase of $2,823,894 in comparison with the prior year. Approximately 47% of this amount, $6,418,871**,** constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable or restricted* to indicate that it is 1) not in spendable form $628,673 or 2) restricted for particular purposes $6,390,754.

As of the end of the year the general fund reflected a total fund balance of $7,678,638. Of this, $628,673 is considered not in spendable form or restricted and $6,506,302 is unassigned. General fund balance increased by $785,176 during the current year as compared to a final budgeted decrease of $1,482,397.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of $6,506,302 is 56% of total general fund expenditures. Overall revenue in the general fund increased by $500,121 when compared to the prior year. Property tax and sales tax showed the largest increase due to a growing City and local economy. General fund expenditures increase $950,543 when compared to the prior year. The largest increase was in public safety of $457,616 which was primarily due to vehicle purchases in the current year

The CARES Act relief fund had an ending fund balance of $1,479,955. There was an increase of $1,842,428 from the previous year. Current year intergovernmental income totaled $2,362,095 and consisted of American Recovery Act and Coronavirus relief grants. The balance of this fund will be expended in subsequent years.

<u>Proprietary Funds</u> - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the close of the fiscal year for all proprietary funds amounted to $24,616,263, a decrease of $2,505,047 from the previous year. Total investment in capital assets, net of related debt was $15,721,667, and capital assets, net of depreciation totaled $54,425,350.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted revenues of $7,734,585 were less than actual revenues of $8,547,354, resulting in a total positive revenue variance of $812,769. All actual revenues were greater than the budgeted amounts with the exception of investment income. Total budgeted expenditures of $12,987,346, were more than actual expenditures of $11,269,473, resulting in a total positive expenditure variance of $1,357,873. Significant changes between the original and final budget include an increase for gain on sale of land of $247,890 and increases in capital outlay for new purchases totaling $1,109,278.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested $20,636,233 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested $54,425,350 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure.

Major capital asset events during the current year include the following:

- Additional investment in streets CIP totaling $421,490.
- Purchase of new machinery and equipment for governmental activities totaling $665,781.
- Purchase of new machinery and equipment for enterprise funds totaling $317,037.
- Addition of intangible water access associated with the Carrizo Groundwater Supply Project for $8,250,000.
- Waterline infrastructure totaling $322,826.

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

The City's outstanding bonds, tax notes, capital leases and certificates of obligation payable, net of all premiums and discounts, increased by $7,109,728 from the prior year. The total bonds, leases and certificates of obligation payable at the close of the fiscal year was $54,901,906, net of all premiums and discounts.

More detailed information about the City's long-term liabilities is presented in note IV.E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Lockhart has seen a steady growth in tax revenue over the last five years. Sales tax revenue has increased by 36.3% since 2017 and property tax valuation has increased by 53.2%. Even with the 36.3% increase, the City continues to forecast sales tax in a conservative position. The total sales tax payments received in 2021 fiscal year equaled $2,143,239. The City anticipates continued increase for 2022.

Property valuations have increased due to new additions and property on the tax roll, along with the appraisal district reassessing valuations in 2020. The certified assessed taxable property valuations for the 2022 fiscal year (2021 tax roll) total $788,504,486 with a tax rate of $0.5297 per $100 valuation for maintenance and operations and $0.1057 per $100 valuation for the interest and sinking fund. The total tax rate of $0.6354 remains the same at 2020.

The City's capital plan for 2021-2022 continues to focus on infrastructure upgrades and improvements to streets, the electric distribution system and water and wastewater lines.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Lockhart, Texas, Finance Department, 308 W. San Antonio Street, Lockhart, Texas 78644. This information can also be accessed on the City's website at www.lockhart-tx.org.

BASIC FINANCIAL STATEMENTS

City of Lockhart, Texas

STATEMENT OF NET POSITION (Page 1 of 2)

September 30, 2021

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Assets			
Current assets:			
Cash and cash equivalents	$ 13,505,859	$ 11,822,009	$ 25,327,868
Receivables, net	1,114,789	4,182,951	5,297,740
Inventories	17,718	487,664	505,382
Prepaid and other assets	610,955	5,176	616,131
Total Current Assets	15,249,321	16,497,800	31,747,121
Noncurrent assets:			
Capital assets:			
Non-depreciable	2,008,884	940,710	2,949,594
Net depreciable capital assets	18,627,349	53,484,640	72,111,989
Total Noncurrent Assets	20,636,233	54,425,350	75,061,583
Total Assets	35,885,554	70,923,150	106,808,704
Deferred Outflows of Resources			
Pension outflows-TMRS	624,096	173,482	797,578
OPEB outflows-TMRS	84,088	23,372	107,460
OPEB outflows-retiree healthcare	27,580	9,902	37,482
Deferred charge on refunding	187,535	131,583	319,118
Total Deferred Outflows of Resources	923,299	338,339	1,261,638

Component
Unit
Lockhart EDC
$ 4,436,085
196,044
-
946
4,633,075
3,146,404
870,517
4,016,921
8,649,996
17,275
-
-
-
17,275

City of Lockhart, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable	535,132	1,300,148	1,835,280
Accrued liabilities	422,252	149,674	571,926
Due to other governments	30,432	-	30,432
Customer deposits	-	384,816	384,816
Compensated absences, current	525,547	80,237	605,784
Accrued interest payable	62,378	452,577	514,955
Long-term debt due in one year	997,526	1,151,956	2,149,482
Total Noncurrent Liabilities	2,573,267	3,519,408	6,092,675
Noncurrent liabilities:			
Net pension liability	2,576,946	716,323	3,293,269
OPEB liability-TMRS	422,841	117,532	540,373
OPEB liability-Retiree healthcare	332,007	94,841	426,848
Compensated absences	58,394	8,915	67,309
Long-term debt due in more than one year	10,779,196	41,983,228	52,762,424
Total Current Liabilities	14,169,384	42,920,839	57,090,223
Total Liabilities	16,742,651	46,440,247	63,182,898
Deferred Inflows of Resources			
Pension inflows	693,352	192,733	886,085
OPEB inflows-TMRS	37,525	10,431	47,956
OPEB inflows-Retiree Healthcare	5,051	1,815	6,866
Total Deferred Inflows of Resources	735,928	204,979	940,907
Net Position			
Net investment in capital assets	11,816,033	15,721,677	27,537,710
Restricted for:			
General government	297,773	-	297,773
Public safety	18,994	-	18,994
Municipal court	118,506	-	118,506
Tourism	98,198	-	98,198
Capital projects	3,064,980	2,008,737	5,073,717
Economic development	-	-	-
Unrestricted	3,915,790	6,885,849	10,801,639
Total Net Position	$ 19,330,274	$ 24,616,263	$ 43,946,537

See Notes to Financial Statements.

Component
Unit
Lockhart EDC
50,005
26,636
-
-
3,785
8,708
215,327
304,461
71,330
-
-
421
3,289,099
3,360,850
3,665,311
19,192
-
-
19,192
2,421,480
-
-
-
-
-
2,561,288
-
$ 4,982,768

City of Lockhart, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government				
Governmental Activities				
General government	$ 1,931,497	$ -	$ 238,254	$ -
Public safety	6,202,140	366,887	2,247,417	164,850
Public works	2,970,230	649,986	-	13,015
Health and welfare	26,352	-	-	-
Culture and recreation	1,189,072	88,883	-	-
Community development	683,483	650,521	-	-
Interest and fiscal charges	371,174	-	-	-
Total Governmental Activities	13,373,948	1,756,277	2,485,671	177,865
Business-Type Activities				-
Electric	11,350,044	11,560,085	-	11,369
Water	5,066,674	3,758,322	-	295,427
Wastewater	1,635,537	2,478,077	-	107,861
Nonmajor enterprise	3,175,229	3,263,350	-	18,000
Total Business-Type Activities	21,227,484	21,059,834	-	432,657
Total Primary Government	$ 34,601,432	$ 22,816,111	$ 2,485,671	$ 610,522
Component Units				
Lockhart EDC	526,847	-	-	-
Total Component Units	$ 526,847	$ -	$ -	$ -

General Revenues:

Taxes

Property taxes

Sales taxes

Franchise and local taxes

Investment income

Gain on sale of capital assets

Other revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Lockhart EDC
$ (1,693,243)	$ -	$ (1,693,243)	$ -
(3,422,986)	-	(3,422,986)	-
(2,307,229)	-	(2,307,229)	-
(26,352)	-	(26,352)	-
(1,100,189)	-	(1,100,189)	-
(32,962)	-	(32,962)	-
(371,174)	-	(371,174)	-
(8,954,135)	-	(8,954,135)	-
-	221,410	221,410	-
-	(1,012,925)	(1,012,925)	-
-	950,401	950,401	-
-	106,121	106,121	-
-	265,007	265,007	-
(8,954,135)	265,007	(8,689,128)	-
			(526,847)
			(526,847)
5,250,047	-	5,250,047	-
2,143,239	-	2,143,239	1,071,619
511,709	-	511,709	-
20,739	21,947	42,686	12,154
2,110	2,500	4,610	171,081
100,720	196,636	297,356	73,162
2,991,137	(2,991,137)	-	-
11,019,701	(2,770,054)	8,249,647	1,328,016
2,065,566	(2,505,047)	(439,481)	801,169
17,264,708	27,121,310	44,386,018	4,181,599
$ 19,330,274	$ 24,616,263	$ 43,946,537	$ 4,982,768

City of Lockhart, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2021

	General	CARES Relief Act	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 7,456,003	$ 1,480,657	$ 4,569,199	$ 13,505,859
Accounts receivable, net	917,189	-	197,600	1,114,789
Due from other funds	100,327	-	-	100,327
Inventories	17,718	-	-	17,718
Prepaids	610,955	-	-	610,955
Total Assets	$ 9,102,192	$ 1,480,657	$ 4,766,799	$ 15,349,648
Liabilities				
Accounts payable	$ 517,390	$ 702	$ 17,040	$ 535,132
Accrued liabilities	422,252	-	-	422,252
Due to other governments	30,432	-	-	30,432
Due to other funds	-	-	100,327	100,327
Total Liabilities	970,074	702	117,367	1,088,143
Deferred Inflows of Resources				
Unavailable revenue - property taxes	297,144	-	52,198	349,342
Unavailable revenue-fines	110,630	-	8,479	119,109
Unavailable revenue - notes receivable	45,706	-	-	45,706
Total Deferred Inflows of Resources	453,480	-	60,677	514,157
Fund Balances				
Nonspendable:				
Inventories	17,718	-	-	17,718
Prepaid items	610,955	-	-	610,955
Committed for:				
Sidewalks	52,603	-	-	52,603
Industrial park	256,447	-	-	256,447
Restricted for:				
General government	234,613	-	63,160	297,773
Public safety	-	-	18,994	18,994
Municipal court	-	-	118,506	118,506
Tourism	-	-	98,198	98,198
Capital projects	-	1,479,955	4,377,328	5,857,283
Unassigned	6,506,302	-	(87,431)	6,418,871
Total Fund Balances	7,678,638	1,479,955	4,588,755	13,747,348
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 9,102,192	$ 1,480,657	$ 4,766,799	$ 15,349,648

See Notes to Financial Statements.

City of Lockhart, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2021

Fund Balances - Total Governmental Funds	$	13,747,348
Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		2,008,884
Capital assets - net depreciable		18,627,349
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax		349,342
Fines and fees		119,109
Other receivables		45,706
Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time		
Pension inflows		(693,352)
OPEB inflows-TMRS		(37,525)
OPEB inflows-Retiree Healthcare		(5,051)
Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/ expenditures) until then		
Pension outflows		624,096
OPEB outflows-TMRS		84,088
OPEB outflows-Retiree Healthcare		27,580
Deferred charge on refunding		187,535
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(62,378)
Deferred charges:		
Bond premium		(528,249)
Net pension liability		(2,576,946)
OPEB liability-TMRS		(422,841)
OPEB liability-Retiree healthcare		(332,007)
Compensated absences		(583,941)
Non-current liabilities due in one year		(997,526)
Non-current liabilities due in more than one year		(10,250,947)
Net Position of Governmental Activities	$	19,330,274

See Notes to Financial Statements.

City of Lockhart, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	General	CARES Relief Act	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property tax	$ 4,580,385	$ -	$ 694,121	$ 5,274,506
Sales tax	2,143,239	-	-	2,143,239
Franchise and local taxes	370,909	-	140,800	511,709
Fines and forfeitures	375,031	-	39,547	414,578
License and permits	301,370	-	349,151	650,521
Charges for services	88,883	-	649,986	738,869
Intergovernmental	507,585	2,362,095	192,076	3,061,756
Investment income	13,171	-	7,568	20,739
Other revenue	166,781	-	20,000	186,781
Total Revenues	8,547,354	2,362,095	2,093,249	13,002,698
Expenditures				
Current:				
General government	1,653,335	-	124,589	1,777,924
Public safety	5,864,676	519,667	254,926	6,639,269
Public works	2,085,802	-	22,628	2,108,430
Health and welfare	20,539	-	-	20,539
Culture and recreation	1,242,185	-	1,263	1,243,448
Community development	707,075	-	-	707,075
Debt Service:				
Principal	51,583	-	745,722	797,305
Interest and fiscal charges	4,278	-	409,169	413,447
Capital outlay	-	-	98,369	98,369
Total Expenditures	11,629,473	519,667	1,656,666	13,805,806
Revenues Over (Under) Expenditures	(3,082,119)	1,842,428	436,583	(803,108)
Other Financing Sources (Uses)				
Capital lease issuances	383,923	-	-	383,923
Sale of capital assets	251,942	-	-	251,942
Transfers in	3,369,050	-	424,565	3,793,615
Transfers (out)	(137,620)	-	(664,858)	(802,478)
Total Other Financing Sources (Uses)	3,867,295	-	(240,293)	3,627,002
Net Change in Fund Balances	785,176	1,842,428	196,290	2,823,894
Beginning fund balances	6,893,462	(362,473)	4,392,465	10,923,454
Ending Fund Balances	$ 7,678,638	$ 1,479,955	$ 4,588,755	$ 13,747,348

See Notes to Financial Statements.

City of Lockhart, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	$	2,823,894
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		1,442,886
Depreciation expense		(2,085,114)
Adjustment for capital asset disposals		(249,832)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property tax		(24,459)
Fines and fees		(47,691)
Grants receivable		(398,220)
Other receivables		(86,061)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(85,003)
Accrued interest		4,204
Pension expense		349,762
OPEB expense-TMRS		(33,616)
OPEB expense-retiree healthcare		3,365
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Capital lease issuance		(383,923)
Amortization of deferred charge on refunding		(23,442)
Amortization of premium		61,511
Principal payments		797,305
Change in Net Position of Governmental Activities	$	2,065,566

See Notes to Financial Statements.

City of Lockhart, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS (Page 1 of 2)

September 30, 2021

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Assets			
Current Assets			
Cash and cash equivalents	$ 1,746,139	$ 5,197,789	$ 3,194,844
Accounts receivable, net	2,089,848	695,000	453,506
Inventories	487,664	-	-
Prepaid items	3,153	802	802
Total Current Assets	4,326,804	5,893,591	3,649,152
Noncurrent Assets			
Capital assets:			
Non-depreciable	366,000	241,312	140,828
Net depreciable capital assets	3,353,483	42,834,020	5,811,154
Total Noncurrent Assets	3,719,483	43,075,332	5,951,982
Total Assets	8,046,287	48,968,923	9,601,134
Deferred Outflows of Resources			
Pension outflows-TMRS	103,373	28,030	21,154
OPEB outflows-TMRS	13,937	3,772	2,847
OPEB outflows-retiree healthcare	6,226	1,350	1,122
Deferred loss on refunding	-	114,069	17,514
Total Deferred Outflows of Resources	123,536	147,221	42,637

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 1,683,237	$ 11,822,009
944,597	4,182,951
-	487,664
419	5,176
2,628,253	16,497,800
192,570	940,710
1,485,983	53,484,640
1,678,553	54,425,350
4,306,806	70,923,150
20,925	173,482
2,816	23,372
1,204	9,902
-	131,583
24,945	338,339

City of Lockhart, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS (Page 2 of 2)

September 30, 2021

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Liabilities			
Current Liabilities			
Accounts payable	$ 719,023	$ 225,804	$ 111,291
Accrued liabilities	138,510	-	-
Customer deposits	268,783	111,058	-
Compensated absences, current	52,773	11,248	7,964
Capital lease payable, current	19,859	14,885	14,963
Bonds and certificates of obligation, current	52,905	910,345	115,421
Accrued interest	6,155	435,104	11,318
Total Current Liabilities	1,258,008	1,708,444	260,957
Noncurrent Liabilities			
Compensated absences	5,864	1,250	885
Capital leases payable	49,807	37,333	37,527
Bonds and certificates of obligation	676,947	39,609,843	1,521,474
Net pension liability	426,838	115,735	87,347
OPEB liability-TMRS	70,087	18,967	14,320
OPEB liability-retiree healthcare	59,630	12,931	10,747
Total Noncurrent Liabilities	1,289,173	39,796,059	1,672,300
Total Liabilities	2,547,181	41,504,503	1,933,257
Deferred Inflows of Resources			
Pension inflows-TMRS	114,845	31,140	23,501
OPEB inflows-TMRS	6,220	1,684	1,271
OPEB inflows-retiree healthcare	1,141	247	206
Total Deferred Inflows of Resources	122,206	33,071	24,978
Net Position			
Net investment in capital assets	3,051,547	6,587,304	4,478,148
Restricted for:			
Capital projects	167,997	960,897	879,843
Unrestricted	2,280,892	30,369	2,327,545
Total Net Position	$ 5,500,436	$ 7,578,570	$ 7,685,536

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 244,030	$ 1,300,148
11,164	149,674
4,975	384,816
8,251	80,237
23,578	73,285
-	1,078,671
-	452,577
291,998	3,519,408
917	8,915
50,297	174,964
-	41,808,264
86,403	716,323
14,158	117,532
11,533	94,841
163,308	42,920,839
455,306	46,440,247
23,247	192,733
1,256	10,431
221	1,815
24,724	204,979
1,604,678	15,721,677
-	2,008,737
2,247,043	6,885,849
$ 3,851,721	$ 24,616,263

City of Lockhart, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended September 30, 2021

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Operating Revenues			
Charges for services	$ 11,560,085	$ 3,758,322	$ 2,478,077
Other revenue	94,280	92,320	803
Total Operating Revenues	11,654,365	3,850,642	2,478,880
Operating Expenses			
Personnel services	1,238,723	377,517	299,678
Supplies	42,704	36,966	15,450
Maintenance and repairs	136,437	104,017	72,821
Contractual services	221,504	771,905	45,154
Power, water, and water treatment	9,269,403	934,112	890,193
Non-departmental	-	-	51,417
Miscellaneous	71,952	2,297	-
Depreciation and amortization	348,349	1,626,541	259,850
Total Operating Expenses	11,329,072	3,853,355	1,634,563
Operating Income (Loss)	325,293	(2,713)	844,317
Nonoperating Revenues (Expenses)			
Gain on sale of capital assets	-	-	-
Insurance recoveries	3,991	2,386	-
Investment earnings	4,965	9,017	5,351
Interest expense	(20,972)	(1,213,319)	(974)
Total Nonoperating Revenues (Expenses)	(12,016)	(1,201,916)	4,377
Income Before Capital Contributions and Transfers	313,277	(1,204,629)	848,694
Capital Contributions and Transfers			
Capital grants	11,369	295,427	107,861
Transfers in	-	333,787	-
Transfers (out)	(1,891,276)	(175,254)	(996,467)
Total Capital Contributions and Transfers	(1,879,907)	453,960	(888,606)
Change in Net Position	(1,566,630)	(750,669)	(39,912)
Beginning net position	7,067,066	8,329,239	7,725,448
Ending Net Position	$ 5,500,436	$ 7,578,570	$ 7,685,536

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 3,263,350	$ 21,059,834
2,856	190,259
3,266,206	21,250,093
265,844	2,181,762
1,295,553	1,390,673
1,393,866	1,707,141
35,728	1,074,291
-	11,093,708
-	51,417
7,001	81,250
176,876	2,411,616
3,174,868	19,991,858
91,338	1,258,235
2,500	2,500
-	6,377
2,614	21,947
(361)	(1,235,626)
4,753	(1,204,802)
96,091	53,433
18,000	432,657
-	333,787
(261,927)	(3,324,924)
(243,927)	(2,558,480)
(147,836)	(2,505,047)
3,999,557	27,121,310
$ 3,851,721	$ 24,616,263

City of Lockhart, Texas

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 1 of 2)
For the Year Ended September 30, 2021

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Cash Flows from Operating Activities			
Payments to employees	$ (1,342,700)	$ (377,264)	$ (289,691)
Payments to suppliers	(9,664,566)	(2,102,369)	(1,052,070)
Receipts from customers	11,525,106	3,848,785	2,434,533
Net Cash Provided (Used) by Operating Activities	517,840	1,369,152	1,092,772
Cash Flows from Noncapital Financing Activities			
Transfers in	-	333,787	-
Transfers (out)	(1,891,276)	(175,254)	(996,467)
Net Cash Provided (Used) by Noncapital Financing	(1,891,276)	158,533	(996,467)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(273,467)	(465,781)	-
Sale of capital assets	-	-	-
Capital grants	11,369	295,427	107,861
Insurance recoveries	3,991	2,386	-
Principal paid on capital debt	(62,891)	(672,805)	(94,201)
Interest paid on capital debt	(20,972)	(1,124,246)	(2,361)
Net Cash Provided (Used) by Capital and Related Financing Activities	(341,970)	(1,965,019)	11,299
Cash Flows from Investing Activities			
Interest on investments	4,965	9,017	5,351
Net Cash Provided by Investing Activities	4,965	9,017	5,351
Net Increase (Decrease) in Cash and Cash Equivalents	(1,710,441)	(428,317)	112,955
Beginning cash and cash equivalents	3,456,580	5,626,106	3,081,889
Ending Cash and Cash Equivalents	$ 1,746,139	$ 5,197,789	$ 3,194,844

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ (286,363)	$ (2,296,018)
(2,657,905)	(15,476,910)
3,403,772	21,212,196
459,504	3,439,268
-	333,787
(261,927)	(3,324,924)
(261,927)	(2,991,137)
(43,727)	(782,975)
2,500	2,500
18,000	432,657
-	6,377
(20,296)	(850,193)
(361)	(1,147,940)
(43,884)	(2,339,574)
2,614	21,947
2,614	21,947
156,307	(1,869,496)
1,526,930	13,691,505
$ 1,683,237	$ 11,822,009

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2021

	Business-Type Activities		
	Electric	**Water**	**Wastewater**
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ 325,293	$ (2,713)	$ 844,317
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	348,349	1,626,541	259,850
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(140,317)	343	(44,347)
Inventory	(32,800)	-	-
Prepaid items	15,696	(277)	(502)
Deferred outflows:			
Pension	23,726	(27,676)	21,104
OPEB	(3,768)	(1,200)	(1,031)
Increase (Decrease) in:			
Accounts payable and accrued liabilities	94,538	(252,795)	23,467
Customer deposits	11,058	(2,200)	-
Compensated absences	4,713	651	439
Deferred inflows:			
Pension	(68,493)	14,504	(11,818)
OPEB	742	236	156
Net pension liability	(66,221)	8,815	(1,512)
OPEB Liability	5,324	4,923	2,649
Net Cash Provided (Used) by Operating Activities	$ 517,840	$ 1,369,152	$ 1,092,772
Schedule of Non-Cash Capital and Related Financing Activities			
Acquisition of capital lease	$ 80,942	$ 60,766	$ 60,762
GBRA debt and intangible	$ -	$ 8,250,000	$ -

See Notes to Financial Statements.

Business-Type Activities	
Nonmajor Funds	Total
$ 91,338	$ 1,258,235
176,876	2,411,616
137,466	(46,855)
-	(32,800)
(419)	14,498
(1,912)	15,242
(863)	(6,862)
74,662	(60,128)
100	8,958
2,179	7,982
(12,907)	(78,714)
309	1,443
(8,958)	(67,876)
1,633	14,529
$ 459,504	$ 3,439,268
$ 24,605	$ 227,075
$ -	$ 8,250,000

City of Lockhart, Texas

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

September 30, 2021

	Private Purpose Trusts		Custodial Funds	
	Glosserman Trust	Brock Cabin Trust	Confiscated Property	Unclaimed Property
Assets				
Cash and cash equivalents	$ 540	$ 12	$ 18,199	$ 10,374
Total Assets	$ 540	$ 12	$ 18,199	$ 10,374
Liabilities				
Due to others	-	-	17,447	10,177
Total Liabilities	-	-	17,447	10,177
Net Position				
Restricted for various purposes:	$ 540	$ 12	$ 752	$ 197
Total Net Position	$ 540	$ 12	$ 752	$ 197

Custodial Fund Bicycle Helmet	Total
$ 1,118	$ 30,243
$ 1,118	$ 30,243
1,116	28,740
1,116	28,740
$ 2	$ 1,503
$ 2	$ 1,503

City of Lockhart, Texas

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the Year Ended September 30, 2021

	Private Purpose Trusts		Custodial Funds	
	Glosserman Trust	**Brock Cabin Trust**	**Confiscated Property**	**Unclaimed Property**
Additions				
Investment income	$ 1	$ -	$ 30	-
Other revenue	-	-	722	-
Total Additions	1	-	752	-
Net Change in Net Position	1	-	752	-
Beginning Net Position	539	12	-	197
Ending Net Position	$ 540	$ 12	$ 752	$ 197

Custodial Fund	
Bicycle Helmet	Total
$ 2	$ 33
-	722
2	755
2	755
-	748
$ 2	$ 1,503

(This page intentionally left blank.)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lockhart, Texas (the "City") is a municipal corporation operating under a home rule charter as authorized in Article XI, Section 5 of the Constitution of the State of Texas. The City operates under a Council-Manager form of government in which all powers of the City are vested in an elective council. The City Council consists of the mayor and six council members. The mayor and two council members are elected at large with the remaining council members elected by district. The City provides services related to the following: public safety, public works, sanitation, health and welfare, culture and recreation, economic development, planning and zoning, and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) applicable to government units. The following is a summary of the more significant accounting policies.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

For financial reporting purposes, management has considered all potential component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability – The primary government is deemed to be financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

Discretely Presented Component Unit

Lockhart Economic Development Corporation ("LEDC")

The LEDC is a nonprofit corporation that was incorporated under the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated, Article 5190.6 Section (a), to receive and account for the proceeds of a designated sales tax levied to benefit the economic development of Lockhart. Under the Act, the Board of Directors consists of seven members appointed by and who serve at the pleasure of the City Council of the City for two-year terms.

LEDC may enter into any project authorized by the Act including, but not limited to, such projects as promotion and development of new and expanded business enterprises, job training centers, infrastructure improvements, public safety, municipal buildings, civic centers, recreation facilities, and other related facilities.

The LEDC meets the criteria of a discretely presented component unit and is presented as a governmental fund type. Complete financial statements for the Lockhart Economic Development Corporation may be obtained at City Hall. No other organizations met the necessary criteria for inclusion as component units for the year ended September 30, 2021.

This component unit is discretely presented in the financial statements. Complete financial statements of the individual component unit can be obtained.

C. Basis of Presentation - Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As discussed earlier, the government has one discretely presented component unit which is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, health and welfare, culture and recreation, and community development.

CARES Relief Fund

The CARES relief fund is used to account for all financial transactions associated with the coronavirus relief and ARPA grant funding.

The government reports the following major enterprise funds:

Electric Fund

The electric fund accounts for the activities of the City related to its provision of electricity. Activities of the fund include administration, operation and maintenance of the electric system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for electric debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Water Fund

The water fund is used to account for the establishment and maintenance of water facilities within the municipal boundaries of the City. Activities of the fund include administration, operation and maintenance of the water system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Wastewater Fund

The wastewater fund is used to account for the establishment and maintenance of sewage and drainage facilities within the municipal boundaries of the City. Activities of the fund include administration, operation and maintenance of the wastewater system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Additionally, the government reports the following fund types:

Debt Service Funds

The City accounts for the accumulation of financial resources for the payments of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance is restricted exclusively for debt service expenditures.

Capital Project Funds

The capital project funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. As of September 30, 2021, the City is maintaining seventeen special revenue funds.

Fiduciary Funds

Private Purpose Trust Funds - These funds are used to account for resources legally held in trust for use by organizations that are separate from the City. All resources of these funds, including any earnings on invested resources, may be used to support the organizations' activities. There is no requirement that any portion of these resources be preserved as capital. These funds include the Glosserman Trust and Brock Cabin Trust fund.

Custodial Funds are custodial in nature and are used to account for the receipt, temporary investment, and remittance of resources to third parties. Because of the nature of these funds, they do not present results of operations or have a measurement focus. The custodial funds include the confiscated property, unclaimed property, and bicycle helmet funds.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary, pension and other postemployment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

E. Assets, Liabilities, Deferred Outflows/Inflows, and Fund Equity or Net Position

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code.

In summary, the City is authorized to invest in the following:

Direct obligations of the U.S. Government
Fully collateralized certificates of deposit and money market accounts
Statewide investment pools
SEC registered, no load money market mutual funds

2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

Inventory of the general fund and the electric fund consists of supplies held for the City's use and are carried at cost. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

5. Restricted Assets

Certain proceeds of re classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants or other restrictions.

6. Capital Assets

Capital assets, are tangible and intangible assets which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and rights to water access are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and capital items received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Building and improvements	10 to 50 years
Machinery and equipment	5 to 10 years
Public domain infrastructure	10 to 40 years
Utility system infrastructure	30 to 50 years
Intangible assets	15 to 40 years

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has three items that qualify for reporting in this category. One example is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results form the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable, pension and OPEB liabilities and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

The net pension liability is included within long term debt. This liability is valued using an actuarial model and represents the difference between the plan fiduciary net position and the net pension liability consistent with GASB statement no. 68. The portion of this liability presented as a current liability is based on actuarial calculations for estimated future payments of benefits and refunds over the twelve months following yearend.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is $7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

In addition to providing pension benefits, the City provides medical benefits to eligible retirees and dependents with postemployment health care benefits through a single-employer postemployment healthcare plan (the "plan") administered by Texas Municipal League Multistate Intergovernmental Employee Benefits Pool. A separate audited financial report is not issued on the plan. In order for a City employee to be eligible for this benefit, he or she needs 20 years of service and/or attained the age of 60 with five years of service. Medical benefits are available with four coverage tiers depending on dependent status and continue until Medicare eligible. A

Medicare supplement policy is available to Medicare eligible retirees with the retiree paying the full premium.

11. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

12. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

13. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The City will maintain a minimum unassigned fund balance in its General Fund of 25 percent of the subsequent year's budgeted expenditures and outgoing transfers. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment. When fund balance falls below the 25 percent range, the City will replenish shortages/deficiencies. Should unassigned fund balance of the General Fund ever exceed the maximum 25 percent range, the City will consider such fund balance surpluses for one-time expenditures that are nonrecurring in nature and which will not require additional future expense outlays for maintenance, additional staffing or other recurring expenditures.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (Council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

14. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

3. Compensated Absences

Vested or accumulated vacation and sick pay that is expected to be liquidated with expendable available resources is reported as an expenditure and fund liability of the governmental fund that will pay for it. Amounts of vested or accumulated vacation and sick pay that are not expected to be liquidated with expendable available financial resources are reported in the government wide financial statements. Vested or accumulated vacation and sick pay of the enterprise funds are recorded as an expense and liability of that fund as the benefits accrue to employees. The General Fund is the governmental fund that has typically been used in prior years to liquidate the liability for compensated absences.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the utility fund, golf course fund, and storm water utility funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, capital projects, special revenue and enterprise funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the fund level. No funds can be transferred or added which affect the total fund expenditures without City Council approval. Appropriations lapse at the end of the year. One supplemental budget amendment was made during the year. All governmental funds with a legally adopted budget have been presented. The following funds exceeded appropriations at the level of control:

Court Technology	$5,324
Radio System Maintenance	$24,563

No other fund expenditures exceeded appropriations at the legal level of control.

A. Restricted Net Position

The City records restricted net position on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted fund balance for governmental funds was $6,390,754, of which, $118,506 is restricted by enabling legislation.

B. Deficit Fund Equity

As of September 30, 2021, three nonmajor governmental funds, the debt service, court technology, and radio system maintenance, reported deficit fund balances of $45,682, $6,413, and $35,366, respectively. The deficits will be replenished through interfund transfers and future operating surpluses.

C. Public Funds Investment & Collateral Acts

State statues require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2021, the market values of pledged securities and FDIC exceeded bank balances. In addition, the City is required to adopt certain standards as it relates to the investment and maintenance of public funds. The City was in compliance with the requirement Public Funds Investment Act and the Public Funds Collateral Act.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits - The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas Public Funds Investment Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the City's and the depository bank's agent bank. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of FDIC insurance. The City's deposits, as well as those of the City’s component unit were fully insured or collateralized as required by the state statutes at September 30, 2021.

As of September 30, 2021, the primary government and component unit had the following investments:

Investment Type		Value	Weighted Average Maturity (Years)
External investment pools	$	26,840,986	0.12
Total value	$	26,840,986	
Portfolio weighted average maturity			0.12

Following the criteria for GASB Statement No. 79, Certain External Investment Pools and Pool Participants, TexPool and TexStar use amortized cost and Texas CLASS uses the fair value method to value portfolio assets. The pools operate in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2(a)(7) of the Investment Company Act of 1940 but is not registered with the SEC as an investment company. Instead, the regulatory oversight for the pool is the State of Texas. Investments in the pools are classified as cash and cash equivalents for reporting purposes. Approximately 8% or $2,224,147 of the total investment pools was allocated to the Lockhart EDC.

Interest rate risk: In accordance with the City's investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio for investments in nonoperating funds to less than five years from the time of purchase. The weighted average maturity of investments of the City's operating funds cannot exceed one year from the time of purchase. The weighted average maturities of the investment pools did not exceed 60 days.

Credit risk: The City's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user. At year-end, the City was not exposed to concentration of credit risk. It is LEDC policy to limit its investment to those that are authorized under the Texas Public Funds Investment Act. Additionally, any money market mutual funds or local government investment pools must be rated no lower than AAA by at least one nationally recognized rating service. As of September 30, 2021, the investment pools were rated AAAm by Standard and Poor's.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's and LEDC's investment policy requires that deposits at financial institutions be insured by the FDIC and/or collateralized by securities pledged to the City by the depository in an amount equal to at least 102% of the carrying value of deposits held. During the fiscal year and at year-end, all deposits held in the depository bank were fully collateralized. The City's deposits are therefore not subject to custodial credit risk at September 30, 2021.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

<u>TexPool</u>

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2021, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

TexSTAR

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated AAAm by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

Texas CLASS

MBIA is a participant of the Texas CLASS program. Texas CLASS has been established for governmental entities pursuant to the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Texas CLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator. The Board administers the affairs of the Trust and enters into contracts and agreements on behalf of the Trust in order to effectuate the terms of the Trust Agreement. It also selects consultants for Texas CLASS, including the Program Administrator and the Custodian. MBIA's Texas CLASS is rated AAA by Fitch. There were no limitations or restrictions on withdrawals.

B. Receivables

The following comprise receivable balances of the primary government at year end:

	Governmental Activities		
	General	Nonmajor Governmental	Total
Property taxes	$ 360,247	$ 52,197	$ 412,444
Sales tax	392,087	-	392,087
Other taxes	49,857	33,194	83,051
Fines and fees	1,580,432	81,945	1,662,377
Accounts	-	30,264	30,264
Other	244,535	-	244,535
Allowance	(1,709,969)	-	(1,709,969)
	$ 917,189	$ 197,600	$ 1,114,789

	Business-Type Activities				
	Electric	Water	Wastewater	Nonmajor	Total
Accounts	$ 2,200,059	$ 722,760	$ 472,012	$ 315,894	$ 3,710,725
EMS	-	-	-	7,376,389	7,376,389
Allowance	(110,211)	(27,760)	(18,506)	(6,747,686)	(6,904,163)
	$ 2,089,848	$ 695,000	$ 453,506	$ 944,597	$ 4,182,951

The component unit receivables balance consisted entirely of sales tax.

