REGULAR MEETING
LOCKHART CITY COUNCIL APRIL 15, 2025 6:30 P.M.

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

Council present:
Mayor Lew White
Councilmember John Castillo
Councilmember Brad Westmoreland
Councilmember Juan Mendoza
Councilmember John Lairsen
Councilmember Jeffry Michelson
Mayor Pro-Tem Angie Gonzales-Sanchez

Staff present:
Steve Lewis, City Manager
Brad Bullock, City Attorney
Joseph Resendez, Assistant City Manager
Julie Bowermon, City Secretary
David Fowler, Planning Director
Sean Kelley, Public Works Director
Keeli Michna, Finance Director
Randy Jenkins, Fire Chief

Citizens/Visitors Addressing the Council: Rylie Kennedy and Diane Flores of the Hays-Caldwell Women's Center; Coyle Buhler of the Caldwell County Museum, Jason Jones of the Gaslight-Baker Theater; Rob Ortiz of the Greater Caldwell County Hispanic Chamber of Commerce; Megan Carvajal of the Lockhart Chamber of Commerce; Christine Ohlendorf and Tamara Carlisle of Lockhart Initiative for Tourism; Rachel Lingvai and Will Rhodes of Courthouse Nights; Marty Spellerberg of Spellerberg Projects; Kate Collin of Troubador Image & Sound; Citizens: Beatrice Starks and Donna Blair; Scott Rampe of Packsaddle Partners; and Will Wachel of TRC.

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. PRESENTATION OF PROCLAMATIONS DECLARING APRIL 2025 AS CHILD ABUSE AND SEXUAL ASSAULT AWARENESS & PREVENTION MONTH.
Mayor White presented the proclamation to Rylie Kennedy and Diane Flores of the Hays-Caldwell Women's Center.

B. DISCUSS HOTEL OCCUPANCY TAX (HOT) ALLOCATIONS AS RECOMMENDED BY THE HOT ADVISORY BOARD FOR THE 2025 FUNDING YEAR.
Ms. Michna stated that on April 3, 2025, the Hotel Occupancy Tax (HOT) Advisory Board met to review and discuss Hotel Tax funding applications for FYE 2025. The City of Lockhart collects a 7% Hotel Occupancy Tax from hotels, bed & breakfasts, and other lodging facilities. The revenue from the HOT fund may be used only to directly promote tourism and the hotel and convention industry. The Funding Application Form provides applicants the specific eligible uses of HOT funds under state law requirements, outlines city policy, and provides guidance on the priority uses for Hotel Tax funds. A copy of this form is attached for reference. This funding cycle, the City received ten applications from eight organizations. The eight organizations include: Caldwell County Jail Museum, Courthouse Nights, Gaslight-Baker Theatre, Greater Caldwell County Hispanic Chamber of Commerce, Lockhart Chamber of Commerce, Lockhart Initiative for Tourism, Spellerberg Projects, and Troubador Image + Sound. All applicants were in attendance at the HOT Advisory Board meeting and made formal presentations. The

total amount requested was $323,000. This is an increase of $100,500 over the amount requested in FYE 2024. After discussion and consideration, the HOT Advisory Board submits a proposed funding allocation of $225,000 for FYE 2025 to Council for review and final approval. The Board funding proposal presents an allocation that provides funding for two new applicants, the Lockhart Initiative for Tourism and Spellerberg Projects, while providing continued financial support to existing events and ongoing historical restoration and preservation projects. Ms. Michna referred to the FYE 2025 Application Funding Chart providing the HOT Advisory Board's detailed funding recommendations and the previous year's allocation history, and the submitted Funding Applications for review.

Mayor White requested the following to address the Council:

Coyle Buhler of the Caldwell County Museum provided information about how the museum promotes tourism to Lockhart. He stated that they are requesting funds for the restoration and maintenance of the building.

Jason Jones of the Gaslight-Baker Theater provided information about how the theater promotes tourism to Lockhart and of the necessary renovations of the building. He stated that they are requesting a contribution in the amount of $15,000.

Rob Ortiz of the Greater Caldwell County Hispanic Chamber of Commerce provided details about how the organization promotes tourism to the Lockhart with the Cinco de Mayo, Diez y Seis and 5K run events.

Megan Carvajal of the Lockhart Chamber of Commerce provided information about how the Chamber promotes tourism to Lockhart with the Chisholm Trail Roundup and as the Visitors Center for the community.

Christine Ohlendorf and Tamara Carlisle of Lockhart Initiative for Tourism (LIT) provided information about how their organization digitally promotes tourism to the community with the Roots and Revival, Flamico Dancer and Photography Artwalk events. She stated that they are requesting a contribution in the amount of $10,000.