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 1,837,226	$ -	$ (249,832)	$ 1,587,394
Construction in progress	8,550	412,940	-	421,490
Total capital assets not being depreciated	1,845,776	412,940	(249,832)	2,008,884
Capital assets, being depreciated:				
Machinery and equipment	7,453,276	665,781	-	8,119,057
Buildings and improvements	12,910,719	53,375	-	12,964,094
Infrastructure	77,644,475	310,790	-	77,955,265
Total capital assets being depreciated	98,008,470	1,029,946	-	99,038,416
Less accumulated depreciation				
Machinery and equipment	5,848,248	401,033	-	6,249,281
Buildings and improvements	4,943,854	315,423	-	5,259,277
Infrastructure	67,533,851	1,368,658	-	68,902,509
Total accumulated depreciation	78,325,953	2,085,114	-	80,411,067
Net capital assets being depreciated	19,682,517	(1,055,168)	-	18,627,349
Total Capital Assets	$ 21,528,293	$ (642,228)	$ (249,832)	$ 20,636,233

Depreciation was charged to governmental functions as follows:

General government	$ 146,496
Public safety	297,763
Public works	1,437,882
Health and welfare	7,248
Culture and recreation	195,725
Total Governmental Activities Depreciation Expense	$ 2,085,114

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 574,710	$ -	$ -	$ 574,710
Construction in progress	3,089,937	283,087	(3,007,024)	366,000
Total capital assets not being depreciated	3,664,647	283,087	(3,007,024)	940,710
Capital assets, being depreciated:				
Machinery and equipment	7,325,208	317,036	-	7,642,244
Buildings and improvements	4,500,538	-	-	4,500,538
Infrastructure	41,385,347	409,927	3,007,024	44,802,298
Intangibles	24,525,000	8,250,000	-	32,775,000
Total capital assets being depreciated	77,736,093	8,976,963	3,007,024	89,720,080
Less accumulated depreciation				
Machinery and equipment	5,950,039	307,924	-	6,257,963
Buildings and improvements	3,162,663	41,684	-	3,204,347
Infrastructure	21,762,765	915,053	-	22,677,818
Intangibles	2,948,357	1,146,955	-	4,095,312
Total accumulated depreciation	33,823,824	2,411,616	-	36,235,440
Net capital assets being depreciated	43,912,269	6,565,347	3,007,024	53,484,640
Total Capital Assets	$ 47,576,916	$ 6,848,434	$ -	$ 54,425,350

Depreciation and amortization was charged to business-type activities as follows:

Electric	$ 348,349
Water	1,626,541
Wastewater	259,850
EMS	20,897
Sanitation	53,687
Airport	102,292
Total Business-type Activities Depreciation Expense	$ 2,411,616

A summary of changes in component unit (LEDC) capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 664,857	$ 2,867,547	$ (386,000)	$ 3,146,404
Construction in progress	-	380,917	-	380,917
Total capital assets not being depreciated	664,857	3,248,464	(386,000)	3,527,321
Capital assets, being depreciated:				
Buildings	612,000	-	-	612,000
Total capital assets being depreciated	612,000	-	-	612,000
Less accumulated depreciation				
Buildings	110,160	12,240	-	122,400
Total accumulated depreciation	110,160	12,240	-	122,400
Net capital assets being depreciated	501,840	(12,240)	-	489,600
Total Capital Assets	$ 1,166,697	$ 3,236,224	$ (386,000)	$ 4,016,921

Depreciation was charged to the following activities as follows:

Lockhart EDC	$ 12,240
Total Depreciation Expense	$ 12,240

D. Long-term Debt

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2021. In general, the City uses the general fund to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, notes and other payables:					
General Obligation Bonds	$ 4,452,980	$ -	$ (228,262)	$ 4,224,718	$ 538,848
Certificates of Obligation	7,208,875	-	(517,460)	6,691,415	364,190
Less deferred amounts:					
For premiums	589,760	-	(61,511)	528,249	-
Total Bonds Payable	12,251,615	-	(807,233)	11,444,382	903,038
Capital leases	-	383,923	(51,583)	332,340	94,488
Total Governmental Activities	$ 12,251,615	$ 383,923	$ (858,816)	$ 11,776,722	$ 997,526
			Long-term liabilities due in more than one year	$ 10,779,196	
Business-Type Activities:					
General Obligation Bonds	$ 1,497,018	$ -	$ (76,740)	$ 1,420,278	$ 181,152
Certificates of Obligation	8,091,125	-	(267,540)	7,823,585	425,810
Less deferred amounts:					
For premiums	371,510	-	(32,261)	339,249	-
Total Bonds Payable	9,959,653	-	(376,541)	9,583,112	606,962
Capital leases	69,566	227,075	(48,392)	248,249	73,285
Notes payable	2,536,344	-	(167,521)	2,368,823	171,709
GBRA Obligations	22,975,000	8,250,000	(290,000)	30,935,000	300,000
Total Business-Type Activities	$ 35,540,563	$ 8,477,075	$ (882,454)	$ 43,135,184	$ 1,151,956
			Long-term liabilities due in more than one year	$ 41,983,228	

Component Unit Activities (LEDC):	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due Within One Year
Notes payable	$ 574,077	$ -	$ (109,651)	$ 464,426	$ 120,327
Revenue bonds	-	1,645,000	(105,000)	1,540,000	95,000
County obligation	$ -	$ 1,500,000	$ -	$ 1,500,000	$ -
Total Component Unit Activities	$ 574,077	$ 3,145,000	$ (214,651)	$ 3,504,426	$ 215,327
			Long-term liabilities due in more than one year	$ 3,289,099	

Long-term debt applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund. The general fund has typically been used to liquidate the liability for compensated absences for governmental activities. Capital leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset.

Lockhart-Luling Water Delivery System

The Guadalupe-Blanco River Authority (GBRA) contracted with the City in 2002 to provide a reliable quantity of treated water through the Luling Water Treatment Plant. For the mutual benefit of the parties, GBRA, the City of Luling, and the City of Lockhart, Texas entered into an agreement that enabled GBRA to pump treated water from the Luling Water Treatment Plant to the Lockhart Treatment Plant ground storage reservoir through the water delivery system.

GBRA issued $4,950,000 in Contract Revenue Refunding Bonds in fiscal year 2014 for the water delivery system. As of September 30, 2021, there was $3,110,000 bonds outstanding.

Carrizo Groundwater Supply Project

The Guadalupe-Blanco River Authority (GBRA) has contracted with the City to assist with the financing for the development of the Carrizo Groundwater Supply Project. This groundwater development project will generate 15,000 acre-feet per year of groundwater which will be distributed to three customers that have contracts with GBRA – New Braunfels Utilities, City of Lockhart, and Goforth Special Utility District. The City is responsible for its proportional share of the contract revenue and board participation loans associated with the financing of the project. As of September 30, 2021, there was $27,825,000 of obligations outstanding.

Primary government long-term debt at year end was comprised of the following debt issues:

	Governmental Activities	Business - Type Activities	Total
General Obligation Bonds:			
$6,530,000 General Obligation Refunding Bond, Series 2016, due in annual installments through August 2028, interest at 3.6%	$ 4,224,718	$ 1,420,278	$ 5,644,996
Total General Obligation Bonds	$ 4,224,718	$ 1,420,278	$ 5,644,996
Certificates of Obligation:			
$16,685,000 Certificates of Obligation, Series 2015, due in annual installments through August 2035 interest at 3.39%	$ 6,691,415	$ 7,823,585	$ 14,515,000
Total Certificates of Obligation	$ 6,691,415	$ 7,823,585	$ 14,515,000
Notes Payable:			
$3,600,000 2013 State Infrastructure Bank Loan due in annual installments through June 2033, interest at 2.50%	$ -	$ 2,368,823	$ 2,368,823
Total Notes Payable	$ -	$ 2,368,823	$ 2,368,823
GBRA Obligations:			
$4,950,000 GBRA Revenue Bond, Series 2014, due in installments through 2030, interest at 3.45%	$ -	$ 3,110,000	$ 3,110,000
$7,095,000 2018 Board Participation Loan due in installments through 2053, interest at 4.24%	-	7,095,000	7,095,000
$2,405,000 Contract Revenue Bond, Series 2018A, due in installments through 2048, interest at 3.96%	-	2,405,000	2,405,000
$2,095,000 Contract Revenue Bond, Series 2018B, due in installments through 2048, interest at 3.23%	-	2,095,000	2,095,000
$6,260,000 2019 Board Participation Loan due in installments through 2054, interest at 3.39%	-	6,260,000	6,260,000
$1,720,000 Contract Revenue Bond, Series 2019, due in installments through 2049, interest at 2.47%	-	1,720,000	1,720,000
$8,250,000 Contract Revenue Bond, Series 2020, due in installments through 2050, interest at 2.08%	-	8,250,000	8,250,000
Total GBRA Obligations	$ -	$ 30,935,000	$ 30,935,000
Capital Leases Payable:			
$121,741 Capital lease payable to Stryker Sales Corporation, due in annual installments of $17,392 through 2024, interest at 3.5%	$ -	$ 52,175	$ 52,175
$610,998 Capital lease payable to Enterprise Fleet, due in monthly installments of $13,106 through 2025, interest at 1.5%	332,340	196,074	528,414
Total Capital Leases Payable	$ 332,340	$ 248,249	$ 580,589
Premiums	528,249	339,249	867,498
Total Debt	$ 11,776,722	$ 43,135,184	$ 54,911,906

The Component unit long-term debt at year end was comprised of the following debt issues:

	Lockhart EDC
Sales Tax Revenue Bonds:	
$1,645,000 Sales Tax Revenue Bond, Series 2020, due in semi-annual installments through August 2035, interest at 2.47%	$ 1,540,000
Total Sales Tax Reveue Bonds	$ 1,540,000
County Obligation:	
$1,500,000 County Obligation, due in annual installments of $500,000, starting in 2026 through 2028, interst at 0%	$ 1,500,000
Total County Obligation	$ 1,500,000
Notes Payable:	
$500,000 2019 Economic Development Note Payable due in quarterly installments through 2025 interest at 3.5%	$ 334,624
$425,000 207 Economic Development Note Payable due in quarterly installments through 2027 interest at 4.25%	129,802
Total Notes Payable	$ 464,426
Total Debt	$ 3,504,426

The annual requirements to amortize the City's long-term activities debt issues outstanding at year end were as follows:

Governmental Activities:

Year ending	2015 Tax & Rev CO		2016 GO Refunding	
September 30,	Principal	Interest	Principal	Interest
2022	$ 364,190	$ 234,597	$ 538,848	$ 147,987
2023	382,630	216,388	565,042	131,821
2024	396,460	201,082	572,526	119,108
2025	412,595	185,224	594,978	101,932
2026	433,340	164,594	624,914	78,133
2027-2031	2,431,775	617,377	1,328,410	80,378
2032-2036	2,270,425	197,106	-	-
	$ 6,691,415	$ 1,816,369	$ 4,224,718	$ 659,359

Year ending September 30,	Capital Leases Principal	Capital Leases Interest
2022	$ 94,488	$ 4,337
2023	95,915	2,910
2024	97,364	1,461
2025	44,573	183
	$ 332,340	$ 8,892

Governmental activities had assets under capital leases with a net book value of $324,912 as of September 30, 2021.

Business-Type Activities:

Year ending	2015 Tax & Rev CO		2016 GO Refunding	
September 30,	Principal	Interest	Principal	Interest
2022	$ 425,810	$ 274,290	$ 181,152	$ 49,751
2023	447,370	253,000	189,958	44,316
2024	463,540	235,105	192,474	40,042
2025	482,405	216,563	200,022	34,268
2026	506,660	192,443	210,086	26,267
2027-2031	2,843,225	721,836	446,586	27,022
2032-2036	2,654,575	230,456	-	-
	$ 7,823,585	$ 2,123,694	$ 1,420,278	221,666

Year ending	State Infrastructure Loan		Capital Leases	
September 30,	Principal	Interest	Principal	Interest
2022	$ 171,709	$ 59,221	$ 73,285	$ 2,558
2023	176,002	54,928	74,129	1,714
2024	180,402	50,528	74,986	857
2025	184,912	46,018	25,849	105
2026	189,535	41,395	-	-
2027-2031	1,021,163	133,485	-	-
2032-2036	445,099	16,760	-	-
	$ 2,368,822	402,334	$ 248,249	5,233

Business-type activities had assets under capital leases with a net book value of $254,903 as of September 30, 2021.

Year ending	Guadelupa-Blanco River Authority		
September 30,	Principal	Interest	Total
2022	$ 300,000	$ 858,966	$ 1,158,966
2023	365,000	848,444	1,213,444
2024	740,000	937,851	1,677,851
2025	765,000	911,666	1,676,666
2026	785,000	895,790	1,680,790
2027	800,000	878,995	1,678,995
2028	820,000	861,122	1,681,122
2029	840,000	842,354	1,682,354
2030	855,000	822,396	1,677,396
2031	465,000	808,454	1,273,454
2032	480,000	800,093	1,280,093
2033	485,000	790,529	1,275,529
2034	500,000	780,100	1,280,100
2035	510,000	768,927	1,278,927
2036	525,000	757,095	1,282,095
2037	535,000	744,556	1,279,556
2038	550,000	731,466	1,281,466
2039	915,000	717,534	1,632,534
2040	1,270,000	689,419	1,959,419
2041	1,310,000	649,348	1,959,348
2042	1,360,000	606,460	1,966,460
2043	1,400,000	561,920	1,961,920
2044	1,440,000	515,983	1,955,983
2045	1,495,000	466,500	1,961,500
2046	1,545,000	414,674	1,959,674
2047	1,595,000	360,515	1,955,515
2048	1,655,000	304,560	1,959,560
2049	1,440,000	246,389	1,686,389
2050	1,400,000	196,882	1,596,882
2051	1,040,000	147,244	1,187,244
2052	1,085,000	106,130	1,191,130
2053	1,135,000	63,234	1,198,234
2054	530,000	18,338	548,338
	30,935,000	20,103,928	31,225,000

Lockhart Economic Development Corporation

Year ending	Southside Bank		First National Bank	
September 30,	Principal	Interest	Principal	Interest
2022	$ 98,955	$ 10,423	$ 21,372	$ 5,173
2023	102,464	6,913	22,311	4,234
2024	106,098	3,280	23,283	3,262
2025	27,107	237	24,315	2,230
2026	-	-	25,384	1,161
2027-2031	-	-	13,137	166
	$ 334,624	$ 20,853	$ 129,802	16,226

Year ending	2020 Sales Tax and Revenue Bonds		2020 Caldwell County Obligation	
September 30,	Principal	Interest	Principal	Interest
2022	$ 95,000	$ 38,038	$ -	$ -
2023	95,000	35,692	-	-
2024	100,000	33,345	-	-
2025	100,000	30,875	-	-
2026	100,000	28,405	500,000	-
2027-2031	555,000	102,876	1,000,000	-
2032-2036	495,000	30,999	-	-
	$ 1,540,000	300,229	$ 1,500,000	-

G. Other Long-term Liabilities

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general fund and utility fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Compensated absences	$ 524,065	$ 430,216	$ (370,340)	$ 583,941	$ 525,547
Total Governmental Activities	$ 524,065	$ 430,216	$ (370,340)	$ 583,941	$ 525,547
Other long-term liabilities due in more than one year				$ 58,394	
Business-Type Activities:					
Compensated absences	$ 81,169	$ 92,351	$ (84,368)	$ 89,152	$ 80,237
Total Business-Type Activities	$ 81,169	$ 92,351	$ (84,368)	$ 89,152	$ 80,237
Other long-term liabilities due in more than one year				$ 8,915	
EDC Activities:					
Compensated absences	$ 4,384	$ 4,206	$ (4,384)	$ 4,206	$ 3,785
Total Business-Type Activities	$ 4,384	$ 4,206	$ (4,384)	$ 4,206	$ 3,785
Other long-term liabilities due in more than one year				$ 421	

H. Deferred Charges on Refunding

Deferred charges resulting from the issuance of series 2016 GO revenue refunding bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding certificates of obligation. Current year balances for governmental and business-type activities totaled $187,535 and $131,583 respectively. Current year amortization expense for governmental and business-type activities totaled $23,442 and $16,448, respectively.

I. Interfund Transactions

The compositions of interfund advances to/from balances as of the year ended September 30, 2021 were as follows:

Due from: (receivable fund)	Due to: (payable fund) Nonmajor	Total
General	$ 100,327	$ 100,327
Total	$ 100,327	$ 100,327

Interfund receivables and payables relate to various amounts used to cover operational and capital expenditures. All balances are expected to be resolved in the subsequent year.

Transfers between the primary government during the 2021 year were as follows:

	Transfer Out						
Transfer In:	**General**	**Electric**	**Water**	**Wastewater**	**Nonmajor governmental**	**Nonmajor enterprise**	**Total**
General	$ -	$ 1,891,276	$ 175,254	$ 475,735	$ 564,858	$ 261,927	$ 3,369,050
Nonmajor govt	137,620	-	-	186,945	100,000	-	424,565
Water	-	-	-	333,787	-	-	333,787
Total	$ 137,620	$ 1,891,276	175,254	996,467	664,858	261,927	4,127,402

The LEDC transferred $52,898 to the general fund during the year. Transfers between funds were primarily to support debt service requirements and operation of funds.

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City participates in the Texas Municipal League Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool that retains the risk of loss beyond the City's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

B. Contingent Liabilities

The City is involved in lawsuits with other parties from time to time. While the ultimate result of these matters cannot be predicted with certainty, the City does not expect them to have a materially adverse effect on the basic financial statements.

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Commitments

Water Purchase Commitment

The City has entered into an agreement with the Guadalupe-Blanco River Authority (GBRA) that obligates the City to purchase its water from GBRA through December 31, 2027.

D. Pension Plans

Texas Municipal Retirement Systems

Plan Description

The City of Lockhart, Texas participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

Plan provisions for the City were as follows:

	Plan Year 2021	Plan Year 2020
Employee deposit rate	6%	6%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI repeating	70% of CPI repeating

Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	84
Inactive employees entitled to but not yet receiving benefits	124
Active employees	135
Total	343

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Lockhart, Texas were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Lockhart, Texas were 12.81% and 12.47% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were $941,155, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum 16 mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. Of the total pension liability, $3,293,269 is related to the primary government and $71,330 is attributable to discretely presented component units.

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net	Total Net Pension	Primary Government	Component Units
Balance at 12/31/19	$ 35,762,008	$ 32,149,856	$ 3,612,152	$ 3,535,574	$ 76,578
Changes for the year:					
Service cost	961,008	-	961,008	940,635	20,373
Interest	2,392,058	-	2,392,058	2,341,346	50,712
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	193,047	-	193,047	188,954	4,093
Changes of assumptions	-	-	-	-	-
Contributions – employer	-	933,321	(933,321)	(913,535)	(19,786)
Contributions – employee	-	437,153	(437,153)	(427,885)	(9,268)
Net investment income	-	2,439,599	(2,439,599)	(2,387,879)	(51,720)
Benefit payments, including refunds of emp. contributions	(1,609,242)	(1,609,242)	-	-	-
Administrative expense	-	(15,791)	15,791	15,456	335
Other changes	-	(616)	616	603	13
Net changes	1,936,871	2,184,424	(247,553)	(242,305)	(5,248)
Balance at 12/31/20	$ 37,698,879	$ 34,334,280	$ 3,364,599	$ 3,293,269	$ 71,330

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

Primary Government

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 8,679,858	$ 3,293,269	$ (1,086,110)

Component Unit

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 187,999	$ 71,330	$ (23,524)

Total

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 8,867,857	$ 3,364,599	$ (1,109,634)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2021, the City recognized pension expense of $449,623. Of this amount, $440,091 is related to the primary government and $9,532 is attributable to the discretely presented component unit.

At September 30, 2021, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Primary Government:		
Difference between projected and actual investment earnings	$ -	$ 886,085
Change in assumptions	37,627	-
Differences between expected and actual economic experience	100,736	-
Contributions subsequent to the measurement date	659,215	-
Component Units:		
Difference between projected and actual investment earnings	-	19,192
Change in assumptions	815	-
Differences between expected and actual economic experience	2,182	-
Contributions subsequent to the measurement date	14,278	-
Total	$ 814,853	$ 905,277

The primary government and component units reported $659,215 and $14,278, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2022.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Primary Government	Discretely Presented Component Units	Total
2021	$ (270,112)	$ (5,850)	$ (275,962)
2022	87,513	1,895	89,408
2023	(512,367)	(11,097)	(523,464)
2024	(52,756)	(1,143)	(53,899)
2025	-	-	-
Thereafter	-	-	-
	$ (747,722)	$ (16,195)	$ (763,917)

E. Other Postemployment Benefits

Supplemental Death Benefits Fund

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitled to but not yet receiving benefits	20
Active employees	135
Total	213

The City's contributions to the TMRS SDBF for the years ended 2021 and 2020 were $9,355 and $4,006, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2019	0.05%	0.05%	100.0%
2020	0.06%	0.06%	100.0%
2021	0.15%	0.15%	100.0%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2020, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5%, including inflation per year
Discount rate	2.75%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 2.00%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

1% Decrease (1.00%)	Current Single Rate Assumption 2.00%	1% Increase (3.00%)
$ 656,602	$ 540,373	$ 449,687

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/19	$ 474,450
Changes for the year:	
Service Cost	23,315
Interest	13,308
Difference between expected and actual experience	(36,363)
Changes of assumptions	70,035
Benefit payments	(4,372)
Net changes	65,923
Balance at 12/31/20	$ 540,373

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of $52,082.

At September 30, 2021, the City reported deferred outflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	$ -	$ 47,956
Changes in assumptions and other inputs	99,359	-
Contributions subsequent to measurement date	8,101	-
Total	**$** 107,460	**$** 47,956

The City reported $8,101 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2022.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2021	$ 15,459
2022	10,545
2023	16,359
2024	9,040
2025	-
Thereafter	-
	$ 51,403

Retiree Health Benefit Plan

In addition to providing pension benefits, the City provides medical benefits to eligible retirees and dependents with postemployment health care benefits through a single-employer postemployment healthcare plan (the "plan") administered by Texas Municipal League Multistate Intergovernmental Employee Benefits Pool. A separate audited financial report is not issued on the plan. In order for a City employee to be eligible for this benefit, he or she needs 20 years of service and/or attained the age of 60 with five years of service. Medical benefits are available with four coverage tiers depending on dependent status and continue until Medicare eligible. A Medicare supplement policy is available to Medicare eligible retirees with the retiree paying the full premium.

Eligible retirees pay the full contribution rate for pre-65 medical coverage. The amount of the contribution depends on years of service with the City at retirement. The plan was changed effective June 1, 2015 to provide payment of higher retiree contribution rates for future retirees. Employees hired on or after this date will pay the full retiree contribution rate equal to 195% of the active employee contribution rate. Retirees hired prior to this date will pay the active employee contribution rate for either 2, 5 or 10 years (or to age 65, if earlier) depending on the years of service retirement. All retirees on the effective date will continue to pay the active employee contribution rate.

At the September 30, 2020 valuation, the following represents the active employees and retirees that are eligible to participate in the plan:

Employees covered by benefit terms

At the September 30, 2020 valuation date, the following employees were covered by the benefit terms:

Status	Employee	Employee & Spouse
Inactive employees or beneficiaries currently receiving benefits	3	2
Active employees	56	10
Total	**59**	**12**

Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.25%. The discount rate was based on the Bond Buyer GO Bond 20 Year Index rate as of September 30, 2020, date of the actuarial valuation.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 2.25%, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

1% Decrease (1.25%)	Current Single Rate Assumption 2.25%	1% Increase (3.25%)
$ 461,085	$ 426,848	$ 395,276

Healthcare Cost Trend

1% Decrease (3.5%)	Current Healthcare Cost Trend (4.5%)	1% Increase (5.5%)
$ 386,290	$ 426,848	$ 474,415

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 9/30/2020	$ 436,853
Changes for the year:	
Service Cost	13,045
Interest	9,754
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(32,804)
Net changes	(10,005)
Balance at 9/30/2021	$ 426,848

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of $29,440.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 6,866
Change in assumptions	37,482	-
Total	$ 37,482	$ 6,866

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:		
2022	$	6,641
2023		6,641
2024		6,641
2025		6,641
2026		4,052
Thereafter		-
	$	30,616

Funding Status and Funding Progress

Actuarial valuations of an ongoing program involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Program, assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The current valuation dated September 30, 2020 and measured as of September 30, 2021 uses the mortality table: RPH 2014 Total Table with Projection MP-2019 and turnover: rates varying based on genera, age, and select and ultimate at 9 years. Rates based on the TMRS actuarial assumptions from the 2017 retirement plan valuation report.

Actuarial Methods and Assumptions

There have been no substantive changes in the retiree plan since the last full valuation. Therefore, the interim-year projection study is based on the census information, benefit schedules and costs for the fiscal year 2020 actuarial valuation for the development of the GASB 75 disclosures related to OPEB benefits for the year ended September 30, 2021 and roll forward using a measurement date of September 30, 2021.

Projections of benefits for financial reporting purposes are based on the substantive program (the program as understood by the employer and the Program members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Program members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following is a summary of the actuarial assumptions:

Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent-of-Payroll
Asset Valuation Method	N/A
Discount Rate	2.25%
Inflation Rate	2.5%
Salary Growth	3.0%
Healthcare Cost Trend Rate (Initial/Ultimate)	4.5% for medical

F. Tax Abatement Disclosures

The City of Lockhart enters into tax abatement and rebate agreements with local businesses under the state local government code, title 12, subtitle A, chapter 380. Under the code, the governing body of a municipality may establish and provide for the administration of one or more programs, including programs for making loans or grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality. The City has tax abatement/rebate agreements with three entities as of September 30, 2021:

$5,647 of real property and personal property taxes was rebated to a manufacturing company that produces investment castings in ferrous and non-ferrous materials for purchasing land and building for manufacturing and distribution facility.

$1,014 was rebated to a glass and mirror manufacturing company for sales tax and $13,995 in property taxes on new improvements to building and furniture, fixtures, and equipment.

$13,046 of real property and personal property taxes was rebated to a manufacturing company that commercializes fiber reactor technology to enhance and improve manufacturing environments by increasing the efficiency of existing refining operations utilizing two-phase chemistry.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. The City has chosen to disclose information about its tax abatement agreements individually. It established a quantitative threshold of 100% percent of the total dollar amount of taxes abated during the year.

G. Restatement

Due to accounting errors, the City restated beginning net position/fund balance of the governmental activities, general fund, nonmajor governmental funds, business-type activities, nonmajor enterprise funds, and the Lockhart EDC. The restatement of beginning net position/fund balance is as follows:

	Governmental Activities	General Fund	Nonmajor Governmental
Prior year ending net position/ fund balance as reported	$ 16,974,855	$ 7,018,302	$ 4,436,111
Correction of receviable with proper deferral	-	(124,840)	-
Correction of land donation	249,832	-	-
Correction to allocate pension balances	83,667	-	-
Correction of accounts payable	(43,646)	-	(43,646)
Restated beginning net position/fund balance	$ 17,264,708	$ 6,893,462	$ 4,392,465

	Business-type Activities	Water	Nonmajor Enterprise
Prior year ending net position as reported	$ 28,990,530	$ 10,002,144	$ 4,195,872
Recognition of GBRA balances	(1,672,905)	(1,672,905)	-
Recognition of allowance for doubful accounts	(196,315)	-	(196,315)
Restated beginning net position	$ 27,121,310	$ 8,329,239	$ 3,999,557

	Component Unit Lockhart EDC
Prior year ending net position as reported	$ 3,781,378
Correction for land value	231,857
Correction to allocate pension balances	(83,667)
Correction of note receivable	252,031
Restated beginning net position	$ 4,181,599

H. Subsequent Events

There were no subsequent events through March 15, 2022, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	$ 4,663,885	$ 4,663,885	$ 4,580,385	$ (83,500)
Sales tax	1,604,250	1,604,250	2,143,239	538,989
Franchise and local taxes	321,952	321,952	370,909	48,957
License and permits	197,100	197,100	301,370	104,270
Charges for services	79,065	79,065	88,883	9,818
Intergovernmental	437,589	437,589	507,585	69,996
Fines and forfeitures	265,557	265,557	375,031	109,474
Investment income	63,317	63,317	13,171	(50,146)
Other revenue	101,870	101,870	166,781	64,911
Total Revenues	7,734,585	7,734,585	8,547,354	812,769
Expenditures				
Current:				
General government	1,588,946	1,663,234	1,653,335	9,899
Public safety	5,956,714	6,556,704	5,864,676	692,028
Public works	2,565,666	3,000,666	2,085,802	914,864
Health and welfare	16,425	16,425	20,539	(4,114)
Culture and recreation	1,073,425	1,073,425	1,242,185	(168,760)
Community development	676,892	676,892	707,075	(30,183)
Debt Service:				
Principal	-	-	51,583	(51,583)
Interest and fiscal charges	-	-	4,278	(4,278)
Total Expenditures	11,878,068	12,987,346	11,629,473	1,357,873
Revenues Over (Under) Expenditures	(4,143,483)	(5,252,761)	(3,082,119)	2,170,642
Other Financing Sources (Uses)				
Capital lease issuances	-	-	383,923	383,923
Proceeds from sale of capital assets	-	247,890	251,942	4,052
Transfers in	3,584,174	3,584,174	3,369,050	(215,124)
Transfers (out)	(61,700)	(61,700)	(137,620)	(75,920)
Total Other Financing Sources (Uses)	3,522,474	3,770,364	3,867,295	96,931
Net Change in Fund Balance	$ (621,009)	$ (1,482,397)	785,176	$ 2,267,573
Beginning fund balance			6,893,462	
Ending Fund Balance			$ 7,678,638	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

City of Lockhart, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	12/31/2020	12/31/2019	12/31/2018
Total pension liability			
Service cost	$ 961,008	$ 908,475	$ 861,176
Interest	2,392,058	2,267,377	2,158,275
Differences between expected and actual experience	193,047	(28,525)	(144,312)
Changes of assumptions	-	94,975	-
Benefit payments, including refunds of participant contributions	(1,609,242)	(1,233,643)	(1,331,302)
Net change in total pension liability	1,936,871	2,008,659	1,543,837
Total pension liability - beginning	35,762,008	33,753,349	32,209,512
Total pension liability - ending (a)	37,698,879	35,762,008	33,753,349
Plan fiduciary net position			
Contributions - employer	$ 933,321	$ 884,655	$ 848,460
Contributions - members	437,153	408,304	385,314
Net investment income	2,439,599	4,299,655	(862,453)
Benefit payments, including refunds of participant contributions	(1,609,242)	(1,233,643)	(1,331,302)
Administrative expenses	(15,791)	(24,299)	(16,669)
Other	(616)	(730)	(872)
Net change in plan fiduciary net position	2,184,424	4,333,942	(977,522)
Plan fiduciary net position - beginning	32,149,856	27,815,914	28,793,436
Plan fiduciary net position - ending (b)	$ 34,334,280	$ 32,149,856	$ 27,815,914
Fund's net pension liability - ending (a) - (b)	$ 3,364,599	$ 3,612,152	$ 5,937,435
Plan fiduciary net position as a percentage of the total pension liability	91.08%	89.90%	82.41%
Covered payroll	$ 7,285,883	$ 6,805,058	$ 6,421,896
Fund's pension liability as a percentage of covered payroll	46.18%	53.08%	92.46%

Notes to schedule:

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

12/31/2017	12/31/2016	12/31/2015	12/31/2014 [1]
$ 803,650	$ 809,909	$ 755,292	$ 659,622
2,050,665	1,924,544	1,840,606	1,759,695
(95,374)	213,804	541,546	(275,265)
-	-	143,888	-
(1,055,658)	(1,097,681)	(1,084,811)	(987,219)
1,703,283	1,850,576	2,196,521	1,156,833
30,506,229	28,655,653	26,459,132	25,302,299
32,209,512	30,506,229	28,655,653	26,459,132
$ 779,767	$ 708,591	$ 721,903	$ 662,456
358,239	358,731	352,824	321,581
3,497,425	1,599,743	34,935	1,282,369
(1,055,658)	(1,097,681)	(1,084,811)	(987,219)
(18,124)	(18,076)	(21,283)	(13,388)
(918)	(974)	(1,051)	(1,101)
3,560,731	1,550,334	2,517	1,264,698
25,232,705	23,682,371	23,679,854	22,415,156
$ 28,793,436	$ 25,232,705	$ 23,682,371	$ 23,679,854
$ 3,416,076	$ 5,273,524	$ 4,973,282	$ 2,779,278
89.39%	82.71%	82.64%	89.50%
$ 5,970,653	$ 5,937,749	$ 5,730,595	$ 5,359,686
57.21%	88.81%	86.78%	51.86%

City of Lockhart, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2021	9/30/2020	9/30/2019
Actuarially determined employer contributions	$ 941,155	$ 896,545	$ 872,807
Contributions in relation to the actuarially determined contribution	$ 941,155	$ 896,545	$ 872,807
Contribution deficiency (excess)	$ -	$ -	$ -
Annual covered payroll	$ 7,490,384	$ 6,972,445	$ 6,687,118
Employer contributions as a percentage of covered payroll	12.56%	12.86%	13.05%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

9/30/2018	9/30/2017	9/30/2016	9/30/2015 [1]
$ 829,948	$ 754,327	$ 734,637	$ 692,664
$ 829,948	$ 754,327	$ 734,637	$ 692,664
$ -	$ -	$ -	$ -
$ 6,300,160	$ 5,911,532	$ 6,129,529	$ 5,617,224
13.17%	12.76%	11.99%	12.33%

City of Lockhart, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SUPPLEMENTAL DEATH BENEFITS PLAN
Years Ended:

	[1] 12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB liability				
Service cost	$ 23,315	$ 17,693	$ 19,266	$ 15,524
Interest	13,308	14,621	13,571	13,276
Differences between expected and actual experience	(36,363)	(18,892)	(17,158)	-
Changes of assumptions	70,035	77,468	(27,464)	31,482
Benefit payments	(4,372)	(3,403)	(3,211)	(3,582)
Net changes	65,923	87,487	(14,996)	56,700
Total OPEB liability - beginning	474,450	386,963	401,959	345,259
Total OPEB liability - ending	[2] $ 540,373	$ 474,450	$ 386,963	$ 401,959
Covered employee payroll	$ 7,285,883	$ 6,805,058	$ 6,421,896	$ 5,970,653
Fund's net position as a percentage of covered employee payroll	7.42%	6.97%	6.03%	6.73%

Notes to schedule:

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

[2] No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

City of Lockhart, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS

RETIREE HEALTHCARE

Years Ended:

	9/30/2021 [1]	9/30/2020	9/30/2019	9/30/2018
Total OPEB liability				
Service cost	$ $ 13,045	$ $ 11,786	$ $ 11,786	$ 11,326
Interest	9,754	15,971	15,460	15,641
Differences between expected and actual experience	-	(9,846)	-	-
Changes of assumptions	-	53,744	-	-
Benefit payments	(32,804)	(32,804)	(20,086)	(20,086)
Net changes	(10,005)	38,851	7,160	6,881
Total OPEB liability - beginning	436,853	398,002	390,842	383,961
Total OPEB liability - ending	[2] $ 426,848	$ 436,853	[2] $ 398,002	[2] $ 390,842
Covered employee payroll	$ 3,307,156	$ 3,307,156	$ 3,778,438	$ 3,778,438
Fund's net position as a percentage of covered employee payroll	12.91%	13.21%	10.53%	10.34%

Notes to schedule:

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

[2] No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

(This page intentionally left blank.)

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

City of Lockhart, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2021

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Assets				
Cash and cash equivalents	$ -	$ 1,708,636	$ 2,860,563	$ 4,569,199
Accounts receivable	52,197	145,403	-	197,600
Total Assets	$ 52,197	$ 1,854,039	$ 2,860,563	$ 4,766,799
Liabilities				
Accounts payable	$ -	$ 7,230	$ 9,810	$ 17,040
Due to other funds	45,681	54,646	-	100,327
Total Liabilities	45,681	61,876	9,810	117,367
Deferred Inflows/Outflows				
Unavailable revenue-tax	52,198	-	-	52,198
Unavailable revenue-fines	-	8,479	-	8,479
Total Deferred Inflows/Outflows	52,198	8,479	-	60,677
Fund Balances				
Restricted for:				
General government	-	63,160	-	63,160
Public safety	-	18,994	-	18,994
Municipal court	-	118,506	-	118,506
Tourism	-	98,198	-	98,198
Capital projects	-	1,526,575	2,850,753	4,377,328
Unassigned	(45,682)	(41,749)	-	(87,431)
Total Fund Balances	(45,682)	1,783,684	2,850,753	4,588,755
Total Liabilities, Deferred Inflows and Fund Balances	$ 52,197	$ 1,854,039	$ 2,860,563	$ 4,766,799

See Notes to Financial Statements.

City of Lockhart, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	Debt Service Fund	Special Revenue Funds	Capital Project Funds	Total
Revenues				
Property tax	$ 694,121	$ -	$ -	$ 694,121
Hotel occupancy tax	-	140,800	-	140,800
Fines and forfeitures	-	39,547	-	39,547
License and permits	-	349,151	-	349,151
Charges for services	-	649,986	-	649,986
Intergovernmental	11,690	180,386	-	192,076
Donations	-	-	20,000	20,000
Investment income	618	2,187	4,763	7,568
Total Revenues	706,429	1,362,057	24,763	2,093,249
Expenditures				
General government	-	124,589	-	124,589
Public safety	-	254,926	-	254,926
Public works	-	22,628	-	22,628
Culture and recreation	-	1,263	-	1,263
Debt service:				
Principal	745,722	-	-	745,722
Interest	409,169	-	-	409,169
Capital outlay	-	9,728	88,641	98,369
Total Expenditures	1,154,891	413,134	88,641	1,656,666
Revenues Over (Under) Expenditures	(448,462)	948,923	(63,878)	436,583
Other Financing Sources (Uses)				
Transfers in	286,945	137,620	-	424,565
Transfers (out)		(664,858)	-	(664,858)
Total Other Financing Sources (Uses)	286,945	(527,238)	-	(240,293)
Net Change in Fund Balances	(161,517)	421,685	(63,878)	196,290
Beginning fund balances	115,835	1,361,999	2,914,631	4,392,465
Ending Fund Balances	$ (45,682)	$ 1,783,684	$ 2,850,753	$ 4,588,755

See Notes to Financial Statements.

City of Lockhart, Texas

COMBINING BALANCE SHEET (Page 1 of 2)

NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2021

	Radio Tower Equipment Replacement	Forfeited Property	Hotel/ Motel Tax	LEOSE Fund
Assets				
Cash and cash equivalents	$ 5,755	$ 9,170	$ 72,583	$ 9,824
Accounts receivable	-	-	33,194	-
Total Assets	$ 5,755	$ 9,170	$ 105,777	$ 9,824
Liabilities				
Accounts payable	$ 385	$ -	$ -	$ -
Due to other funds	-	-	7,579	-
Total Liabilities	385	-	7,579	-
Deferred Inflows				
Unavailable revenue-fines and fees	-	-	-	-
Total Deferred Inflows	-	-	-	-
Fund Balances				
Restricted for:				
General government	-	-	-	-
Public safety	-	9,170	-	9,824
Municipal court	-	-	-	-
Tourism	-	-	98,198	-
Capital projects	5,370	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	5,370	9,170	98,198	9,824
Total Liabilities, Deferred Inflows, and Fund Balances	$ 5,755	$ 9,170	$ 105,777	$ 9,824

See Notes to Financial Statements.

Road Impact Fees #1	Road Impact Fees #2	Court Technology	Radio System Maintenance	Court Security
$ 654,080	$ 590,211	$ -	$ -	$ 12,058
-	-	1,708	-	1,947
$ 654,080	$ 590,211	$ 1,708	$ -	$ 14,005
$ -	$ -	$ 83	$ 5,503	$ -
-	-	6,330	29,833	-
-	-	6,413	35,336	-
-	-	1,708	-	1,947
-	-	1,708	-	1,947
-	-	-	-	-
-	-	-	-	-
-	-	-	-	12,058
-	-	-	-	-
654,080	590,211	-	-	-
-	-	(6,413)	(35,336)	-
654,080	590,211	(6,413)	(35,336)	12,058
$ 654,080	$ 590,211	$ 1,708	$ -	$ 14,005

City of Lockhart, Texas

COMBINING BALANCE SHEET (Page 2 of 2)

NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2021

	Child Safety	Court Efficiency	Juvenile Case Manager	Truancy Court
Assets				
Cash and cash equivalents	$ 41,427	$ 11,963	$ 45,521	$ 7,370
Accounts receivable	810	1,726	2,132	121
Total Assets	$ 42,237	$ 13,689	$ 47,653	$ 7,491
Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows				
Unavailable revenue-fines and fees	810	1,726	2,132	121
Total Deferred Inflows	810	1,726	2,132	121
Fund Balances				
Restricted for:				
General government	-	-	-	-
Public safety	-	-	-	-
Municipal court	41,427	11,963	45,521	7,370
Tourism	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	41,427	11,963	45,521	7,370
Total Liabilities, Deferred Inflows, and Fund Balances	$ 42,237	$ 13,689	$ 47,653	$ 7,491

See Notes to Financial Statements.

Local Municipal Jury	Cable Education	Transportation	Drainage	Total Special Revenue Funds
$ 167	$ 57,741	$ 147,135	$ 43,631	$ 1,708,636
35	6,678	66,788	30,264	145,403
$ 202	$ 64,419	$ 213,923	$ 73,895	$ 1,854,039
$ -	$ 1,259	$ -	$ -	$ 7,230
-	-	-	10,904	54,646
-	1,259	-	10,904	61,876
35	-	-	-	8,479
35	-	-	-	8,479
-	63,160	-	-	63,160
-	-	-	-	18,994
167	-	-	-	118,506
-	-	-	-	98,198
-	-	213,923	62,991	1,526,575
-	-	-	-	(41,749)
167	63,160	213,923	62,991	1,783,684
$ 202	$ 64,419	$ 213,923	$ 73,895	$ 1,854,039

City of Lockhart, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Page 1 of 2)
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2021

	Radio Tower Equipment Replacement	Forfeited Property	Hotel/ Motel Tax	LEOSE Fund
Revenues				
Hotel occupancy tax	$ -	$ -	$ 113,504	$ -
Fines and forfeitures	-	3,080	-	-
License and permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	2,521
Investment income	31	19	124	21
Total Revenues	31	3,099	113,628	2,542
Expenditures				
General government	-	4,666	78,183	-
Public safety	20,483	-	-	10,620
Public works	-	-	-	-
Culture and recreation	-	-	1,263	-
Capital outlay	-	-	-	-
Total Expenditures	20,483	4,666	79,446	10,620
Revenues Over (Under) Expenditures	(20,452)	(1,567)	34,182	(8,078)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(20,452)	(1,567)	34,182	(8,078)
Beginning fund balances	25,822	10,737	64,016	17,902
Ending Fund Balances	$ 5,370	$ 9,170	$ 98,198	$ 9,824

See Notes to Financial Statements.

Road Impact Fees #1	Road Impact Fees #2	Court Technology	Radio System Maintenance	Court Security
$ -	$ -	$ -	$ -	$ -
-	-	5,634	-	6,429
10,475	338,676	-	-	-
-	-	-	-	-
-	-	-	164,850	-
1,073	558	-	-	19
11,548	339,234	5,634	164,850	6,448
-	-	12,047	-	5,683
-	-	-	223,823	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	12,047	223,823	5,683
11,548	339,234	(6,413)	(58,973)	765
-	-		64,508	-
-	-	-	(63,003)	-
-	-	-	1,505	-
11,548	339,234	(6,413)	(57,468)	765
642,532	250,977	-	22,132	11,293
$ 654,080	$ 590,211	$ (6,413)	$ (35,336)	$ 12,058

City of Lockhart, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Page 2 of 2)

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2021

	Child Safety	Court Efficiency	Juvenile Case Manager	Truancy Court
Revenues				
Franchise and local taxes	$ -	$ -	$ -	$ -
Fines and forfeitures	11,168	5,687	7,033	400
License and permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	56	26	68	12
Total Revenues	11,224	5,713	7,101	412
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	9,728	-	-
Total Expenditures	-	9,728	-	-
Expenditures	11,224	(4,015)	7,101	412
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	11,224	(4,015)	7,101	412
Beginning fund balances	30,203	15,978	38,420	6,958
Ending Fund Balances	$ 41,427	$ 11,963	$ 45,521	$ 7,370

See Notes to Financial Statements.

Local Municipal Jury	Cable Education	Transportation	Drainage	Total Special Revenue Funds
$ -	$ 27,296	$ -	$ -	$ 140,800
116	-	-	-	39,547
-	-	-	-	349,151
-	-	446,713	203,273	649,986
-	-	-	13,015	180,386
-	101	182	(103)	2,187
116	27,397	446,895	216,185	1,362,057
-	24,010	-	-	124,589
-	-	-	-	254,926
-	-	3,304	19,324	22,628
-	-	-	-	1,263
-	-	-	-	9,728
-	24,010	3,304	19,324	413,134
116	3,387	443,591	196,861	948,923
-	-	-	73,112	137,620
-	-	(400,000)	(201,855)	(664,858)
-	-	(400,000)	(128,743)	(527,238)
116	3,387	43,591	68,118	421,685
51	59,773	170,332	(5,127)	1,361,999
$ 167	$ 63,160	$ 213,923	$ 62,991	$ 1,783,684

City of Lockhart, Texas

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECT FUNDS

September 30, 2021

	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2009 Certificates of Obligation
Assets			
Cash and cash equivalents	$ 33,260	$ 15,000	$ 271,196
Total Assets	$ 33,260	$ 15,000	$ 271,196
Liabilities			
Accounts payable	$ -	$ -	$ -
Total Liabilities	-	-	-
Fund Balances			
Restricted for:			
Capital projects	33,260	15,000	271,196
Total Fund Balances	33,260	15,000	271,196
Total Liabilities and Fund Balances	$ 33,260	$ 15,000	$ 271,196

See Notes to Financial Statements.

2015 Certificates of Obligation	Maple Street Park Improvements	Total
$ 2,521,107	$ 20,000	$ 2,860,563
$ 2,521,107	$ 20,000	$ 2,860,563
$ 9,810	$ -	$ 9,810
9,810	-	9,810
2,511,297	20,000	2,850,753
2,511,297	20,000	2,850,753
$ 2,521,107	$ 20,000	$ 2,860,563

City of Lockhart, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended September 30, 2021

	Clearfork Section 1 Sidewalk	Maple 2201 Trail Project	2009 Certificates of Obligation
Revenues			
Donations	$ -	$ -	$ -
Investment income	55	-	449
Total Revenues	55	-	449
Expenditures			
Capital outlay	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balances	55	-	449
Beginning fund balances	33,205	15,000	270,747
Ending Fund Balances	$ 33,260	$ 15,000	$ 271,196

See Notes to Financial Statements.

2015 Certificates of Obligation	Maple Street Park Improvements	Total
$ -	$ 20,000	$ 20,000
4,259	-	4,763
4,259	20,000	24,763
88,641	-	88,641
88,641	-	88,641
(84,382)	20,000	(63,878)
2,595,679	-	2,914,631
$ 2,511,297	$ 20,000	$ 2,850,753

(This page intentionally left blank.)

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL RADIO TOWER EQUIPMENT REPLACEMENT

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ 500	$ 31	$ (469)
Total Revenues	500	31	(469)
Expenditures			
Public safety	61,845	20,483	41,362
Total Expenditures	61,845	20,483	41,362
Net Change in Fund Balances	$ (61,345)	(20,452)	$ 40,893
Beginning fund balances		25,822	
Ending Fund Balances		$ 5,370	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FORFEITED PROPERTY

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 36	$ 3,080	$ 3,044
Investment income	-	19	19
Total Revenues	36	3,099	3,063
Expenditures			
General government	8,068	4,666	3,402
Total Expenditures	8,068	4,666	3,402
Revenues Over (Under) Expenditures	(8,032)	(1,567)	6,465
Net Change in Fund Balances	$ (8,032)	(1,567)	$ 6,465
Beginning fund balances		10,737	
Ending Fund Balances		$ 9,170	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Hotel occupancy tax	$ 85,000	$ 113,504	$ 28,504
Investment income	-	124	124
Total Revenues	85,000	113,628	28,628
Expenditures			
General government	88,290	78,183	10,107
Culture and recreation	-	1,263	(1,263)
Total Expenditures	88,290	79,446	8,844
Net Change in Fund Balances	$ (3,290)	34,182	$ 37,472
Beginning fund balances		64,016	
Ending Fund Balances		$ 98,198	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ROAD IMPACT FEES #1

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
License and permits	$ 50,000	$ 10,475	$ (39,525)
Investment income	-	1,073	1,073
Total Revenues	50,000	11,548	(38,452)
Expenditures			
Capital outlay	680,960	-	680,960
Total Expenditures	680,960	-	680,960
Revenues Over (Under) Expenditures	(630,960)	11,548	642,508
Net Change in Fund Balances	$ (630,960)	11,548	$ 642,508
Beginning fund balances		642,532	
Ending Fund Balances		$ 654,080	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ROAD IMPACT FEES #2

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
License and permits	$ 35,000	$ 338,676	$ 303,676
Investment income	-	558	558
Total Revenues	35,000	339,234	304,234
Expenditures			
Capital outlay	129,276	-	129,276
Total Expenditures	129,276	-	129,276
Revenues Over (Under) Expenditures	(94,276)	339,234	433,510
Net Change in Fund Balances	$ (94,276)	339,234	$ 433,510
Beginning fund balances		250,977	
Ending Fund Balances		$ 590,211	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COURT TECHNOLOGY

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 3,200	$ 5,634	$ 2,434
Total Revenues	3,200	5,634	2,434
Expenditures			
General government	6,723	12,047	(5,324) *
Total Expenditures	6,723	12,047	(5,324)
Revenues Over (Under) Expenditures	(3,523)	(6,413)	(2,890)
Net Change in Fund Balances	$ (3,523)	(6,413)	$ (2,890)
Beginning fund balances		-	
Ending Fund Balances		$ (6,413)	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

* Expenditures exceeded appropriations at the legal level of control.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RADIO SYSTEM MAINTENANCE
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 185,440	$ 164,850	$ (20,590)
Investment income	-	-	-
Total Revenues	185,440	164,850	(20,590)
Expenditures			
Public safety	199,260	223,823	(24,563)
Total Expenditures	199,260	223,823	(24,563) *
Revenues Over (Under) Expenditures	(13,820)	(58,973)	(45,153)
Other Financing Sources (Uses)			
Transfers in	-	64,508	64,508
Transfers (out)	-	(63,003)	(63,003)
Total Other Financing Sources (Uses)	-	1,505	1,505
Net Change in Fund Balances	$ (13,820)	(57,468)	$ (43,648)
Beginning fund balances		22,132	
Ending Fund Balances		$ (35,336)	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

* Expenditures exceeded appropriations at the legal level of control.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURT SECURITY

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 300	$ 6,429	$ 6,129
Investment income	-	19	19
Total Revenues	300	6,448	6,148
Expenditures			
General government	11,990	5,683	6,307
Total Expenditures	11,990	5,683	6,307
Revenues Over (Under) Expenditures	(11,690)	765	12,455
Net Change in Fund Balances	$ (11,690)	765	$ 12,455
Beginning fund balances		11,293	
Ending Fund Balances		$ 12,058	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CHILD SAFETY

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 1,200	$ 11,168	$ 9,968
Investment income	-	56	56
Total Revenues	1,200	11,224	10,024
Expenditures			
General government	25,154	-	25,154
Total Expenditures	25,154	-	25,154
Revenues Over (Under) Expenditures	(23,954)	11,224	35,178
Net Change in Fund Balances	$ (23,954)	11,224	$ 35,178
Beginning fund balances		30,203	
Ending Fund Balances		$ 41,427	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COURT EFFICIENCY

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 800	$ 5,687	$ 4,887
Investment income	-	26	26
Total Revenues	800	5,713	4,913
Expenditures			
Capital outlay	12,783	9,728	3,055
Total Expenditures	12,783	9,728	3,055
Revenues Over (Under) Expenditures	(11,983)	(4,015)	7,968
Net Change in Fund Balances	$ (11,983)	(4,015)	$ 7,968
Beginning fund balances		15,978	
Ending Fund Balances		$ 11,963	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL JUVENILE CASE MANAGER

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 2,500	$ 7,033	$ 4,533
Investment income	-	68	68
Total Revenues	2,500	7,101	4,601
Expenditures			
General government	32,417	-	32,417
Total Expenditures	32,417	-	32,417
Net Change in Fund Balances	$ (29,917)	7,101	$ 37,018
Beginning fund balances		38,420	
Ending Fund Balances		$ 45,521	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TRUANCY COURT

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 750	$ 400	$ (350)
Investment income	-	12	12
Total Revenues	750	412	(338)
Expenditures			
General government	6,739	-	6,739
Total Expenditures	6,739	-	6,739
Net Change in Fund Balances	$ (5,989)	412	$ 6,401
Beginning fund balances		6,958	
Ending Fund Balances		$ 7,370	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CABLE EDUCATION

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Hotel occupancy tax	$ 3,200	$ 27,296	$ 24,096
Investment income	-	101	101
Total Revenues	3,200	27,397	24,197
Expenditures			
General government	43,212	24,010	19,202
Total Expenditures	43,212	24,010	19,202
Revenues Over (Under) Expenditures	(40,012)	3,387	43,399
Net Change in Fund Balances	$ (40,012)	3,387	$ 43,399
Beginning fund balances		59,773	
Ending Fund Balances		$ 63,160	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for services	$ 360,000	$ 446,713	$ 86,713
Investment income	-	182	182
Total Revenues	360,000	446,895	86,895
Expenditures			
Public works	83,815	3,304	80,511
Total Expenditures	83,815	3,304	80,511
Revenues Over (Under) Expenditures	276,185	443,591	167,406
Other Financing Sources (Uses)			
Transfers (out)	(400,000)	(400,000)	-
Total Other Financing Sources (Uses)	(400,000)	(400,000)	-
Net Change in Fund Balances	$ (123,815)	43,591	$ 167,406
Beginning fund balances		170,332	
Ending Fund Balances		$ 213,923	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRAINAGE
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for services	$ 180,000	$ 203,273	$ 23,273
Intergovernmental	-	13,015	13,015
Investment income	-	(103)	(103)
Total Revenues	180,000	216,185	36,185
Expenditures			
Public works	207,524	19,324	188,200
Total Expenditures	207,524	19,324	188,200
Revenues Over (Under) Expenditures	(27,524)	196,861	224,385
Other Financing Sources (Uses)			
Transfers in	73,112	73,112	-
Transfers (out)	(201,855)	(201,855)	-
Total Other Financing Sources (Uses)	(128,743)	(128,743)	-
Net Change in Fund Balances	$ (156,267)	68,118	$ 224,385
Beginning fund balances		(5,127)	
Ending Fund Balances		$ 62,991	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LEOSE

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 2,200	$ 2,521	$ 321
Investment income	-	21	21
Total Revenues	2,200	2,542	342
Expenditures			
Public safety	19,280	10,620	8,660
Total Expenditures	19,280	10,620	8,660
Revenues Over (Under) Expenditures	(17,080)	(8,078)	9,002
Net Change in Fund Balances	$ (17,080)	(8,078)	$ 9,002
Beginning fund balances		17,902	
Ending Fund Balances		$ 9,824	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CLEARFORK SECTION 1 SIDEWALK

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ 360	$ 55	$ (305)
Total Revenues	360	55	(305)
Expenditures			
Capital outlay	33,219	-	33,219
Total Expenditures	33,219	-	33,219
Net Change in Fund Balances	$ (32,859)	55	$ 32,914
Beginning fund balances		33,205	
Ending Fund Balances		$ 33,260	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MAPLE 2201 TRAIL PROJECT

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ -	$ -	$ -
Total Revenues	-	-	-
Expenditures			
Capital outlay	15,000	-	15,000
Total Expenditures	15,000	-	15,000
Net Change in Fund Balances	$ (15,000)	-	$ 15,000
Beginning fund balances		15,000	
Ending Fund Balances		$ 15,000	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL 2009 CERTIFICATES OF OBLIGATION

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ 2,400	$ 449	$ (1,951)
Total Revenues	2,400	449	(1,951)
Expenditures			
Capital outlay	274,590	-	274,590
Total Expenditures	274,590	-	274,590
Net Change in Fund Balances	$ (272,190)	449	$ 272,639
Beginning fund balances		270,747	
Ending Fund Balances		$ 271,196	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Lockhart, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
2015 CERTIFICATES OF OBLIGATION

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ 19,200	$ 4,259	$ (14,941)
Total Revenues	19,200	4,259	(14,941)
Expenditures			
Capital outlay	3,381,346	88,641	3,292,705
Total Expenditures	3,381,346	88,641	3,292,705
Net Change in Fund Balances	$ (3,362,146)	(84,382)	$ 3,277,764
Beginning fund balances		2,595,679	
Ending Fund Balances		$ 2,511,297	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

COMBINING NONMAJOR ENTERPRISE FUNDS

City of Lockhart, Texas

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Page 1 of 2)

September 30, 2021

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Assets			
Current Assets			
Cash and cash equivalents	$ 806,381	$ 299,442	$ 577,414
Accounts receivable, net	299,076	500	645,021
Prepaid items	419	-	-
Total Current Assets	1,105,876	299,942	1,222,435
Noncurrent Assets			
Capital assets:			
Non-depreciable	120,409	72,161	-
Net depreciable capital assets	101,251	1,248,236	136,496
Total Noncurrent Assets	221,660	1,320,397	136,496
Total Assets	1,327,536	1,620,339	1,358,931
Deferred Outflows of Resources			
Pension outflows-TMRS	20,925	-	-
OPEB outflows-TMRS	2,816	-	-
OPEB outflows-retiree healthcare	1,204	-	-
Total Deferred Outflows of Resources	24,945	-	-

See Notes to Financial Statements.

Business-Type Activities
Total
$ 1,683,237
944,597
419
2,628,253
192,570
1,485,983
1,678,553
4,306,806
20,925
2,816
1,204
24,945

City of Lockhart, Texas

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Page 2 of 2)

September 30, 2021

	Business-Type Activities		
	Sanitation	Airport	EMS
Liabilities			
Current Liabilities			
Accounts payable	$ 110,647	$ 2,125	$ 131,258
Accrued liabilities	10,499	665	-
Customer deposits	50	4,925	-
Compensated absences, current	7,476	775	-
Capital lease payable, current	6,186	-	17,392
Total Current Liabilities	134,858	8,490	148,650
Noncurrent Liabilities			
Compensated absences	831	86	-
Capital leases payable	15,514	-	34,783
Net pension liability	86,403	-	-
OPEB liability-TMRS	14,158	-	-
OPEB liability-retiree healthcare	11,533	-	-
Total Noncurrent Liabilities	128,439	86	34,783
Total Liabilities	263,297	8,576	183,433
Deferred Inflows of Resources			
Pension inflows-TMRS	23,247	-	-
OPEB inflows-TMRS	1,256	-	-
OPEB inflows-retiree healthcare	221	-	-
Total Deferred Inflows of Resources	24,724	-	-
Net Position			
Net investment in capital assets	199,960	1,320,397	67,390
Unrestricted	864,500	291,366	1,108,108
Total Net Position	$ 1,064,460	$ 1,611,763	$ 1,175,498

See Notes to Financial Statements.

Business-Type Activities
Total
$ 244,030
11,164
4,975
8,251
23,578
291,998
917
50,297
86,403
14,158
11,533
163,308
455,306
23,247
1,256
221
24,724
1,604,678
2,247,043
$ 3,851,721

City of Lockhart, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended September 30, 2021

	Business-Type Activities		
	Sanitation	**Airport**	**EMS**
Operating Revenues			
Charges for services	$ 2,040,494	$ 85,953	$ 1,136,903
Other revenue	2,856	-	-
Total Operating Revenues	2,043,350	85,953	1,136,903
Operating Expenses			
Personnel services	265,844	-	-
Supplies	4,594	11,000	1,279,959
Maintenance and repairs	1,383,223	10,543	100
Contractual services	8,378	1,316	26,034
Miscellaneous	7,001	-	-
Depreciation	20,897	53,687	102,292
Total Operating Expenses	1,689,937	76,546	1,408,385
Operating Income (Loss)	353,413	9,407	(271,482)
Nonoperating Revenues (Expenses)			
Gain on sale of capital assets	-	-	2,500
Investment earnings	1,187	433	994
Interest expense	(361)	-	-
Total Nonoperating Revenues (Expenses)	826	433	3,494
Income Before Capital Contributions and Transfers	354,239	9,840	(267,988)
Capital Contributions and Transfers			
Capital grants	18,000	-	-
Transfers (out)	(236,396)	-	(25,531)
Total Capital Contributions and Transfers	(218,396)	-	(25,531)
Change in Net Position	135,843	9,840	(293,519)
Beginning net position	928,617	1,601,923	1,469,017
Ending Net Position	$ 1,064,460	$ 1,611,763	$ 1,175,498

See Notes to Financial Statements.

Business-Type Activities
Total
$ 3,263,350
2,856
3,266,206
265,844
1,295,553
1,393,866
35,728
7,001
176,876
3,174,868
91,338
2,500
2,614
(361)
4,753
96,091
18,000
(261,927)
(243,927)
(147,836)
3,999,557
$ 3,851,721

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2021

	Business-Type Activities		
	Sanitation	Airport	EMS
Cash Flows from Operating Activities			
Payments to employees	$ (286,567)	$ 204	$ -
Payments to suppliers	(1,459,313)	(23,357)	(1,175,235)
Receipts from customers	2,040,477	86,153	1,277,142
Net Cash Provided (Used) by Operating Activities	294,597	63,000	101,907
Cash Flows from Noncapital Financing Activities			
Transfers (out)	(236,396)	-	(25,531)
Net Cash Provided (Used) by Noncapital Financing	(236,396)	-	(25,531)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	-	(43,727)
Sale of capital assets	-	-	2,500
Capital contributions	18,000	-	-
Principal paid on capital debt	(2,905)	-	(17,391)
Interest paid on capital debt	(361)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	14,734	-	(58,618)
Cash Flows from Investing Activities			
Interest on investments	1,187	433	994
Net Cash Provided by Investing Activities	1,187	433	994
Net Increase (Decrease) in Cash and Cash	74,122	63,433	18,752
Beginning cash and cash equivalents	732,259	236,009	558,662
Ending Cash and Cash Equivalents	$ 806,381	$ 299,442	$ 577,414

See Notes to Financial Statements.

Business-Type Activities Total
$ (286,363)
(2,657,905)
3,403,772
459,504
(261,927)
(261,927)
(43,727)
2,500
18,000
(20,296)
(361)
(43,884)
2,614
2,614
156,307
1,526,930
$ 1,683,237

City of Lockhart, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2021

	Business-Type Activities		
	Sanitation	Airport	EMS
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ 353,413	$ 9,407	$ (271,482)
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	20,897	53,687	102,292
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(2,773)	-	140,239
Prepaid items	(419)	-	-
Deferred outflows:			
Pension	(1,912)	-	-
OPEB	(863)	-	-
Increase (Decrease) in:			
Accounts payable and accrued liabilities	(55,698)	(498)	130,858
Customer deposits	(100)	200	-
Compensated absences	1,975	204	-
Deferred inflows:			
Pension	(12,907)	-	-
OPEB	309	-	-
Net pension liability	(8,958)	-	-
OPEB liability	1,633	-	-
Net Cash Provided (Used) by Operating Activities	$ 294,597	$ 63,000	$ 101,907

Schedule of Non-Cash Capital and Related Financing Activities			
Acquisition of capital lease	$ 24,605	$ -	$ -

See Notes to Financial Statements.

Business-Type Activities
Total
$ 91,338
176,876
137,466
(419)
(1,912)
(863)
74,662
100
2,179
(12,907)
309
(8,958)
1,633
$ 459,504
$ 24,605

(This page intentionally left blank.)

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends 158

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 169

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity 188

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 193

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 196

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Lockhart, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	$ 18,958,675	$ 18,393,579	$ 16,591,140	$ 16,376,825
Restricted	910,946	1,162,143	2,123,629	1,211,989
Unrestricted	3,139,585	2,880,516	2,859,520	1,328,814
Total governmental activities net position	$ 23,009,206	$ 22,436,238	$ 21,574,289	$ 18,917,628
Business-type activities				
Net investment in capital assets	$ 12,161,005	$ 10,349,284	$ 10,193,932	$ 15,283,769
Restricted	363,365	3,449,423	2,924,473	1,023,082
Unrestricted	7,710,870	7,243,346	8,125,881	5,315,836
Total business-type activities net position	$ 20,235,240	$ 21,042,053	$ 21,244,286	$ 21,622,687
Primary government				
Net investment in capital assets	$ 31,119,680	$ 28,742,863	$ 26,785,072	$ 31,660,594
Restricted	1,274,311	4,611,566	5,048,102	2,235,071
Unrestricted	10,850,455	10,123,862	10,985,401	6,644,650
	$ 43,244,446	$ 43,478,291	$ 42,818,575	$ 40,540,315

(1) Accrual basis of accounting

NOTES:

The City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The City implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

2016	2017	2018	2019	2020	2021
$ 15,001,030	$ 14,162,688	$ 13,774,228	$ 12,648,711	$ 12,104,249	$ 11,816,033
1,093,907	1,141,195	1,396,101	1,571,133	1,603,237	3,598,451
2,137,425	1,886,148	1,823,314	1,972,882	3,557,222	3,915,790
$ 18,232,362	$ 17,190,031	$ 16,993,643	$ 16,192,726	$ 17,264,708	$ 19,330,274
$ 15,074,665	$ 16,507,663	$ 16,961,238	$ 17,492,757	$ 16,579,735	$ 15,721,677
1,071,089	1,163,687	1,421,535	1,661,480	2,034,582	2,008,737
7,979,875	7,489,601	8,791,362	9,434,557	8,506,993	6,885,849
$ 24,125,629	$ 25,160,951	$ 27,174,135	$ 28,588,794	$ 27,121,310	$ 24,616,263
$ 30,075,695	$ 30,670,351	$ 30,735,466	$ 30,141,468	$ 28,683,984	$ 27,537,710
2,164,996	2,304,882	2,817,636	3,232,613	3,637,819	5,607,188
10,117,300	9,375,749	10,614,676	11,407,439	12,064,215	10,801,639
$ 42,357,991	$ 42,350,982	$ 44,167,778	$ 44,781,520	$ 44,386,018	$ 43,946,537

City of Lockhart, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2012	2013	2014	2015
Governmental activities				
Expenses				
General government	$ 1,191,024	$ 1,952,419	$ 2,096,530	$ 2,476,203
Public safety	5,599,728	5,550,020	5,584,295	5,626,336
Public works	2,870,543	2,509,328	2,507,776	2,448,572
Health and welfare	5,834	26,528	6,091	13,489
Community development	-	-	-	-
Culture and recreation	823,923	783,053	771,470	964,757
Interest on long-term debt	456,409	416,095	383,683	612,529
Total governmental activities expenses	10,947,461	11,237,443	11,349,845	12,141,886
Program revenues				
Charges for services				
General government	527,226	517,628	608,232	1,131,977
Public safety	1,028,070	1,180,320	1,362,136	1,531,653
Public works	-	-	-	-
Health and welfare	11,498	-	-	-
Culture and recreation	28,384	32,437	27,773	28,878
Community development	-	-	-	-
Operating grants and contributions	842,045	935,161	432,581	391,200
Capital grants and contributions	156,886	157,320	103,808	-
Total program revenues	2,594,109	2,822,866	2,534,530	3,083,708
Total governmental activities net program expense	$ (8,353,352)	$ (8,414,577)	$ (8,815,315)	$ (9,058,178)
General Revenues and Other Changes in Net Position				
Taxes				
Property taxes, general	2,869,130	2,843,226	2,933,089	2,975,409
Property taxes, debt service	542,274	538,316	555,028	561,588
Sales taxes	1,292,841	1,296,151	1,381,748	1,484,020
Franchise taxes	293,375	308,180	319,982	325,911
Other taxes	104,650	81,614	93,825	106,712
Unrestricted investment earnings	24,992	22,967	18,355	23,881
Gain on sale of capital assets	-	-	-	-
Miscellaneous	195,425	162,186	505,461	493,852
Transfers	2,146,642	2,588,969	2,595,561	2,356,889
Total general revenues and other changes net position	7,469,329	7,841,609	8,403,049	8,328,262
Total governmental activities change in net position	$ (884,023)	$ (572,968)	$ (412,266)	$ (729,916)

2016	2017	2018	2019	2020	2021
$ 1,879,383	$ 2,083,166	$ 2,045,364	$ 2,232,343	$ 2,455,580	$ 1,931,497
5,230,470	5,086,371	5,401,024	5,799,256	5,703,143	6,202,140
2,586,206	2,644,292	3,084,192	3,552,691	3,153,763	2,970,230
17,068	22,137	16,326	18,250	144,615	26,352
-	-	-	-	-	1,189,072
933,135	1,006,038	1,077,697	1,041,842	1,052,444	683,483
621,121	459,629	441,769	415,242	391,300	371,174
11,267,383	11,301,633	12,066,372	13,059,624	12,900,845	13,373,948
191,100	181,313	223,254	601,870	730,384	-
330,826	334,769	1,005,749	295,192	355,773	366,887
723,832	549,097	423,575	291,604	358,837	649,986
-	-	-	-	-	-
33,926	32,699	37,991	29,589	8,943	88,883
-	-	-	-	-	650,521
615,542	202,393	566,039	579,539	1,037,366	2,485,671
-	-	278,000	96,263	257,055	177,865
1,895,226	1,300,271	2,534,608	1,894,057	2,748,358	4,419,813
$ (9,372,157)	$ (10,001,362)	$ (9,531,764)	$ (11,165,567)	$ (10,152,487)	$ (8,954,135)
3,016,649	3,217,538	3,620,758	3,914,885	4,276,918	4,555,926
687,845	692,161	704,442	697,336	714,253	694,121
1,478,065	1,549,695	1,650,931	1,767,048	1,992,939	2,143,239
316,353	312,433	357,278	360,589	349,849	398,205
132,234	96,529	106,756	111,841	102,063	113,504
59,851	99,353	190,320	283,700	119,746	20,739
-	-	-	-	-	2,110
239,590	289,291	192,281	184,509	233,319	100,720
2,448,575	2,896,410	3,094,654	3,044,742	3,145,528	2,991,137
8,379,162	9,153,410	9,917,420	10,364,650	10,934,615	11,019,701
$ (992,995)	$ (847,952)	$ 385,656	$ (800,917)	$ 782,128	$ 2,065,566

City of Lockhart, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2012	2013	2014	2015
Business-type activities				
Expenses				
Electric	$ 8,928,955	$ 8,722,855	$ 9,725,877	$ 9,753,464
Water	2,974,676	2,874,616	2,685,091	3,258,446
Wastewater	1,937,230	1,836,078	1,936,142	1,849,338
EMS	-	-	-	-
Sanitation	1,069,763	1,090,003	1,077,505	1,166,275
Airport	75,469	76,188	79,443	82,646
Total business-type expenses	14,986,093	14,599,740	15,504,058	16,110,169
Program revenues				
Charges for services				
Electric	10,678,214	10,388,956	11,521,734	12,039,498
Water	3,193,225	3,050,522	3,100,358	3,090,312
Wastewater	2,065,623	2,108,828	2,188,454	2,195,102
EMS	-	-	-	-
Sanitation	1,323,672	1,349,400	1,332,323	1,402,428
Airport	70,727	67,799	69,035	68,520
Operating grants and contributions	-	34,606	-	11,821
Capital grants and contributions	257,900	942,271	37,035	-
Total business-type program revenues	17,589,361	17,942,382	18,248,939	18,807,681
Total business-type activities net program expense	$ 2,603,268	$ 3,342,642	$ 2,744,881	$ 2,697,512
General revenues and other changes in net position				
Impact fees	32,398	37,846	218,458	255,462
Unrestricted investment earnings	13,906	15,294	14,881	21,733
Miscellaneous	-	-	-	6,858
Transfers	(2,146,642)	(2,588,969)	(2,595,561)	(2,356,889)
Total general revenues and other changes in net position	(2,100,338)	(2,535,829)	(2,362,222)	(2,072,836)
Total business-type activities change in net position	$ 502,930	$ 806,813	$ 382,659	$ 624,676
Total primary government change in net position	$ (381,093)	$ 233,845	$ (29,607)	$ (105,240)

2016	2017	2018	2019	2020	2021
$ 8,664,234	$ 8,722,211	$ 9,132,038	$ 9,242,068	$ 8,564,816	$ 11,350,044
3,257,979	3,545,084	3,428,101	3,224,639	3,908,621	5,066,674
2,089,407	1,824,111	1,281,066	1,370,942	1,444,482	1,635,537
1,230,254	1,289,014	1,334,506	1,383,128	1,407,549	1,408,385
1,215,636	1,345,466	1,461,111	1,553,603	1,592,412	1,690,298
69,911	76,438	100,130	78,258	80,607	76,546
16,527,421	16,802,324	16,736,952	16,852,638	16,998,487	21,227,484
10,974,720	11,444,388	12,238,369	12,193,929	11,039,153	11,560,085
3,100,239	3,287,603	3,336,689	3,267,558	3,555,391	3,758,322
2,265,298	2,578,386	2,339,875	2,278,003	2,277,346	2,478,077
2,007,847	1,354,810	1,438,174	978,097	1,071,931	1,136,903
1,464,121	1,593,359	1,708,812	1,872,719	1,981,863	2,040,494
68,927	71,489	71,433	89,059	82,809	85,953
-	7,016	24,925	68,272	44,680	-
1,042,796	195,261	-	-	23,750	432,657
20,923,948	20,532,312	21,158,277	20,747,637	20,076,923	21,492,491
$ 4,396,527	$ 3,729,988	$ 4,421,325	$ 3,894,999	$ 3,078,436	$ 265,007
263,817	83,585	244,561	195,808	296,093	-
61,357	118,159	236,101	368,594	164,183	21,947
-	-	23,598	-	8,552	199,136
(2,448,575)	(2,896,410)	(3,094,654)	(3,044,742)	(3,145,528)	(2,991,137)
(2,123,401)	(2,694,666)	(2,590,394)	(2,480,340)	(2,676,700)	(2,770,054)
$ 2,273,126	$ 1,035,322	$ 1,830,931	$ 1,414,659	$ 401,736	$ (2,505,047)
$ 1,280,131	$ 187,370	$ 2,216,587	$ 613,742	$ 1,183,864	$ (439,481)