Rachel Lingvai and Will Rhodes of Courthouse Nights provided details about how their music events bring tourism to the community. She stated that they are requesting a contribution in the amount of $20,000.

Marty Spellerberg of Spellerberg Projects provided details about promoting tourism to the community through creating a Texas Cultural District. He stated that he is requesting a contribution in the amount of $5,000 to assist with obtaining interns to help with the Texas Cultural District creation.

Kate Collin of Troubador Image & Sound (78644 Podcast) provided information about how they promote tourism to the community through the online podcast. She stated that the organization is requesting a contribution in the amount of $18,000.

RECESS: Mayor White announced that the Council would recess for a break at 8:05 p.m.

Mayor White reconvened the work session at 8:16 p.m.

C. DISCUSS MID-YEAR FINANCIAL REPORT FOR FYE 2025.
Ms. Michna stated that in an effort to keep the City Council updated and informed on the City of Lockhart's budget, a mid-year financial status report is presented that focuses on financial and operational performance and provides updates on revenues and expenditures for the remainder of the fiscal year. This financial management practice is recommended by the Government Finance Officers Association (GFOA). She presented the detailed financial report.

D. DISCUSS THE 2ND QUARTER FISCAL YEAR 2025 INVESTMENT REPORT
Ms. Michna stated that the Texas Public Funds Investment Act requires local governments to review and accept the quarterly investment reports for each quarterly reporting period of the fiscal year. She presented the 2nd Quarter Investment Report of Fiscal Year End (FYE) 2025, ending March 31, 2025.

E. DISCUSS THE PRELIMINARY BUDGET AND TAX CALENDAR FOR FISCAL YEAR 2025-2026.
Ms. Michna stated that this document is the preliminary budget and tax calendar for Fiscal Year (FY) 2025-2026. Tentative dates are subject to Council acceptance of the proposed Council workshops. The budget workshops will provide dedicated days for management to present and discuss the City Manager's FY 2025-2026 Proposed Budget.

Mayor White stated that the Council would close the work session and begin the regular meeting at 8:25 p.m.

ITEM 1. CALL TO ORDER.
Mayor Lew White called the meeting to order at 8:25 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.

Beatrice Starks, 401 San Jacinto, expressed concern about the new construction in the downtown square. She stated that her family owns a business on the downtown square and that they are disappointed that the downtown business owners were not informed about the construction during the planning phase.

Donna Blaire, 831 W. San Antonio, stated that she supports all of the organizations requesting HOT funds. She spoke in favor of HOT funds being distributed to the Spellerberg Project because she believes that the project will promote tourism to the community.

ITEM 5-A. DISCUSSION AND/OR ACTION REGARDING HOTEL OCCUPANCY TAX (HOT) ALLOCATIONS AS RECOMMENDED BY THE HOT ADVISORY BOARD FOR THE 2025 FUNDING YEAR.
Mayor White recommended that the Visitors Bureau and Spellerberg Project funding be tabled to a meeting in May to allow additional discussion. There was discussion.

Councilmember Westmoreland made a motion to approve the HOT allocations as recommended by the HOT Advisory Board. Councilmember Castillo seconded. The motion passed by a vote of 6-1, with Mayor White opposing.

ITEM 4. CONSENT AGENDA.

Mayor Pro-Tem Sanchez made a motion to approve consent agenda items 4A, 4B and 4C. Councilmember Lairsen seconded. The motion passed by a vote of 7-0.

The following are the consent agenda items that were approved:
4A: Receive the Mid-Year Financial Report for FYE 2025.
4B: Acceptance of the 2nd Quarter Fiscal Year 2025 Investment Report.
4C: Approve the Preliminary Budget and Tax Calendar for Fiscal Year 2025-2026.

ITEM 4-D. APPROVE THE DISPOSAL OF THREE SURPLUS AMBULANCES OWNED BY THE CITY OF LOCKHART.

Chief Jenkins stated that the provider of emergency medical services (EMS) in the City of Lockhart and Caldwell County has transitioned from Lockhart EMS to Caldwell County Emergency Services District (ESD) #5 on February 1, 2025. Caldwell County ESD #5 has purchased the majority of ambulances, a staff vehicle, and medical equipment from the City of Lockhart to provide emergency medical services in Caldwell County. The City of Lockhart owns three surplus ambulances which were not purchased by Caldwell County ESD #5 due to their age, reliability, high mileage, and mechanical issues. The ambulances include:

MEDIC 5 – A 2010 Ford F-350 Type I ambulance (AEV) with 276,680 miles. City ID #505. Medic 5 was involved in a rollover accident and is not operational. The original cost was $129,060.