City of Lockhart, Texas

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2012	2013	2014	2015
General Fund				
Nonspendable				
Prepaid items	$ 19,180	$ 20,452	$ 19,116	$ 23,103
Inventory	31,110	32,669	19,327	14,578
Restricted	94,718	92,510	166,141	91,955
Committed	794,336	745,659	742,680	602,435
Unassigned	2,126,968	2,456,454	2,655,076	3,196,967
Total general fund	$ 3,066,312	$ 3,347,744	$ 3,602,340	$ 3,929,038
All Other Governmental Funds				
Nonspendable				
Prepaid items	$ -	$ -	$ 10,373	$ 2,673
Restricted				
Retirement of long-term debt	499,163	515,468	429,226	362,919
Special revenue funds	473,266	590,589	690,237	757,115
General government	-	-	-	-
Tourism	-	-	-	-
Municipal court	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Various capital projects	3,197,595	2,122,420	838,025	8,386,106
Unassigned	-	-	-	-
Total all other governmental funds	$ 4,170,024	$ 3,228,477	$ 1,967,861	$ 9,508,813

2016	2017	2018	2019	2020	2021
$ 15,728	$ 23,642	$ 37,870	$ 30,627	$ 27,327	$ 610,955
13,699	11,272	11,563	13,572	9,350	17,718
-	-	-	-	-	234,613
604,252	609,054	553,877	574,446	308,539	309,050
3,423,228	3,897,547	4,451,131	5,103,853	6,673,086	6,506,302
$ 4,056,907	$ 4,541,515	$ 5,054,441	$ 5,722,498	$ 7,018,302	$ 7,678,638

$ 4,512	$ 680	$ 2,765	$ -	$ -	$ -
278,089	285,621	240,674	203,016	115,835	-
-	-	-	-	-	
627,417	664,319	35,067	46,502	59,773	63,160
8,248	8,485	2,721	6,637	64,016	98,198
-	-	-	-	-	118,506
180,153	206,068	227,044	206,600	179,496	18,994
-	-	903,976	1,073,692	1,063,841	-
6,792,536	5,160,201	4,531,457	3,437,195	2,914,631	5,857,283
-	-	-	(3,523)	(323,955)	(87,431)
$ 7,890,955	$ 6,325,374	$ 5,943,704	$ 4,970,119	$ 4,073,637	$ 6,068,710

City of Lockhart, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2012	2013	2014	2015
Revenues				
Property taxes	$ 3,402,052	$ 3,381,542	$ 3,488,117	$ 3,531,590
Sales and other taxes	1,690,866	1,697,976	1,795,555	1,916,643
Franchise and local taxes				
Fines, fees and forfeitures	1,725,665	1,099,975	824,213	1,021,043
Licenses and permits	61,138	63,152	147,923	288,438
Charges for services	45,155	812,579	1,103,401	1,383,027
Intergovernmental and grants	655,203	544,888	381,406	391,200
Investment	24,991	23,005	18,355	23,881
Miscellaneous	602,542	739,044	502,274	493,852
Total revenues	8,207,612	8,362,161	8,261,244	9,049,674
Expenditures				
Current				
General government	1,134,953	1,947,463	1,955,191	1,946,091
Public safety	5,426,686	5,425,960	5,639,925	5,767,328
Public works	1,611,562	974,409	1,006,216	930,794
Health and welfare	5,434	26,176	5,739	11,970
Culture and recreation	772,519	782,139	737,113	880,443
Community development	-	-	-	-
Capital outlay	1,033,268	1,088,877	1,334,223	665,475
Debt service				
Principal retirement	914,253	945,374	795,796	358,092
Interest and fiscal charges	460,616	420,448	388,222	825,385
Paying agent and issue costs	400	400	400	132,458
Total expenditures	11,359,691	11,611,246	11,862,825	11,518,036
Excess (deficiency) of revenues over expenditures	(3,152,079)	(3,249,085)	(3,601,581)	(2,468,362)
Other financing sources (uses)				
Debt issued	-	-	-	7,700,735
Premium on issuance of bonds	-	-	-	278,388
Payment to escrow	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Transfers in	2,674,959	3,393,219	3,143,246	2,958,448
Transfers out	(528,317)	(804,250)	(547,685)	(601,559)
Total other financing sources (uses)	2,146,642	2,588,969	2,595,561	10,336,012
Change in fund balances	$ (1,005,437)	$ (660,116)	$ (1,006,020)	$ 7,867,650
Debt service as a percentage of noncapital expenditures	14.02%	13.58%	11.90%	10.91%

2016	2017	2018	2019	2020	2021
$ 3,757,254	$ 3,971,301	$ 4,352,825	$ 4,676,453	$ 5,028,375	$ 5,274,506
1,921,425	1,990,221	2,114,965	2,239,478	2,444,852	2,143,239
					511,709
1,115,233	927,273	1,227,557	1,127,998	1,190,406	414,578
173,641	125,761	192,622	142,721	243,196	650,521
-	-	-	2,200	2,200	738,869
184,438	202,393	458,624	554,354	866,355	3,061,756
59,851	99,353	190,320	283,700	119,746	20,739
550,390	288,003	323,296	275,443	223,199	186,781
7,762,232	7,604,305	8,860,209	9,302,347	10,118,329	13,002,698
1,853,485	1,847,858	1,933,687	2,107,937	2,333,952	1,777,924
4,680,022	4,751,069	5,212,519	5,631,506	5,579,302	6,052,616
1,069,441	1,168,180	1,727,405	1,601,001	1,948,586	1,571,151
12,138	17,207	11,396	13,320	139,685	20,539
834,815	890,047	949,731	912,739	1,150,716	1,022,863
-	-	-	-	-	707,075
1,589,287	1,818,019	828,872	1,238,106	551,827	1,442,886
855,322	587,160	601,470	690,799	727,163	797,305
566,342	500,948	483,207	456,409	432,504	413,447
151,889	1,200	1,000	800	800	-
11,612,741	11,581,688	11,749,287	12,652,617	12,864,535	13,805,806
(3,850,509)	(3,977,383)	(2,889,078)	(3,350,270)	(2,746,206)	(803,108)
4,887,402	-	-	-	-	383,923
593,157	-	-	-	-	-
(5,455,484)	-	-	-	-	-
-	-	-	-	-	251,942
3,451,810	3,440,098	3,688,600	3,796,267	4,360,894	3,793,615
(1,003,235)	(543,688)	(593,946)	(751,525)	(1,215,366)	(802,478)
2,473,650	2,896,410	3,094,654	3,044,742	3,145,528	3,627,002
$ (1,376,859)	$ (1,080,973)	$ 205,576	$ (305,528)	$ 399,322	$ 2,823,894
14.68%	11.64%	10.42%	10.23%	10.14%	9.78%

(This page intentionally left blank.)

City of Lockhart, Texas

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Last Ten fiscal years

Fiscal Year	Ad Valorem	Penalty and Interest	Sales	Franchise	Hotel/Motel	Other	Total
2012	$ 3,351,984	$ 50,068	$ 1,292,841	$ 293,375	$ 93,052	$ 11,598	$ 5,092,918
2013	3,333,978	47,564	1,293,019	308,180	81,614	15,163	5,079,518
2014	3,441,616	46,232	1,381,748	319,982	83,831	10,263	5,283,672
2015	3,487,044	44,546	1,479,056	325,911	100,522	11,154	5,448,233
2016	3,704,494	43,744	1,478,065	339,459	90,542	22,375	5,678,679
2017	3,909,699	58,868	1,549,695	336,068	87,766	19,426	5,961,522
2018	4,304,798	48,027	1,650,931	357,278	82,180	24,576	6,467,790
2019	4,620,916	55,537	1,767,048	360,589	87,078	24,763	6,915,931
2020	4,959,883	68,493	1,992,939	349,849	78,696	23,367	7,473,227
2021	5,214,552	59,954	2,143,239	335,952	101,455	34,957	7,890,109

City of Lockhart, Texas

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE

Last Ten fiscal years

Fiscal Year	Tax Roll	Real Property: Residential Property	Real Property: Non-Residential Property	Personal Property	Minerals	Less: Tax Exempt Real Property	Total Taxable Assessed Value Before Freeze
2012	2011	$ 410,135,248	$ 128,443,852	$ 54,648,590	$ 23,060	$ 115,156,405	$ 478,094,345
2013	2012	416,425,765	129,671,339	46,217,410	14,400	114,848,768	477,480,146
2014	2013	427,236,194	131,330,390	53,978,110	14,400	118,025,207	494,533,887
2015	2014	449,920,448	132,450,610	53,836,070	5,040	139,636,140	496,576,028
2016	2015	469,313,930	135,525,093	55,579,530	7,091	141,581,487	518,844,157
2017	2016	482,454,757	141,155,970	53,621,290	7,091	144,119,120	533,119,988
2018	2017	544,551,915	189,973,297	54,203,240	11,626	178,676,169	610,063,909
2019	2018	574,119,621	214,527,344	57,249,280	10,524	175,188,050	670,718,719
2020	2019	553,623,275	326,454,397	58,419,990	10,732	206,639,213	731,869,181
2021	2020	511,111,983	616,467,277	65,657,280	17,930	245,069,989	948,184,481

NOTE: Property in the City is reassessed annually. The City assesses property at 100% of actual taxable value for all types of real and personal property. Tax rates are per $100 of assessed value.

SOURCE: Caldwell County Appraisal District

Total Freeze Taxable	Freeze Adjusted Taxable	Total Direct Tax Rate	Estimated Tax Value Before Freeze Ceiling	Freeze Ceiling	Estimated Tax Value Including Freeze Ceiling	Assessed Value as a Percentage of Actual Value
$ (68,288,668)	$ 409,805,677	$ 0.7228	$ 2,962,075	$ (410,114)	$ 2,551,961	100.00%
(64,845,430)	412,634,716	0.7227	2,982,111	(394,028)	2,588,083	100.00%
(68,854,298)	425,679,589	0.7227	3,076,386	(431,018)	2,645,368	100.00%
(74,867,624)	421,708,404	0.7227	3,047,687	(480,236)	2,567,451	100.00%
(73,449,458)	445,394,699	0.7333	3,266,079	(466,371)	2,799,708	100.00%
(82,590,348)	450,529,640	0.7333	3,303,734	(536,304)	2,767,430	100.00%
(99,921,193)	510,142,716	0.7260	3,703,636	(604,104)	3,099,532	100.00%
(102,926,905)	567,791,814	0.7107	4,035,296	(593,298)	3,441,998	100.00%
(118,099,443)	613,769,738	0.6842	4,199,413	(839,333)	3,360,080	100.00%
(160,899,077)	787,285,404	0.63540	5,002,411	(763,355)	4,239,056	100.00%

City of Lockhart, Texas

DIRECT AND OVERLAPPING PROPERTY TAX RATES

PER $100 OF ASSESSED VALUE

Last Ten fiscal years

	City Direct Rates			Overlapping Rates					
Fiscal Year	Debt Service	General Fund	Total	Lockhart ISD	Plum Creek Underground Water	Plum Creek Conservation District	Caldwell County	Farm to Market Rd	Total
2012	0.1150	0.6078	0.7228	1.1882	0.0200	0.0200	0.6908	0.0001	1.9191
2013	0.1150	0.6077	0.7227	1.1868	0.0210	0.0210	0.6907	0.0001	1.9196
2014	0.1150	0.6077	0.7227	1.1795	0.0220	0.0220	0.6906	0.0001	1.9142
2015	0.1150	0.6077	0.7227	1.4291	0.0220	0.0220	0.6905	0.0001	2.1637
2016	0.1366	0.5967	0.7333	1.3305	0.0215	0.0225	0.7174	0.0001	2.0920
2017	0.1300	0.6033	0.7333	1.3324	0.0215	0.0230	0.7752	0.0001	2.1522
2018	0.1183	0.6077	0.7260	1.3324	0.0214	0.0232	0.7752	0.0001	2.1523
2019	0.1076	0.6031	0.7107	1.3324	0.0214	0.0232	0.7752	0.0001	2.1523
2020	0.0980	0.5862	0.6842	1.2624	0.0207	0.0225	0.7430	0.0001	2.0487
2021	0.0833	0.5521	0.6354	1.1671	0.0216	0.0218	0.7053	0.0001	1.9159

SOURCE: Caldwell County Tax Office

City of Lockhart, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago (Unaudited)

2021

Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Wal-Mart Stores Texas	$ 10,274,840	1.10%
Economy Realty, LTD	7,957,760	0.86%
Stanton XT VRH Holdings	7,115,100	0.76%
H.E.B. Grocery	6,651,096	0.71%
LCRA Transmission Group	6,419,110	0.69%
KB Home Lone Star LP	5,663,980	0.61%
Lockhart DMA Housing LLC	5,418,080	0.58%
Lockhart Village Partners	4,202,700	0.45%
Wal-Mart Properties, Inc.	3,960,580	0.43%
Green Acres Housing LLC	3,598,027	0.39%
	$ 61,261,273	**6.58%**

2012

Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Dormae Products, Inc.	$ 4,532,380	0.95%
Lockhart DMA Housing LLC	3,936,238	0.83%
LCRA Transmission Svc. Corp	3,834,820	0.80%
H.E.B. Grocery	3,672,380	0.77%
Wal-Mart Properties, Inc.	3,247,970	0.68%
Economy Reality	2,854,670	0.60%
Tri-State Facilities Lockhart, LLC	2,787,830	0.58%
First Lockhart National Bank	2,414,950	0.51%
Fred W. Hoskins	2,156,490	0.45%
Hazelett Drilling	2,150,000	0.45%
	$ 31,587,728	**6.62%**

SOURCE: Municipal Advisory Council (MAC)

City of Lockhart, Texas

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten fiscal years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collections within the Fiscal Year of the Levy	
				Amount	Percentage of Levy
2012	$ 3,358,174	$ (1,511)	$ 3,356,663	$ 3,260,872	97.15%
2013	3,358,263	(12,722)	3,345,541	3,254,196	97.27%
2014	3,441,841	(11,181)	3,430,660	3,350,075	97.65%
2015	3,511,080	(3,381)	3,507,699	3,412,941	97.30%
2016	3,712,656	(4,330)	3,708,326	3,620,368	97.63%
2017	3,896,845	(18,278)	3,878,567	3,798,713	97.94%
2018	4,295,180	38,534	4,333,714	4,226,010	97.51%
2019	4,608,371	(7,833)	4,600,538	4,515,714	98.16%
2020	5,013,498	(10,968)	5,002,530	4,881,568	97.58%
2021	5,196,719	7,716	5,204,435	5,094,484	97.89%

NOTES: Collections do not include penalty and interest.

The information above is presented to illustrate the City's ability to collect the amount it levies for a fiscal yer, rather than provide a detailed breakdown of the revenue recognized in a fiscal year.

SOURCE: Caldwell County Tax Office

Collections in Subsequent Years	Total Collections to Date		Uncollected Balance
	Amount	Percentage of Levy	
$ 86,172	$ 3,347,044	99.71%	$ 9,619
80,486	3,334,682	99.68%	10,859
69,499	3,419,574	99.68%	11,086
80,589	3,493,530	99.60%	14,169
73,086	3,693,454	99.60%	14,872
60,759	3,859,472	99.51%	19,095
85,143	4,311,153	99.48%	22,561
54,864	4,570,578	99.35%	29,960
63,541	4,945,109	98.85%	57,421
-	5,094,484	97.89%	109,951

(This page intentionally left blank.)

City of Lockhart, Texas

ELECTRIC PURCHASED AND CONSUMED

Last Ten fiscal years

Fiscal Year	KWH Electric Purchased	KWH Electric Consumed	KWH Electric Unbilled	Average Percent Unbilled	Total Direct Rate Electric Base Rate	Total Direct Rate Electric Usage Rate
2021	$ 112,093,344	$ 97,543,951	$ 14,549,393	13%	10.00	0.0202
2013	108,361,349	98,539,092	9,822,257	9%	10.82	0.0202
2014	111,416,750	103,167,845	8,248,905	7%	10.82	0.0202
2015	113,918,033	104,171,535	9,746,498	9%	10.82	0.0202
2016	112,447,919	101,868,831	10,579,088	9%	11.32	0.0190
2017	114,910,305	104,995,443	9,914,862	9%	22.20	0.0190
2018	122,944,319	114,446,577	8,497,742	7%	22.60	0.0216
2019	122,837,459	114,115,638	8,721,821	7%	23.10	0.0216
2020	120,845,231	112,276,873	8,568,358	7%	23.10	0.0216
2021	115,850,641	107,243,944	8,606,697	7%	23.10	0.0216

NOTE: Full detail of rate information can be found on schedule titled "Electric Rates".

City of Lockhart, Texas

ELECTRIC RATES

Last Ten fiscal years

	Fiscal Year				
	2012	2013	2014	2015	2016
Electric Rates (per KWH)					
Base Rate	$ 10.00	$ 10.82	$ 10.82	$ 10.82	$ 11.32
Electric Usage Rate					
0 - 1,200 kwh	0.02020	0.02020	0.02020	0.02020	0.01896
1,201 +	0.02910	0.02910	0.02910	0.02910	0.03250
+ all kwh	-	-	-	-	0.00225

NOTE: Increases in electric rates are approved by the City Council.

Fiscal Year				
2017	**2018**	**2019**	**2020**	**2021**
$ 22.20	$ 22.60	$ 23.10	$ 23.10	$ 23.10
0.01896	0.02156	0.02156	0.02156	0.02156
0.03250	0.03510	0.03510	0.03510	0.03510
0.00225	0.00225	0.00225	0.00225	0.00225

(This page intentionally left blank.)

City of Lockhart, Texas

TEN LARGEST ELECTRIC CUSTOMERS

Current Year and Nine Years Ago

2021

Customer	Type of Business	12-Month Electric Consumption per kWh	Percent of Total Billed
MTC/Lockhart Correctional Facility	Private Public Safety	3,724,960	3.29%
H.E.B. Stores	Retail	2,578,000	2.28%
Pure Castings	Retail	2,152,500	1.90%
Livingood Feeds	Retail	1,327,500	1.17%
Caldwell County Jail	Government	1,125,000	0.99%
G.B.R.A.	Service	1,106,640	0.98%
Lockhart High School	Public School	1,074,000	0.95%
Dormae/Serta Products	Production	1,030,200	0.91%
City of Lockhart Parks	Government	1,011,300	0.89%
Bluebonnet Elementary	Public School	983,250	0.87%

2012

Customer	Type of Business	12-Month Electric Consumption per kWh	Percent of Total Billed
H.E.B. Stores	Retail	2,574,900	2.56%
Dormae/Serta Products	Production	1,423,800	1.41%
Caldwell County Jail	Government	1,401,000	1.39%
G.B.R.A.	Service	1,213,800	1.21%
Livingood Feeds	Retail	1,149,300	1.14%
Lockhart High School	Public School	1,033,200	1.03%
Pinnacle Health	Healthcare	999,840	0.99%
Henderson Controls	Retail	828,000	0.82%
Bluebonnet Elementary	Public School	654,300	0.65%
Kinlock, LLC DBA McDonalds	Service	590,040	0.59%

City of Lockhart, Texas

WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED

Last Ten fiscal years

Fiscal Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated
2012	589	514	75	13%	481
2013	546	465	81	15%	398
2014	534	478	56	11%	414
2015	522	476	46	9%	482
2016	545	461	84	15%	487
2017	544	466	77	14%	451
2018	575	481	95	16%	399
2019	526	460	66	13%	367
2020	553	452	101	18%	373
2021	473	449	24	5%	412

NOTES: Water and sewer usage rates shown are for 2,001-6,000 gallon usage range.
Gallons produced and consumed are represented in million gallons.
Full detail of rate information can be found on schedule titled "Water and Sewer Rates".

Total Direct Rate			
Water		Sewer	
Base Rate	Usage Rate	Base Rate	Usage Rate
20.75	3.90	14.16	4.67
22.10	3.90	15.51	4.67
22.10	3.90	15.51	4.67
22.10	3.90	15.51	4.67
22.10	3.90	15.51	4.67
22.10	3.90	15.51	4.67
22.60	4.50	15.51	4.67
23.10	4.80	15.51	4.67
23.60	4.80	15.51	4.67
23.60	4.80	15.51	4.67

(This page intentionally left blank.)

City of Lockhart, Texas

TEN LARGEST WATER CUSTOMERS

Current Year and Nine Years Ago (Unaudited)

2021

Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
MTC/Lockhart Correctional Facility	Private Public Safety	54,841	30.64%
Caldwell County Jail	Government	8,902	4.97%
Pinnacle Health Facility	Healthcare	5,180	2.89%
City of Lockhart Airport	Government	4,089	2.28%
Federal Housing - Landing	Government	3,952	2.21%
Wal-Mart Store	Retail	3,082	1.72%
Plum Creek Hospitality	Hospitality	2,965	1.66%
Hill Country Foodworks	Manufacturing	2,718	1.52%
Brite & Shiny Carwash	Service	2,563	1.43%
Town Laundromat	Service	2,062	1.15%

2012

Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
Caldwell County Jail	Government	7,931	4.78%
Lockhart High School Track	Public School	6,437	3.88%
Lockhart ISD	Public School	4,811	2.90%
Pinnacle Health Facility	Healthcare	4,765	2.87%
Diversicare Corporation	Healthcare	2,026	1.22%
Federal Housing - Landing	Government	1,879	1.13%
JAADI Corporation	Hospitality	1,689	1.02%
G&G Laundromat	Service	1,612	0.97%
TXI Operations, LP	Service	1,555	0.94%
Brite & Shiny Carwash	Service	1,523	0.92%

City of Lockhart, Texas

WATER AND SEWER RATES

Last Ten Fiscal Years

	Fiscal Year				
	2012	2013	2014	2015	2016
Water Rates (per 2,000 gallons)					
Base Rate	$ 20.75	$ 22.10	$ 22.10	$ 22.10	$ 22.10
Water Usage Rate					
2,001-6,000	3.90	3.90	3.90	3.90	3.90
6,001-8,000	4.15	4.15	4.15	4.15	4.15
8,001-10,000	4.40	4.40	4.40	4.40	4.40
>10,001	5.15	5.15	5.15	5.15	5.15
Sewer Rates (per 2,000 gallons)					
Base Rate	14.16	15.51	15.51	15.51	15.51
Sewer Usage Rate					
>2,000	4.67	4.67	4.67	4.67	4.67

NOTES: Increases in water and sewer are approved by the City Council.

Sewer consumption rates for residential customers are based on the average of the last three-month period of December, January, and February that preceded the billing date.

Fiscal Year				
2017	**2018**	**2019**	**2020**	**2021**
$ 22.10	$ 22.60	$ 23.10	$ 23.60	23.60
3.90	4.50	4.80	4.80	4.80
4.15	4.75	5.05	5.05	5.05
4.40	5.00	5.30	5.30	5.30
5.15	5.75	6.05	6.05	6.05
15.51	15.51	15.51	15.51	15.51
4.67	4.67	4.67	4.67	4.67

City of Lockhart, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	Governmental Activities				Business-type Activities	
Fiscal Year	Certificates of Obligation	General Obligation Bonds	Capital Leases	Plus: Issuance Premiums	Certificates of Obligation	General Obligation Bonds
2012	$ 8,225,979	$ 1,812,396	$ 179,161	$ -	$ 319,021	$ 4,577,604
2013	7,889,937	1,382,225	-	-	250,061	3,927,775
2014	7,539,595	936,771	-	-	180,404	3,253,229
2015	14,875,686	476,031	-	278,388	9,089,313	2,553,969
2016	9,381,395	4,887,402	-	835,806	9,073,608	1,877,593
2017	8,794,235	4,887,052	-	774,293	8,850,765	1,762,948
2018	8,192,765	4,887,052	-	712,782	8,607,235	1,642,948
2019	7,707,775	4,681,243	-	651,271	8,352,225	1,573,757
2020	7,208,875	4,452,980	-	589,760	8,091,125	1,497,018
2021	6,691,415	4,224,718	332,340	528,249	7,823,585	1,420,278

NOTE: Details regarding the City's outstanding debt can be found in the notes to financial statements.

Business-type Activities						
Capital Leases	State Infrastructure Loan	Contractual Obligations	Plus: Issuance Premiums	Total Primary Government	Percentage of Personal Income	Per Capita
$ 2,111,646	$ -	$ -	$ 3,054	$ 17,228,861	4.3%	1,358
1,766,382	3,600,000	-	2,036	18,818,416	4.7%	1,483
1,420,920	3,459,070	3,400,000	1,018	20,191,007	5.1%	1,591
1,045,473	3,314,617	3,400,000	324,792	35,358,269	8.9%	2,787
643,534	3,166,553	3,400,000	500,572	33,766,463	8.4%	2,661
219,939	3,014,787	3,400,000	468,308	32,172,327	7.7%	2,535
104,350	2,859,227	3,400,000	436,047	30,842,406	6.7%	2,215
86,958	2,699,779	14,995,000	403,786	41,151,794	9.0%	2,955
69,566	2,536,344	22,975,000	371,510	47,792,178	16.3%	3,432
248,249	2,368,823	30,935,000	339,249	54,911,906	15.2%	3,819

City of Lockhart, Texas

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

	General Bonded Debt Outstanding					
Fiscal Year	**Certificates of Obligation**	**General Obligation Bonds**	**Plus: Issuance Premiums**	**Total**	**Debt Service Monies Available**	**Net Bonded Debt**
2012	$ 8,225,979	$ 1,812,396	$ -	$ 10,038,375	$ 499,163	$ 9,539,212
2013	7,889,937	1,382,225	-	9,272,162	515,468	8,756,694
2014	7,539,595	936,771	-	8,476,366	429,226	8,047,140
2015	14,875,686	476,031	278,388	15,630,105	362,919	15,267,186
2016	9,381,395	4,887,402	835,806	15,104,603	278,089	14,826,514
2017	8,794,235	4,887,052	774,293	14,455,580	285,621	14,169,959
2018	8,192,765	4,887,052	712,782	13,792,599	240,674	13,551,925
2019	7,707,775	4,681,243	651,271	13,040,289	203,016	12,837,273
2020	7,208,875	4,452,980	589,760	12,251,615	115,835	12,135,780
2021	6,691,415	4,224,718	528,249	11,444,382	-	11,444,382

NOTE: Details regarding the City's outstanding debt can be found in the notes financial statements.

Percentage of Actual Taxable Value of Property	Per Capita
2.00%	752
1.77%	690
1.62%	634
2.94%	1,203
2.78%	1,168
2.32%	1,117
2.22%	973
1.91%	922
1.66%	872
1.21%	796

City of Lockhart, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2021 (Unaudited)

	Gross Debt Outstanding		Percentage Applicable	Amount Applicable
	Date	**Amount**	**to City**	**to City**
Direct Debt:				
City of Lockhart	9/30/2021	$ 20,160,000	100.00%	$ 20,160,000
Overlapping Debt:				
Caldwell County	9/30/2021	17,585,000	30.08%	5,289,568
Lockhart Independent School District	6/30/2021	61,939,961	45.25%	28,027,832
Total Overlapping Debt		79,524,961		33,317,400
Total		$ 99,684,961		$ 53,477,400

NOTES: There is no legal debt limit for the City. Texas municipalities are not bound by any direct constitutional or statutory maximums as to the amount of obligation bonds which may be issued; however, all local bonds must be submitted to and approved by the State Attorney General. It is the established practice of the Attorney General not to approve a prospective bond issue if it will result in a tax levy for general bonded debt of over $1.00 for cities under 5,000 population, or $1.50 for cities over 5,000 population.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each government's total taxable value.

SOURCE: Municipal Advisory Council of Texas `

City of Lockhart, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years (Unaudited)

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2012	12,689	398,637,624	31,416	4,968	6.4%
2013	12,689	398,637,624	31,416	5,130	5.3%
2014	12,689	398,637,624	31,416	5,366	4.2%
2015	12,689	398,637,624	31,416	5,393	4.0%
2016	12,689	404,131,961	31,849	5,699	4.0%
2017	12,689	417,328,521	32,889	5,910	3.4%
2018	13,924	457,946,436	32,889	6,120	3.4%
2019	13,924	457,946,436	32,889	6,160	3.2%
2020	13,924	292,974,884	21,041	6,160	3.2%
2021	14,379	360,711,594	25,086	6,167	6.0%

NOTES: The unemployment rates are a twelve month average from October through September for Caldwell County.

Decrease in personal income in fiscal year 2020 is due to the coronavirus pandemic.

SOURCES:
(1) Population based on U.S. Census Bureau

(2) U.S. Department of Commerce, Bureau of Economic Analysis (for Caldwell County)

(3) Lockhart Independent School District

(4) U.S. Department of Labor - Bureau of Labor (for Caldwell County)

(This page intentionally left blank.)

City of Lockhart, Texas

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2021

Employer	Employees	Percentage of Total City Employment
Lockhart ISD	661	3.47%
Serta/Dormae Products	174	0.90%
The GEO Group, Inc.	159	0.83%
Pegasus	151	0.79%
H E Butt Grocery	147	0.77%
City of Lockhart	143	0.75%
Wal-Mart	117	0.61%
Golden Age Home	110	0.58%
Chisolm Trail Rehab Center	76	0.40%
Livengood Feed	64	0.34%
	1,802	9.46%

2012

Employer	Employees	Percentage of Total City Employment
Lockhart ISD	655	3.30%
Walmart	266	1.34%
H E Butt Grocery	180	0.91%
Serta/Dormae Products	177	0.89%
MTC (Lockhart Correctional)	168	0.85%
City of Lockhart	132	0.67%
Pegasus Schools	130	0.66%
Chisolm Trail Nursing	75	0.38%
Parkview Nursing	64	0.32%
Student Transportation	64	0.32%
	1,911	9.63%

SOURCE: Municipal Advisory Council of Texas

City of Lockhart, Texas

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	Fiscal Year				
	2012	**2013**	**2014**	**2015**	**2016**
Function/Program					
General government					
City manager	3.0	3.0	3.0	3.0	4.0
City secretary	1.0	1.0	1.0	1.0	1.0
Finance	5.0	5.0	5.0	5.0	5.0
Municipal court	5.0	5.0	5.0	5.0	5.0
Library	8.0	9.0	9.0	9.0	10.0
Parks and recreation	7.0	7.0	6.0	7.0	7.0
Code enforcement	2.0	3.0	2.0	2.0	3.0
Planning and development	5.0	3.0	4.0	4.0	4.0
Public safety					
Police	24.0	26.0	25.0	25.0	25.0
Communications	9.0	11.0	10.0	8.0	9.0
Fire	18.0	19.0	19.0	16.0	18.0
Public works					
Public works	3.0	3.0	3.0	3.0	3.0
Animal control	7.0	6.0	6.0	5.0	8.0
Garage	4.0	3.0	3.0	3.0	3.0
Streets	11.0	12.0	10.0	14.0	13.0
Electric					
Utility billing	5.0	6.0	6.0	6.0	6.0
Utility distribution	8.0	8.0	7.0	9.0	9.0
Water/wastewater					
Water operations	6.0	6.0	6.0	5.0	5.0
Sewer operations	1.0	1.0	2.0	2.0	3.0
Sanitation					
Operations	2.0	2.0	1.0	1.0	2.0
Recycle					
Economic Development	1.0	2.0	1.0	2.0	1.0
EMS	32	-	-	-	-
Total	167	141	134	135	144

Fiscal Year				
2017	2018	2019	2020	2021
4.0	5.0	5.0	5.0	4.0
1.0	1.0	1.0	1.0	1.0
5.0	4.0	5.0	5.0	5.0
4.0	4.0	4.0	4.0	4.0
9.0	9.0	9.0	9.0	6.0
7.0	7.0	8.0	8.0	8.0
3.0	3.0	3.0	3.0	3.0
4.0	4.0	4.0	4.0	4.0
28.0	30.0	29.0	27.0	29.0
9.0	10.0	9.0	9.0	10.0
15.0	14.0	14.0	13.0	13.0
3.0	2.0	2.0	2.0	2.0
8.0	8.0	7.0	6.0	6.0
3.0	3.0	3.0	3.0	4.0
12.0	12.0	12.0	12.0	12.0
5.0	6.0	6.0	6.0	6.0
9.0	8.0	9.0	9.0	9.0
5.0	5.0	6.0	6.0	6.0
3.0	4.0	3.0	3.0	4.0
2.0	2.0	2.0	2.0	2.0
				1.0
2.0	2.0	2.0	2.0	2.0
-	-	-	-	-
141	143	143	139	141

City of Lockhart, Texas

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	Fiscal Year			
	2012	**2013**	**2014**	**2015**
Function/Program				
General government				
Building permits issued	332	345	681	604
Building inspections conducted	1,872	1,934	2,433	1,784
Public safety				
Police				
Physical arrests	648	652	417	398
Traffic violations	4,335	3,396	3,372	1,701
Fire				
Fire calls	1,825	1,918	2,111	1,564
Public works				
Streets (miles)	65	65	65	65
Culture and recreation				
Parks and recreation				
Park rental	120	114	106	75
Swimming pool				
Single admissions	8,762	7,624	5,304	7,529
Party rentals	51	49	47	35
Electric				
New connections	1	10	18	7
Average daily consumption (kwh)	267,244	269,970	282,652	285,401
Water and wastewater				
Water				
New connections/taps	20	21	149	62
Average daily consumption	1.41 mgd	1.27 mgd	1.31 mgd	1.30 mgd
Peak daily consumption	2.625 mgd	2.220 mgd	2.360 mgd	2.192 mgd
Wastewater				
Average daily sewage treatment	1.32 mgd	1.09 mgd	1.13 mgd	1.32 mgd
EMS				
Ambulance loads	*	2,670	2,772	2,867

NOTES: * EMS Ambulance loads not available 2011-2012; EMS was operated by Seton Health Care

Increase in building permits issued in 2020 due to new subdivisions and apartments.

Fiscal Year					
2016	2017	2018	2019	2020	2021
647	495	444	542	839	1339
1,613	1,716	2,179	2,282	1,703	2845
628	596	934	862	451	469
2,149	3,251	5,708	6,281	4,041	4480
1,386	1,501	1,356	1,406	1,361	1388
65	65	65	66	100	124.5
91	107	73	85	32	58
8,554	8,289	6,883	6,596	-	8279
50	34	32	33	-	30
9	11	18	23	49	125
279,093	287,659	313,552	312,646	307,607	297,326
139	56	78	61	50	111
1.26 mgd	1.18 mgd	1.32 mgd	1.26 mgd	1.305 mgd	1.296 mgd
2.075 mgd	2.118 mgd	2.263 mgd	2.160 mgd	2.200 mgd	2.500 mgd
1.34 mgd	1.24 mgd	1.09 mgd	1.00 mgd	1.02 mgd	1.13 mgd
2,989	3,106	3,207	3,199	3,188	3479

City of Lockhart, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2012	2013	2014	2015
Function/Program				
Public safety				
Police				
Stations	1	1	1	1
Patrol units	21	22	22	22
Fire stations	1	1	1	1
Highways and streets				
Streets (miles)	64.7	64.7	64.7	64.7
Streetlights	1,799	1,810	1,824	1,825
School zone flashers	2	2	2	2
Culture and recreation				
Acreage	115	115	115	115
Parks	10	10	10	10
Baseball/softball diamonds	6	6	6	6
Soccer fields	8	8	8	8
Swimming pools	1	1	1	1
Electric				
Electric lines (miles)	75	76	77	77
Number of distribution stations	1	1	1	2
Capacity sold (MwH)	97,544	98,539	103,168	104,172
Water and wastewater				
Water				
Water mains (miles)	87.1	87.1	87.4	87.4
Fire hydrants	635	640	650	660
Storage capacity	1.05 mgd	1.05 mgd	1.05 mgd	1.05 mgd
Wastewater				
Sanitary sewers (miles)	76	76	76	76
Storm sewers (miles)	0	0	0	0
Treatment capacity	2.6 mgd	2.6 mgd	2.6 mgd	2.6 mgd

2016	**2017**	**2018**	**2019**	**2020**	**2021**
1	1	1	1	1	1
22	26	28	29	26	31
1	1	1	2	2	2
64.7	65.2	65.2	65.9	100.0	124.5
1,838	1,838	1,844	1,856	1,856	1856
2	2	2	2	2	2
115	115	115	115	115	115
10	10	10	10	10	10
6	6	6	6	6	6
8	8	8	8	8	8
1	1	1	1	1	1
77	77	80	80	80	82
2	2	2	2	2	2
101,869	104,995	114,447	114,116	112,276	107,243
87.4	92.1	92.1	93.7	100.0	100.5
675	685	700	729	721	721
1.05 mgd	1.05 mgd	1.05 mgd	1.05 mgd	1.05 mgd	1.55 mgd
76	76	78	79	80.6	80.8
0	0	0	0	0	0
2.6 mgd	2.6 mgd	2.6 mgd	2.6 mgd	2.6 mgd	2.6 mgd

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discussion and/or action regarding Resolution 2022-16 to accept a $1.68 million grant from the U.S. Economic Development Administration for wastewater improvements within the City of Lockhart; providing $420,000 in matching funds; and providing an effective date.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Michael Kamerlander

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: The EDA issued a grant in the territory that includes Texas and 4 of our neighboring states that is a normal EDA grant. Like any EDA grant, it is about economic growth and job creation. The expected location for large scale growth in residential, commercial, and industrial development is on the western side of the city along SH 142 including LEDC's new 75-acre industrial park. The main wastewater line serving that area is inadequate for large sustained growth in the future and it also serves properties between our new industrial park and the wastewater treatment plant. Currently there is 2.5 miles of an 8" wastewater line that runs along the rail line from SH 130 East to along Tank Street to the Larremore wastewater treatment plant on the creek. This EDA Project would expand the line to a 12" line the majority of the length as well as 15" in areas that would collect more effluent such as in town where there are more connections. This line would follow the same path but just make it larger to handle more capacity. This EDA grant would allow the City to apply and potentially receive enough funds to design and build the project to accommodate the expected future growth with a 20% match. Under the terms of the grant, infrastructure grants must be completed within 5 years. LEDC has applied twice before for similar grant funding in 2020 from an EDA Disaster grant. We were denied once and left pending on the second application for this project due to lack of funding or inadequate "beneficiaries". Those denials or funding losses were mainly because we lacked ownership of the park and real economic development projects considering the site.

LEDC has been awarded the grant and attached is Resolution 2022-16 which will officially accept the EDA Grant to construct a new wastewater line from the industrial park along the Union Pacific Railroad to the Larremore treatment plant.

The entire project cost is estimated at $2.1 million. The EDA grant is $1.68 million and the LEDC is required to provide a 20% match which would bring the total to $2.1 million. The LEDC Board and City Council both passed resolutions last summer to provide $400,000 to the project as the match but now that the grant has been awarded, the final amount must be exactly 20%.

If approved, this resolution would be provided to the EDA as proof of funds for the project which is required to move forward. The same resolution will be considered by the LEDC Board on Monday, March 14, 2022.

PROJECT SCHEDULE (if applicable): The LEDC will begn to execute the project as soon as possible.

AMOUNT & SOURCE OF FUNDING:
Funds Required: $420,000
Account Number: 800-5199-738-00
Funds Available: 0
Account Name: Grant Match

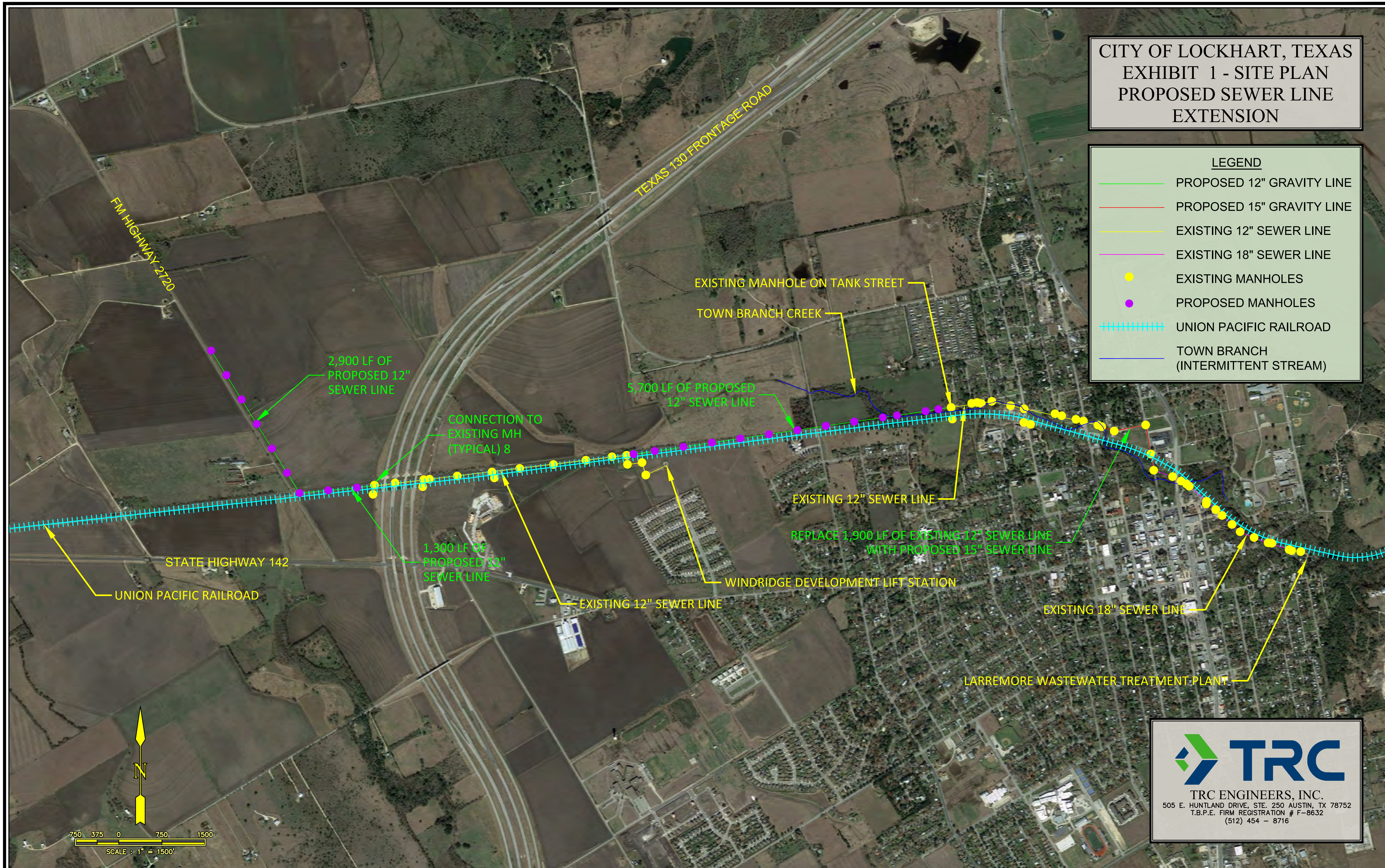
FISCAL NOTE (if applicable): This will require a budget amendment of $420,000 to the Economic Development budget for FY 2021-2022.

PREVIOUS COUNCIL ACTION: City Council passed Resolution 2021-11 at the July 20, 2021 Council meeting unanimously to support the project and allocate $400,000 to the match,

COMMITTEE/BOARD/COMMISSION ACTION: The LEDC Board passsed a resolution at its July 2021 board meeting supporting the project and allocating $400,000 from fund balance as the 20% match. The LEDC board is considering a new resolution at its regular meeting on March 14, 2022.

STAFF RECOMMENDATION/REQUESTED MOTION: Move to adopt Resolution 2022-16 to accept a $1.68 million grant from the U.S. Economic Development Administration for wastewater improvements within the City of Lockhart; providing $420,000 in matching funds; and providing an effective date.

LIST OF SUPPORTING DOCUMENTS: LEDC EDA Sewer Map, City Res Accept Grant EDA 22024202



F:\WORK IN PROGRESS\LOCKHART\406807 LEDC EDA GRANT SEWER LINE PER\500 CAD-GIS DRAWINGS\501 DRAWINGS\501.4 WORKING DWGS\GRAVITY LINE PROP EXHIBIT.DWG - 8/31/20

RESOLUTION NO 2022-16

A RESOLUTION OF THE CITY COUNCIL OF LOCKHART, TEXAS, AUTHORIZING THE LOCKHART ECONOMIC CORPORATION TO ACCEPT A $1.68 MILLION GRANT FROM THE U.S. ECONOMIC DEVELOPMENT ADMINISTRATION FOR WASTEWATER IMPROVEMENTS WITHIN THE CITY OF LOCKHART; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Lockhart Economic Development Corporation ("LEDC") is a Type B corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Economic Development Administration has grants available to make wastewater infrastructure improvements needed to protect businesses and support economic growth in the city; and

WHEREAS, the Board of Directors finds that the Grant will protect businesses and support growth in the City of Lockhart and the surrounding area; and

WHEREAS, the Board of Directors is of the opinion that accepting the Grant is in the best interests of the LEDC and the City of Lockhart; and

WHEREAS, funds can be used for the purpose of upsizing an existing wastewater line serving the industrial park within the City of Lockhart and a portion of west Lockhart, Texas;

WHEREAS, the LEDC agree to provide the required 20% matching funds equal to $420,000;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LOCKHART, TEXAS:

SECTION 1. The recitals set forth above are true and correct and are incorporated as if fully set forth herein.

SECTION 2. The Lockhart Economic Development Corporation is hereby authorized to accept a grant from the Economic Development Administration for improvements on a wastewater line within the city.

SECTION 3. This Resolution shall take effect from and after its date of adoption.

PASSED AND APPROVED by the City Council of the City of Lockhart, Texas this the 15th day of March 2022.

____
Lew White, Mayor

ATTEST:
By: ___________________________
Connie Constancio, City Secretary

APPROVED AS TO FORM:

By: ___________________________________
Monte Akers, City Attorney

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discussion and/or action regarding a property sale agreement for 11.82 acres in Lockhart Industrial Park III with Titan Development.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Michael Kamerlander

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Attached is a land purchase agreement with Titan Development out of Albuquerque, NM. Titan Development is one of the Southwest's largest and most active real estate development and investment firms. Titan offers real estate services for a variety of asset classes to take projects from inception to completion, as well as an in-house private equity fund management platform to better respond to their investor's needs.

Titan Development expanded into other strategic and high growth markets including Texas, Arizona, Colorado, and Florida. Over the past 22 years, Titan Development has established a proven track record across a diversified class of real estate investments including: multifamily, senior living, office, industrial, retail, and single-family lots.

Since its inception, the firm has completed over $2.4B in real estate development by the partners with $375.5M of assets under management, and over 15.5M square feet of developed real estate.

LEDC is currently under contract on 13.6 acres of land in Lockhart Industrial Park III with Titan. This 11.82 acres is being considered as part of the Right of First Refusal provision in the property currently under contract with Titan. Titan has exercised its Right of First Refusal because LEDC received an LOI on this tract and Titan is working with a distribution/fulfillment prospect that LEDC has been working with for a few months now. Because of this prospect, Titan felt comfortable moving forward with land acquisition and planning. Attached is the site flyer from Aquila Commercial for the industrial park. This tract shows a 154,440 SF building on 11.82 acres.

Information of note:

1. Site under the contract: Block C, Lot 2 (11.82 acres) (See Map)
2. Purchase Price: $2.75/SF or $1,415,000
3. Earnest Money: $28,000
4. Due Diligence Period: Titan shall have 180 days to complete its Due Diligence related to the site.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

Titan's receipt of site plan approval for buyer's intended use of the property from the City of Lockhart is a condition of closing.

PROJECT SCHEDULE (if applicable): Close in approximately 6 months.

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: City Council approved the sale of 13.6 acres to Titan Development in November 2021. As part of that agreement, Titan has a First Right of Refusal to purchase this property.

COMMITTEE/BOARD/COMMISSION ACTION: LEDC Board will discuss this item at its March 14, 2022 regular board meeting.

STAFF RECOMMENDATION/REQUESTED MOTION: Accept the property sale agreement for 11.82 acres in Lockhart Industrial Park III with Titan Development.

LIST OF SUPPORTING DOCUMENTS: Notice of Intent to Purchase, Purchase and Sale Agreement, Right of First Refusal Agreement, AQUILA-Lockhart-Industrial-Park-Flyer

February 17, 2022

SENT VIA EMAIL

Lockhart Economic Development Corporation
Attn: Steve Lewis
308 W. San Antonio St.
Lockhart, TX 78644
Email: slewis@lockhart-tx.org

Lockhart Economic Development Corporation
Attn: Mike Kamerlander
215 E, Market St.
Lockhart, TX 78644
Email: mkamerlander@lockhart-tx.org

Messer, Fort, McDonald PLLC
Attn: Monty Akers, City Attorney
13625 Pond Springs Rd., Ste. 204
Austin, TX 78729
Email: monte@txmunicipallaw.com

RE: Notice Electing to Purchaser under that Right of First Refusal Agreement dated December 15, 2021 ("ROFR Agreement") between Titan Property Management, LLC ("TPM") and Lockhart Economic Development Corporation ("LEDC")

Dear Steve, Mike and Monty,

TPM it is in receipt of LEDC's Offer Notice as it pertains to that LOI dated January 18, 2022 from Speculative Buyer, Threecore, LLC, regarding Block C, Lot 2 of the ROFR Property ("Threecore LOI". Pursuant to Section 2 of the ROFR Agreement, TPM hereby gives notice of its intent to purchase the same from LEDC upon substantially the same terms and conditions set forth in the Threecore LOI.

TPM will prepare and delivery a purchase and sale agreement for your review shortly.

Sincerely,

BEN F. SPENCER
Manager

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is entered into by and between LOCKHART ECONOMIC DEVELOPMENT CORPORATION, a Texas Type B sales tax corporation ("Seller"), and TITAN PROPERTY MANAGEMENT, LLC, a New Mexico limited liability company, its successors or assigns ("Buyer"), Seller and Buyer are sometimes referred to herein each individually as a "Party" and collectively as the "Parties".

RECITALS:

Seller is the owner of certain unimproved real property described below. Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, such real property on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

ARTICLE I
GENERAL INFORMATION

The following general information is used throughout this Agreement:

1.1	Buyer's Tax ID:	87-0707883
1.2	Title Company:	Chicago Title Attn: Robert P. Jordan 15727 Anthem Pkwy, Suite 210 San Antonio, TX 78249 Telephone: 210-482-3701 Email: Robert.Jordan@ctt.com
1.3	Effective Date:	The date the Title Company acknowledges receipt of counterparts of this Agreement executed by both Buyer and Seller, which date will be set forth on the Joinder of Title Company which follows the signatures of Seller and Buyer below.
1.4	Property:	That certain real property containing approximately 11.820 acres to be known as Block C, Lot 2 of the Lockhart Industrial Park III, being located near the intersection of San Antonio, St. and SH 130, Lockhart, Texas described and depicted with further particularity in Exhibit "A" attached hereto and made a part hereof.

1.5	Purchase Price:	Approximately One Million Four Hundred Fifteen Thousand and 00/100ths Dollars ($1,415,00.00), which shall be adjusted at $2.75 per square foot upon confirmation of the Property's square footage pursuant to the Survey (defined below).
1.6	Earnest Money:	Twenty-Eight Thousand Five Hundred and 00/100ths Dollars ($28,500.00) to be deposited within five (5) business days of the Effective Date, and to be applied as set forth in Section 4.1 below.
1.7	Feasibility Period:	The time period beginning on the Effective Date and ending one-hundred eighty (180) days after such date, as the same may be extended pursuant to Section 6.3 below and the deposit of the corresponding additional earnest money for each such extension as set forth therein.
1.8	Closing Date:	Thirty (30) days after expiration of the Feasibility Period.
1.9	Place of Closing:	At the office of the Title Company, in San Antonio, Texas. There shall be no requirement that Seller and Buyer physically attend the Closing, and all funds and documents to be delivered at the Closing may be delivered to Title Company unless the Parties hereto mutually agree otherwise.
1.10	Broker:	Seller's: None Buyer's: None
1.11	Commission:	None
1.12	Seller Notice:	Lockhart Economic Development Corporation Attn: Steve Lewis 308 W. San Antonio St. Lockhart, TX 78644 Telephone: 512-398-3461 Email: slewis@lockhart-tx.org
	With a copy to:	Messer, Fort, McDonald PLLC Attn: Monty Akers, City Attorney 13625 Pond Springs Rd., Ste. 204 Austin, TX 78729 Email: monte@txmunicipallaw.com

1.13 Buyer Notice: Titan Property Management, LLC
Attn: Joe Iannacone
4903 Woodrow Ave., Bldg. A
Austin, Texas 78756
Telephone: 512-720-7200
Email: jiannacone@titan-development.com

With a copy to: Christopher M. Pacheco
6300 Riverside Plaza Ln., NW, Suite 200
Albuquerque, New Mexico 87120
Telephone: 505-998-0163
Email: cpacheco@titan-development.com

1.14 Buyer's Intended Use: Construction of Class-A industrial concrete tilt-up building(s) for warehousing, distribution, and light manufacturing users, including perimeter landscaping and other design characteristics.

ARTICLE II
DEFINITIONS

The terms defined in Article I, this Article II and elsewhere in this Agreement, whenever capitalized, will have the meanings so defined whenever such terms are used in this Agreement, unless the context clearly indicates a different meaning:

2.1 "Agreement". This instrument, together with all exhibits hereto.

2.2 "Closing". The consummation of the transaction contemplated by this Agreement, including the transfer of the Property to Buyer and receipt of the Purchase Price by Seller.

2.3 "Current Funds". Wire transfer of current federal funds in accordance with wiring instructions to be provided by the Title Company, or such other forms of immediately available funds as may be acceptable to Seller.

2.4 "Deed". The Special Warranty Deed to be delivered to Buyer at Closing, in the form attached hereto as Exhibit "B" and made a part hereof.

2.5 "Earnest Money". The funds as specified in Section 1.6 above to be paid by Buyer to Title Company in accordance with Section 4.1 upon Buyer's and Seller's execution of this Agreement.

2.6 "Effective Date". is as specified in Section 1.3 above and as set forth in the Joinder Agreement herein.

2.9 "Permitted Exceptions". Those matters subject to which title to the Property will be conveyed to Buyer in accordance with Section 6.2 hereof.

2.11 "Property". The real property to be conveyed to Buyer pursuant to this Agreement as approximately described in Exhibit "A" hereto; any utility capacities, licenses, permits, approvals, authorizations, entitlements and other intangibles owned by Seller, if any, and situated on or associated with the real property (including, without limitation, any right to refunds, rebates or concessions from governmental authorities associated with the real or personal property); all easements and rights-of-way, if any, benefiting the Property and all rights and appurtenances, if any, pertaining to the Property, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way or adjacent strips or gores, and all development and air rights, riparian and other water access rights, mineral rights, sewer rights and all other rights belonging or pertaining thereto, if any. Seller

2.12 "Purchase Price". The sum specified in Section 15. above, payable in the manner set forth in Sections 4.1 and 4.2 hereof.

2.14 "Survey". A new ALTA Survey prepared by a surveyor reasonable acceptable to Buyer, which shall be delivered by Seller, at its sole cost and expense, to Buyer and Title Company in accordance with Section 6.2, showing the improvements in place as of the date of the Survey.

2.15 "Title Commitment". The commitment for an Owner's Title Insurance Policy in the form prescribed by the Texas Department of Insurance, to be issued to Buyer, at Seller's expense, in accordance with Section 6.1 hereof.

2.16 "Title Documents". True and legible copies of the documents listed in the Title Commitment as affecting the title to the Property.

2.17 "Title Policy". A TX-T1 Owner's Policy of Title Insurance (1-3-2014), to be issued to Buyer in the full amount of the Purchase Price, in accordance with Section 8.3 hereof.

2.18 "Hazardous Substances". Any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde, polychlorinated biphenyls and radon gas and any chemicals, materials or substances defined as or included in the definitions of "hazardous substances," "hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "bio-hazard," "biological waste," "medical waste" or words of similar import, under any applicable federal, state or local environmental, safety or health laws, ordinances, rules of common law, regulations or directives.

ARTICLE III
AGREEMENT OF PURCHASE AND SALE

3.1 Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell, transfer and assign to Buyer, and Buyer agrees to purchase and accept from Seller, all of Seller's right, title and interest in and to the Property. The Title Company shall act as the escrow agent for this transaction and Seller and Buyer agree to enter into any standard escrow agreement or escrow instructions required by the Title Company that are not inconsistent with the provisions of this Agreement.

ARTICLE IV
CONSIDERATION

4.1 Earnest Money Deposits. Within five (5) business days after the Effective Date, and as a condition precedent to Seller's obligations under this Agreement, Buyer will deliver the Earnest Money to Title Company, in Current Funds, to be held in escrow pursuant to the terms and conditions of this Agreement. Buyer has the unilateral right to direct the return of the Earnest Money upon any termination of this Agreement by Buyer prior to the expiration of the Feasibility Period, in which event all Earnest Money shall be refunded immediately to Buyer after Buyer's delivery of notice of termination to Seller and Title Company. Except in the event of an uncured default by Seller, or as otherwise set forth herein, if the Agreement is not terminated by Buyer prior to expiration of the Feasibility Period, the Earnest Money shall immediately become non-refundable thereafter but shall be applicable to the Purchase Price at Closing.

The Earnest Money will be held by the Title Company in an FDIC insured interest bearing account under Buyer's taxpayer identification number until disbursed in accordance with this Agreement. In the event that Buyer fails to timely deliver the Earnest Money to the Title Company, this Agreement shall be voidable at Seller's option upon written notice to the Title Company and Buyer at any time before the Earnest Money is deposited.

4.2 Payment of Purchase Price. The balance of the Purchase Price, subject to adjustments and prorations as provided herein, will be paid to Seller, through escrow with the Title Company, at Closing in Current Funds.

4.3 Independent Consideration. One Hundred and No/100 Dollars ($100.00) of the Earnest Money (the "Independent Contract Consideration") has been bargained for and is as consideration for Seller's execution and delivery of this Agreement. The Independent Contract Consideration is (i) independent of any other consideration or payment provided for in this Agreement, (ii) wholly earned by Seller upon Seller's execution of this Agreement, and (iii) not refundable and shall be retained by Seller except in the case of a default by Seller and the termination of this Agreement by Buyer. If and when the transaction closes, but not otherwise, the Independent Contract Consideration will be credited towards the Purchase Price at Closing.

ARTICLE V
CONDITIONS TO CLOSING

5.1 General Conditions.

(a) Seller's obligation to sell the Property to Buyer at the Closing is subject to and conditioned upon (i) Buyer not being in material default under this Agreement beyond any applicable notice and cure periods; and (ii) the delivery by Buyer of the items set forth in Section 8.2(b) on or before the Closing Date, or the written waiver of any such conditions in accordance with the terms of this Agreement.

(b) Buyer's obligation to purchase the Property from Seller at the Closing is subject to and conditioned upon (i) Buyer's receipt of site plan approval for Buyer's Intended Use of the

Property from the City of Lockhart, Texas, (ii) recordation of a plat by Seller of the Property in accordance with Section 7.3(k) below, (iii) completion by Seller of utilities (electric, natural gas, water, sanitary sewer, offsite storm sewer and related pond and drainage improvements, but excluding communications) and completion of the road known as Cahill Street all in accordance with Section 7.3(j) below, (iv) Seller not being in material default under this Agreement beyond any applicable notice and cure periods; (v) the delivery by Seller of the items set forth in Section 8.2(a) on or before the Closing Date, (vi) there existing no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, pending or threatened against Seller or the Property that would materially and adversely affect the operation or value of the Property or Seller's ability to perform its obligations under this contract, (vii) there being no material adverse change to the Property from and after the expiration of the Feasibility Period, and (viii) the Property being vacant with no parties or tenants in possession and no binding lease agreements in effect with respect to the Property, or the waiver of any such conditions in accordance with the terms of this Agreement.

If any condition to Buyer's obligation to proceed with the closing hereunder has not been satisfied as of closing, Buyer may, in its sole discretion, (x) terminate this contract by delivering written notice to Seller on or before Closing, and upon such termination, all of the Earnest Money, less the Independent Contract Consideration, shall be returned to Buyer, (y) elect to extend the closing until such condition is satisfied, provided, Buyer can elect to terminate this Agreement pursuant to subparagraph (x) of this paragraph at any time prior to the satisfaction of such condition, or (z) elect to consummate the transaction, notwithstanding the non-satisfaction of such condition, in which event Buyer shall be deemed to have waived any such condition. Notwithstanding the foregoing, the failure of a condition due to the breach by Seller shall not relieve Seller from any liability it would otherwise have under this Agreement. The conditions set forth in this Section 5.1(b) are for the benefit of Buyer and may be waived only by Buyer.

ARTICLE VI
DELIVERIES AND INSPECTIONS

6.1 Seller's Deliveries. Seller shall deliver to Buyer copies of the following items within Seller's possession or control, if any (collectively the "Property Documents"), within seven (7) days after the Effective Date:

a. Existing title policies for the Property;

b. Any existing surveys of the Property;

c. Building and use restrictions or declarations of easements, covenants, and restrictions applicable to any portion of the Property, specifically any architectural or design restrictions, or any other restriction as it pertains to design and development of the Property;

d. Public or private utility easements, access agreements, special assessment arrangements, tap-in or connection fee agreements or procedures relating to the Property;

e. Existing soils or boring reports, Phase I or other environmental studies, hydrological studies, engineering studies, physical condition or property condition reports, percolation tests or data, septic permits or other permits issued by any governmental authority in connection with the development of the Property;

f. Any FEMA documentation, zoning documentation of the Property;

g. Current tax bills; and

h. Notices of any action or proceeding pending or, to Seller's knowledge, threatened against Seller or relating to the Property, including, without limitation, any condemnation or bankruptcy proceedings, which challenges or impairs Seller's ability to execute or perform its obligations under this Agreement.

Seller shall have an ongoing obligation during the pendency of this Agreement to provide Buyer with any document described above and coming into Seller's possession or produced by Seller after the delivery of the Property Documents.

6.2 Title Objections. No later than fifteen (15) days after the Effective Date, Seller shall cause the Title Company to issue the Title Commitment and provide a copy to Buyer along with legible copies of the Title Documents. Additionally, within fifteen (15) days after the Effective Date, Seller shall deliver to Buyer and the Title Company, the Survey from a surveyor reasonably acceptable to the Buyer. If any exceptions or other matters appear in the Title Commitment, Title Documents or the Survey that Buyer determines in its sole discretion are unacceptable to it, then Buyer shall, not later than One Hundred Fifty (150) days after the Effective Date, furnish written notice to Seller and Title Company of such objections. If Buyer fails to so object to any item reflected in the Title Commitment or Survey by written notice received by Seller and Title Company prior to expiration of the Feasibility Period, time being of the essence with regard thereto, Buyer will be deemed to have approved all such items. Seller may, within ten (10) days after receipt of Buyer's objections (the "Title Cure Period"), cure or attempt to cure any matter to which Buyer has timely objected, although Seller will have no obligation to endeavor to cure any title objection raised by Buyer except for the removal of monetary liens created or assumed by Seller (the "Non-Permitted Liens"), and Seller will not be required to expend any effort or funds, or to commence litigation to cure any objection except the removal of monetary liens and/or encumbrances. In the event that Buyer's objections have not been cured, or Seller has not committed in writing to cure such objections at or prior to Closing, by the end of the Title Cure Period, then Buyer may terminate this Agreement by delivering a written termination notice to Seller and the Title Company within ten (10) days after the end of the Title Cure Period in which event this Agreement shall terminate, the Earnest Money shall be returned to Buyer and neither party shall have any further rights or obligations hereunder. If Buyer does not terminate this Agreement as provided herein, Buyer will be deemed to have waived any uncured objection to title and shall be deemed to have approved the same other than the Non-Permitted Liens and any matters which Seller has agreed in writing to cure at or prior to Closing. Any matters shown on the Title Commitment which Buyer approves, or is deemed to have approved, pursuant to this Section 6.2 and any liens or encumbrances caused or created by Buyer (or Buyer's employees, representatives or contractors) will constitute "Permitted Exceptions" for purposes of the Title Policy and the Deed.

If prior and up to Closing any update of the Title Commitment discloses any title exception which was not disclosed in the original Title Commitment previously delivered to Buyer (a "New Title Exception") or any update of the Survey discloses any survey defect which is not disclosed in the Survey previously provided to Buyer (a "New Survey Defect"), upon written objection from Buyer, Seller shall remove or cure such New Title Exception or New Survey Defect at or prior to Closing to the extent any such New Title Exception or New Survey Defect is susceptible to removal or cure and materially and adversely affects the Property. In the event that Seller fails to remove or cure such New Title Exception or New Survey Defect at or prior to Closing, Buyer shall be entitled to terminate this Agreement and, in such an event, the Earnest Money shall be promptly returned to Buyer, in which event neither party shall have any further obligations hereunder except those matters that expressly survive termination of this Agreement. Notwithstanding anything herein to the contrary, Buyer shall not be deemed to have waived the requirement that Seller remove (i) all monetary liens created by, through, or under Seller at or before Closing, or (ii) any encumbrances which Seller has agreed to cure in writing at or before Closing, and the failure to do so shall be a default by Seller.

6.3 Feasibility Period. During the Feasibility Period and thereafter up to and including the Closing Date, Buyer will be permitted to inspect (i) the Property (ii) the Property Documents, (iii) title, (iv) entitlements required or desired for the development of the property for Buyer's intended uses, and (v) any other matter with respect to the Property, including but not limited to economic feasibility, zoning, the local government comprehensive plan, governmental restrictions and requirements, physical condition, subsoil conditions, environmental matters, financing, and such other matters as may be of concern to Buyer. Seller shall promptly cooperate with Buyer with respect to such inspections. Buyer will restore the Property to as close as reasonably practicable to the same condition in which it existed immediately prior to the conducting of any such inspection promptly upon completion of each such inspection. Buyer may undertake physical testing of the Property with prior notice to Seller. Buyer will not permit any liens or encumbrances to arise against the Property by, through, or under Buyer in connection with or as a result of such inspection or testing.

The Feasibility Period may be extended by Buyer for three (3) additional, thirty (30) day periods, consecutively exercised. Buyer shall send written notice to Seller and Title Company of its intent to exercise any such extension periods at least three (3) days prior to expiration of the then-current feasibility period and depositing an additional sum of Five Thousand and 00/100^{ths} Dollars ($5,000.00) for each extension period exercised. Each such extension deposit shall be considered additional Earnest Money and shall be applied or otherwise returned to Buyer as set forth in Section 4.1 herein.

6.4 Right to Market. During the Feasibility Period, Buyer shall have the exclusive right to market the Property to potential users. The Property shall be marketed by a third-party brokerage company of the Buyer's choosing and at its sole cost and expense. Any potential users that are disclosed to Buyer during the Feasibility Period which Buyer elects to not pursue shall be disclosed to Seller for its consideration.

6.5 Buyer Assumes All Risks; Indemnification. Buyer will indemnify, defend and hold Seller, and Seller's members, managers, shareholders, directors, officers, management companies, agents, employees and representatives, and the Property, harmless of, from and against losses, liabilities, costs, expenses (including, without limitation, reasonable attorneys' fees and costs of court), damages, liens, claims (including, without limitation, mechanics' or materialmen's liens or claims of liens), actions and causes of action to the extent resulting from the Buyer's (or Buyer's agents, employees, contractors, or representatives, collectively, "Buyer's Consultants") inspections or actions on or related to the Property; provided, however, the foregoing indemnity shall not apply to any liability arising out of any condition discovered as a result of such inspections, samples, investigations or tests so long as such condition was not actually caused by Buyer or Buyer's Agents. All inspections/tests shall be performed in a good and workmanlike manner by persons qualified and having experience in preparing such inspections and investigations. Prior to Buyer's Consultants having access to the Property, Buyer's Consultants shall obtain and maintain during the term of this Agreement, commercial general liability insurance with solvent and responsible insurance companies legally authorized to transact business in the State of Texas, with no less than $1,000,000.00 general liability and $1,000,000 excess umbrella liability, in a form and content reasonably acceptable to Seller and deliver a certificate to Seller prior to first entry on the Premises showing Seller named as an additional insured under such policy. Buyer shall repair any damage caused by its physical inspections and shall restore the Property to their condition prior to such inspections all in accordance with law (including any damage or injury resulting from such access or inspections). The obligations of Buyer pursuant to this Section 6.5 shall survive the Closing or termination of this Agreement.

6.6 Buyer's Termination Rights. If Buyer, in its sole and absolute discretion, determines that the Property is not suitable to Buyer for its intended purpose or any condition of or related to the Property is unacceptable to Buyer, or for no reason at all, Buyer may terminate this Agreement by delivering written notice to Seller and the Title Company prior to the end of the Feasibility Period in which event this Agreement shall terminate, the Earnest Money shall be returned to Buyer as set forth in Section 4.1 above, and neither party shall have any further rights or obligations hereunder except those obligations of Buyer or Seller which shall survive such termination. If Buyer does not provide written notice of termination pursuant to this Section 6.6 on or before the expiration of the Feasibility Period, then Buyer shall be conclusively deemed to have waived its right to terminate under this Section 6.6.

6.7 Delivery of Materials Upon Termination. In the event that this Agreement is terminated under the terms of this Agreement, upon written request from Seller, Buyer will deliver not later than ten (10) days after the effective date of termination, all Property Documents delivered to Buyer by Seller as described in Section 6.1 above.

ARTICLE VII
REPRESENTATIONS, DISCLAIMERS, ACKNOWLEDGMENTS, AND COVENANTS

7.1 Limited Representations and Warranties. Seller represents and warrants to Buyer as of the Effective Date and as of the Closing Date that:

a. Seller has no knowledge of any violation of any laws, regulations or codes, nor has Seller received any written or other notice of any alleged violations of any laws, regulations or codes;

b. Seller has no knowledge of, nor has Seller received any written or other notice of, any pending or threatened claims or notices of condemnations, changes in zoning, or special assessments, concerning the Property;

c. Except (i) as may be set forth in any Phase I Environmental Site Assessment delivered to Buyer for the Property, and (ii) any Hazardous Substances used in the ordinary course of the operation of the Property, all in accordance with all applicable laws, Seller has no knowledge of any releases of, or the existence of, any Hazardous Substances on, under, or from the Property.

d. Seller owns the Property and has the right, power and authority to enter into this Agreement and to cause the Property to be sold in accordance with its terms and conditions. Seller is duly organized and legally existing under the laws of its organization and is duly qualified to transact business in the state where the Property is located. The execution and delivery of, and performance under, this Agreement are within Seller's powers and have been duly authorized. The person executing this Agreement on behalf of Seller has the authority to do so. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable in accordance with its terms, subject to equitable principles and laws applicable generally to creditor's rights;

e. There is no agreement to which Seller is a party or, to the best of Seller's knowledge, is binding on Seller or the Property that is in conflict with this Agreement or that might render Seller unable to perform its obligations under this Agreement; and there is no pending or, to Seller's knowledge, threatened litigation, arbitration, mediation, or administrative proceeding affecting the Property that challenges or would materially impair the ability of Seller to execute, deliver, or perform its obligations under this Agreement;

f. Seller has received no written notice of any threatened or pending condemnation or similar proceedings affecting the Property, and to Seller's best current actual knowledge, there are no threatened or pending condemnation or similar proceedings affecting the Property.

g. To the best of Seller's knowledge, all of the Property Documents which are delivered by Seller to Buyer pursuant to Section 6.1 are complete copies of such items as are in Seller's possession and contained in Seller's files.

h. There are no parties in possession of the Property and there are no binding lease agreements affecting the Property. No person, firm, corporation, or other entity has any right to purchase, right of first refusal, option to purchase or any other right or option to acquire all or any part of the Property and any such rights or options previously granted by Seller covering any part of the Property have been fully released.

i. Except for recorded covenants included in the Title Documents, to Seller's knowledge, there is no other agreement, understanding or restriction with or for the benefit of any person or entity, whether private, public or quasi-public, that will be binding upon Buyer after Closing and which may prevent or limit in any way the current use, or Buyer's intended use, of the Property or for any uses allowed by current zoning regulations.

j. Seller is the sole owner of good and indefeasible fee simple title to the Property.