MEDIC 3 – A 2013 Ford F-350 Type I ambulance (Wheeled Coach) with 280,764 miles. City ID# 507. Medic 3 has mechanical issues with the fuel system and turbocharger and is not operational. The original cost was $129,988.

MEDIC 2 – A 2017 Ford F-450 Type I ambulance (Demers) with 292,804 miles. City ID #509. Medic 2 has mechanical issues with the fuel system and is not operational. The original cost was $196,040.

Staff recommend disposal of the three surplus ambulances by private sale, public auction, or recycling.

Councilmember Michelson made a motion to dispose of three surplus ambulances owned by the City of Lockhart, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 4-E. APPROVE ORDINANCE 2025-09, VACATING AND RELEASING GENERAL UTILITY EASEMENTS IN THE ABANDONED LAPAN STREET AND RED OAK STREET AND ALLEYWAYS THROUGH 1120 SOUTH COLORADO STREET, 1126 SOUTH COLORADO STREET, 1021 COMMERCE STREET AND 1105 SOUTH COMMERCE STREET.

Mr. Fowler stated that the purpose of the proposed easement abandonment is to clear the four properties located along South Colorado and Commerce Streets east of the intersection of South Colorado Street and State Park Road/FM 20 of any remaining easements. The property owner is planning to develop a two-story single-building commercial development on the site. To develop the site, the applicant proposes an amending plat to transform the properties into a single lot. While the rights of way for Lapan and Red Oak Streets were vacated when the streets were abandoned in 1982, the abandoning ordinance saved and reserved the easements that had been created with the streets. In order to develop the site as intended, it is necessary to remove those easements that remain, so any proposed buildings are not built over easements. When the new amending plat is created, the utilities would be located within the right-of-way adjacent to the new lots, so no new easements would be necessary.

NOTE: Mayor Pro-Tem Sanchez stepped away from the dais for a moment prior to the vote on the agenda item.

Councilmember Michelson made a motion to approve Ordinance 2025-09, as presented. Councilmember Lairsen seconded. The motion passed by a vote of 6-0.

ITEM 5-B. DISCUSSION AND/OR ACTION TO CONSIDER ORDINANCE 2025-08, AMENDING SECTIONS 28-21 AND 28-23 OF ARTICLE I, "HISTORIC DISTRICTS AND LANDMARKS REGULATIONS AND PROCEDURES" OF CHAPTER 28 "HISTORIC DISTRICTS AND LANDMARKS" TO CLARIFY THE TIMELINE FOR COMPLETION OF WORK SUBJECT TO A HISTORIC TAX ABATEMENT AND CERTIFICATION OF HISTORIC TAX ABATEMENTS.

Mr. Fowler stated that city legal staff suggested this amendment to Chapter 28 "Historic Districts and Landmarks" after the construction work for a recent tax abatement case took longer than the one-year timeline allowed in City Code. The current ordinance allows for a one-year timeline for completion of tax abatement projects without any possibility of longer timelines for more complex projects. The City Attorney's office recommended the ordinance be revised to allow for timelines to be tailored to the requirements of specific projects. To achieve this aim, the proposed text amendment would replace a maximum one-year timeline for completion of abatement projects with an expiration date as approved by City Council. Other than this change related to the allowed timeline for completion of projects, the process for approval of historic tax abatement requests would remain unchanged, with the Historical Preservation Commission recommending approval of tax abatement requests, with the requests ultimately approved by City Council. Passing this text amendment will enable the approval of the following item on the agenda, which is the acceptance of the revised project timeline for the Spellerberg Gallery downtown, which will allow that project to be eligible to receive the requested tax abatement.

Councilmember Lairsen made a motion to approve Ordinance 2025-08, as presented. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

ITEM 5-C. DISCUSSION AND/OR ACTION TO CONSIDER A REQUEST FROM MARTIN SPELLERBERG OF SPELLERBERG ASSOCIATES, LLC TO EXTEND THE ONE-YEAR TIMEFRAME SET FORTH IN THE APPROVED TAX ABATEMENT AGREEMENT TO ACCOMMODATE THE 17-MONTH CONSTRUCTION TIMELINE FOR THE INTERIOR, HVAC, ROOFING, AND REAR FACADE IMPROVEMENTS TO A BUILDING IN THE HISTORIC DISTRICT LOCATED ON PART OF LOT 4, BLOCK 39, ORIGINAL TOWN OF LOCKHART AND ADDRESSED AS 103 SOUTH MAIN STREET.