7.2 Buyer's Covenants. Buyer hereby covenants and agrees with Seller that after the Effective Date and Closing that the use and users that Buyer will promote, utilize, and implement on the property will be similar to the types of uses and users which Buyer has promoted, utilized, and implemented for other industrial parks in central Texas, as listed below:

a. Uses:
- (i) Light Manufacturing – Indoors
- (ii) Warehousing and Distribution – Indoors
- (iii) Small amounts of outdoor storage

b. Examples of Users:
- (i) O'Reilly Auto Parts Distribution Center
- (ii) Ben E Keith Foods
- (iii) Texas Speed and Performance
- (iv) EDC Moving Systems
- (v) Paradigm Metals
- (vi) Canadian General Tower
- (vii) T.J. Maxx Distribution Center
- (viii) 3-Way Logistics
- (ix) Kval Machinery
- (x) Ovivo Water
- (xi) Brycomm
- (xii) Berger Allied Moving and Storage

7.3 Seller's Covenants. Seller hereby covenants and agrees with Buyer that after the Effective Date and prior to Closing (or any earlier termination of this Agreement pursuant to its terms):

a. After the Effective Date, Seller will not, without the express prior written approval of Buyer, which may be withheld in Buyer's sole discretion, enter into any lease, easement, or other agreement for the Property, or any portion thereof, which would continue for a period subsequent to the Closing Date.

b. Seller will continue to maintain and operate the Property in accordance with its past practices.

c. Promptly upon Seller's receipt of any notice of the institution of, or plans for the institution of, proceedings for the condemnation of the Property, or any portion thereof, Seller will notify Buyer thereof.

d. From and after the Effective Date until the Closing, Seller will maintain, or cause to be maintained, in full force and effect public liability insurance with respect to damage or injury to persons or property occurring on the Property in such amounts as is maintained by Seller on the Effective Date.

e. Seller will advise Buyer promptly of any litigation, arbitration or administrative hearing concerning or affecting the Property of which Seller has received actual knowledge or written notice.

f. Seller will not seek any zoning changes or take any action which encumbers Seller's title to the Property without Buyer's prior written consent, which consent may be granted or withheld in Buyer's sole discretion.

g. Seller will not, without the prior written consent of Buyer, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for ad valorem taxes on the Property which are not delinquent), encumbrance or charge, or conditional sale or other title retention document, against or covering the Property, or any part thereof, other than the Permitted Exceptions. Seller will not impose any restrictive covenants or encumbrances on the Property or execute or file any subdivision plat affecting the Property not otherwise previously approved by Buyer. Seller will not sell, exchange, assign, transfer, convey or otherwise dispose of all or any part of the Property or any interest therein, or enter into any agreement or "back-up" contract related to the disposition of the Property, or permit any of the foregoing during the term of this Agreement.

h. Seller will promptly deliver to Buyer all information received by Seller regarding alleged violation(s) by Seller or the Property of any laws, rules, regulations, ordinances, court orders, decrees, or restrictions.

i. Seller will not cause or permit any portion of the Property to be used to transport, store, dispose of, generate, emit, manufacture, refine, treat, or process any Hazardous Substances, nor cause or permit, as a result of any intentional act or omission on the part of Seller, a release, discharge, emission, leak, or percolation of Hazardous Substances onto the Property or from the Property onto any other property. Further, Seller shall comply with all applicable federal, state, and local laws, ordinances, rules, and regulations, and shall obtain and comply with all approvals, registrations, and permits required thereunder.

j. Seller will cause the installation, construction and completion of utilities and related infrastructure (electric, natural gas, water, sanitary sewer, offsite storm sewer and related pond and drainage improvements, but excluding communications) to the Property's boundary line in sufficient capacities to reasonably serve the Property and the ROFR Property (defined below) for their intended uses up to 600,000 square feet of industrial building and completion of a 60' road with 40' pavement section minimum known or to be known as Cahill Street, all as constructed or installed pursuant to the corresponding governmental standards and requirements.

k. Seller shall cause the platting of the Property, and recordation of the same, approved by Buyer, which approval shall not be unreasonably withheld, conditioned or delayed, creating a separate legal tract as substantively shown in Exhibit "A" herein within one hundred fifty (150) days from the Effective Date.

If at any time prior to Closing Seller learns or becomes aware that any of Seller's representations and warranties or covenants set forth in this Agreement are untrue in any material respect, or at any time at or before Closing there is any material change with respect to the matters represented and warranted by Seller pursuant to Section 7.1, then Seller shall give Buyer prompt written notice thereof (the "Notice"), and Buyer shall have the right to terminate this Agreement and recover the Earnest Money by delivering written notice of termination to Seller within fifteen (15) days after receipt of the Notice from Seller, provided, that if Buyer elects to proceed to Closing, the Closing Date shall be extended as necessary not to exceed fifteen (15) days from the date Buyer receives the Notice.

ARTICLE VIII
CLOSING

8.1 Date and Place of Closing. Subject to the satisfaction or waiver in writing of all conditions to either party's obligation to consummate the purchase and sale of the Property, the Closing will take place on the Closing Date at the Place of Closing, as set forth in Sections 1.8 and 1.9 above.

8.2 Items to be Delivered at Closing.

a. By Seller. At or prior to Closing, Seller will deliver or cause to be delivered to Buyer, through escrow or directly to Buyer, each of the following items (collectively, the "Closing Documents"):

i. The Deed, conveying title to the Property to Buyer, subject to the Permitted Exceptions and free of any liens;

ii. Evidence of Seller's authority to consummate this transaction.

iii. A Non-foreign Certification of Entity Transferor from Seller or other evidence satisfying the requirements of Section 1445 of the Internal Revenue Code;

iv. Any reasonable and customary certificates and affidavits that may be required in the normal course by Title Company or governmental authority, in form and substance satisfactory to the Title Company or such governmental authority, duly executed by Seller; and

v. All other instruments and documents reasonably required to effectuate this Agreement and the transactions contemplated thereby.

b. By Buyer. At or prior to Closing, Buyer will deliver to Seller, or cause to be delivered to Seller, through escrow or directly to Seller, each of the following items:

i. The balance of the Purchase Price in Current Funds;

ii. Evidence of Buyer's authority to consummate this transaction;

iii. Any customary certificates and affidavits that may be required in the normal course by Title Company, in form and substance satisfactory to Title Company, duly executed by Buyer; and

iv. All other instruments and documents reasonably required to effectuate this Agreement and the transactions contemplated thereby.

8.3 Title Policy. Buyer's obligation to Close shall be contingent upon receipt by Buyer at Closing of a contractual commitment by the Title Company to issue an Owner's Policy of Title Insurance issued pursuant to the Title Commitment subject only to the Permitted Exceptions and other exceptions as provided pursuant to this Agreement. As soon as possible in the ordinary course of business of the Title Company after the Closing occurs and all documents delivered at the Closing that are intended to be recorded are so recorded and returned to the Title Company, the Title Company will deliver the Title Policy to Buyer, subject only to the Permitted Exceptions. The provisions of this Section will survive the Closing.

8.4 Actions at Closing. Upon delivery of all items set forth in Section 8.2 and the satisfaction or waiver of all other conditions and obligations set forth in this Agreement:

a. The Title Company shall record the Deed;

b. The Title Company shall release to Seller the Purchase Price, as adjusted by any prorations, charges, and credits;

c. Possession and control of the Property shall be delivered to Buyer effective as of the Closing;

d. The Title Company shall release from escrow and deliver to Buyer the recorded Deed, and any other documents deliverable to Buyer pursuant to this Agreement;

e. The Title Company shall release from escrow and deliver to Seller any documents deliverable to Seller pursuant to this Agreement;

f. The Title Company shall issue to Buyer the Title Policy in accordance with Section 8.3; and

g. The Title Company, Seller and Buyer shall take and complete such other actions and deliver such other documentation as required or reasonably contemplated by this Agreement as necessary to complete the transaction contemplated herein.

ARTICLE IX
CLOSING COSTS AND PRORATIONS

9.1 Closing Costs.

a. Seller and Buyer will each pay their respective attorneys' fees (except as provided in Section 11.12 of this Agreement).

b. Seller will pay (i) the cost of the Title Commitment, (ii) the cost of the basic premium of the Title Policy, (iii) the cost of recording the Deed, (iv) one-half (1/2) escrow fees of Title Company, (v) any costs incurred to satisfy any mortgage loan encumbering the Property, (vi) the cost of the Survey; and (vii) such other incidental costs and fees customarily paid by sellers in Caldwell County, Texas land transactions of this nature.

c. Buyer will pay (i) all costs related to Buyer's due diligence inspection, (ii) the cost of deleting the standard exceptions and the cost of any endorsements, or any other "extended" title coverage, requested by Buyer, to the Title Policy, (iii) cost of any mortgagee's policy of title insurance, (iv) all recording fees charged for documents required to be recorded by Buyer's lender in connection with any mortgage obtained by Buyer, (v) one-half of any escrow fees, (vi) Buyer's inspection costs, and (vii) such other incidental costs and fees customarily paid by Buyers in Caldwell County, Texas land transactions of this nature.

9.2 Prorations, Etc. Real estate taxes, assessments, utilities and other similar expenses related to the Property for the period prior to the Closing Date shall be prorated as of the Closing Date, with the amount attributable to the period prior the Closing Date credited toward the Purchase Price, the amount for the remainder of the year following the Closing Date paid by Buyer to Seller in addition to the Purchase Price, and the taxes and such other amounts paid by Seller to the taxing authorities. Real estate taxes will be based on the most recent tax certificates for the Property, adjusted for the most current tax rates and appraised value. Buyer shall thereafter pay all property taxes, assessments and interest incurred after the Closing and shall set up a separate account for the Property with the Caldwell County Assessor's Office for notice. Seller shall be responsible for payment of all rollback taxes, or similar taxes (if any) imposed as the result of any change in ownership or use of the Property, assessments, or interest assessed against the Property resulting from this sale after the Closing date.

ARTICLE X
DEFAULTS AND REMEDIES

10.1 Seller's Default: Buyer's Sole Remedies. If Seller fails to consummate this Agreement in accordance with its terms, other than by reason of a termination of this Agreement by Seller or Buyer pursuant to a right to do so expressly provided for in this Agreement (except by reason of a default by either party) or Seller breaches this Agreement, after five (5) days written notice and opportunity to cure (except for a failure to consummate Closing on the Closing Date, for which there shall be no cure period), Buyer may, as Buyer's sole and exclusive remedy either (a) terminate this Agreement by giving written notice to Seller and Title Company, in which event (i) Buyer shall be entitled to the immediate return of the Earnest Money, together with all interest accrued thereon and Seller will reimburse the actual, out-of-pocket costs incurred by Buyer in connection with the due diligence activities conducted by or on behalf of Buyer with respect to the Property; and (ii) this Agreement shall be of no further force and effect except for those provisions that expressly survive termination of the Agreement, or (b) seek specific performance of Seller's obligations under this Agreement. If Buyer elects to seek such specific performance, Buyer shall give Seller written notice of such election within thirty (30) days after the occurrence of such Seller's Default, and thereafter commence an action seeking such specific performance. In the event Buyer terminates this Agreement in accordance with the terms of this Agreement, then this Agreement shall be of no further force and effect and the Parties shall have no further rights, obligations, or liabilities hereunder, except for those obligations that expressly survive termination of the Agreement.

10.2 Buyer's Default: Seller's Sole Remedies. If Buyer fails to consummate this Agreement in accordance with its terms, other than by reason of a termination of this Agreement by Seller or Buyer pursuant to a right to do so expressly provided for in this Agreement (except by reason of a default by either party) or Buyer breaches this Agreement, after thirty (30) days written notice and opportunity to cure (except for a failure to consummate Closing on the Closing Date, for which there shall be no cure period), Seller may, as Seller's sole and exclusive remedy, terminate this Agreement and retain the Earnest Money as liquidated damages (and not as a penalty) for breach of this Agreement. Such amount and terms are agreed upon by and between Seller and Buyer as liquidated damages, due to the difficulty and inconvenience of ascertaining and measuring actual damages, and the uncertainty thereof, and the payment of the Earnest Money, and the terms provided herein will constitute full satisfaction of Buyer's obligations under this Agreement. Such amount is agreed upon by and between Seller and Buyer as a reasonable estimate of just compensation for the harm caused by Buyer's default.

ARTICLE XI
MISCELLANEOUS PROVISIONS

11.1 Broker's Commission. Each party represents to the other that it has not authorized any broker or finder to act on its behalf in connection with the sale and purchase hereunder and as such, no commission is due or owing hereunder. Each party agrees to indemnify and hold harmless the other from and against any and all claims, losses, damages, costs or expenses of any kind or character arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by each party with any broker or finder in connection with this Agreement or the transaction contemplated hereby.

11.2 Assignment. Buyer may not assign this Agreement to any person, firm, corporation, or other entity without Seller's consent; provided, however, Buyer may assign all of its rights, title, liability, interest and obligation pursuant to this Agreement to an any entity controlled by, in control of, or under common control with Buyer without Seller's consent, provided that the assignee assumes all obligations of the Buyer under this Agreement. Notwithstanding the foregoing, Buyer may form a single purpose entity to take title of the Property at closing, and Buyer may assign its rights under this Agreement to any affiliated or single purpose entity which directly or indirectly controls, is controlled by or is under common control with Buyer, without the consent of Seller. No such assignment and assumption shall relieve Buyer or any assignee previously approved by Seller from its obligations hereunder.

11.3 Condemnation and Casualty. In the event that any portion of the Property will be taken in condemnation or by conveyance in lieu thereof or under the right of eminent domain after the Effective Date and before the Closing Date, Buyer may, at its option, terminate this Agreement by written notice thereof to Seller within ten (10) days after Seller notifies Buyer of the condemnation, in which event Buyer will receive an immediate refund of all Earnest Money. In the event Buyer fails to timely deliver written notice of termination as described above, Buyer will be deemed to have elected to proceed to close the transaction contemplated herein pursuant to the terms hereof, in which event Seller will deliver to Buyer at the Closing any proceeds actually received by Seller attributable to the Property from such condemnation or eminent domain proceeding or conveyance in lieu thereof or assign to Buyer Seller's rights to such proceeds and there will be no reduction in the Purchase Price. Prior to Closing, and notwithstanding the pendency of this Agreement, the entire risk of loss or damage by casualty shall be borne and assumed by Seller, except as otherwise provided in this Section 11.3. If, before Closing, any part of the Property is damaged or destroyed by casualty, Seller shall immediately give written notice to Buyer of such fact. If such damage or destruction is "material", Buyer shall have the option in its sole and absolute discretion, either to (a) terminate this Agreement by notice to Seller and receive a prompt refund of all Earnest Money, or (b) purchase the Property. In the event that Buyer elects to proceed with the purchase, Seller shall assign to Buyer all of its right, title, and interest in and to the proceeds of any and all fire or other casualty insurance or condemnation proceeds relating to such damage or condemnation, and Buyer shall receive a credit against the Purchase Price in the amount of any applicable deductible or other uninsured amount based on Seller's and Buyer's mutual, reasonable, good faith estimate of the cost to repair and restore. Buyer's election shall be made by written notice to the Seller given not later than ten (10) days after Buyer's receipt of notice from Seller of the casualty. If the damage is not material, then Buyer shall not have the right to terminate this Agreement, but Seller shall, at its cost, repair the damage before the Closing in a manner reasonably satisfactory to Buyer, or if repairs cannot be completed before the Closing, credit Buyer at Closing for the reasonable cost to complete the repair, as reasonably agreed to by Seller and Buyer. For purposes of this Section 11.3, "material" means that (w) the damage is of a nature that adversely affects access to the Property, (x) the cost to repair such damage is reasonably estimated to exceed two percent (2%) of the Purchase Price, or the damage will, in Buyer's reasonable estimation, take longer than ninety (90) days to repair.

11.4 Notices. Any notice, approval, waiver, objection or other communication (for convenience, referred herein as a "notice") required or permitted to be given hereunder or given in regard to this Agreement by one party to the other will be in writing and the same will be given and be deemed to have been delivered, served and given when actually delivered to the address specified in Article I above of the person to whom notice is given or delivery is refused may by any of the following means: (a) via courier (including overnight delivery services), (b) United States mail, postage prepaid, by certified mail, return receipt requested, addressed to the person to whom notice is given at the address specified in Article I above, (c) email, provided that the transmitting email indicates that the transmission of all pages of the notice was effectively completed and a copy of such notice is also sent by one of the other means of notice described above simultaneously with such email. Any party may change its address for notices by notice theretofore given in accordance with this Section and will be deemed effective only when actually received by the other party.

11.5 Entire Agreement. This Agreement and the Exhibits attached hereto constitute the entire agreement between Seller and Buyer, and there are no other covenants, agreements, promises, terms, provisions, conditions, undertakings, or understandings, either oral or written, between them concerning the Property other than those herein set forth. No subsequent alteration, amendment, change, deletion or addition to this Agreement will be binding upon Seller or Buyer unless in writing and signed by both Seller and Buyer.

11.6 Headings. The headings, captions, numbering system, etc. are inserted only as a matter of convenience and may under no circumstances be considered in interpreting the provisions of this Agreement.

11.7 Binding Effect. All of the provisions of this Agreement are hereby made binding upon the successors, and assigns of both Parties hereto. Where required for proper interpretation, words in the singular will include the plural; the masculine gender will include the neuter and the feminine, and vice versa.

11.8 Time of Essence. Time is of the essence in each and every provision of this Agreement.

11.9 Unenforceable or Inapplicable Provisions. If any provision hereof is for any reason unenforceable or inapplicable, the other provisions hereof will remain in full force and effect in the same manner as if such unenforceable or inapplicable provision had never been contained herein, unless such unenforceable provision materially affects any material covenants set forth herein.

11.10 Counterparts. This Agreement may be executed in any number of counterparts and/or electronic versions, each of which will for all purposes be deemed to be an original, and form a fully binding contract.

11.11 Applicable Law; Venue. This Agreement will be construed under and in accordance with the laws of the State of Texas without regard to principles of conflicts of laws. Venue for any suit filed with respect to the enforcement or interpretation of this Agreement shall be in the State District Court located in Caldwell County, Texas. THE PARTIES HEREBY EXPRESSLY WAIVE THE RIGHT TO A TRIAL BY JURY OF ANY MATTER RELATED TO OR ARISING OUT OF THIS AGREEMENT.

11.12 Attorneys' Fees. In the event any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the prevailing party will be entitled to recover reasonable attorney's fees, court costs and expenses incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.

11.13 Limitations on Liability. In no event shall any officer, director, shareholder, partner, member, employee, agent or affiliate of Seller or Buyer have any personal liability hereunder, nor shall any of them be named personally in any suit, action or proceeding concerning any matter hereunder, nor shall any of their assets be attached, liened or levied upon or in any other way held liable for any of the obligations of Seller or Buyer, respectively. Notwithstanding anything to the contrary contained in this Agreement, in no event shall either party be entitled to recover from the other party in connection with any claim arising out of or relating to this Agreement or any representation made herein, any lost profits or any direct, compensatory, punitive, indirect, consequential or other damages. The limitations contained in this Section 11.13 shall not apply to claims of fraud or intentional misconduct.

11.14 Authority. Each person executing this Agreement, by his execution hereof, represents and warrants that he is fully authorized to do so, however, the Parties will cooperate in providing appropriate proof to the other party of the authority of the signing person to bind the party.

11.15 Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed at the Closing, Seller and Buyer agree to perform such other acts, and to execute and deliver such other instruments and documents as either Seller or Buyer, or their respective counsel, may reasonably require in order to effect the intents and purposes of this Agreement.

11.16 Time Periods. Unless otherwise expressly provided herein, all periods for delivery or review and the like will be determined on a "calendar" day basis. If any date for performance, approval, delivery or Closing falls on a Saturday, Sunday or legal holiday (state or federal) in the State of Texas, the time therefor will be extended to the next day which is not a Saturday, Sunday or legal holiday (a "business day"). Any period during which any act is required to be performed under this Agreement including, without limitation, the providing of notice, which ends on any date which is a Saturday, Sunday or federal holiday shall be performed by 5:00 p.m. Central Time on the next business day.

11.17 No Recording. Seller and Buyer agree that neither this Agreement, a copy of this Agreement, nor any instrument describing or referring to this Agreement, will ever be filed of record in the county records where the Property is located or elsewhere, and in the event this Agreement, a copy of this or any instrument describing or referring to this Agreement is so filed of record by either party or its agents, such act will be considered a default under this Agreement by the recording party, and the non-recording party may, at its option, terminate this Agreement and exercise any other rights or remedies of such party under this Agreement for a default on the part of the recording party. The limitations contained herein shall not apply to any actions taken by Buyer in connection with Buyer's pursuit of the remedy of specific performance.

11.18 Interpretation. The Parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement or in any amendments or exhibits thereto.

11.19 No Third Party Beneficiary. The provisions of this Agreement are for the exclusive benefit of the Seller and Buyer hereto and no other party will have any right or claim against the Seller and Buyer, or either of them, by reason of those provisions or be entitled to enforce any of those provisions against the Seller and Buyer hereto, or either of them.

11.20 Confidential Agreement. Prior to Closing, except as required by court order or by operation of law, the terms and conditions of this Agreement will be treated as confidential by both Parties, and neither any of such terms or conditions nor any copy of this Agreement will be divulged or provided to any third party other than the Parties' respective attorneys, engineers, surveyors, accountants, consultants, brokers, Buyer's actual or potential partners, investors and lenders, if any, and such other third parties whose assistance is required in connection with the consummation of this transaction by either party hereto without the prior consent of the other party hereto. Buyer will use Buyer's commercially reasonable efforts to cause Buyer's lender to retain the confidentiality required pursuant to this Section.

11.21 Title Company. The Parties acknowledge and agree that in the event of any dispute concerning the Earnest Money while the same is in the possession of Title Company, Title Company will have the right to interplead with the state or federal district court in which the Property is located, all or any portion of the Earnest Money received by it pursuant to this Agreement.

11.22 Indemnity Limitation. To the extent, if at all, any indemnity, hold harmless or insurance provision of this Agreement is invalidated by law or otherwise, the remaining indemnity, hold harmless and insurance provisions of this Agreement shall remain in full force and effect.

11.24 Exchange Facilitation. At the option of either party, upon not less than five (5) days written notice to the other party prior to Closing, a party may require the Closing to be achieved pursuant to an escrow created to effectuate an exchange pursuant to Section 1031 of the Internal Revenue Code. In such event, the other party agrees to cooperate with the party giving such notice, provided that such facilitation will not delay Closing, or result in any additional cost or expense to the cooperating party, and the cooperating party shall not be required to take title to or to convey the exchange property or to incur any personal liability in connection with the exchange transaction, and the party requiring the exchange facilitation shall indemnify and hold harmless the cooperating party from and against any and all causes, claims, demands, liabilities, costs and expenses, including reasonable attorneys' fees, resulting from the exchange transaction.

11.25 Waiver. No delay on the part of a party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any specific waiver by a party of any right or remedy hereunder operate or be construed as a waiver of any other right or remedy hereunder, nor shall any single or partial waiver or exercise of any right or remedy hereunder preclude any other or further exercise thereof, or the exercise of any other right or remedy hereunder (unless the provisions of this Agreement which establish any such right or remedy provide otherwise). No waiver of any right or remedy hereunder shall be valid or enforceable unless in writing and signed by the party against whom such waiver is sought to be enforced.

11.26 Right of First Refusal. Concurrent with the execution of this Agreement, the Parties shall execute a Right of First Refusal Agreement and Memorandum of Agreement, each in the forms attached hereto as Exhibit "C" and made a part hereof wherein Seller grants to Buyer the right of first refusal to purchase additional land owned by Seller and commonly known as Lot 2 and Lot 3 in Block C, Lockhart Industrial Park III in Caldwell County, Lockhart, Texas ("ROFR Property").

[SIGNATURE PAGES IMMEDIATELY FOLLOWING]

IN WITNESS WHEREOF, this Agreement has been executed under seal by the undersigned as of the Effective Date.

SELLER:

LOCKHART ECONOMIC
DEVELOPMENT CORPORATION
a Texas Type B sales tax corporation

By: ______________________________
Steven Lewis, President

BUYER:

TITAN PROPERTY MANAGEMENT, LLC
a New Mexico limited liability company

By: ______________________________
Ben F. Spencer. Manager

JOINDER OF TITLE COMPANY

Title Company executes this Agreement for the sole purpose of agreeing to serve as escrow agent with respect to the Earnest Money and closing in accordance with this Agreement. The undersigned representative of the Title Company hereby agrees to promptly acknowledge receipt of a counterpart original (or multiple original counterparts) of this Agreement executed by both Buyer and Seller, by promptly transmitting by e-mail a copy of this page, signed and dated as of the date of acknowledgment, to all Parties designated for notice in Sections 1.12 and 1.13 of the Agreement, and the Broker identified in Section 1.10 of the Agreement, for the purpose of promptly notifying all Parties of the Effective Date as described in Section 1.3 of the Agreement. The Title Company agrees to invest the Earnest Money in accordance with Section 4.1.

TITLE COMPANY:

Chicago Title Insurance Company
15727 Anthem Pkwy, Suite 210
San Antonio, TX 78249
Telephone: 210-482-3701
Email: Robert.Jordan@ctt.com

By: ______________________________
Robert P. Jordan,
VP & Commercial Escrow Officer

Date: ______________________________
(The Effective Date)

EXHIBIT "A"

PROPERTY

A certain tract of land situated in the City of Lockhart, Caldwell County, Texas being a part of the Cornelius Crenshaw Survey A-68 and containing approximately 11.820 acres of that 71.476 acre tract conveyed to Lockhart Economic Development Corporation by General Warranty Deed recorded on February 22, 2021 as Document No. 2021-000994 of the Official Pubic Records of Caldwell County, Texas being more particularly described as follows:

BEGINNING *at a red capped iron pin found (markings not legible) used for basis of bearing in the West corner of the above mentioned 71.476 acre tract and the South corner of a tract of land called 99.304 acres and conveyed to SHB Family LP by deed recorded in Volume 636 Page 708 of the said Official Public Records and in the NE line of F.M. #2720 (80' ROW) for the West corner this tract.*

THENCE N 58 degrees 31 minutes 44 seconds E *with the NW line of the said 71.476 acre tract and the SE line of the said 99.304 acre tract* **1691.74 feet** *to a ½" iron pin found used for basis of bearing in the North corner of the said 71.476 acre tract and the apparent East corner of the said SHB Family tract and the apparent SW line of a tract of land called 51.82 acres and conveyed to Mary Faye Barnes by deed recorded in Volume 408 Page 608 of the Deed Records of Caldwell County, Texas for the most Westerly North corner this tract.*

THENCE S 31 degrees 28 minutes 38 seconds E *with a NE line of the said 71.476 acre tract and the apparent SW line of the above mentioned Barnes 51.82 acre tract* **1115.38 feet** *to a red capped iron pin found in the apparent South corner of the said 51.82 acre tract and the West corner of the above mentioned 43.392 acre tract for an ell corner this tract.*

THENCE N 79 degrees 28 minutes 38 seconds E *with the NW line of the said 43.392 acre tract and the apparent SE line of the said 51.82 acre tract* **557.24 feet** *to an aluminum capped iron pin found in the NW line of North Cesar Chavez Parkway SB (State Highway #130) for the most Easterly North corner this tract.*

THENCE *with the NW line of North Cesar Chavez Parkway SB and over and across the said 43.392 acre tract and partially with the SE line of the said 71.476 acre tract for the following two (2) courses:*
(1) S 21 degrees 09 minutes 48 seconds W 929.91 feet *to a capped ½" iron pin set (stamped "HINKLE SURVEYORS") for an angle point this tract.*
(2) S 07 degrees 50 minutes 42 seconds W 307.87 feet *to a capped ½" iron pin set (stamped "HINKLE SURVEYORS") in the intersection of the NW line of North Cesar Chavez Parkway SB and the North line of the Union Pacific RR ROW and in the East corner of the said 71.476 acre tract for the most Southerly East corner this tract.*

THENCE S 83 degrees 10 minutes 44 seconds W *with the NW line of the said Union Pacific RR ROW and the SE line of the said 71.476 acre tract* **1406.29 feet** *to a capped ½" iron pin set (stamped "HINKLE SURVEYORS") in the South corner of the said 71.476 acre tract and the intersection of the NW line of the said Union Pacific RR ROW and the NE line of F.M. #2720 for the South corner this tract.*

THENCE N 31 degrees 28 minutes 15 seconds W *with the SW line of the said 71.476 acre tract and the NE line of F.M. #2720* **1530.63 feet** *to the place of beginning containing* **75.039 acres** *of land more or less.*

Such 11.820 acres as further depicted as Block C, Lot 2 below:

EXHIBIT "B"

FORM OF SPECIAL WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

STATE OF TEXAS	)
	)
COUNTY OF CALDWELL	)

LOCKHART ECONOMIC DEVELOPMENT CORPORATION, a Texas Type B sales tax corporation ("Grantor"), for and in consideration of the sum of Ten and 00/100th Dollars ($10.00) cash and other good and valuable consideration paid, the receipt and sufficiency of which is hereby acknowledged, paid by ______________________________, a Texas limited liability company ("Grantee"), whose address is 6300 Riverside Plaza Ln, NW, Suite 200, Albuquerque, NM 87120 has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents DO RESPECTIVELY GRANT, BARGAIN, SELL and CONVEY with special warranty covenants unto Grantee all of the real property situated in Caldwell County, Texas more particularly described in **Exhibit "A"** attached hereto and made a part hereof, together with all of Grantor's rights, ways, privileges and appurtenances pertaining thereto and all improvements and fixtures located thereon, if any (hereinafter collectively referred to as the "Property").

TO HAVE AND TO HOLD the Property, subject to the Permitted Exceptions as set forth in Exhibit "B" attached hereto and made apart hereof, unto Grantee, its successors and assigns, forever, and, subject to the Permitted Exceptions, Grantor does hereby bind itself and its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Grantor, but not otherwise.

Real property ad valorem taxes and assessments having been prorated to the date hereof, Grantee hereby assumes and agrees to pay when due all such ad valorem property taxes and assessments for the year 2022 and subsequent years.

WITNESS this my hand and seal this _____ day of __________________, 2022.

LOCKHART ECONOMIC
DEVELOPMENT CORPORATION
a Texas Type B sales tax corporation

By: ______________________________
Name: ______________________________
Title: ______________________________

STATE OF TEXAS)
) ss.
COUNTY OF CALDWELL)

This instrument was acknowledged before me on ____________________, 2022, by __________ __________________, as _______________ of LOCKHART ECONOMIC DEVELOPMENT CORPORATION, a Texas Type B sales tax corporation, on behalf of the corporation.

Notary: _____________________________
Printed Name: ________________________
Notary Public, State of Texas
My Commission Expires: _______________

Exhibit "A"
To Special Warranty Deed

LEGAL DESCRIPTION

Exhibit "B"
To Special Warranty Deed

PERMITTED EXCEPTIONS

RIGHT OF FIRST REFUSAL AGREEMENT

THIS RIGHT OF FIRST REFUSAL AGREEMENT ("Agreement") is made as of December 15, 2021 ("Effective Date") by and between TITAN PROPERTY MANAGEMENT, LLC, a New Mexico limited liability company, its successors or assigns ("TPM") and LOCKHART ECONOMIC DEVELOPMENT CORPORATION, a Texas Type B sales tax corporation, ("LEDC"), (TPM and LEDC are sometimes hereinafter collectively referred to as the "Parties").

RECITALS

WHEREAS, LEDC is the owner of those certain parcels of land known as Lot 2 and Lot 3 in Block C, Lockhart Industrial Park III in Caldwell County, Lockhart, Texas, as further described on Exhibit "A" attached hereto and made a part hereof (either or both lots, the "ROFR Property");

WHEREAS, TPM, its successors or assign, and LEDC have entered into that Purchase and Sale Agreement concurrent herewith ("Purchase Agreement") for the purchase of the property contiguous to the Exclusive Area known as Lot 2 in Block A, Lockhart Industrial Park III, Caldwell County, Lockhart, Texas;

WHEREAS, LEDC desires to grant TPM a right of first refusal and option to purchase the ROFR Property as set forth herein ("ROFR"); and

WHEREAS, the Parties desire to set forth the terms and conditions of the right of first refusal and option to purchase the ROFR Property.

NOW, THEREFORE, in consideration of the agreements contained herein, and the sum of Ten and No/100 Dollars ($10.00) paid on the date hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Right of First Refusal. LEDC hereby grants to TPM a right of first refusal for the purchase of the ROFR Property, or any portion thereof, upon the same terms and conditions being offered by a Speculative Purchaser which LEDC is willing to accept during that period commending on the Effective Date herein and ending twelve (12) months thereafter ("ROFR Period"). LEDC shall not sell the ROFR Property, or any portion thereof, to any Speculative Purchaser without first providing TPM the opportunity to purchase such property. A "Speculative Purchaser" shall be any party who is purchasing the ROFR Property, or any portion thereof, to hold or for speculative development, to lease to an unrelated third-party, to build a speculative building, or for resale for such purposes. If LEDC desires to sell the Property to a Speculative Purchaser, TPM shall have the right to buy such ROFR Property, or portion thereof, for the same price and general terms as set forth in a bona fide, third-party offer that TPM desires to accept. Notwithstanding the foregoing, the ROFR shall not apply to a party who will immediately develop the ROFR Property, or a portion thereof, for its own use (an "End User").

2. Exercise of ROFR. In the event LEDC desires to sell to a Speculative Purchaser the ROFR Property, or any portion thereof, during the ROFR Period, LEDC shall provide to TPM a copy of

the letter of intent, term sheet or other preliminary agreement ("LOI") between LEDC and the Speculative Purchaser that has been accepted by LEDC or which LEDC desires to accept (any LOI executed by LEDC shall be expressly subject to the ROFR) (the "Offer Notice"). TPM shall have thirty (30) days after receipt of the Offer Notice to deliver notice to LEDC electing to purchase the property set forth in the Offer Notice upon the terms and conditions set forth in the Offer Notice. If TPM timely exercises its ROFR, the Parties shall enter into a Purchase and Sale Agreement in a form materially similar to the Purchase Agreement. If TPM fails to timely exercise its ROFR for the property included in the Offer Notice, TPM shall be deemed to have waived its rights as to such property as it relates to the offer set forth in the Offer Notice; provided, however, in the event that LEDC does not sell such Property pursuant to the Offer Notice or LEDC seeks to materially amend the terms of the Offer Notice, then TPM's ROFR shall be reinstated for such portion of the ROFR Property, and further provided, that the ROFR shall continue to apply to all other portions of the ROFR Property.

3. Purchase Option. LEDC hereby grants to TPM the right and option to purchase all or any portion of the ROFR Property, at terms to be agreed upon by the Parties (the "Purchase Option"). TPM may exercise the Purchase Option, with respect to all or any portion of the ROFR Property, by delivering written notice to LEDC at any time during the ROFR Period. Upon receipt of such written notice, the Parties shall use good faith efforts to negotiate the terms of the purchase and sale of the portion of the ROFR Property to be sold, including, but not limited to, the purchase price for of the ROFR Property, or such portion thereof. Upon agreement to the purchase terms pursuant to this Section 3, the parties shall execute a purchase and sale agreement for the ROFR Property, or portion thereof, being purchased substantially in the same form as the Purchase Agreement, with any necessary changes made to account for the circumstances of the transaction. In the event that the Parties are unable to agree upon the terms of the purchase and sale within thirty (30) days after delivery of the applicable notice from TPM and the Parties entering into a purchase and sale agreement (the "Negotiation Period"), and after compliance with TPM's ROFR and satisfaction of the ROFR conditions set forth in Section 1 above, LEDC may sell all or any portion of the ROFR Property to a Speculative Purchaser. Provided that the ROFR conditions have been satisfied, the Purchase Option shall not run with the ROFR Property and shall not be binding on such Speculative Purchaser.

4. End User. In the event that LEDC desires to sell the ROFR Property, or any portion thereof, to an End User, at least fifteen (15) days prior to negotiating or entering into an LOI with said End User, LEDC shall introduce TPM to such End User and provide TPM the opportunity to meet with the End User and discuss TPM's development of the project for the End User's intended use. In the event that any party other than the End User or its subsidiary acts as the developer of the End User's project (the End User may contract directly with the general contractor to build its project), the ROFR shall apply.

5. Exclusivity. LEDC, directly or through an affiliated or related party, shall not, during the ROFR Period, enter into any lease or occupancy agreement for any portion of the ROFR Property or Commence Development (as defined below) within the ROFR Property. For the purpose of this Agreement only, "Commence Development" shall mean any commencement of permanent construction of a structure or improvements on or within the ROFR Property, including, but not limited to, the pouring of slab or footings, the installation of piers, the construction of columns, excavation, or the placement of any improvements on the ROFR Property (LEDC may install

utilities and other offsite improvements for the benefit of the ROFR Property). The restrictions set forth in this Section shall run with the ROFR Property for the ROFR Period unless otherwise terminated as provided for herein.

6. Default and Remedies. If LEDC fails or refuses to meet, comply with or perform any agreement or obligations under this Agreement, and such failure or refusal is not cured within ten (10) after notice from TPM, then LEDC shall be deemed to be in default hereunder and TPM may (i) seek specific performance along with all reasonable out of pocket expenses, including reasonable attorney's fees incurred by TPM in connection with enforcement of this Agreement; or (ii) pursue an action for damages and any other remedies available at law or equity; provided, however, in no event shall TPM be entitled to consequential, special or punitive damages.

7. Entire Agreement. This Agreement constitutes the entire agreement of the Parties and may not be amended except by written instrument executed by the Parties.

8. Applicable Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas.

9. Recording. This Agreement shall not be recorded. Notwithstanding the foregoing, a Memorandum of this Agreement (the "Memorandum") shall be recorded in the Real Property Records of Caldwell County, Texas on the date hereof to evidence the existence of this Agreement. Provided that the ROFR conditions herein have been satisfied and TPM has not elected to purchaser the ROFR Property, or applicable portion thereof, or the ROFR Period has expired, then TPM will execute a release of the Memorandum, to be recorded in the Real Property Records of Caldwell County, Texas, with respect to the portion of the ROFR Property sold to a Speculative Purchaser (concurrently with the sale to a Speculative Purchaser), or within fifteen (15) days after the end of the ROFR Period. If TPM fails to execute such release, LEDC shall be permitted to execute a release of the Memorandum, to be recorded in the Real Property Records of Caldwell County, Texas, with respect to the portion of the ROFR Property sold to a Speculative Purchaser or for all remaining ROFR Property at the end of the ROFR Period, provided that LEDC certifies in such release that either (i) the ROFR conditions herein have been satisfied in full by LEDC, or (ii) the ROFR Period has expired.

10. Time. Time is of the essence hereof. The parties require strict compliance with the times for performance set forth herein.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which taken together shall constitute one original document. A counterpart of this Agreement transmitted by email or other electronic means shall, if it is executed, be deemed in all respects to be an original document, and any email, or other electronic signature shall be deemed an original signature and shall have the same binding legal effect as an original executed counterpart of this Agreement.

Binding Effect. The restrictions set forth herein shall run with the ROFR Property.

SIGNATURE PAGE TO
RIGHT OF FIRST REFUSAL AGREEMENT

IN WITNESS WHEREOF, the parties hereto have set their hands and seals hereto as of the date first set forth above.

LOCKHART ECONOMIC
DEVELOPMENT CORPORATION
a Texas Type B sales tax corporation

By: ______________________
Steven Lewis, President

SIGNATURE PAGE TO
RIGHT OF FIRST REFUSAL AGREEMENT

IN WITNESS WHEREOF, the parties hereto have set their hands and seals hereto as of the date first set forth above.

TITAN PROPERTY MANAGEMENT, LLC
a New Mexico limited liability company

By: ______________________________
Ben F. Spencer, Manager

EXHIBIT "A"
Description of ROFR Property

A certain tract of land situated in the City of Lockhart, Caldwell County, Texas being a part of the Cornelius Crenshaw Survey A-68 and containing approximately 26.095 acres of that 71.476 acre tract conveyed to Lockhart Economic Development Corporation by General Warranty Deed recorded on February 22, 2021 as Document No. 2021-000994 of the Official Pubic Records of Caldwell County, Texas being more particularly described as follows:

BEGINNING *at a red capped iron pin found (markings not legible) used for basis of bearing in the West corner of the above mentioned 71.476 acre tract and the South corner of a tract of land called 99.304 acres and conveyed to SHB Family LP by deed recorded in Volume 636 Page 708 of the said Official Public Records and in the NE line of F.M. #2720 (80' ROW) for the West corner this tract.*

THENCE N 58 degrees 31 minutes 44 seconds E *with the NW line of the said 71.476 acre tract and the SE line of the said 99.304 acre tract* **1691.74 feet** *to a ½" iron pin found used for basis of bearing in the North corner of the said 71.476 acre tract and the apparent East corner of the said SHB Family tract and the apparent SW line of a tract of land called 51.82 acres and conveyed to Mary Faye Barnes by deed recorded in Volume 408 Page 608 of the Deed Records of Caldwell County, Texas for the most Westerly North corner this tract.*

THENCE S 31 degrees 28 minutes 38 seconds E *with a NE line of the said 71.476 acre tract and the apparent SW line of the above mentioned Barnes 51.82 acre tract* **1115.38 feet** *to a red capped iron pin found in the apparent South corner of the said 51.82 acre tract and the West corner of the above mentioned 43.392 acre tract for an ell corner this tract.*

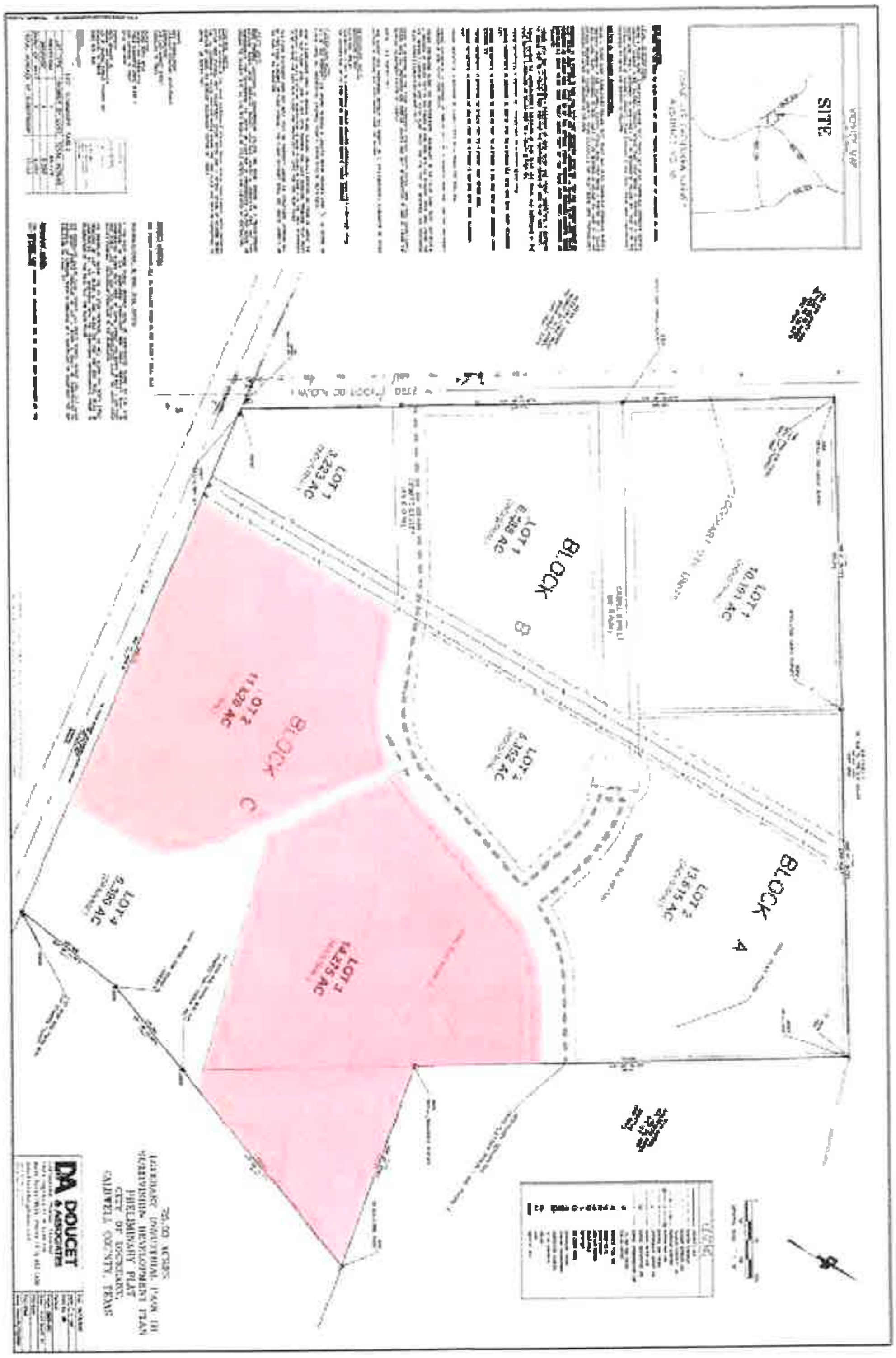
THENCE N 79 degrees 28 minutes 38 seconds E *with the NW line of the said 43.392 acre tract and the apparent SE line of the said 51.82 acre tract* **557.24 feet** *to an aluminum capped iron pin found in the NW line of North Cesar Chavez Parkway SB (State Highway #130) for the most Easterly North corner this tract.*

THENCE *with the NW line of North Cesar Chavez Parkway SB and over and across the said 43.392 acre tract and partially with the SE line of the said 71.476 acre tract for the following two (2) courses:*
(1) S 21 degrees 09 minutes 48 seconds W 929.91 feet *to a capped ½" iron pin set (stamped "HINKLE SURVEYORS") for an angle point this tract.*
(2) S 07 degrees 50 minutes 42 seconds W 307.87 feet *to a capped ½" iron pin set (stamped "HINKLE SURVEYORS") in the intersection of the NW line of North Cesar Chavez Parkway SB and the North line of the Union Pacific RR ROW and in the East corner of the said 71.476 acre tract for the most Southerly East corner this tract.*

THENCE S 83 degrees 10 minutes 44 seconds W *with the NW line of the said Union Pacific RR ROW and the SE line of the said 71.476 acre tract* **1406.29 feet** *to a capped ½" iron pin set (stamped "HINKLE SURVEYORS") in the South corner of the said 71.476 acre tract and the intersection of the NW line of the said Union Pacific RR ROW and the NE line of F.M. #2720 for the South corner this tract.*

THENCE N 31 degrees 28 minutes 15 seconds W *with the SW line of the said 71.476 acre tract and the NE line of F.M. #2720* **1530.63 feet** *to the place of beginning containing* **75.039 acres** *of land more or less.*

Such 26.095 acres as further depicted as Block C, Lot 2 and Lot 3 below:



FOR LEASE

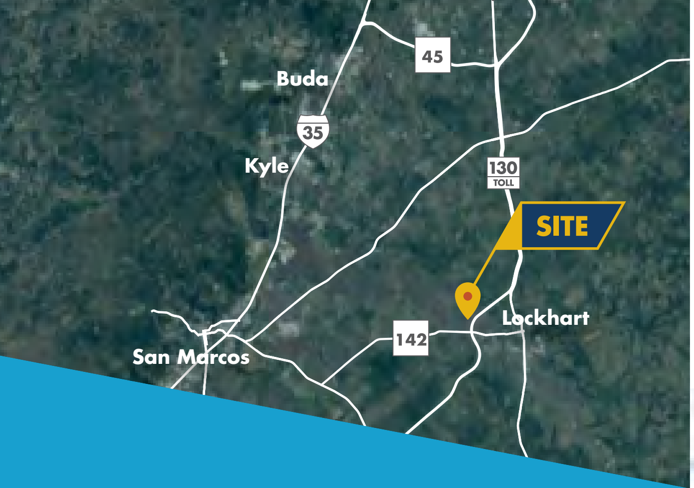
LOCKHART INDUSTRIAL PARK

NEAR FM 2720 & US-130 • LOCKHART, TEXAS 78644

AQUILA™

TITAN DEVELOPMENT

168,480 SF Rear-Load Building



FOR LEASE
LOCKHART INDUSTRIAL PARK

NEAR FM 2720 & US-130 • LOCKHART, TEXAS 78644

Building Park
Four rear-load buildings

Building 1
42,120 - 168,480 SF

Building 1 Construction Timeline
Groundbreaking: Q2 2022
Delivery: Q1 2023

Clear Height
32′

LOCKHART INDUSTRIAL PARK is a brand new Class A industrial spec development for lease in Lockhart, Texas, just west of SH-130. Developed by Titan Development, the park can accommodate buildings of various sizes. Building 1 will begin construction in Q2 2022 with delivery in Q1 2023.

Property Highlights

- Brand new Class A spec industrial park
- Triple freeport tax exempt
- Just west of SH-130 with easy access
- Aggressive incentives from the City of Lockhart

Omar Nasser
512.684.3721
nasser@aquilacommercial.com

Blake Patterson
512.684.3717
patterson@aquilacommercial.com

AQUILA™

Developed by
TITAN DEVELOPMENT

SITE PLAN
LOCKHART INDUSTRIAL PARK

NEAR FM 2720 & US-130 • LOCKHART, TEXAS 78644

TITAN DEVELOPMENT

AQUILA™

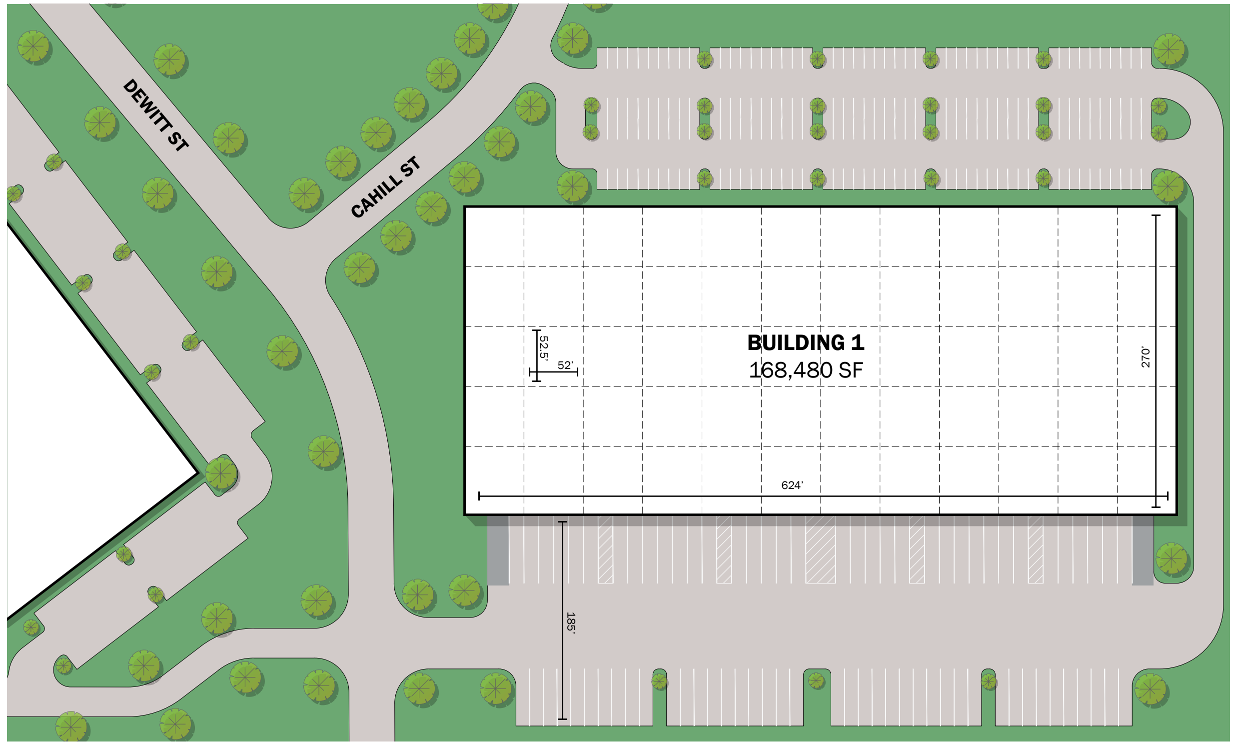
BUILDING 1
LOCKHART INDUSTRIAL PARK

NEAR FM 2720 & US-130 • LOCKHART, TEXAS 78644

TITAN DEVELOPMENT AQUILA™

BUILDING 1 SPECS

Total Size	168,480 SF
Divisible to	42,120 SF
Building Type	Rear Load
Column Spacing	52.5′ x 52′ Typical with 60′ Speed Bay
Clear Height	32′
Ramps	2
Docks	34
Building Depth	270′
Building Width	624′
Truck Court Depth	185′
Sprinklers	ESFR
Power	2000 Amps 3 Phase 480v
Exemption	Triple Freeport Tax Exempt
Auto Parking	200 spaces
Trailer Parking	42 spaces



ACCESSIBILITY
LOCKHART INDUSTRIAL PARK

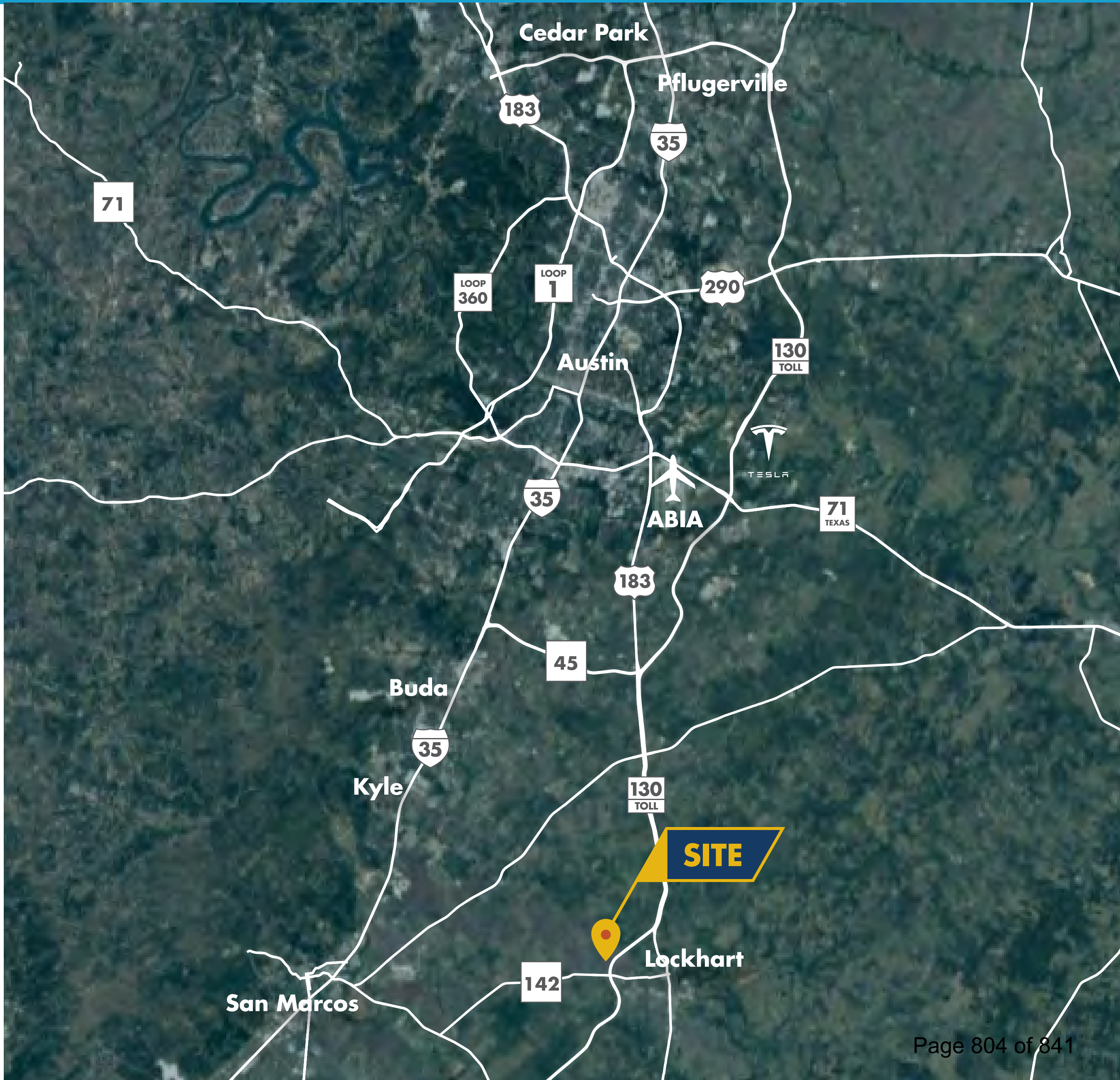
NEAR FM 2720 & US-130 • LOCKHART, TEXAS 78644

TITAN DEVELOPMENT

AQUILA™

Drive Times

Destination	Miles	Minutes
130 Toll Road	<1 mile	<1 min
San Marcos	15 miles	20 min
ABIA Airport	27 miles	30 min
Tesla Gigafactory	28 miles	30 min
Downtown Austin	34 miles	40 min
The Domain	40 miles	50 min
San Antonio	65 miles	1 hour
Houston	160 miles	2 hours
Dallas	225 miles	3.5 hours



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:
- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):
- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:
- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:
- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

AQUILA Commercial LLC	567896	info@aquilacommercial.com	512-684-3800
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Christopher Perry	428511	perry@aquilacommercial.com	512-684-3803
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials Date

Regulated by the Texas Real Estate Commission **Information available at www.trec.texas.gov**

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discussion and/or action to consider Ordinance 2022-14 adopting a code of ethics and anti-discrimination policy for city council members, city board/commission members, and employees.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Steven Lewis, Monte Akers

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION:
Although state law addresses many ethical issues (e.g. Ch. 171 LGC for Conflicts of Interest, Ch. 573 GC for nepotism, etc.), cities often adopt a code of ethics that is more stringent than or which addresses issues not covered in detail by state law (e.g. social media, revolving door issues). A draft ethics policy has been prepared for the Council's consideration that is intended to do the latter. It differs from a draft that was previously distributed, particularly by addition of a section on social media and a section containing a graduating scale of penalties for violation.

Note that it applies to "officers" (mayor and council members), "officials" (board and commission members) and employees. Note also that it contains (highlighted) revolving door provisions (Sec. 3-325 d through g & Sec. 3-26) that restrict former officers, officials, and employees from working for persons or entities with whom the officer, official, or employee had dealings before leaving city service. The length of such restrictions should be carefully considered.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: Discussion only.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommendation is adoption, but the nature of this matter justifies additional study and delay until a future council meeting.

LIST OF SUPPORTING DOCUMENTS: Proposed Ordinance

ORDINANCE NO. 2022-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, ADOPTING A CODE OF ETHICS AND ANTI-DISCRIMINATION POLICY; AMENDING CHAPTER 2 OF THE LOCKHART CODE OF ORDINANCES TO ADOPT A NEW ARTICLE VII FOR THAT PURPOSE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR OPEN MEETINGS

WHEREAS, it is appropriate and necessary for good government and to promote personal integrity, honesty and ethical conduct in all activities undertaken by City Officials, that the City of Lockhart adopt a Code of Ethics and Anti-Discrimination Policy; and

WHEREAS, the adoption of the Code of Ethics and Anti-Discrimination Policy is in the best interest of the City of Lockhart and will promote personal integrity, honesty and ethical conduct in all activities undertaken by City Officers, Officials, and employees, as well as the health, safety, and welfare of the citizens of the City of Lockhart and the general public; and

WHEREAS, the City Council deems it advisable to adopt a Code of Ethics and Anti-Discrimination Policy to provide a code of ethics and standard of conduct for City Council members Officials, and employees;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, THAT: **Section 1**. **Adoption of Code of Ethics and Anti-Discrimination Policy**. The City Council hereby amends Chapter 2 of the City of Lockhart Code of Ordinances to add a new Article VIII to adopt a Code of Ethics and Anti-Discrimination Policy, as follows:

Sec. 1. – Statement of Purpose
Sec. 2. - Definitions.
Sec. 3. - Policy.
Sec. 4. - Standards of conduct.
Sec. 5. - Prohibition on conflict of interest.
Sec. 6. - Restrictions on former city officers and employees.
Sec. 7. - Accepting employment from an entity regulated by city prohibited.
Sec. 8.- Social Media
Sec. 9 - Violations

Sec. 2-320 – Statement of Purpose.

It is essential in a democratic system that the public have confidence in the integrity, independence, and impartiality of those who act on their behalf in government. Such confidence depends not only on the conduct of those who exercise official power, but also on the availability of aid or redress to all persons on equal terms. For the purpose of promoting confidence in the government of the City of Lockhart and thereby enhancing the city's ability to function effectively, this code of ethics and anti-discrimination policy is adopted. By prohibiting conduct incompatible with the city's best interests and minimizing the risk of any appearance of impropriety, this code of ethics and anti-discrimination furthers the legitimate interests of democracy.

Sec. 2-321. - Definitions.

The following words, terms and phrases when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Board means a board, commission or committee which is established by city ordinance, city Charter, interlocal contract or state law and any part of whose membership is appointed by the city council.

Bullying means behavior characterized by bullying a person due to a personal characteristic such as race, gender, age, sexual orientation, disability, religion, country of origin, or political affiliation. Bullying can take many forms, including jokes, teasing, nicknames, emails, pictures, text messages, social isolation or ignoring people. Behaviors that may constitute bullying include:

- Sarcasm and other forms of demeaning language;
- Threats, abuse or shouting;
- Coercion; Isolation;
- Inappropriate blaming; Ganging up;
- Constant unconstructive criticism;
- Deliberately withholding information or equipment that a person needs to do their job or access their entitlements;

Business entity or *entity* mean a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or any other entity recognized in law.

Confidential Information means any information that a City Council member is entitled to because of his official position but otherwise is not available to the public generally without an open records request pursuant to the provisions of the Texas Public Information Act (the "Act"), Government Code Chapter 552 and/or is not available to the public under the Act.

Discrimination means treating, or proposing to treat, someone unfavorably because of race, gender, age, sexual orientation, disability, religion, country of origin, or political affiliation and/or any personal characteristic protected by the law. Discrimination can occur:

- Directly, when a person or group is treated less favorably than another person or group in a similar situation because of a personal characteristic.

- Indirectly, when an unreasonable requirement, condition or practice is imposed that has, or is likely to have, the effect of disadvantaging people with a personal characteristic.

Examples of protected personal characteristics include:

- Race, color, descent, national origin, or ethnic background;
- Age, whether young or old, or because of age in general;
- Sex;
- Religion;
- Sexual orientation, intersex status or gender identity, including gay, lesbian, bisexual, transsexual, transgender, questionable, and heterosexual;
- Marital status, whether married, divorced, unmarried or in a de facto relationship or same sex relationship; Political opinion;
- Social origin;

Employee means a person employed or paid a salary by the city on a full-time basis excluding officers and officials.

Incidental interest means an interest in a person, entity or property which is not a substantial interest, and which has insignificant value, or which would be affected only in a de minimis fashion by a decision. This division does not establish dollar limits on the terms "insignificant value" and "de minimis," which shall have their usual meanings and be subject to interpretation on a case-by-case basis.

Interest or *benefit* means anything reasonably regarded as economic gain or economic advantage, other than incidental or remote interests. The term applies to the official and also to any person who is related to such official within the second degree by consanguinity or affinity.

Officer means the mayor and members of the city council.

Official means officers and members of any board which is established by city ordinances, city charter, interlocal contract, or state law, and any part of whose membership is appointed by the city council.

Official Capacity. A person acts in his or her “official capacity” in performing the duties and exercising the powers of the office or the person’s employment, as this term is defined under other applicable law.

Remote interest means an interest of a person or entity, including an officer, official, or employee who would be affected in the same way as the general public. The interest of such a person a in the property tax rate, general town fees, city utility charges or a comprehensive zoning ordinance, or similar decisions is incidental to the extent that person would be affected in common with the general public.

Sexual harassment means behavior characterized by the making of unwelcome and in appropriate sexual remarks or physical advances in a workplace or other professional situation.

Sec. 3-322. - Policy.

(a) It is hereby declared to be the policy of the city that the proper operation of democratic government requires that:

(1) Officers, Officials, and employees be impartial and responsible to the people of the city;

(2) Governmental decisions and policy be made using the proper procedures of the governmental structure;

(3) No officer, official, or employee has any interest, direct or indirect, or engage in any business transaction or professional activity or incur any obligation of any nature which is in conflict with the proper discharge of his or her duties in the public interest;

(4) Public offices not be used for personal gain;

(5) The city council at all times be maintained as a nonpartisan body;

(6) Officers, officials, and employees fully comply with state statutes, as amended, concerning conflicts of interest;

(7) Officers, officials, and employees be committed to providing a safe, flexible and respectful environment for fellow officers, officials, and employees, and Lockhart citizens, free from all forms of discrimination, bullying and sexual harassment.

(8) The city council, city boards and commissions, and city departments, at all times, be required to treat others with dignity, courtesy, and respect.

(b) To implement this policy, the city council has determined that it is advisable to enact this code of ethics and anti-discrimination policy for all officers, officials, and employees, whether elected or appointed, paid or unpaid, advisory or administrative, to serve not only as a guide for official conduct of the city's public servants, but also as a basis for discipline for those who refuse to abide by its terms.

Sec. 3-323. - Standards of conduct.

(a) No officer, official, or employee shall:

(1) Accept or solicit any money, property, service, or other thing of value by way of gift, favor, loan or otherwise which he knows or should know is being offered or given with the intent to unlawfully influence such person in the discharge of official duties, or in return for having exercised or performed official duties.

(2) Use his or her position to secure special privileges or exemptions for himself, herself, or others.

(3) Grant any special consideration, treatment or advantage to a person or organization beyond that which is available to every other person or organization. (This shall not prohibit the granting of fringe benefits to city employees as part of their contract of employment or as an added incentive to the securing or retaining of employees).

(4) Disclose information deemed confidential by law that could adversely affect the property or affairs of the city, or directly or indirectly use any information understood to be confidential which was gained by reason of his official position or employment for his or her own personal gain or benefit or for the private interest of others.

(5) Transact any business on behalf of the city in his or her official capacity with any entity with which he or she is an officer, agent, or member or in which he or she has an interest. In the event that such a circumstance should arise, no violation of this subsection occurs if he or she shall make known his or her interest, and:

A. In the case of an officer or board member, refrain from discussing the matter at any time with members of the body of which he is a member or any other body which will consider the matter and abstain from voting on the matter; or

B. In the case of an employee, turn the matter over to his superior for reassignment, state the reasons for doing so and have nothing further to do with the matter involved.

(6) Accept other employment or engage in outside activities incompatible with the full and proper discharge of his or her duties and responsibilities with the city, or which might impair his or her independent judgment in the performance of his or her public duty.

(7) Personally provide services for compensation, directly or indirectly, to a person, entity or organization who is requesting an approval, investigation, or determination from the body or department of which the officer or employee is a member. This restriction does not apply to outside employment of an officer, official, or employee if the employment is the person's 's primary source of income.

(8) Receive any fee or compensation for his or her service as an officer, official, or employee of the city from any source other than the city, except as may be otherwise provided by law. This shall not prohibit his or her performing the same or other services for a public or private organization that he or she performs for the city if there is no conflict with his or her city duties and responsibilities.

(9) Personally represent, or appear in behalf of, the private interests of others:

A. Before the city council or any city board or department;

B. In any proceeding involving the city; or

C. In any litigation to which the city is a party.

(10) In the case of an official, personally represent, or appear in behalf of, the private interests of others:

A. Before the board of which he or she is a member;

B. Before the city council;

C. Before a board which has appellate jurisdiction over the board of which he or she is a member; or

D. In litigation to which the city is a party if the interests of the person being represented are adverse to the city and the subject of the litigation involves the board on which the board member is serving or the department providing support services to that board.

(b) Use his or her official position or city-owned facilities, personnel, equipment, supplies, vehicles, printing facilities, postage facilities, long-distance telephone services or any other resources for private purposes, personal advantage, pecuniary gain for such person or for others, or for any political campaign for himself, herself, or others. However, this shall not prohibit an officer, official, or employee from using his or her official position to promote or encourage economic development and businesses within the city, provided:

A. the officer, official, or employee, and any person related to that person within the second degree by consanguinity or affinity, does not receive a benefit from such promotion or encouragement, and

B. the promotion or encouragement of economic development and businesses is not for the purpose of promoting, and does not promote other than incidentally, the officer, official, employee, or any person related to that person within the second degree by consanguinity or affinity

(12) Use the prestige of his or her position with the city on behalf of any political party.

(13) Knowingly or willfully solicit or assist in soliciting any assessment, subscription or contribution for any political party or political purpose to be used in conjunction with any city election.

(14) Knowingly perform or refuse to perform any act in order to deliberately thwart the execution of valid city ordinances, rules or regulations or the achievement of official city programs.

(15) Engage in any dishonest or criminal act or any other conduct prejudicial to the government of the city or that reflects discredit upon the government of the city.

(16) Engage in sexual harassment, bullying, discrimination based on race, gender, age, sexual orientation, disability, religion, country of origin, or political affiliation and or any act deemed unlawful.

(17) Use his or her position to obtain confidential information about any person or

entity except in his or her official capacity;

B. Disclose any confidential information gained through the officer's, official's or employee's office or position concerning property, operations, policies, personnel, or affairs of the city;

C. Use such confidential information to advance any economic interest or personal interest of the officer, official, or employee or to confer any benefit to that person, or a family member related within the second degree of affinity or consanguinity.

D. If an officer, official, or employee requests to review, inspect or copy any confidential information not previously made available to that person in his or her position with the city, that request shall be made to the City Manager. If the City Manager determines that the request is not relevant to the requesting person's official capacity, the request shall be denied, but a, requesting officer or official may appeal that determination to the City Council, who, by a public majority vote of the City Council present, excluding an officer requesting the information, may authorize or deny disclosure of the confidential information.

Sec. 3-324. - Prohibition on conflict of interest.

An officer or official may not participate in a vote or decision on a matter affecting a person, entity, or property in which the officer or official has a substantial interest under Ch. 171, Local Gov't Code. In addition, an officer or official who serves as a corporate officer or member of the board of directors of a nonprofit entity which is not appointed by the city council may not participate in a vote or decision regarding funding by or through the city for the entity. Where the interest of an officer or official in the subject matter of a vote or decision is remote or incidental, such officer or official may participate in the vote or decision and need not disclose the interest.

Sec. 3-325. - Restrictions on former city officers and employees.

(a) When used in this section, the terms "before the city" shall mean before any officer or official of the city.

(b) When used in this section, the term "represent" shall include all communications with and appearances before the city in which the city is asked to make a decision, as that term is defined in this chapter. The term "represent" does not include communications and appearances involving only ministerial action on the part of the city.

(c) When used in this section, the term "case, project or matter" shall refer to specific cases, projects, or regulatory matters, rather than generic policies, procedures, or legislation of general application. For instance, the zoning process or site plan review process is not a "case, project or matter" within the meaning of this section; however, a specific zoning case or site plan would constitute a "case, project or matter" subject to the restrictions imposed in this section. It is not the intent of this section, and this section shall not be construed, to proscribe the practice of any profession or occupation by former city officers, officials, or employees other than before the city and as provided in Sec. 3-323.

(d) An officer or official, or an employee who is in a position which involves significant decision-making, advisory, or supervisory responsibility, shall not, within 12 months after leaving employment or service with the city, formally or informally represent another person or entity before the city if the officer, official, or employee has or will receive remuneration from the person or entity being represented:

(1) Before the city concerning a case, project, or matter over which the person exercised discretionary authority as an officer, official, or employee; or

(2) Before any other agency on a case, project, or matter over which the person exercised discretionary authority as an officer, official, or employee.

(e) A former officer, official, or employee who is subject to the requirements of subsection (d) of this section shall, during the 24 months after leaving the service or employment of the city, disclose his or her previous position and responsibilities with the city and the work performed, if any, as an officer, official, or employee regarding the matter for which he or she is appearing before the city whenever he or she represents any other person or entity in any formal or informal appearance before the city.

(f) In any formal or informal appearance before the city, a person representing a person or entity which employs a former officer, official, or employee who had discretionary authority over the project or matter for which the person or entity is appearing before the city shall disclose any former involvement of such former officer, official, or employee in the project or matter. This disclosure requirement shall be in effect for 24 months after the former officer, official or employee leaves city service or employment.

(g) No officer or official shall approve or vote to approve any oral or written contract for land services, supplies or materials between the city and either a former officer, official or employee or an entity which employs such former officer, official, or employee during the 12-month period following such former officer, official, or employee's departure from the city's employment or service. Notwithstanding the foregoing, upon a finding by the city council that the economic or other benefit to the former officer, official, or employee is minimal or insignificant, the city council may vote to waive the prohibition contained in this subsection.

Sec. 3-326. - Accepting employment from an entity regulated by city prohibited.

An officer, official, or employee in a position which involves significant reporting, decision-making, advisory, regulatory or supervisory responsibility who leaves the service or employment of the city shall not, within six months after leaving that service or employment, seek or accept employment from an entity that appeared for formal action or decision before the body of which such officer, official or employee was a member or which was subject to the officer’s, official’s or employee's regulation or inspection during such person’s position or 's employment with the city.

Sec. 3-327. – Social Media

(b) Officers shall include a disclaimer on their social media pages stating the account is for the officer's personal use and is not sponsored or otherwise managed by the city, nor does it reflect the views or beliefs of the city or city council as an institution. Officials should not utilize the City of Lockhart logos on their social media.

(c) Officers are prohibited from posting harassing, bullying, or defaming content on their social media. Officers are further prohibited from making any statements and/or comments that disparage any race, color, religion, sex, age, genetic information, veteran status, disability, national origin, or any other unlawful classification of anyone who works for the city or anyone with whom the officer interacts in his or her role as a councilmember. In addition, the city prohibits disparaging commentary about sexual orientation or gender identity.

Sec. 3-328 – Violations

(a) Violations of this policy by employees will be subject to review and appropriate action by the city manager, which may include dismissal from employment.

(b) Violations or alleged violations of this policy by officers or officials shall be subject to review and appropriate action by the city council. Upon determination that a violation has occurred, the city council may, by majority vote, impose any of the following actions, which are provided in a graduating scale of severity, as follows:

1. Verbal reprimand in executive session held pursuant to Sec. 551.074, Tex. Gov't Code
2. Verbal reprimand in public meeting
3. Written reprimand
4. Adoption of a resolution of censure
5. Adoption of a resolution of censure and its publication on the city website
6. Adoption of a resolution of censure and its publication in print media
7. Removal of the officer or official from council-appointed committees, commissions, or boards
8. Request for the officer or official's resignation

(c) Any individual who believes that an officer, official, or employee has acted in violation of this policy may promptly file a written complaint with the city manager, who shall, in consultation with the city attorney, determine the appropriate action or may submit the complaint to the city council for such determination.

Section 2. **Effective Date**. This ordinance shall take effect immediately from and after its passage.

Section 3. Open Meetings. It is hereby officially found and determined that this meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by the Open Meetings Act, Chapter 551, Texas Government Code.