Mr. Fowler stated that this item proposes an amended tax abatement agreement between the City and Spellerberg Associates to defray the costs of extensive renovations to the building located at 103 South Main Street. The original abatement agreement allowed for one year to complete the renovations, consistent with the language found in Sections 28-21 and 28-23 of the City Code of Ordinances. Due to delays in acquiring materials and approvals needed from other agencies, the renovation was completed in approximately 17 months. As a result of this issue, the applicant has requested an amendment to the tax abatement agreement. In order to make the amendment tax agreement possible, the previous item on the agenda proposes to revise the allowable construction periods to allow for flexibility in project length to allow for longer construction for more complex projects, rather than only allowing a one-year completion timeline for all tax abatement projects.

Councilmember Lairsen made a motion to approve the request by Martin Spellerberg, as presented. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

ITEM 5-D. DISCUSSION AND/OR ACTION REGARDING PROPOSED AMENDMENT 1 TO THE SEAWILLOW DEVELOPMENT AGREEMENT RELATING TO ROADWAY ALIGNMENT, SCHOOL LOCATION, AND WATER TOWER LOCATION.

Mr. Fowler stated that the proposed amendment to the Seawillow Development Agreement has been created for the main purpose of moving the junior high school site to a location that would facilitate building the school earlier. The applicant and Lockhart ISD have requested the item be placed onto the agenda so the revised development agreement reflects the relocated school location, thus facilitating the transfer of the junior high site to the ISD prior to the upcoming bond election. As a result of the proposed relocation of the junior high school site, the two schools planned in the Seawillow Development will not be adjacent; Instead, the elementary school would be located at a separate site further south along the arterial road. The separation of the two facilities arguably makes sense, as the junior high will serve an area much larger than the Seawillow subdivision, making the proposed location at the edge of the subdivision more accessible to residents of other neighborhoods. The relocation of the school site has two main impacts on the overall site plan: causing a slight change in the development's roadway network and requiring a relocation of the planned water tower. The road network changes are confined to a slight deviation in the north-south arterial street within the development and a change to that street's intersection with Seawillow Road. Whereas the original alignment created a "T" intersection with the existing alignment of Seawillow Road at the north end of the development, the new alignment shows Seawillow Road terminating at an intersection with the internal arterial. Seawillow road would then continue from that intersection towards FM 1322 as it does currently. The relocation of the planned water tower has been proposed with the aim of providing water service to the junior high school site early in the development of the subdivision. The proposed amendment does not change any of the agreement's text or terms. The only changes to the development agreement document are the insertions of the proposed updated exhibits reflecting the change in school locations, the revised road alignment, and the new water tower location.

Will Wachel of TRC stated that the Traffic Impact Study will be updated to include the traffic changes.

Councilmember Lairsen made a motion to approve Amendment 1 to the Seawillow Development Agreement, as presented. Councilmember Michelson seconded. The motion passed by a vote of 7-0.

ITEM 5-E. DISCUSSION AND/OR ACTION TO CONSIDER A PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING, LEGAL, AND FINANCIAL REVIEW FOR A DEVELOPMENT AGREEMENT FOR A PROPOSED RESIDENTIAL DEVELOPMENT ON APPROXIMATELY 280 ACRES LOCATED ON ROBIN RANCH ROAD APPROXIMATELY 4,800 FEET WEST OF SOUTH COLORADO STREET/US 183.

Mr. Fowler stated that the applicant has expressed interest in developing the Livengood property southwest of the current city limits. The applicant has expressed interest in creating a Municipal Utility District (MUD) that would potentially utilize City water and wastewater services. To date, City staff has seen only very schematic details of the potential design of the development. However, from discussion with the applicant, it appears that the proposed development is primarily residential in nature, with the possibility of a school site and a daycare center within the development. Most of the development area is within the City's Extraterritorial Jurisdiction (ETJ) and also within the City's water and wastewater CCN area. It is expected that the agreement would bring the entirety of the development both into the ETJ and into the CCN. Because the site is at least 2,600 feet from the nearest point in the City, it is expected that the property would be developed as an ETJ MUD with the possibility of annexation in the future. The proposed professional service agreement is designed to establish an escrow account to facilitate the legal, engineering, and financial review of the project up to the point at which an agreement is reached.

Scott Rampe of Packsaddle Partners stated that the proposed agreement allows them to begin working with city personnel/consultants about utility updates to begin the development project.

Mayor Pro-Tem Sanchez made a motion to approve the Professional Services Agreement, as presented. Councilmember Michelson seconded. The motion passed by a vote of 6-1, with Councilmember Castillo opposing.