PASSED AND ADOPTED on this the ___ day of _________, 2022.

CITY OF LOCKHART

____

Lew White, Mayor

ATTEST:

____

Connie Constancio, TRMC, City Secretary

APPROVED AS TO FORM:

____

Monte Akers, City Attorney

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Consider the nomination of Daniel Koehler to the Airport Advisory Board by Councilmember Derrick David Bryant for a term to expire in November 2022.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Connie Constancio

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: Mr. Koehler submitted his application to be considered to serve on the Airport Advisory Board on December 17, 2021. He has all of the qualifications to serve on a Board, is a licensed student pilot, has an active medical certificate, flies planes, and does not have a financial interest in the Lockhart Municipal Airport. He also meets all of the qualifications to serve on the Airport Advisory Board.

The following is a synopsis of the tasks and qualifications of a member of the Airport Advisory Board:

Airport Advisory Board meets only when there are items pending the Board's review. At least five of the seven members must currently be or have been flight rated. No person having a financial interest in any commercial carrier by air, or in any concession, right or privilege to conduct any business or render any service for compensation upon the premises of the Lockhart Municipal Airport shall be eligible for membership on the Board. The Board shall not have authority to incur or create any debt in connection with airport operations; nor shall the board be empowered to enter into any contract, leases, or other legal obligations binding upon the City of Lockhart; nor shall the board have authority to hire airport personnel or direct airport personnel in the execution of their duties. Up to two members who are not city residents but are residents of Caldwell County may serve on the Board. Members serve a three-year term. The Public Works Director is the staff liaison.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

FISCAL NOTE (if applicable): N/A

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

PREVIOUS COUNCIL ACTION: N/A

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: None. Discretion of the Council.

LIST OF SUPPORTING DOCUMENTS: Board qualification notes and Board application.

BOARD QUALIFICATION CHECKLIST:

DATE: 3-7-2022

APPLICANT'S NAME: Daniel Koehler

BOARD NAME: Airport Adv. Bd.

The qualifications for members of boards and commissions, except special qualifications for service on a particular board or commission, are as follows:

- Appointees must each be a resident of the State of Texas and a resident of the City of Lockhart for at least twelve (12) consecutive months preceding their appointment unless a particular board's or commission's composition or state law allows for membership by a non-resident of the City.
  Date of residency in Lockhart: Nov 2018

- Appointees shall be qualified voters in the City of Lockhart or, if not a resident of the City, of Caldwell County.
  Date qualified voter in Lockhart: March 2019

- Appointees shall not have been removed from another city board or commission because of failure to attend meetings or for cause within the last three years.
  Removed from another board? YES or NO
  If yes, date ______ and board ______

- No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission.
  Serves on another board? YES or NO
  If yes, board currently serving: ______

BOARD SPECIFIC QUALIFICATIONS:
Airport Board

Y	or	N	Flight rated? as a student pilot
Y	or	N	City Resident?
Y	or	N	If no, Caldwell County resident?
Y	or	N	Has financial interest in any commercial carrier by air, or in any concession, right or privilege to conduct any business or render any service for compensation upon the premises of the Lockhart Municipal Airport?

NOTES: Five members must be flight rated.
Current # members flight rated? 4
Two county residents allowed to serve on the Board.
Current # members county residents? 2

CITY SECRETARY'S DETERMINATION OF APPLICANT'S QUALIFICATION:

Is Applicant Qualified? YES NO DISCRETION OF THE COUNCIL

NOTES: Applicant is a licensed student pilot. Has active medical certificate, is an active pilot and is solo endorsed.

Airport Advisory Board meets only when there are items pending the Board's review. At least five of the seven members must currently be or have been flight rated. No person having a financial interest in any commercial carrier by air, or in any concession, right or privilege to conduct any business or render any service for compensation upon the premises of the Lockhart Municipal Airport shall be eligible for membership on the Board. The Board shall not have authority to incur or create any debt in connection with airport operations; nor shall the board be empowered to enter into any contract, leases, or other legal obligations binding upon the City of Lockhart; nor shall the board have authority to hire airport personnel or direct airport personnel in the execution of their duties. Up to two members who are not city residents but are residents of Caldwell County may serve on the Board. Members serve a three-year term. The Public Works Director is the staff liaison.

Form Updated 03/03/2022

DOB: [redacted]
Reg Voter-Yes
Res= Since 2019

CITY OF LOCKHART

ADVISORY BOARD/COMMISSION QUESTIONNAIRE/APPLICATION

NAME: Daniel Koehler E-mail: [redacted]

ADDRESS: 213 Sunshadow Dr. HOME#:

Lockhart TX, 78644 WORK#: 512-361-7028

OCCUPATION: Executive / Entrepreneur / Technology Engineer CELL# 916-792-7296

EDUCATION (optional): Business & Technology

How long have you been a resident of Lockhart? More than 3 years now

Are you a qualified voter of the City? Yes [X] No [ ] VOTER REG. #: Unknown

PROFESSIONAL AND/OR COMMUNITY ACTIVITIES: Operate multiple businesses in the community. Have participated in community events, and volunteered with local charities.

ADDITIONAL PERTINENT INFORMATION/REFERENCES: I am a student pilot and formerly had a plane I owned out at 50R. Unfortunately the hail storm May 2020 totaled her. I am business and financial minded and am an aviation enthusiast. I am a young professional wanting to see the community and airport grow to its potential.

I AM INTERESTED IN SERVING ON THE FOLLOWING BOARDS, COMMISSIONS, OR COMMITTEES:
(Please limit your selection to no more than three. List in order of preference: 1,2,3)

- x Airport Advisory Board
- ___ Board of Adjustments & Appeals
- ___ Construction Board of Appeals
- ___ Economic Development Revolving Loan
- ___ Economic Development Corp (1/2 Cent Sales Tax)
- ___ Electric Board
- ___ Historic Preservation Commission
- ___ Library Board Advisory Bd.
- ___ Parks and Recreation Advisory Bd.
- ___ Planning & Zoning Commission

Do you serve on any other board/commission/committee at this time? If so, please list:
no

Do you have any relative working for the City of Lockhart? Yes [ ] No [x]

Do you receive any direct compensation or gain from the City of Lockhart? Yes [ ] No [x]

Do you receive any direct compensation or gain from any other governmental body?
Yes [ ] No [x] If yes, what type?

(Signature of Applicant) 12-16-2021 (Date)

Return application to:
City of Lockhart
City Secretary's Office
PO Box 239
Lockhart, TX 78644
cconstancio@lockhart-tx.org

RECEIVED
DEC 17 2021
CITY OF LOCKHART
CITY SECRETARY'S OFFICE

If you have any questions, please contact the City Secretary's Office at 512/398-3461.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: March 15, 2022

AGENDA ITEM CAPTION: Discussion regarding matters related to COVID-19.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Steven Lewis, Monte Akers

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: On May 18, 2021, Governor Abbot issued GA-36 that prohibited governmental entities from mandating face coverings or restricting activities in response to the COVID-19 disaster. As a result, the Lockhart City Council rescinded the Mayor's Declaration to require face coverings and encouraged citizens to continue to follow the CDC guidelines in regard to COVID-19.

Also, as a result of the Governor opening Texas on March 2, 2021 (GA-34), community events are back on schedule such as the Chisholm Trail Roundup, Fireworks show, and City venues such as the city splash pad are open to the public. Face coverings are not required during the events or at city facilities.

An update of COVID-19 orders and Council actions is attached.

Open Meetings Act Suspensions Terminate effective September 1, 2021
In March 2020, Governor Abbott's office granted the Attorney General's request to suspend certain open meetings statutes. The temporary suspension allows for telephonic or videoconference meetings of governmental bodies that are accessible to the public in an effort to reduce in-person meetings, thereby allowing governmental bodies and/or board commissions to hold a meeting virtually without a quorum being present at the meeting location.

On June 30, 2021, the Governor's office approved a request by the Attorney General to lift the open meetings suspensions effective at 12:01 a.m. on September 1, 2021. All Texas governmental bodies subject to the OMA must thereafter conduct their meetings in full compliance with the OMA as written in state law.

The following are provisions in the OMA suspension that will no longer be allowed effective September 1, 2021:
1) Video conferencing capability will change in that a member of the governing body or board can meet virtually but there must be a quorum physically present at the meeting location.
2) Telephone conference meetings will not be allowed to continue and are only allowed in an emergency.

On August 29, 2021, Governor Abbott issued a Declaration renewing the declaration of disaster stating that COVID-19 poses an imminent threat of disaster for all counties in Texas.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

On October 11, 2021, Governor Abbott issued GA-40 prohibiting vaccine mandates, subject to legislative action.

On February 25, 2022, the CDC updated its framework on monitoring the level of COVID-19 in communities. The new framework moves beyond just looking at cases and testing positivity to evaluation factors that also include hospitalizations and hospital capacity. These factors combined are used to determine whether COVID-19 and severe disease are low, medium or high in a community. The CDC also updated its recommendations for wearing face coverings and respirators. Recommendations are now connected to the community's current level of COVID-19 and severe disease.

This item is returned to the Council for consideration, if necessary.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:
Funds Required: N/A
Account Number: N/A
Funds Available: N/A
Account Name: N/A

FISCAL NOTE (if applicable): None.

PREVIOUS COUNCIL ACTION: N/A

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: None.

LIST OF SUPPORTING DOCUMENTS: Update of COVID-19 orders and Council actions, GA-39, GA-38, Governor Abbott proclamation renewing the Declaration of Disaster, GA 40

HISTORY OF COVID-19 ORDERS/COUNCIL ACTIONS

On **September 1, 2020**, the City Council adopted Resolution 2020-20 renewing and adopting a requirement that commercial establishments in the City post a notice that facial coverings are a requirement of employees and persons entering such establishments. The requirement that such notice be posted shall remain in effect until terminated or amended by the City Council.

On **October 7, 2020**, Governor Greg Abbott issued Executive Order GA-32 to allow certain bars and similar establishments to operate at 50% capacity with permission from the County Judge. GA-32 increased the occupancy levels for all business establishments other than bars to 75%. GA-32 also provides that outdoor gatherings in excess of 10 people is prohibited unless the Mayor of the City in which the gathering is held, approves of the gathering, and such approval can be made subject to certain conditions or restrictions not inconsistent with GA-32.

Mayor's statement on reduced business capacity in Caldwell County**.** At 12:01 a.m. on Wednesday, January 13, 2021 the provisions of Governor Greg Abbott's Executive Order GA-32 that suspend elective surgeries, close bars and reduce business capacity to 50 percent went into effect in Lockhart and Caldwell County. This was occurring because under GA-32, these specific provisions took effect when a Trauma Service Area had seven consecutive days in which the number of COVID-19 hospitalized patients as a percentage of total capacity exceeded 15 percent. This was the case in Trauma Service Area O, which included Caldwell County.

COVID Relief Fund update**.** On January 19, 2021, the Council voted to offer a six-month forbearance to businesses that received a COVID-19 Recovery Loan in 2020. Council re-opened the COVID Relief Grants to small businesses for $5,000 per business that qualifies. Restaurants and bars that were affected by the Governor's order earned higher points on the application process.

During the February 23, 2021 meeting, Chief Jenkins provided an update of COVID compliance for local businesses.

On **March 2, 2021**, Governor Abbot issued GA-34 that was effective March 10, 2021. It provides that the State no longer requires face covering and it does not allow local jurisdictions to require face coverings. GA-34 supercedes all orders issued by local officials that conflict with regard to services or local orders and provides that businesses and other establishments may require customers and employees to wear face coverings. The consensus of the Council was to leave the Mayor's Declaration in effect and to encourage citizens to continue to wear face coverings and to maintain a six foot distance.

On **May 13, 2021**, the CDC announced that fully vaccinated individuals no longer need to mask up or social distance indoors and outdoors, including crowds. Attached is information from the CDC about how to stay safe around individuals that are or are not fully vaccinated.

On **June 15, 2021**, the consensus of the Council was to continue virtual attendance at meetings.

On **June 30, 2021**, the Governor's office approved a request by the Attorney General to lift the temporary Open Meetings Act suspensions, effective at 12:01 a.m. on September 1, 2021. The change in virtual meetings is that a member of the governing body or board member may attend a meeting virtually but there must be a quorum physically present at the meeting location.

On **July 29, 2021**, Governor Abbott issued Executive Order 38, that combined several existing COVID-19 executive orders to promote statewide uniformity and certainty in the state's COVID-19 response. Governor Abbott stated that "The new Executive Order emphasizes that the path forward relies on personal responsibility rather than government mandates".

On **August 13, 2021**, TML provided the following information regarding actions taken by governmental entities and the Attorney General in regards to face coverings:

- **Mask Mandate Update:** Tuesday afternoon, two state district court judges in Dallas and Bexar counties granted local authorities in those jurisdictions temporary restraining orders blocking Governor Abbott's ban on mask mandates. In response to the rulings, the City of San Antonio issued a requirement for face coverings inside city facilities, and the Dallas County Judge issued an emergency order on Wednesday related to face coverings. Temporary restraining orders are by definition temporary and require further court proceedings to become permanent. TML will continue to monitor these developments. In related news, Houston's Mayor Sylvester Turner is requiring masks in city facilities when physical distancing is not doable.

Additionally, a number of large school districts ("ISDs") across the state, including Dallas ISD, Houston ISD, Austin ISD, Fort Worth ISD, and San Antonio ISD, are requiring masks on school property.

- **Attorney General Issues Two COVID-related opinions:** On August 11, the Attorney General released two opinions related to mask mandates and vaccines.
    1. In Opinion KP-0379, the Attorney General was asked whether COVID-19 vaccines could be required as a condition to enter a government building. Citing the Governor's Executive Order No. 38 as well as the recently passed S.B. 968, the Attorney General opined that government entities may not require COVID-19 vaccines as a condition to enter a government facility.
    2. In Opinion No. KP-0380, the Attorney General was asked to opine on the effect of the Governor's executive orders on federal requirements related to face coverings on public transit. The AG ultimately opined that he is unconvinced that CDC and TSA rules as well as federal law preempt the Governor's orders prohibiting mask mandates.

Please remember that Attorney General opinion are just that: opinions. They are legal guidance but do not carry the force of law or court order.

- **Counties Across Texas Seeing Rise in COVID-19 Threat Levels:** Over the last few weeks, we have reported on the rise in COVID-19 threat levels in counties and cities across the state. That rise continues, with Travis, Harris, Dallas, and Williamson counties, among others, back at the highest threat levels as the Delta variant spreads across the state and ICU bed availability drops.

On **August 29, 2021**, Governor Abbott issued a proclamation renewing the declaration stating that COVID-19 poses an imminent threat of disease for all counties in Texas.

On **August 25, 2021,** Governor Abbott issued GA-39 (attached), prohibiting governmental entities from compelling an individual to receive a COVID-19 vaccine regardless of full FDA approval, among other things.

The Governor also issued the following call to the Special Session of the Legislature:

> *Legislation regarding whether any State or Local Governmental entities in Texas can mandate that an individual receive a COVID-19 vaccine and, if so, what exemption should apply to such mandate.*

On **October 11, 2021,** Governor Abbott issued GA-40 relating to prohibiting all entities of compelling receipt of a COVID-19 vaccine until the issue has been considered through legislation.

On **February 25, 2022**, the CDC updated its framework on monitoring the level of COVID-19 in communities. The new framework moves beyond just looking at cases and testing positivity to evaluation factors that also include hospitalizations and hospital capacity. These factors combined are used to determine whether COVID-19 and severe disease are low, medium or high in a community. The CDC also updated its recommendations for wearing face coverings and respirators. Recommendations are now connected to the community's current level of COVID-19 and severe disease.

GOVERNOR GREG ABBOTT

August 25, 2021

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2 PM O'CLOCK
AUG 25 2021
Secretary of State

Mr. Joe A. Esparza
Deputy Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

Dear Deputy Secretary Esparza:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

> Executive Order No. GA-39 relating to prohibiting vaccine mandates and vaccine passports subject to legislative action.

The original executive order is attached to this letter of transmittal.

Respectfully submitted,

Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

Executive Order

BY THE
GOVERNOR OF THE STATE OF TEXAS

Executive Department
Austin, Texas
August 25, 2021

EXECUTIVE ORDER
GA 39

Relating to prohibiting vaccine mandates and vaccine passports subject to legislative action.

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all Texas counties; and

WHEREAS, in each subsequent month effective through today, I have renewed the COVID-19 disaster declaration for all Texas counties; and

WHEREAS, I have issued a series of executive orders aimed at protecting the health and safety of Texans, ensuring uniformity throughout Texas, and achieving the least restrictive means of combatting the evolving threat to public health; and

WHEREAS, COVID-19 vaccines are strongly encouraged for those eligible to receive one, but have always been voluntary for Texans; and

WHEREAS, I issued Executive Orders GA-35 and GA-38, addressing COVID-19 vaccines administered under an "emergency use authorization" by prohibiting vaccine mandates from governmental entities and by prohibiting "vaccine passports" from governmental entities and certain others; and

WHEREAS, subsequently, on August 23, 2021, while the legislature was already convened in a special session, the U.S. Food and Drug Administration (FDA) approved one of the COVID-19 vaccines for certain age groups, such that this vaccine is no longer administered under an emergency use authorization for those age groups; and

WHEREAS, while this COVID-19 vaccine is now FDA-approved for certain age groups, others are not yet approved and still are administered under an emergency use authorization; and

WHEREAS, through Chapter 161 of the Texas Health and Safety Code, as well as other laws including Chapters 38 and 51 of the Texas Education Code, the legislature has established its primary role over immunizations, and all immunization laws and regulations in Texas stem from the laws established by the legislature; and

WHEREAS, in other contexts where the legislature has imposed immunization requirements, it has also taken care to provide exemptions that allow people to opt out of being forced to take a vaccine; and

WHEREAS, given the legislature's primacy and the need to avoid a patchwork of regulations with respect to vaccinations, it is appropriate to maintain the status quo of

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2pm O'CLOCK

AUG 2 5 2021

prohibiting vaccine mandates through executive order while allowing the legislature to consider this issue while in session; and

WHEREAS, in this instance, given the legislature's prior actions, maintaining the status quo of prohibiting vaccine mandates and ensuring uniformity pending the legislature's consideration means extending the voluntariness of COVID-19 vaccinations to all COVID-19 vaccinations, regardless of regulatory status; and

WHEREAS, I am also adding this issue to the agenda for the Second Called Session of the legislature that is currently convened so that the legislature has the opportunity to consider this issue through legislation; and

WHEREAS, I will rescind this executive order upon the effective date of such legislation;

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, do hereby order the following on a statewide basis effective immediately:

1. No governmental entity can compel any individual to receive a COVID-19 vaccine. I hereby suspend Section 81.082(f)(1) of the Texas Health and Safety Code, and any other relevant statutes, to the extent necessary to ensure that no governmental entity can compel any individual to receive a COVID-19 vaccine.

2. State agencies and political subdivisions shall not adopt or enforce any order, ordinance, policy, regulation, rule, or similar measure that requires an individual to provide, as a condition of receiving any service or entering any place, documentation regarding the individual's vaccination status for any COVID-19 vaccine. I hereby suspend Section 81.085(i) of the Texas Health and Safety Code, and any other relevant statutes, to the extent necessary to enforce this prohibition. This paragraph does not apply to any documentation requirements necessary for the administration of a COVID-19 vaccine.

3. Any public or private entity that is receiving or will receive public funds through any means, including grants, contracts, loans, or other disbursements of taxpayer money, shall not require a consumer to provide, as a condition of receiving any service or entering any place, documentation regarding the consumer's vaccination status for any COVID-19 vaccine. No consumer may be denied entry to a facility financed in whole or in part by public funds for failure to provide documentation regarding the consumer's vaccination status for any COVID-19 vaccine.

4. Nothing in this executive order shall be construed to limit the ability of a nursing home, state supported living center, assisted living facility, or long-term care facility to require documentation of a resident's vaccination status for any COVID-19 vaccine.

5. This executive order shall supersede any conflicting order issued by local officials in response to the COVID-19 disaster. Pursuant to Section 418.016(a) of the Texas Government Code, I hereby suspend Sections 418.1015(b) and 418.108 of the Texas Government Code, Chapter 81, Subchapter E of the Texas Health and Safety Code, and any

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2PM O'CLOCK

AUG 25 2021

other relevant statutes, to the extent necessary to ensure that local officials do not impose restrictions in response to the COVID-19 disaster that are inconsistent with this executive order.

This executive order supersedes only paragraph No. 2 of Executive Order GA-38, and does not supersede or otherwise affect the remaining paragraphs of Executive Order GA-38. This executive order shall remain in effect and in full force unless it is modified, amended, rescinded, or superseded by the governor. This executive order may also be amended by proclamation of the governor.

Given under my hand this the 25th day of August, 2021.

GREG ABBOTT
Governor

ATTESTED BY:

JOE A. ESPARZA
Deputy Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2PM O'CLOCK

AUG 2 5 2021

GOVERNOR GREG ABBOTT

July 29, 2021

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:15pm O'CLOCK

JUL 29 2021

Secretary of State

Mr. Joe A. Esparza
Deputy Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

Dear Deputy Secretary Esparza:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

> Executive Order No. GA-38 relating to the continued response to the COVID-19 disaster.

The original executive order is attached to this letter of transmittal.

Respectfully submitted,

Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

Executive Order

BY THE
GOVERNOR OF THE STATE OF TEXAS

Executive Department
Austin, Texas
July 29, 2021

EXECUTIVE ORDER
GA 38

Relating to the continued response to the COVID-19 disaster.

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all Texas counties; and

WHEREAS, in each subsequent month effective through today, I have renewed the COVID-19 disaster declaration for all Texas counties; and

WHEREAS, from March 2020 through May 2021, I issued a series of executive orders aimed at protecting the health and safety of Texans, ensuring uniformity throughout Texas, and achieving the least restrictive means of combatting the evolving threat to public health by adjusting social-distancing and other mitigation strategies; and

WHEREAS, combining into one executive order the requirements of several existing COVID-19 executive orders will further promote statewide uniformity and certainty; and

WHEREAS, as the COVID-19 pandemic continues, Texans are strongly encouraged as a matter of personal responsibility to consistently follow good hygiene, social-distancing, and other mitigation practices; and

WHEREAS, receiving a COVID-19 vaccine under an emergency use authorization is always voluntary in Texas and will never be mandated by the government, but it is strongly encouraged for those eligible to receive one; and

WHEREAS, state and local officials should continue to use every reasonable means to make the COVID-19 vaccine available for any eligible person who chooses to receive one; and

WHEREAS, in the Texas Disaster Act of 1975, the legislature charged the governor with the responsibility "for meeting … the dangers to the state and people presented by disasters" under Section 418.011 of the Texas Government Code, and expressly granted the governor broad authority to fulfill that responsibility; and

WHEREAS, under Section 418.012, the "governor may issue executive orders … hav[ing] the force and effect of law;" and

WHEREAS, under Section 418.016(a), the "governor may suspend the provisions of any regulatory statute prescribing the procedures for conduct of state business … if strict compliance with the provisions … would in any way prevent, hinder, or delay necessary action in coping with a disaster;" and

WHEREAS, under Section 418.018(c), the "governor may control ingress and egress to

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:15pm O'CLOCK

JUL 29 2021

and from a disaster area and the movement of persons and the occupancy of premises in the area;" and

WHEREAS, under Section 418.173, the legislature authorized as "an offense," punishable by a fine up to $1,000, any "failure to comply with the [state emergency management plan] or with a rule, order, or ordinance adopted under the plan;"

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, do hereby order the following on a statewide basis effective immediately:

1. To ensure the continued availability of timely information about COVID-19 testing and hospital bed capacity that is crucial to efforts to cope with the COVID-19 disaster, the following requirements apply:

   a. All hospitals licensed under Chapter 241 of the Texas Health and Safety Code, and all Texas state-run hospitals, except for psychiatric hospitals, shall submit to the Texas Department of State Health Services (DSHS) daily reports of hospital bed capacity, in the manner prescribed by DSHS. DSHS shall promptly share this information with the Centers for Disease Control and Prevention (CDC).
   b. Every public or private entity that is utilizing an FDA-approved test, including an emergency use authorization test, for human diagnostic purposes of COVID-19, shall submit to DSHS, as well as to the local health department, daily reports of all test results, both positive and negative. DSHS shall promptly share this information with the CDC.

2. To ensure that vaccines continue to be voluntary for all Texans and that Texans' private COVID-19-related health information continues to enjoy protection against compelled disclosure, in addition to new laws enacted by the legislature against so-called "vaccine passports," the following requirements apply:

   a. No governmental entity can compel any individual to receive a COVID-19 vaccine administered under an emergency use authorization. I hereby suspend Section 81.082(f)(1) of the Texas Health and Safety Code to the extent necessary to ensure that no governmental entity can compel any individual to receive a COVID-19 vaccine administered under an emergency use authorization.
   b. State agencies and political subdivisions shall not adopt or enforce any order, ordinance, policy, regulation, rule, or similar measure that requires an individual to provide, as a condition of receiving any service or entering any place, documentation regarding the individual's vaccination status for any COVID-19 vaccine administered under an emergency use authorization. I hereby suspend Section 81.085(i) of the Texas Health and Safety Code to the extent necessary to enforce this prohibition. This paragraph does not apply to any documentation requirements necessary for the administration of a COVID-19 vaccine.
   c. Any public or private entity that is receiving or will receive public funds through any means, including grants, contracts, loans, or other disbursements of taxpayer money, shall not require a consumer to provide, as a condition of receiving any service or entering any place, documentation regarding the consumer's vaccination status for any COVID-19 vaccine administered under an emergency use authorization. No consumer may be denied entry to a facility financed

in whole or in part by public funds for failure to provide documentation regarding the consumer's vaccination status for any COVID-19 vaccine administered under an emergency use authorization.

d. Nothing in this executive order shall be construed to limit the ability of a nursing home, state supported living center, assisted living facility, or long-term care facility to require documentation of a resident's vaccination status for any COVID-19 vaccine.
e. This paragraph number 2 shall supersede any conflicting order issued by local officials in response to the COVID-19 disaster. I hereby suspend Sections 418.1015(b) and 418.108 of the Texas Government Code, Chapter 81, Subchapter E of the Texas Health and Safety Code, and any other relevant statutes, to the extent necessary to ensure that local officials do not impose restrictions in response to the COVID-19 disaster that are inconsistent with this executive order.

3. To ensure the ability of Texans to preserve livelihoods while protecting lives, the following requirements apply:

   a. There are no COVID-19-related operating limits for any business or other establishment.
   b. In areas where the COVID-19 transmission rate is high, individuals are encouraged to follow the safe practices they have already mastered, such as wearing face coverings over the nose and mouth wherever it is not feasible to maintain six feet of social distancing from another person not in the same household, but no person may be required by any jurisdiction to wear or to mandate the wearing of a face covering.
   c. In providing or obtaining services, every person (including individuals, businesses, and other legal entities) is strongly encouraged to use good-faith efforts and available resources to follow the Texas Department of State Health Services (DSHS) health recommendations, found at www.dshs.texas.gov/coronavirus.
   d. Nursing homes, state supported living centers, assisted living facilities, and long-term care facilities should follow guidance from the Texas Health and Human Services Commission (HHSC) regarding visitations, and should follow infection control policies and practices set forth by HHSC, including minimizing the movement of staff between facilities whenever possible.
   e. Public schools may operate as provided by, and under the minimum standard health protocols found in, guidance issued by the Texas Education Agency. Private schools and institutions of higher education are encouraged to establish similar standards.
   f. County and municipal jails should follow guidance from the Texas Commission on Jail Standards regarding visitations.
   g. As stated above, business activities and legal proceedings are free to proceed without COVID-19-related limitations imposed by local governmental entities or officials. This paragraph number 3 supersedes any conflicting local order in response to the COVID-19 disaster, and all relevant laws are suspended to the extent necessary to preclude any such inconsistent local orders. Pursuant to the legislature's command in Section 418.173 of the Texas Government Code and the State's emergency management plan, the imposition of any conflicting or inconsistent limitation by a local governmental entity or official constitutes a "failure to comply with" this executive order that is subject to a fine up to $1,000.

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:15pm O'CLOCK

JUL 2 9 2021

4. To further ensure that no governmental entity can mandate masks, the following requirements shall continue to apply:

   a. No governmental entity, including a county, city, school district, and public health authority, and no governmental official may require any person to wear a face covering or to mandate that another person wear a face covering; *provided, however, that*:
      i. state supported living centers, government-owned hospitals, and government-operated hospitals may continue to use appropriate policies regarding the wearing of face coverings; and
      ii. the Texas Department of Criminal Justice, the Texas Juvenile Justice Department, and any county and municipal jails acting consistent with guidance by the Texas Commission on Jail Standards may continue to use appropriate policies regarding the wearing of face coverings.
   b. This paragraph number 4 shall supersede any face-covering requirement imposed by any local governmental entity or official, except as explicitly provided in subparagraph number 4.a. To the extent necessary to ensure that local governmental entities or officials do not impose any such face-covering requirements, I hereby suspend the following:

      i. Sections 418.1015(b) and 418.108 of the Texas Government Code;
      ii. Chapter 81, Subchapter E of the Texas Health and Safety Code;
      iii. Chapters 121, 122, and 341 of the Texas Health and Safety Code;
      iv. Chapter 54 of the Texas Local Government Code; and
      v. Any other statute invoked by any local governmental entity or official in support of a face-covering requirement.

   Pursuant to the legislature's command in Section 418.173 of the Texas Government Code and the State's emergency management plan, the imposition of any such face-covering requirement by a local governmental entity or official constitutes a "failure to comply with" this executive order that is subject to a fine up to $1,000.
   c. Even though face coverings cannot be mandated by any governmental entity, that does not prevent individuals from wearing one if they choose.

5. To further ensure uniformity statewide:

   a. This executive order shall supersede any conflicting order issued by local officials in response to the COVID-19 disaster, but only to the extent that such a local order restricts services allowed by this executive order or allows gatherings restricted by this executive order. Pursuant to Section 418.016(a) of the Texas Government Code, I hereby suspend Sections 418.1015(b) and 418.108 of the Texas Government Code, Chapter 81, Subchapter E of the Texas Health and Safety Code, and any other relevant statutes, to the extent necessary to ensure that local officials do not impose restrictions in response to the

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:15pm O'CLOCK

JUL 29 2021

COVID-19 disaster that are inconsistent with this executive order, provided that local officials may enforce this executive order as well as local restrictions that are consistent with this executive order.

b. Confinement in jail is not an available penalty for violating this executive order. To the extent any order issued by local officials in response to the COVID-19 disaster would allow confinement in jail as an available penalty for violating a COVID-19-related order, that order allowing confinement in jail is superseded, and I hereby suspend all relevant laws to the extent necessary to ensure that local officials do not confine people in jail for violating any executive order or local order issued in response to the COVID-19 disaster.

This executive order supersedes all pre-existing COVID-19-related executive orders and rescinds them in their entirety, except that it does not supersede or rescind Executive Orders GA-13 or GA-37. This executive order shall remain in effect and in full force unless it is modified, amended, rescinded, or superseded by the governor. This executive order may also be amended by proclamation of the governor.

Given under my hand this the 29th day of July, 2021.

GREG ABBOTT
Governor

ATTESTED BY:

JOE A. ESPARZA
Deputy Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:15pm O'CLOCK

JUL 29 2021

GOVERNOR GREG ABBOTT

August 29, 2021

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:30pm O'CLOCK

AUG 29 2021

Secretary of State

Mr. Joe A. Esparza
Deputy Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

Dear Mr. Deputy Secretary:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

> A proclamation renewing the declaration stating the novel coronavirus (COVID-19) poses an imminent threat of disaster for all counties in Texas.

The original proclamation is attached to this letter of transmittal.

Respectfully submitted,

Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

POST OFFICE BOX 12428 AUSTIN, TEXAS 78711 512-463-2000 (VOICE) DIAL 7-1-1 FOR RELAY SERVICES

PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all counties in the State of Texas; and

WHEREAS, in each subsequent month effective through today, I have issued proclamations renewing the disaster declaration for all Texas counties; and

WHEREAS, I have issued executive orders and suspensions of Texas laws in response to COVID-19, aimed at protecting the health and safety of Texans and ensuring an effective response to this disaster; and

WHEREAS, a state of disaster continues to exist in all counties due to COVID-19;

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby renew the disaster proclamation for all counties in Texas.

Pursuant to Section 418.017, I authorize the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.

Pursuant to Section 418.016, any regulatory statute prescribing the procedures for conduct of state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster shall be suspended upon written approval of the Office of the Governor. However, to the extent that the enforcement of any state statute or administrative rule regarding contracting or procurement would impede any state agency's emergency response that is necessary to cope with this declared disaster, I hereby suspend such statutes and rules for the duration of this declared disaster for that limited purpose.

In accordance with the statutory requirements, copies of this proclamation shall be filed with the applicable authorities.

IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 29th day of August, 2021.

Greg Abbott

GREG ABBOTT
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:30pm O'CLOCK

AUG 29 2021

ATTESTED BY:

JOE ESPARZA
Deputy Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:30pm O'CLOCK

AUG 2 9 2021

GOVERNOR GREG ABBOTT

October 11, 2021

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:30pm O'CLOCK
OCT 11 2021
Secretary of State

Mr. Joe A. Esparza
Deputy Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

Dear Deputy Secretary Esparza:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

> Executive Order No. GA-40 relating to prohibiting vaccine mandates, subject to legislative action.

The original executive order is attached to this letter of transmittal.

Respectfully submitted,

Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

POST OFFICE BOX 12428 AUSTIN, TEXAS 78711 512-463-2000 (VOICE) DIAL 7-1-1 FOR RELAY SERVICES

Executive Order

BY THE
GOVERNOR OF THE STATE OF TEXAS

Executive Department
Austin, Texas
October 11, 2021

EXECUTIVE ORDER
GA 40

Relating to prohibiting vaccine mandates, subject to legislative action.

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all Texas counties; and

WHEREAS, in each subsequent month effective through today, I have renewed the COVID-19 disaster declaration for all Texas counties; and

WHEREAS, I have issued a series of executive orders aimed at protecting the health and safety of Texans, ensuring uniformity throughout Texas, and achieving the least restrictive means of combatting the evolving threat to public health; and

WHEREAS, COVID-19 vaccines are strongly encouraged for those eligible to receive one, but must always be voluntary for Texans; and

WHEREAS, I issued Executive Orders GA-35, GA-38, and GA-39 to prohibit governmental entities and certain others from imposing COVID-19 vaccine mandates or requiring vaccine passports; and

WHEREAS, in yet another instance of federal overreach, the Biden Administration is now bullying many private entities into imposing COVID-19 vaccine mandates, causing workforce disruptions that threaten Texas's continued recovery from the COVID-19 disaster; and

WHEREAS, countless Texans fear losing their livelihoods because they object to receiving a COVID-19 vaccination for reasons of personal conscience, based on a religious belief, or for medical reasons, including prior recovery from COVID-19; and

WHEREAS, through Chapter 161 of the Texas Health and Safety Code, as well as other laws including Chapters 38 and 51 of the Texas Education Code, the legislature has established its primary role over immunizations, and all immunization laws and regulations in Texas stem from the laws established by the legislature; and

WHEREAS, the legislature has taken care to provide exemptions that allow people to opt out of being forced to take a vaccine for reasons of conscience or medical reasons; and

WHEREAS, I am adding this issue to the agenda for the Third Called Session of the legislature that is currently convened so that the legislature has the opportunity to consider this issue through legislation; and

WHEREAS, I will rescind this executive order upon the effective date of such legislation;

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:30pm O'CLOCK

OCT 11 2021

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, do hereby order the following on a statewide basis effective immediately:

1. No entity in Texas can compel receipt of a COVID-19 vaccine by any individual, including an employee or a consumer, who objects to such vaccination for any reason of personal conscience, based on a religious belief, or for medical reasons, including prior recovery from COVID-19. I hereby suspend all relevant statutes to the extent necessary to enforce this prohibition.

2. The maximum fine allowed under Section 418.173 of the Texas Government Code and the State's emergency management plan shall apply to any "failure to comply with" this executive order. Confinement in jail is not an available penalty for violating this executive order.

3. This executive order shall supersede any conflicting order issued by local officials in response to the COVID-19 disaster. Pursuant to Section 418.016(a) of the Texas Government Code, I hereby suspend Sections 418.1015(b) and 418.108 of the Texas Government Code, Chapter 81, Subchapter E of the Texas Health and Safety Code, and any other relevant statutes, to the extent necessary to ensure that local officials do not impose restrictions in response to the COVID-19 disaster that are inconsistent with this executive order.

This executive order does not supersede Executive Orders GA-13, GA-37, GA-38, or GA-39. This executive order shall remain in effect and in full force unless it is modified, amended, rescinded, or superseded by the governor. This executive order may also be amended by proclamation of the governor.

Given under my hand this the 11th
day of October, 2021.

Greg Abbott

GREG ABBOTT
Governor

ATTESTED BY:

JOE A. ESPARZA
Deputy Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:30pm O'CLOCK

OCT 1 1 2021