WORKSHOP ITEM K. PRESENTATION AND DISCUSSION REGARDING UPDATE ON THE FEASIBILITY STUDY FOR THE IMPLEMENTATION OF RAILROAD QUIET ZONES (RRQZ).

Mr. Kelley stated that on April 16, 2024, the City Engineer was authorized to conduct a feasibility study regarding the process of establishing Railroad Quiet Zones. Staff seeks Council direction to determine if proceeding with a UPRR Reviewal Agreement Reimbursement is the desire of Council given the additional costs. Authorizing the UPRR agreement does not guarantee approval of the project by the Federal Railroad Administration. Additional Supplementary Safety Measures (SSMs) may be required to meet the requirements of establishing a RRQZ.

Will Wachel of TRC provided the following information of the Railroad Quiet Zone feasibility study:

- Obtained traffic count data at each of the existing railroad crossings with proposed railroad quiet zone
- Analyzed and determined Quiet Zone Risk Index
- Obtained approval in concept for the establishment of railroad quiet zone indices from FRA
- Developed conceptual exhibits with proposed improvements at railroad crossings and estimated costs for improvements.
- Contacted FRA, TxDOT railroad coordinator, and UPRR to set up a virtual pre-diagnostic meeting to discuss proposed improvements at railroad crossings.

TRC contacted Union Pacific Railroad (UPRR) to set up a virtual pre-diagnostic meeting and were told that the City of Lockhart would need to enter into a reimbursement agreement with UPRR prior to setting up the meeting and/or reviewing conceptual exhibits for proposed improvements. TRC has researched if other entities were required to enter a reimbursement with UPRR for the establishment of railroad quiet zones and discovered that the City of Seguin, TX had entered into an agreement with UPRR for $50,000 last year. This process appears in line with UPRR's request for agreement to be in place prior to initiating any evaluations or meeting with the Authority (City of Lockhart). UPRR stated the reimbursement agreement with City of Lockhart would be an estimated amount of $75,000.00.

There was no action taken.

ITEM 6. CITY MANAGER'S REPORT, PRESENTATION AND POSSIBLE ACTION

- Update on Project 5C, which updates copper lines and improves electrical reliability.
- Staff is reviewing bids for Gateway Monument Sign project.
- Lockhart Municipal Airport Runway paving scheduled to begin on May 5.

- City offices will be closed on Friday, April 18.
- Courthouse Nights music series begins April 18.
- Kiwanis 5K Stampede scheduled for April 26.
- Cinco de Mayo 5K/10K run scheduled for May 3.
- Recent awards and acknowledgements for Lockhart.
- Report on LCRA Steps Forward Volunteer Program at Lions Park.

ITEM 7. COUNCIL AND STAFF COMMENTS - ITEMS OF COMMUNITY INTEREST

Councilmember Mendoza expressed condolences to the family of Bishop Berry for their loss. He thanked the LCRA Step Forward group for their work at the Lions Park and the Downtown Business Association for the Sip-n-Stroll event.

Mayor Pro-Tem Sanchez expressed condolences to families that have lost a loved one. She congratulated all involved with the successful Sip-n-Stroll event. She wished the Courthouse Nights a successful event.

Councilmember Castillo thanked LCRA for their work at the Lions Park. He expressed condolences to families that have lost a loved one. He provided information about the current Air B&Bs that are active in the community. He requested that staff review whether they are all contributing hotel occupancy tax to Lockhart. He invited all to the upcoming *50 Lions Who Can Cook* and the Mariachi events. He wished everyone a Happy Easter.

Councilmember Michelson invited everyone to the *50 Lions Who Can Cook* event.

EXECUTIVE SESSION

Mayor White announced that the Council would enter Executive Session at 9:33 p.m.

ITEM 8. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.071, PRIVATE CONSULTATION WITH ITS ATTORNEY TO SEEK ADVICE ABOUT LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE AND SECTION 551.072 OF THE TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE GOVERNMENTAL BODY IN NEGOTIATIONS WITH A THIRD PERSON.

A. Discussion regarding acquisition of multiple utility easements between S. Main Street and S. Commerce Street.

OPEN SESSION

Mayor White announced that the Council would enter Open Session at 9:44 p.m.

ITEM 9-A. DISCUSSION AND/OR ACTION REGARDING ACQUISITION OF MULTIPLE UTILITY EASEMENTS BETWEEN S. MAIN STREET AND S. COMMERCE STREET.

There was no action taken.

ITEM 10. 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 9:44 p.m.

PASSED and APPROVED this the 21st day of April, 2026.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Julie Bowermon
City Secretary